

Motivating Factors and Credible Source of Information for Individual Investors in the Primary Market.

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ABSTRACT

Purpose:

This paper aims to investigate the factors influencing retail investors' decisions in selecting stocks, focusing particularly on the significance of information in their decision-making process within the Primary Market.

Design/Methodology/Data Analysis:

Employing a descriptive and analytical approach, this study utilizes purposive sampling to collect primary data from 461 retail investors in Mumbai and Hyderabad. The research methodology ensures targeted participant selection to obtain pertinent insights for analysis.

Findings:

The study reveals that the anticipation of high returns prominently drives investment decisions in both cities, followed closely by the aspiration to amass wealth for the future. Additionally, it identifies business news channels as the most relied-upon and trustworthy source of information for retail investors, aiding them in accessing crucial details about new market offerings.

Originality/Value:

This paper contributes to the existing knowledge on retail investment behavior by offering a clear and analytical perspective. It provides valuable insights for financial advisors, policymakers, and retail investors, emphasizing the critical role of information in the investment decision-making process within the Primary Market.

Practical Implications:

The findings underscore the importance of accessible and reliable sources of information to guide retail investors effectively. Recognizing the significance of information can enhance the decision-making capabilities of investors and contribute to informed investments in the Primary Market.

Key Words: Primary Market, Retail Investor, Initial Public Offering, Issue Price, Investment Decision and Motivating Factor.

INTRODUCTION

The Initial Public Offering (IPO) process marks a significant turning point for companies as they transition from private entities to publicly traded firms. This transformation not only alters the corporate landscape but also imposes new responsibilities and expectations on the company's management and stakeholders (Helwege, J., & Liang, N. 2004). The management of the firm may have development plans for the company, which may necessitate substantial investment (Gompers,

2022). In this context, the management's ability to meet market expectations and investors' interests becomes paramount.

The IPO journey is a complex and multifaceted endeavor that involves meticulous planning, regulatory compliance, and the navigation of financial markets (Thakur, 2024). The success of an IPO hinges not only on the company's fundamentals but also on its ability to garner investor confidence (Ryan, T., & Jacobs, C. 2005; Babich, V., & Sobel, M. J. 2004). Once a company goes public, it is

subject to heightened scrutiny, transparency requirements, and market volatility.

This study delves into the intriguing world of IPOs, shedding light on the intricate dynamics that govern the behavior of retail investors in the primary market. Retail investors invest in capital market through the way of IPOs in huge number and play a significant role in the capital market. Retail investors, often representing a significant portion of IPO subscriptions, play a pivotal role in shaping market sentiment during the IPO process (Greene et al., 2021). Understanding their motivations and the sources of information they rely on is crucial for both companies seeking to go public and market regulators.

While existing research has explored various aspects of IPOs, there is a need for a deeper understanding of the factors that motivate retail investors and the information channels that influence their investment decisions in the primary market. By delving into these aspects, this study aims to provide valuable insights that can inform companies, financial institutions, and regulators on how to better engage with and cater to the needs of retail investors during the IPO process.

In the following sections, we will present the research methodology, results, and discussions that illuminate the motivating factors and information sources that impact retail investors' decisions in the primary market. Additionally, we will discuss the implications of our findings and suggest avenues for future research in this domain. Through this exploration, we aim to contribute to the existing body of knowledge surrounding IPOs and offer practical insights for industry practitioners and policymakers alike.

THEORETICAL FRAMEWORK

The journey begins with the Reliance Industries Limited issuing shares to the public for the first time in India. As the decision of economic liberalization has taken place in 1991. India welcomes the foreign investment and new prospects has been created for companies in India (Baruah, 2022). This decade has witnessed the occurrence of several successful IPOs, including the flotation of Infosys IPO in 1993.

Infosys was the first Indian company to list on a US stock exchange. In early 2000 many companies have listed through IPO (Manikantha, 2021). Since then, the Indian primary market has continued to develop, with a concentration on improving transparency and investor protection. Less number of IPO has been floated during the COVID 19. First and second half of financial year 2021 was cold activity period in primary market but third and fourth half was hot activity period. The momentum continues in financial year 2022 also which has resulted into 47 public issues.

An IPO create new investment opportunities for the investors and it helps economy by creating and fueling growth within industries. It helps investors to provide the different options where they can invest their savings and can earn profit by associating with the company (Musthafa & KG). They help companies grow faster, which typically results in job creation. A 2012 study conducted by the Kauffman Foundation found that the over 2,700 companies that went public between 1996 and 2010 resulted in employment of 2.2 million people and accumulated total sales over \$1 trillion.

Motivating Factors

There are many factors which influence retail investors to apply for the subscription of IPO. Among the motivating factors retail investors decision to invest in primary market are influenced by issue price of the IPO, information availability, brokers advice, recommendation of the financial analysts, secondary market performance, disclosure by market participants and other factors (Manjunatha, T., & Gopi, K. 2013). Positive economic condition plays a vital role to motivate investors to invest in stock market as they perceive it will helpful for the positive returns from the investment (Laplane, A., & Mazzucato, M. 2020). Potential of returns from the investment is one of the major factors to motivate investors to invest in the primary market (Barber, Odean 2002; Statman 1987). Majority of retail investors are influenced by the “accounting information” of firms and “intermediaries’ recommendation” is least influencing factor for individual investors while showing investment intention (Dharmaja 2012).

Authors has concluded from their study that the risk tolerance is one of the factors which motivate investors to invest in the primary market (Grable, Lytton 1999). Investors who are ready to take risk and willing to accept volatility and uncertainty are more inclined towards investment in primary market. Knowledge about the stock market also play a significant role to motivate investors for taking investment decision (Biais and Weber 2009). Manjunatha and Gopi (2013) concluded from their study that analyst's recommendations, brokerage houses recommendations, issue price, promoter's reputation and IPOs grading also motivate retail investors to apply for the subscription of IPO. Five key factors that motivate individual investors to make investments decisions are "self-/firm image coincidence, neutral information, accounting information, personal financial needs, and advocate recommendations" (Al-Tamimi 2006). Retail investors who feel more competent involved in trading more frequently and invest in more diversified financial products (Graham, Harvey, and Huang 2009). There is lack of information about the equity market among the retail investors that is having negative impact on the success of the stock market (Pichler and Stomper 2009). Pokharel, P. R. (2021) has concluded from the study that expectation of high return from the investment and maintaining liquidity are the most motivating factors for retail investors to invest in the stock market. Lakshmi, R. S., & Ganapathi, R. (2015) documented from their study that wealth encashment, affordableness, risk and awareness are the most motivational factors for the investors to invest in the stock market. Behavioural factors such as overconfidence, herding and fear of missing out influence investors decision making (Barber and Odean 2001). Overconfidence and herding can lead to excessive trading and fear of missing out can influence investors to invest in the market during rise of the market. Kafayat (2014) has concluded that behavioural bias like overconfidence, over-optimism and self attribution are negatively influencing the decision making of investors. Kengatharan and Kengatharan (2014) has reported from their study that herding, prospect, heuristics (overconfidence and availability bias), and different

market factors all have an influence on retail investors decision making at the "Colombo Stock Exchange". Bahavioural factors have a moderate influence on retail investors decision making while the "market factor" having significant and highest positive impact on decision making. Only herding, prospect, and overconfidence have an impact on the performance of the investment (Nareswari et al 2021; Silwal et al 2021). Meier and Sprenger (2010) has concluded from the study that social network of the investors play a strong motivating factor for making investment decision. Hence, following hypothesis was developed based on the above literature:

H₀: There is no significant co-relation between cities of residence and motivating factors of making the investment decision.

Reliable source of Information:

Investors collects information from the various sources before applying for the subscription of IPO. Most influential source of information for the investor is broker advise rather than the sole decision (Pokharel, P. R. 2021). Singh, A. K & et al (2023) has studied the trust factors in the context of online shopping Mohamad et al (1994) revealed the positive impact of accurate forecast about IPOs performance on investors. Boye (2005) suggested the influence of cultural factors on the investment decision of the investor. Author also concluded from the study that information obtained from the friends have significant influence on the investment decision of the individual investor. Siregar, I. F., & Munika, R. (2024) has suggested from the study that efforts are necessary to increase understanding and education about sustainable finance. Thaler (1999) suggested trading data of the individual investors should be available for the researcher. Barber & Odean (2002) confirms attention-driven buying behaviour of individual investors, individual investors try to invest in the stocks which are in news, trading volume of the stocks are very high and if one day return of the stocks are high. De Bondt (1998) expressed many individual investors trade shares on instinct or on arbitrary tips from associates, without any prior planning. As a result, investors are interested to buy shares during upward

markets trend and to sell shares during downward markets. Indian markets are directed and controlled by few big players who have information unavailable to others and market activity is concentrated around some specific securities and psychological factors are also influenced the market (Iyer & Bhaskar, 2002). According to Khurshed, Pande, & Singh (2010) retail investors like to imitate institutional investors during the final days of the book building period and take decision of investment in primary market.

Rock (1986) emphasised on winner curse in the IPO market when he classified investors into informed and uninformed investors depending on the quality of information available. It is stated that the investments in IPOs are very safe, risk-free and make good returns in India by (Kumar & Vikkraman, 2008). Shaikh & Kalkundarikar (2011) Concluded that small investors put a small investment with rational expectation, while, informed investors with good familiarity use their awareness to interpret the market development and trade to achieve optimum returns. Investors grant importance to their research compared with advise from brokers and regard market price as a stronger predictor than analyst recommendations (Swarup, 2003). Most reliable source of information for the investors are financial reports and quarterly earning reports of the company and this report provides credible and transparent information about the company (Roszkowska, P. 2021; Roychowdhury et al 2019). Investors rely on the information provided by the independent research firm financial analysts before taking investment decision (Nareswari et al 2021). Reliable news channels are critical for correct and timely information. Sasseville, and Williams (2012), have reported that investors follow news outlets to get information about the performance of the market. Chordia et al (2001) pointed out that online sources have become ever more important for investors, while gathering information related to stock market, high number of investors are relying on the online sources for collection of data and information. Based on the literature, following hypothesis has been derived:

H₀: There is no significant co-relation between cities of residence and a reliable source of information for the retail investors

Research Gap

The existing body of literature has extensively explored the challenges faced by retail investors in the primary market on a global scale (Barber & Odean 2008; Bhattacharya et al. 2012; Langevoort 2009). Similarly, the Indian context has been examined with a focus on retail investors' issues during primary market investments (Bhoopal & Prabakaran 2015; Joshi & Chawla 2014; Singh & Sastry 2014).

However, there is a noticeable research gap in understanding the specific factors that motivate retail investors to make investment decisions in the primary market. The Information Asymmetry Theory, which suggests that there is an imbalance in the information available to different parties in a transaction (Huddart & Ke 2007; Bharath et al 2009), is particularly relevant in this context. Retail investors are often at a disadvantage due to their limited access to information, which can influence their investment decisions (Myers & Majluf 1984).

To address this gap, the paper delves into identifying and analyzing the motivation factors that drive retail investors to participate in the primary market, despite the challenges posed by information asymmetry. This necessitates a comprehensive analysis of the factors that motivate retail investors to actively seek information. Understanding the impact of individuals' investment goals on their information-seeking behavior is crucial (Ikoja-Odongo & Mostert 2006; Park et al 2014). The prospect of achieving substantial financial gains is a pivotal determinant that influences individuals' perception of the prospective advantages and hazards associated with investing in the primary market (Seetha & Nithya 2016).

Investors also endeavor to safeguard their invested capital, prompting them to meticulously assess the credibility and reliability of the information sources they rely upon (Khan et al 2017). The pursuit of long-term wealth accumulation for future necessities is a contributing factor in their quest for reliable

information, as they strive to make informed choices that will safeguard their financial well-being.

Moreover, investors seek to safeguard their capital against the detrimental impact of inflation, a phenomenon that erodes the purchasing power of currency as time progresses (Galbis 1977; Gibson & Tsakalotos 1994). Individuals place importance on information sources that provide them with a comprehensive understanding of the role of investing in the primary market as a means of mitigating the adverse effects of inflation (Galbis 1977).

Finally, the importance of liquidity, which refers to the capacity to efficiently convert investments into cash without incurring significant losses in value (Amihud & Mendelson 2008), is a fundamental factor that investors must take into account. The aforementioned requirement shapes individuals' perspectives regarding investment in the primary market and plays a crucial role in determining their preferred sources of information.

The research provides a more comprehensive understanding of the underlying factors that drive the motivation of retail investors in the primary market. This phenomenon has the potential to facilitate the creation of tools and strategies that more effectively bolster their investment decision-making processes.

Additionally, there is a need to identify credible sources of information that retail investors can rely on before making investment decisions in the primary market (Chater et al 2010). This is crucial for mitigating the effects of information asymmetry and ensuring that retail investors are making well-informed decisions (Chater et al 2010; Goel et al 2021). Research in this area could focus on evaluating the reliability and accuracy of different information sources, understanding how retail investors assess the credibility of these sources, and identifying ways to enhance the accessibility of trustworthy information.

By addressing these aspects, the paper contributes to a more comprehensive understanding of retail investors' behavior in the primary market,

ultimately aiding in the development of strategies and tools to support their investment decisions.

METHODOLOGY

Objective of the Study

1. To identify the motivating factors for retail investors while making investment decision in the primary market
2. To identify the reliable source of information for retail investors while deciding on an investment in primary market.

Research Design

The major purpose of this research is to identify the factors which motivate retail investors decision of investment in primary market.

The necessary primary data for the study was collected by survey method. A structured questionnaire was designed to collect the responses from the target retail investors.

The secondary information was gathered from the diverse sources accessible like websites mostly SEBI, BSE, chittorgarh.com, moneycontrol.com and, journals etc.

Sampling Technique:

For the purpose of collecting primary data for this study, the purposive sampling method, a type of non-probability sampling technique, was employed to select the respondents. This approach was chosen as it allows for the intentional selection of participants who are deemed most suitable for providing the necessary information and insights required for the study.

Sample Size:

The study encompasses a total of 461 retail investors from the cities of Mumbai and Hyderabad, all of whom actively invest in Initial Public Offerings (IPOs). This sample is inclusive of individuals from a wide array of backgrounds, ensuring diversity, and it also covers a broad spectrum of educational qualifications, providing a comprehensive representation of the population under investigation.

Data Collection

Primary Information: - The research is principally founded on the Primary data gathered from the retail investors of cities Mumbai and Hyderabad investing in stocks and shares and earlier experienced in Primary Market investment (IPOs).

Scope of the Study

The fieldwork is conducted during the March-May 2023 at Mumbai and Hyderabad. Hence the scope of study is limited to Mumbai and Hyderabad for the year 2023.

Instrument

The questionnaire has been used for the collection of Primary data. Questions used in this research are

Scaling questions – Likert Scale, Open-ended questions and multiple choice single questions.

Personal Survey Method – In-home Personal Survey Method has been used to contact the respondents for collection of data through Questionnaire.

Descriptive Analysis:

Descriptive analysis has been applied to know the Frequencies and percentile of respondent's demographics. Crosstab and Chi-Square are used to know the relationship between cities of residence and motivating factors of making an investment decision, preference of industry while making an investment decision and reliable source of information for retail investors. Cronbach's Alpha for the study is .626.

RESULTS AND DISCUSSIONS

Table-I: Demographic Profile of the Respondents

Variable	Investors Grouping	Frequency	Per cent	Cumulative Percent
City	Mumbai	236	51.2	51.2
	Hyderabad	225	48.8	100
Gender	Male	316	68.5	68.5
	Female	145	31.5	100
Age	Below 30 Years	214	46.4	46.4
	31-40 Years	169	36.7	83.1
	41-50 Years	66	14.3	97.4
	More than 50 Years	12	2.6	100
Occupation	Government. Employee	123	26.7	26.7
	Non-Government. Employee	08	1.7	28.4
	Businessman	65	14.1	42.5
	Professional Practices	259	56.2	98.7
	Retired Person	05	1.1	99.8
	Others	01	0.2	100
Qualification	No Formal Education	0	0	
	Intermediate	54	11.7	11.7
	Graduate	230	49.9	61.6
	Post-Graduate & Above	177	38.4	100
Monthly Income	Up to 20,000	100	21.7	21.7
	20,000-40,000	126	27.3	49
	40,000-60,000	123	26.7	75.7
	Above 60,000	112	24.3	100

Source- Primary data collected by standard questionnaire.

According to the table-II, respondents belong from Mumbai is 51.2% and from Hyderabad 48.8%. it is clear that most of the Retail investors belong to the below 30 years of age and group of 31- 40 years. It depicts that most of the younger generation are willing to invest in the primary market. Results from

occupation reveal that 56.2% of the respondents are Professionals followed by 26.7% of government employees. Results also suggested among the all respondents 14.1% belongs the businessman group. The results from the demographics also reveals that 49.9% of the respondents are graduates followed by

the respondents having a postgraduate and above qualification (38.4 %). The above table also illustrates that 48% of the respondents fall under the

category of the income level of Rs 40,000 - 60,000 per month and 27.3% of the respondents are in the income range of 20,000 to 40,000 per month.

Table-II: Motivating Factors for Retail Investors while making an investment decision in Primary Market

Reason's		Mean	Standard Deviation
To achieve my investment goals	Mumbai	3.5636	.96766
	Hyderabad	3.6267	.97888
In expectation of high returns	Mumbai	4.3136	.68664
	Hyderabad	4.3556	.82255
To ensure the safety of capital	Mumbai	3.2076	1.52821
	Hyderabad	3.5200	1.21405
To accumulate wealth for future	Mumbai	3.8305	1.07430
	Hyderabad	3.9200	.63583
To hedge against inflation	Mumbai	2.8263	1.37125
	Hyderabad	3.0578	1.19195
To maintain liquidity	Mumbai	2.9280	1.17015
	Hyderabad	3.0756	.96296

Source- Primary data collected by standard questionnaire.

The result from table III suggested that most influencing factors for the respondents while making an investment decision in the Primary market is the expectation of high returns in both the cities and the result is accordance with the research performed by (Barber, Odean 2002; Statman 1987). Second highest motivating factor for the

investors of both the cities are to accumulate wealth for the future. Investors from both the cities get motivated to invest in primary market to achieve their investment goals followed by safety of capital. The least influencing factor for the investors of both the cities while investing in primary market are to hedge against inflation.

Table-III Reliable Source of Information for Retail Investors while making an Investment decision in Primary Market

Reason	Cities	Mean	Standard Deviation
Business News Channel	Mumbai	3.8347	1.15327
	Hyderabad	3.7600	1.05017
Financial Adviser/Brokers	Mumbai	3.1610	1.39281
	Hyderabad	3.2089	1.32823
Online Apps for Investment Tips	Mumbai	2.8051	1.18687
	Hyderabad	2.9689	1.12357
Financial Forums in Social Networking Sites	Mumbai	2.9576	1.19142
	Hyderabad	2.9511	1.07001
Friends	Mumbai	3.4110	1.14322
	Hyderabad	3.5244	1.04820

News Papers and Magazines	Mumbai	3.4831	1.36043
	Hyderabad	3.5511	1.26361
Company Investors	Mumbai	2.9492	1.41028
	Hyderabad	3.1733	1.45197
Investment Awareness Programs	Mumbai	2.6356	1.46543
	Hyderabad	2.933	1.54110

Source- Primary data collected by standard questionnaire.

The result from table IV suggested that business news channel is the most reliable source of information for the respondents while making an investment decision in Primary market in both the cities Mumbai and Hyderabad and the result is accordance with the study performed by (**Barber & Odean 2002**). Investors of both the cities believe on newspapers and magazines while gathering information related to new listing which is

supporting the result of **Chordia, Subrahmanyam, and Anshuman (2001)**. Investors also prefer advise from friends as a reliable source of information accordance with the result of **Boye (2005)**. Investors also prefer recommendation of financial advisers while collecting information related to primary market. According to the investors of both the cities least reliable source of information for them are investment awareness program.

HYPOTHESIS TESTING

Table-IV H0: There is no significant co-relation between cities of residence and motivating factors of making an investment decision.

	Chi-square value	df	Asymp. Sig. (2-sided)	Phi	Appx.sig.	Result
To achieve my investment goal	2.653a	4	.617	.076	.617	Not Significant
In Expectation of high return	18.649a	4	.001	.197	.001	Significant
To ensure the safety of capital	60.040a	4	.000	.339	.000	Significant
To accumulate the wealth of future	27.919a	4	.000	.239	.000	Significant
To hedge against inflation	23.159a	4	.000	.219	.000	Significant
To match liquidity	25.604	4	.000	.229	.000	Significant

Source- Primary data collected by standard questionnaire.

Los-1%

Result: A Chi-square test was performed to examine the relation between the city of residence (Hyderabad & Mumbai) and motivating factors of

making an investment decision for the retail investors. It was found that in most of the cases there is no significant correlation between variable except 'To achieve investment goals.

Table-V

H₀: There is no significant co-relation between cities of residence and a reliable source of information for the retail investors

	Chi-square value	df	Asymp. Sig. (2-sided)	Phi	Appx.sig.	Result
Business news channel	8.374 ^a	4	.079	.134	.079	Not Significant
Financial adviser/ Broker	2.029 ^a	4	.730	.066	.730	Not Significant
Online apps for investment tips	6.049 ^a	4	.196	.114	.196	Not Significant
Financial forum in social networking sites	11.437 ^a	4	.022	.156	.022	Significant
Friends	9.700 ^a	4	.046	.144	.046	Significant
News paper and magazines	8.548 ^a	4	.073	.135	.073	Not Significant
Company investors	5.473 ^a	4	.242	.108	.242	Not Significant
Investment awareness programmes	5.079 ^a	4	.279	.104	.279	Not Significant

Source- Primary data collected by standard questionnaire.

Los-1%

Result: A Chi-square test was performed to examine the relation between the city of residence (Hyderabad & Mumbai) and a reliable source of information for the retail investors. It was found that a reliable source of information differed and the city played an important role for most variables except financial forum in social networking sites and Friends.

MANAGERIAL AND PRACTICAL IMPLICATION

Based on the insights derived from this analysis, there are several managerial and practical implications that can be drawn, particularly for those in the financial industry and for retail investors themselves.

Firstly, for financial advisors and investment firms, understanding that retail investors are primarily driven by the expectation of high returns and the desire to accumulate wealth for the future is crucial. This knowledge can guide how these professionals communicate with and advise their clients. They should focus on providing clear and concise information that highlights the potential returns of investments in the primary market, while also outlining the associated risks. This balanced approach can help in building trust and ensuring that retail investors are making well-informed decisions. Secondly, the importance of reliable information sources cannot be overstated. With business news

channels, newspapers, and magazines being identified as the most trusted sources of information for retail investors in both Mumbai and Hyderabad, financial advisors and investment firms should consider leveraging these channels to disseminate information. This could involve partnerships with media outlets or contributing expert opinions and analyses to these platforms, ensuring that retail investors have access to accurate and up-to-date information.

Thirdly, the findings of this study highlight the need for financial education and literacy programs. Given the complexity of the primary market and the range of factors that influence investment decisions, there is a clear need for initiatives that aim to enhance retail investors' understanding of the market. This could involve workshops, seminars, or online resources that cover the basics of investing in the primary market, the importance of diversification, and strategies for risk management.

Fourthly, for policymakers and regulatory bodies, these findings underscore the importance of ensuring transparency and accountability in the primary market. Efforts should be made to regulate information disclosure and ensure that retail investors have access to all the information they need to make informed decisions. This could involve stricter guidelines for companies listed on the stock exchange and enhanced monitoring of

information dissemination channels to prevent misinformation.

Hence, the analysis provides valuable insights into the factors that influence retail investors' decisions in the primary market, with practical implications for financial advisors, investment firms, policymakers, and retail investors themselves. By understanding these factors and taking steps to ensure access to reliable information and financial education, stakeholders can work together to create a more supportive and transparent investment environment. This, in turn, can empower retail investors to make informed decisions, ultimately contributing to their financial well-being and the stability of the broader financial market.

FUTURE RESEARCH SCOPE

There are several avenues for future research that can further enrich our understanding of retail investors' behavior and decision-making processes. This study focused on Mumbai and Hyderabad; future research could extend this analysis to other regions to capture a broader spectrum of investor behavior and information preferences. Examining how online platforms and social media influence retail investors' decisions could provide valuable insights. Delving deeper into the psychological and behavioral aspects of investment, understanding how emotions, biases, and heuristics play a role in retail investors' decisions could be another potential area of exploration. Effectiveness of Financial Literacy Programs: Evaluating the effectiveness of existing financial literacy and education programs in enhancing retail investors' knowledge and decision-making capabilities could help in designing more impactful initiatives.

LIMITATIONS

While this analysis has provided valuable insights, it is important to acknowledge its limitations.

1. Geographical Limitation: The study is limited to retail investors in Mumbai and Hyderabad, which may not fully represent the diversity of retail investors across different regions.
2. Limited Scope of Influencing Factors: The study focused on specific factors influencing investment

decisions. There might be other variables at play that were not covered in this analysis.

3. Potential Changes Over Time: The factors influencing retail investors' decisions and their preferred information sources could change over time, and this study provides a snapshot based on the current context.

CONCLUSION

It is evident that navigating the primary market is a complex endeavor for retail investors, requiring a nuanced understanding of their motivations and information-seeking behaviors. The central aim of this paper was to uncover the factors that significantly influence retail investors when making investment decisions in the primary market.

From the analysis, it has become apparent that there are numerous factors at play, influencing retail investors' decisions. Among these, the expectation of high returns stands out as a predominant factor in both cities under study, Mumbai and Hyderabad. This is closely followed by the desire to accumulate wealth for future needs, highlighting the forward-looking nature of retail investors' strategies.

Ensuring the safety of their investments, protecting their capital from inflation, and maintaining liquidity are also identified as crucial considerations for retail investors. These factors collectively shape their risk-reward perceptions and influence the level of trust they place in various information sources.

Interestingly, the results of this study suggest that business news channels emerge as the most reliable source of information for retail investors in both Mumbai and Hyderabad, guiding their investment decisions in the primary market. Newspapers and magazines also play a significant role, serving as important channels of information for these investors.

In conclusion, this paper sheds light on the intricate web of factors that influence retail investors' decisions in the primary market. The expectation of high returns and the desire to build wealth for the future stand out as particularly influential, driving investors to seek information actively and make informed decisions. The prominence of business news channels, newspapers, and magazines as trusted information sources further underscores the

need for accessible and reliable information in guiding investment decisions.

Future research should continue to delve into these aspects, striving to provide a clearer and more comprehensive understanding of retail investors' behavior and needs. This endeavor is crucial for fostering a supportive investment environment, empowering retail investors to navigate the primary market with confidence and making informed decisions that align with their financial goals.

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