

INFORMATION SEEKING BEHAVIOUR OF INDIVIDUAL EQUITY INVESTORS WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT

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Introduction

An investor has various alternative avenues of investment in which they can invest their savings. Investors find it difficult to choose an appropriate investment opportunity. Equity investment is considered to be one among the best investment avenue available in India. The stock market investment must be done cautiously else the investment led the investors to burn their fingers. An individual equity investor needs more information for making his investment. The investors may collect the investment related information from various sources like newspaper, internet, and so on.

In order to protect themselves from stock market uncertainties, investors should know their rights and the steps taken by the government through their regulatory bodies and what are the protection measure available through stock exchange. Investor, who has the first hand information, can make a big profit in stock market. In the recent years, cable TV and the Internet, newspapers, magazines, television, brokers and consultancies are some of the sources of information available to investors. Retail investors' participation in the share market is important for channelizing the savings of masses for the growth of the nation. Therefore, its' a significant to study about the equity investors and their information seeking behaviour. The equity shareholders are the prime owners of the company. They are the primary source of contributing capital to business. In this study, it has been identified that the individual investor's, information seeking behaviours towards equity investment.

1.2 STATEMENT OF THE PROBLEM

The states having more commitments to investment are more progressive. In India, few states have created a niche for economic development, the main reason being that they attracted large Investments. As investments have a 'multiplier' effect, they generate income and employment and create demand and consumption (Shafi,2014). Equity market plays a vital role in the economic development of a nation.

Capital Market is the primary source through which companies raise capital from the public. It is highly organized which offers issue and sale of securities. Indian share market is one of the oldest in Asia, but the participation of individual investors in the stock market is still not convincing. (Tarak, 2012). The individual investor plays a vital role in the stock market because of their excellent savings. The regulators of the stock market cannot ignore the behaviour of individual investors. Many individuals find investments to be fascinating because they can participate in the decision-making process and see the results of their choice. Not all investments will be profitable, as investors whims do not always result in fruitful returns. Recent studies on the behaviour of individual investors have shown that investors do not act rationally. In order to make better investment decisions in stock market investment, investors needs several types of information. Therefore its highly essential to know the information sources which is available to investors and identify the best source of informations. (Shafi, 2014).

Hence, this study becomes an important one to know the individual investor's information seeking behavior. This study raises the following research questions.

How is the information related to investments collected by the investors?

What is the mode used to collect information for making investment?

Which is a prominent mode of information?