

A MICRO-LEVEL STUDY ON STOCK MARKET AWARENESS AND INVESTMENT BEHAVIOUR OF YOUTH IN DINDIGUL DISTRICT

Dr. A. Rajesh*

Guest faculty, Department of Rural Industries and Management
The Gandhigram Rural Institute- Deemed to be University, Gandhigram, Tamilnadu

Dr. S. Sumathy*

Guest faculty, Department of Rural Industries and Management
The Gandhigram Rural Institute- Deemed to be University, Gandhigram, Tamilnadu

P V Suvetha*

II-year MBA student, Department of Rural Industries and Management
The Gandhigram Rural Institute- Deemed to be University, Gandhigram, Tamilnadu

*Corresponding authors | Received: 04/04/2026 | Accepted: 21/04/2026 | Published: 13/05/2026

Abstract

This study investigates the stock market awareness and investment behaviour of youth in Dindigul District, Tamil Nadu, India. Using a structured questionnaire-based survey, primary data was collected from 121 respondents aged 18 to 35 years. The research examines multiple dimensions including awareness levels, information sources, Demat account ownership, investment motivations, risk tolerance, portfolio preferences, broker satisfaction, and investment outcomes. The findings reveal that while a majority of respondents possess moderate awareness about the stock market, actual investment activity remains limited, with a significant proportion having invested for less than one month. Social media and peer networks are the dominant sources of financial information. Most respondents exhibit moderate to low risk tolerance and prefer long-term wealth creation as their primary investment motive. The study highlights critical gaps in formal financial education and provides actionable recommendations for improving financial literacy among youth in semi-urban districts.

Keywords: Stock Market, Investment Behaviour, Youth, Dindigul, Financial Literacy, Demat Account, Risk Tolerance

Introduction

The Indian stock market has experienced remarkable growth over the past decade, driven by technological advancements, digital infrastructure, and expanding retail participation. Platforms such as Groww, Angel One, Zerodha, and Upstox have significantly lowered entry barriers, enabling a new generation of young investors to access equity markets with minimal friction. Yet, despite growing enthusiasm, the financial literacy and actual investment behaviour of youth — particularly those in semi-urban and tier-2 districts — remain insufficiently studied. Dindigul District, located in the southern part of Tamil Nadu, represents a typical semi-urban setting where youth are increasingly exposed to digital finance tools but may lack formal guidance. Understanding the stock market awareness and investment patterns of youth in such geographies is critical for designing effective financial

education curricula, policy interventions, and outreach programs.

This research paper is motivated by the need to empirically assess: (1) the level of awareness about stock market concepts among youth in Dindigul District, (2) their actual investment behaviour including frequency, risk appetite, and portfolio composition, and (3) their satisfaction with brokerage services and overall investment expectations.

Research Objectives

- To assess the level of stock market awareness among youth in Dindigul District.
- To examine the primary sources of stock market knowledge among youth.
- To analyse investment behaviour patterns including Demat account ownership, investment duration, and portfolio allocation.
- To evaluate the motivations, risk tolerance, and investment expectations of young investors.
- To assess satisfaction levels with brokerage services among the surveyed youth.
- To provide data-driven recommendations for enhancing financial literacy in Dindigul District.

Significance of the Study

Micro-level studies focusing on district-level financial behaviour are rare in Indian financial literature. Most existing research concentrates on metropolitan centres, leaving a significant knowledge gap regarding semi-urban youth. This study addresses that gap and contributes to the broader discourse on inclusive financial participation.

Review of Literature

Financial literacy and its relationship with investment behaviour has been a growing area of academic inquiry, especially in the context of emerging economies. Lusardi and Mitchell (2014) established that financial literacy positively influences savings, investment planning, and wealth accumulation. Their cross-country analysis demonstrated that individuals with higher financial literacy are more likely to engage in stock market participation and plan for retirement.

In the Indian context, Rooij, Lusardi, and Alessie (2011) found that financial illiteracy is widespread, with stock market participation closely linked to financial knowledge levels. Studies by Geetha and Ramesh (2012) on Indian investors highlighted that demographic variables such as gender, age, and educational level significantly influence investment decisions and risk appetite.

Research specifically focused on youth investment behaviour in India (Chaturvedi and Khare, 2012) found that youth tend to prefer high-return instruments despite limited knowledge, and that peer influence plays a disproportionately large role in shaping investment decisions. Social media has emerged as a dominant, albeit unregulated, source of financial guidance for younger demographics (Lim, 2018).

Regional studies on Tamil Nadu have noted that while financial awareness is improving, actionable knowledge — the ability to translate awareness into informed investment decisions — lags behind significantly (Palanivelu and Chandrakumar, 2013). Investment in tier-2 cities is often driven by informal channels rather than structured education, exposing youth to elevated financial risk.

Sultana and Pardhasaradhi (2012) examined the influence of demographic and socioeconomic variables on investment behaviour and concluded that risk perception and investment horizon are two of the most important behavioural determinants. The present study builds on this foundation by focusing specifically on a micro-geographic context — Dindigul District — and capturing granular data on broker experiences, portfolio composition, and outcome satisfaction.

Research Methodology

Research Design

This study employs a descriptive research design with quantitative data analysis. Primary data was collected through a structured questionnaire administered to youth respondents in Dindigul District during February 2026. The questionnaire comprised 30 items covering demographic information, awareness levels, investment behaviour, motivations, portfolio preferences, broker satisfaction, and investment outcomes.

Sample Design

A convenience sampling method was adopted. A total of 121 valid responses were collected. The target population comprised youth aged 18 to 35 years residing or studying in Dindigul District, Tamil Nadu. The questionnaire was administered via Google Forms to ensure wide reach and data integrity.

Data Collection Instrument

The structured questionnaire included Likert-scale items (5-point: Strongly Agree to Strongly Disagree), multiple-choice questions, and ordinal scale items. Questions were designed to capture both awareness (cognitive dimension) and behaviour (action dimension) of stock market participation.

Analytical Tools

Data was analysed using descriptive statistics including frequency distribution and percentage analysis. Responses were tabulated and interpreted to draw meaningful inferences about the investment awareness and behaviour of youth in Dindigul District.

Data Analysis and Interpretation

Demographic Profile of Respondents

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	69	57.0%
	Female	52	43.0%
Age Group	18–20 years	27	22.3%
	21–23 years	73	60.3%
	24–26 years	18	14.9%
	27–29 years	1	0.8%
	30–35 years	2	1.7%

(Table 1: Demographic Profile of Respondents (N=121))

The sample is predominantly male (57.0%) and concentrated in the 21–23 year age bracket (60.3%), reflecting the core university-going youth population of the district. Female participation at 43% is noteworthy, suggesting increasing financial interest among young women.

Stock Market Awareness

Awareness Dimension	Category	Frequency	Percentage (%)
Basic Stock Market Functioning	High	12	9.9%
	Moderate	81	66.9%
	Low	19	15.7%
	Very Low	9	7.4%
Sensex & Nifty Concepts	Very High	7	5.8%
	High	11	9.1%
	Moderate	78	64.5%
	Low	15	12.4%
	Very Low	9	7.4%
Risk Awareness	Highly Aware	4	3.3%

Awareness Dimension	Category	Frequency	Percentage (%)
	Well Aware	22	18.2%
	Moderately Aware	52	43.0%
	Slightly Aware	30	24.8%
	Not Aware	13	10.7%

Table 2: Stock Market Awareness Levels (N=121)

A dominant finding is that moderate awareness characterises the youth of Dindigul District. With respect to basic stock market functioning, 66.9% of respondents report moderate awareness, while only 9.9% claim high awareness. Awareness of Sensex and Nifty concepts follows a similar pattern (64.5% moderate). Risk awareness is particularly concerning — only 21.5% are well aware or highly aware of investment risks, while 35.5% are slightly aware or not aware at all. This represents a significant vulnerability for young investors.

Sources of Stock Market Knowledge

Source of Learning	Frequency	Percentage (%)
Social Media	42	34.7%
Friends/Family	41	33.9%
Educational Institutions	18	14.9%
News Channels	14	11.6%
Online Courses/Webinars	6	5.0%

Table 3: Primary Sources of Stock Market Learning (N=121)

Social media (34.7%) and friends/family (33.9%) together account for 68.6% of primary learning sources. Formal educational institutions contribute only 14.9%, while online courses and webinars — arguably the most structured form of learning — represent a mere 5.0% of responses. This informal learning ecosystem raises concerns about the accuracy and reliability of financial information that youth in Dindigul are acting upon.

When asked about the frequency of following stock market news, only 14.1% follow news daily; 30.6% follow news weekly; 30.6% occasionally; and 21.5% rarely or never. This suggests a largely passive engagement with financial information.

Opinion on Stock Market Awareness in Dindigul District

Opinion Category	Frequency	Percentage (%)
High Awareness	5	4.1%
Moderate Awareness	52	43.0%
Low Awareness	46	38.0%
Very Low Awareness	18	14.9%

Table 4: Respondents' Opinion on District-Level Awareness (N=121)

A striking finding is that respondents themselves rate overall stock market awareness in Dindigul District poorly — 52.9% rate it as low or very low. Only 4.1% believe awareness levels are high. This self-assessed opinion corroborates the objective measures of awareness and reinforces the need for structured financial literacy intervention.

Investment Behaviour: Demat Account Ownership and Duration

Investment Variable	Category	Frequency	Percentage (%)
Demat Account Ownership	Yes	77	63.6%
	No	43	35.5%
Broker Platform	Angel One	36	46.8%
	Groww	31	40.3%
	Upstox	19	24.7%
	ICICI Direct	10	13.0%
	Zerodha	10	13.0%
Investment Duration	Less than 1 month	51	42.1%
	1–3 months	21	17.4%
	3–6 months	8	6.6%
	More than 6 months	33	27.3%
Consistent Investors	Yes	41	33.9%
	No	50	41.3%
	Not sure	27	22.3%

Table 5: Demat Account and Investment Duration (N=121)

A majority (63.6%) of respondents own a Demat account, indicating reasonable market penetration among youth. Angel One (46.8% of account holders) and Groww (40.3%) are the

most preferred platforms, reflecting the popularity of app-based discount brokerages. However, investment depth is shallow: 42.1% have been investing for less than one month, and only 27.3% have a track record exceeding six months. Only 33.9% consider themselves consistent investors, while 41.3% acknowledge they are not, and 22.3% are uncertain — revealing a large segment of episodic or one-time investors.

Investment Motivations and Risk Tolerance

Variable	Category	Frequency	Percentage (%)
Investment Perception	Long-term Wealth Creation	50	41.3%
	High Risk	33	27.3%
	Uncertainty	17	14.0%
	Lack of Knowledge	11	9.1%
	High Returns	7	5.8%
Risk-Opportunity View	More Opportunities, More Risk	62	51.2%
	More Opportunities, Less Risk	28	23.1%
	Less Opportunities, More Risk	22	18.2%
	Less Opportunities, Less Risk	7	5.8%
Investment Motivation	Long-term Wealth Creation	51	42.1%
	Short-term Profit	27	22.3%
	High Returns	24	19.8%
	Financial Security	11	9.1%
	Peer Influence	6	5.0%
Risk Tolerance	Very High	5	4.1%
	High	8	6.6%
	Moderate	56	46.3%
	Low	34	28.1%
	Very Low	17	14.0%

Table 6: Investment Motivation and Risk Tolerance (N=121)

Long-term wealth creation dominates both the perception (41.3%) and motivation (42.1%) dimensions, suggesting that youth in Dindigul conceptually align with prudent investment

philosophy. Notably, 27.3% associate the stock market primarily with high risk, and 14% perceive uncertainty as its defining feature — reflecting the risk aversion that inhibits market participation. The majority (51.2%) view the market as offering more opportunities at the cost of more risk — an accurate perception of equity market dynamics. Risk tolerance is predominantly moderate (46.3%), with a significant proportion low or very low (42.1% combined). Only 10.7% report high or very high risk tolerance. This conservative risk profile is important for understanding portfolio choices and investment outcomes.

Monthly Investment Allocation

Monthly Investment (% of Income)	Frequency	Percentage (%)
Do not invest monthly	44	36.4%
Less than 10%	30	24.8%
10%–20%	23	19.0%
21%–30%	14	11.6%
Above 30%	8	6.6%

Table 7: Monthly Investment Allocation (N=121)

A substantial 36.4% of respondents do not invest on a monthly basis, highlighting the irregularity of investment patterns. Among those who invest, 24.8% allocate less than 10% of their monthly income — a conservative but appropriate starting point. Only 18.2% invest more than 20% monthly, suggesting limited financial capacity or confidence.

Portfolio Preferences and Trading Behaviour

Portfolio/Trading Variable	Category (Agree/Strongly Agree)	Frequency	Percentage (%)
Preference for Long-term Trading	Agree/Strongly Agree	45	37.2%
	Neutral	60	49.6%
	Disagree/Strongly Disagree	14	11.6%
Preference for Intraday Trading	Agree/Strongly Agree	38	31.4%
	Neutral	57	47.1%
	Disagree/Strongly Disagree	25	20.7%
Concentration in Large-Cap	Agree/Strongly Agree	36	29.8%

Portfolio/Trading Variable	Category (Agree/Strongly Agree)	Frequency	Percentage (%)
Stocks	Neutral	66	54.5%
	Disagree/Strongly Disagree	15	12.4%
Concentration in Small-Cap Stocks	Agree/Strongly Agree	35	28.9%
	Neutral	65	53.7%
	Disagree/Strongly Disagree	17	14.0%
Preference for Mutual Funds	Agree/Strongly Agree	46	38.0%
	Neutral	56	46.3%
	Disagree/Strongly Disagree	16	13.2%

Table 8: Portfolio and Trading Preferences (N=121)

A pervasive characteristic of responses across portfolio and trading preference questions is the high 'Neutral' category — consistently ranging from 47% to 55%. This reflects either indecision or lack of a well-defined investment strategy. Among those with clear preferences, mutual funds attract the highest agreement (38.0%), suggesting a preference for managed instruments that require less active decision-making. Long-term trading (37.2%) is preferred over intraday trading (31.4%), consistent with the earlier finding that long-term wealth creation is the dominant motivation.

Investment Monitoring

Monitoring Frequency	Frequency	Percentage (%)
Daily	22	18.2%
Weekly	31	25.6%
Monthly	26	21.5%
Rarely	29	24.0%
Only during Market Fluctuations	9	7.4%

Table 9: Investment Monitoring Frequency (N=121)

Investment monitoring behaviour is fragmented. While 18.2% monitor daily, a substantial 31.4% monitor rarely or only during market fluctuations — a reactive rather than proactive approach. Weekly (25.6%) and monthly (21.5%) monitoring represents more structured

engagement. This distribution further underscores the passive investment posture of many youth in the sample.

Broker Satisfaction and Customer Service

Satisfaction Variable	Category	Frequency	Percentage (%)
Overall Broker Satisfaction	Very Satisfied	5	4.1%
	Satisfied	41	33.9%
	Neutral	63	52.1%
Customer Service Quality	Dissatisfied	6	5.0%
	To a great extent	10	8.3%
	To some extent	43	35.5%
	Neutral	49	40.5%
	To a small extent	10	8.3%
	Not at all	6	5.0%
Customer Care Standards	Agree/Strongly Agree	52	43.0%
	Neutral	57	47.1%
	Disagree/Strongly Disagree	9	7.4%

Table 10: Broker Satisfaction Levels (N=121)

Broker satisfaction is predominantly neutral (52.1%), with 33.9% satisfied and only 4.1% very satisfied. Customer service ratings are similarly lukewarm — 40.5% neutral regarding service quality. However, a notable 43.0% agree that customer care standards meet their expectations, suggesting basic service adequacy. The low proportion of dissatisfied respondents (5.0%) may reflect limited expectations rather than genuine satisfaction.

Investment Outcomes and Future Recommendations

Outcome Variable	Category	Frequency	Percentage (%)
Investment Expectation Fulfilment	Exceeded expectations	5	4.1%
	Met expectations	30	24.8%
	Neutral	62	51.2%
	Fell short of expectations	21	17.4%
	Highly disappointing	1	0.8%
Liquidity/FD Rate Probability	Very Probable	6	5.0%

Outcome Variable	Category	Frequency	Percentage (%)
	Probable	44	36.4%
	Neutral	54	44.6%
	Improbable	12	9.9%
	Very Improbable	3	2.5%
Should Friends/Relatives Invest?	To a great extent	13	10.7%
	To some extent	35	28.9%
	Neutral	50	41.3%
	To a small extent	14	11.6%
	Not at all	7	5.8%

Table 11: Investment Outcomes and Future Intent (N=121)

Investment outcomes are largely neutral (51.2%), with 24.8% reporting expectations were met and 17.4% experiencing shortfalls. Only 4.1% report outcomes exceeding expectations — a finding consistent with the shallow investment experience of most respondents. Regarding liquidity and returns versus fixed deposits, 41.4% consider it probable or very probable that the stock market offers superior outcomes, while 44.6% remain neutral. On the question of recommending stock market investment to friends and relatives, 39.6% recommend it (to some or great extent), while 17.4% advise against it. The 41.3% neutral response reflects lingering uncertainty and tempered enthusiasm — appropriate given the mixed investment experiences reported.

Key Findings

- Stock market awareness among youth in Dindigul District is predominantly moderate (66.9%), with high awareness accounting for only 9.9%. This indicates significant room for educational intervention.
- Social media (34.7%) and friends/family (33.9%) are the dominant knowledge sources, while formal educational institutions contribute only 14.9%. The informal nature of financial learning increases exposure to misinformation.
- A substantial 63.6% of respondents hold Demat accounts, with Angel One and Grow being the most popular platforms. However, 42.1% have been investing for less than one month, indicating very nascent investment experience.

- Long-term wealth creation is both the dominant investment perception (41.3%) and motivation (42.1%), reflecting positively oriented financial aspirations. However, 27.3% primarily associate the market with high risk.
- Risk tolerance is moderate for 46.3% of respondents, with a further 42.1% reporting low or very low tolerance. Only 10.7% have high risk tolerance.
- 36.4% of respondents do not invest monthly, underscoring the irregular and inconsistent nature of youth investment in the district.
- Portfolio preferences are marked by high neutrality across categories (47–55%), suggesting underdeveloped investment strategies. Mutual funds are the most endorsed instrument (38.0% agreement).
- Broker satisfaction is predominantly neutral (52.1%), indicating that brokerage platforms are meeting basic requirements but not delivering exceptional experiences.
- Investment outcomes are neutral for 51.2%, with 17.4% falling short of expectations. Only 4.1% report outcomes exceeding expectations.
- Peer/community opinion on recommending stock market investment is divided — 41.3% are neutral, indicating cautious but not negative sentiment towards market participation.

Discussion

The findings of this study present a nuanced picture of stock market engagement among youth in Dindigul District. While there is encouraging evidence of market participation — with over 63% holding Demat accounts — the depth and quality of that participation is limited. The shallow investment duration, low monitoring frequency, and high proportion of non-monthly investors collectively suggest that many youth have entered the market but have not yet developed consistent, informed investment practices.

The dominance of social media and informal networks as knowledge sources is particularly concerning. While digital platforms democratise information access, they also proliferate unverified tips, speculative advice, and herd behaviour — all of which are known to cause financial harm among inexperienced investors. The low contribution of formal education (14.9%) and online courses (5.0%) represents a structural gap that universities, financial institutions, and regulators must address.

The high proportion of neutral responses across trading preference, broker satisfaction, and investment outcome variables is noteworthy. This 'neutral dominance' may reflect genuine indifference, uncertainty about one's own position, or social desirability bias. It underscores

the need for more targeted financial counselling that helps young investors articulate clear strategies and expectations.

The positive alignment between long-term wealth creation as motivation and moderate risk tolerance is a healthy foundation for sustainable market participation. If supported by better financial education and advisory services, this cohort has the potential to develop into disciplined long-term investors.

Recommendations

For Educational Institutions

- Integrate dedicated financial literacy modules into undergraduate curricula across all disciplines, not only commerce and management programmes.
- Partner with SEBI's investor education initiative and BSE/NSE's market education programmes to deliver structured, accredited stock market awareness workshops.
- Encourage student investment clubs and paper trading competitions to develop practical knowledge in a risk-free environment.

For Regulatory Bodies (SEBI, RBI)

- Expand SEBI's Investor Awareness Programme to tier-2 districts like Dindigul through district-level financial literacy camps and vernacular language content.
- Mandate financial literacy certification for social media influencers disseminating investment advice to curb misinformation.
- Develop easy-to-understand, Tamil-language educational materials on risk management, Sensex/Nifty interpretation, and portfolio diversification.

For Brokerage Firms

- Invest in enhanced customer onboarding that goes beyond KYC compliance to include financial goal-setting and risk profiling for new, young investors.
- Develop in-app financial literacy features, including interactive tutorials, risk simulators, and portfolio health indicators.
- Improve customer service quality in semi-urban markets through dedicated regional support teams.

For Youth and Individual Investors

- Prioritise learning from credible, regulated sources (SEBI, NISM) rather than relying primarily on social media or informal advice.
- Adopt a disciplined SIP (Systematic Investment Plan) approach, particularly through mutual funds, to build consistent investment habits.

- Develop a written investment policy that specifies goals, time horizon, risk tolerance, and target asset allocation before entering the market.

Conclusion

This micro-level study on stock market awareness and investment behaviour of youth in Dindigul District provides granular empirical evidence on a demographic that is at the cusp of significant financial market participation. The findings reveal that while awareness and Demat account ownership are at a moderate level, investment depth, consistency, and financial literacy remain underdeveloped. The reliance on informal knowledge sources, shallow investment experience, and predominantly neutral investment outcomes indicate that the potential of this youth cohort is largely unrealised.

Bridging the gap between market access and market knowledge is the central challenge. Collaborative action by educational institutions, financial regulators, brokerage platforms, and community organisations is essential to transform the current episodic, anxiety-driven investment participation into confident, goal-oriented financial behaviour. Dindigul District's youth, if equipped with the right knowledge and tools, represent a significant untapped source of retail investment growth for India's capital markets.

This study contributes to the literature on micro-level financial behaviour in semi-urban India and may serve as a model for similar investigations in comparable districts across Tamil Nadu and beyond.

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