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Investment Needs and Patterns of Indian Consumers: A Primary Survey Study

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Abstract : *This study examines how Indian consumers save and invest, what drives their choices and what holds them back. Primary data were collected through a structured online questionnaire from 103 respondents across four age groups and five occupational categories, and analysed using descriptive statistics, cross-tabulation, chi-square tests, Fisher's exact test and Spearman's rank correlation.*

Four in five respondents (79.6%) invest in some form, and monthly investing is the most common habit (35.9%). Portfolios remain anchored in traditional, capital-protected instruments: 90.3% hold a savings account, 38.8% hold gold and 35.0% hold bank fixed deposits, while 35.0% use mutual funds and 28.2% hold direct equity. Expected return (26.2%) and safety (21.4%) are the leading decision factors, and family and friends are the single largest source of investment information (32.0%).

Income is the strongest correlate of investment behaviour. Respondents earning below ₹25,000 a month were far more likely to be non-investors (30%) than those earning more (3%; Fisher's $p = 0.003$), and income correlates strongly with the amount invested each month ($\rho = 0.69$, $p < 0.001$). Students and respondents aged 18–25 show the lowest participation. The findings echo national evidence of a gap between awareness and participation, and point to income-sensitive products, better financial literacy and more reliable information channels as levers for deeper participation.

Keywords: investment behaviour, Indian households, financial literacy, investment avenues, risk preference, primary survey

1. INTRODUCTION

Indian households have long favoured physical assets and bank deposits, but the last five years have brought a sharp rise in market participation. The National Stock Exchange's unique registered investor base crossed 12 crore in September 2025, and the most recent crore of investors was added in about eight months (NSE, 2025). Monthly SIP contributions to mutual funds reached a record ₹29,361 crore in September 2025, with 9.25 crore contributing accounts (AMFI, 2025).

Yet this growth sits on a narrow base. SEBI's Investor Survey 2025, covering over 90,000 households, found that 63% of households are aware of at least one securities-market product but only 9.5% actually invest in one (SEBI, 2025). Traditional instruments such as fixed deposits, gold and insurance still dominate household portfolios.

Understanding why consumers choose one avenue over another, and why some do not invest at all, matters for product design, investor education and policy. This paper contributes primary evidence from a survey of 103 consumers on their investment needs, preferred avenues, decision drivers, information sources and barriers.

1.1 Need for the study

- National data show how many people invest, but less about why individual consumers choose particular avenues.
- Rapid growth of app-based investing and social-media "finfluencers" has changed where people get financial information.

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- Younger earners are entering the workforce with new options but limited experience, so their needs and barriers deserve attention.
- Financial institutions and educators need consumer-level evidence to design simpler, better-targeted products and programmes.

II. REVIEW OF LITERATURE

The literature points to four forces behind household investment choices: the risk–return trade-off, behavioural biases, financial literacy and social influence.

Risk, return and diversification. Markowitz (1952) showed that rational investors should choose portfolios on the basis of both expected return and risk, and that diversification reduces risk without necessarily lowering return. Campbell (2006) noted that real households often depart from this benchmark: many do not participate in risky markets at all, and those who do frequently under-diversify.

Behavioural factors. Prospect theory (Kahneman & Tversky, 1979) shows that people weigh losses more heavily than equivalent gains. Loss aversion helps explain a lasting preference for capital-protected instruments such as deposits and gold, even when expected returns elsewhere are higher.

Financial literacy. Lusardi and Mitchell (2014) review international evidence that financial literacy is low worldwide and strongly linked to saving, planning and investment outcomes. Van Rooij, Lusardi and Alessie (2011) found that people with low literacy are significantly less likely to invest in stocks.

Trust and social influence. Guiso, Sapienza and Zingales (2008) showed that lack of trust in markets deters participation independently of wealth. Hong, Kubik and Stein (2004) found that socially active households are more likely to invest in stocks, suggesting that information and norms spread through peers.

The Indian context. The RBI's Household Finance Committee (2017) reported that Indian households hold the large majority of their wealth in real estate and gold, with a small share in financial assets. SEBI's Investor Survey 2025 confirms that the gap persists: awareness of market products is widespread but participation stays near one in ten households, and households continue to prioritise safety over returns (SEBI, 2025).

Research gap. Large surveys describe participation at the national level. Fewer studies link an individual consumer's income, age and occupation to which avenues they use, what drives the choice and where they get information. This study addresses that gap with consumer-level primary data.

III. OBJECTIVES AND HYPOTHESES

3.1 Objectives

1. To study the investment patterns of Indian consumers: frequency, amount and avenues used.
2. To identify the factors that most influence investment decisions.
3. To examine the sources of investment information consumers rely on.
4. To identify the barriers that prevent consumers from investing more.
5. To assess how income, age and occupation relate to investment behaviour.
6. To understand consumers' preferred investment horizon and future investment intentions.

3.2 Hypotheses

1. H1: There is a significant association between monthly income and investment participation.
2. H2: There is a significant positive relationship between monthly income and the monthly amount invested.
3. H3: There is a significant association between age group and investment participation.
4. H4: There is a significant association between age group and the use of market-linked avenues (mutual funds or stocks).

Each is tested against its null hypothesis of no association at the 5% significance level.

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IV. RESEARCH METHODOLOGY

Element	Details
Research design	Descriptive and analytical
Data type	Primary data, supported by secondary sources (SEBI, AMFI, NSE, published research)
Instrument	Structured online questionnaire (Google Forms), 11 closed-ended questions
Sampling method	Non-probability convenience sampling
Sample size	103 valid responses
Variables	Age, occupation, monthly income, investment frequency, monthly amount invested, avenues used, decision factor, information source, barrier, horizon, future preference
Tools of analysis	Percentages, cross-tabulation, chi-square test of independence, Fisher's exact test, Spearman's rank correlation, Cramér's V

Definitions used in the analysis. A respondent is classed as an investor if they reported any investment frequency other than "I currently do not invest" (82 of 103). Market-linked avenues means mutual funds or direct stocks. Income tests use only the 79 respondents who disclosed their income; 24 chose "Prefer not to say".

Data preparation. Occupation entries written in different ways ("Housewife", "House wife", "Home maker") were merged into one Homemaker category. Where a chi-square table had expected cell counts below 5, groups were combined into 2 × 2 tables and tested with Fisher's exact test.

V. DATA ANALYSIS: RESPONDENT PROFILE

The sample is young and mostly employed: 35.0% are aged 18–25 and 46.6% are salaried employees.

Table 1. Demographic profile of respondents (n = 103)

Variable	Category	Respondents	Share (%)
Age group	18–25	36	35.0
	26–35	25	24.3
	35–45	28	27.2
	55 and above	14	13.6
Occupation	Salaried employee	48	46.6
	Student	20	19.4
	Self-employed / business	19	18.4
	Retired	11	10.7
	Homemaker	5	4.9
Monthly income	Below ₹25,000	20	19.4
	₹25,000–₹50,000	16	15.5
	₹50,000–₹1,00,000	16	15.5
	₹1,00,000–₹2,00,000	27	26.2
	Prefer not to say	24	23.3

Interpretation. Respondents in their early working years and salaried professionals form the core of the sample, which suits a study of emerging investment habits. The income distribution is skewed towards higher earners: over a quarter earn ₹1–2 lakh a month. Almost a quarter declined to disclose income, including 9 of the 20 students, so income-based results rely on the 79 who did. The questionnaire's age bands have no 46–54 option, so that group is not represented.

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VI. DATA ANALYSIS: INVESTMENT PATTERNS AND AVENUES

Four in five respondents (82 of 103, 79.6%) invest in some form, and monthly investing is the most common rhythm.

Table 2. Investment frequency and monthly amount invested (n = 103)

Investment frequency	Respondents	Share (%)
Monthly	37	35.9
Half-yearly	14	13.6
Annually	13	12.6
Occasionally / irregularly	12	11.7
Quarterly	6	5.8
Do not currently invest	21	20.4

Monthly amount invested	Respondents	Share (%)
Below ₹5,000	17	16.5
₹5,000–₹10,000	25	24.3
₹10,001–₹25,000	21	20.4
₹25,001–₹50,000	9	8.7
Above ₹50,000	10	9.7
Do not currently invest	20	19.4
No response	1	1.0

Interpretation. The prevalence of monthly investing suggests that many respondents invest from their salary through SIPs, recurring deposits or similar routines. Most investors put aside modest sums: 41% of all respondents invest up to ₹10,000 a month, while fewer than one in five invest more than ₹25,000.

6.1 Investment avenues currently used

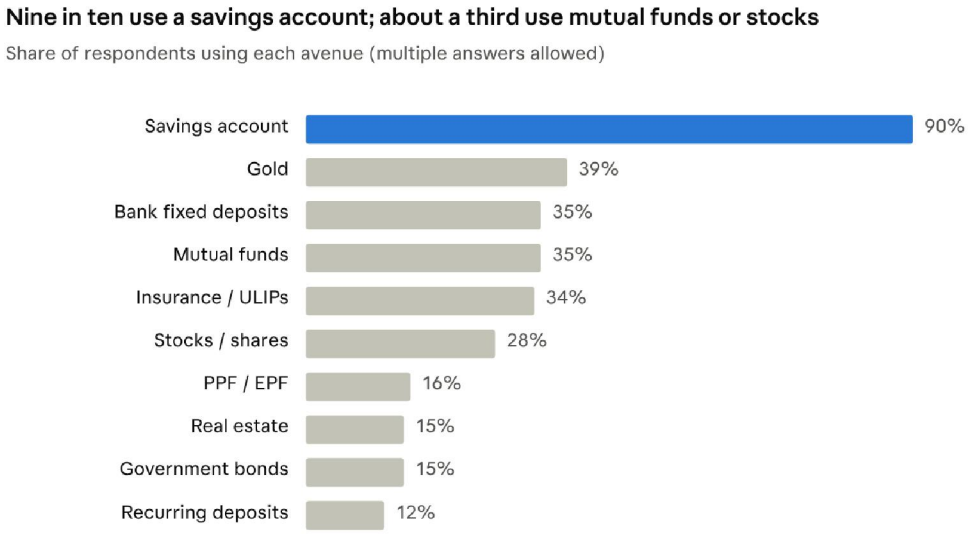


Figure 1. Source: primary survey, Market_research_for_project.xlsx (Raw Data), n = 103

Respondents use 3.2 avenues on average, but portfolios lean heavily towards traditional, capital-protected products. 62 respondents (60.2%) hold at least one of fixed deposits, recurring deposits, gold, PPF/EPF or government bonds, against 45 (43.7%) who hold mutual funds or stocks. Fourteen respondents (13.6%) hold nothing but a savings account. This mirrors the national pattern in which deposits, gold and insurance dominate household portfolios.

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VII. DATA ANALYSIS: PREFERENCES, INFORMATION SOURCES AND BARRIERS

Consumers want growth but with safety, they plan for the medium to long term, and they learn about investing mainly from people they know.

Table 3. Decision factors and investment horizon (n = 103)

Most important decision factor	Respondents	Share (%)
Expected return	27	26.2
Safety of investment	22	21.4
Convenience / ease of investing	14	13.6
Tax benefits	10	9.7
Liquidity	9	8.7
Risk level	9	8.7
Past performance	7	6.8
Advice from family / friends	4	3.9
Professional financial advice	1	1.0

Preferred investment horizon	Respondents	Share (%)
Less than 1 year	20	19.4
1–3 years	9	8.7
3–5 years	25	24.3
5–10 years	34	33.0
More than 10 years	14	13.6
No response	1	1.0

Interpretation. Return-related factors (expected return and past performance, 33.0%) and protection-related factors (safety, risk level and liquidity, 38.8%) are close to evenly matched. Consumers are therefore not purely return-seeking; they want growth with limited downside. Seven in ten (70.9%) prefer horizons of three years or more, which suits equity-oriented and goal-based products. The 18–25 group is the exception: 11 of 36 (30.6%) prefer horizons under a year.

Table 4. Primary source of investment information (n = 103)

Source	Respondents	Share (%)
Family / friends	33	32.0
Social media	16	15.5
Bank / insurance representative	12	11.7
Self-research	11	10.7
YouTube / online content	9	8.7
Investment apps / platforms	8	7.8
Financial advisor	7	6.8
Financial news / websites	7	6.8

Interpretation. Informal and digital channels dominate. Family and friends alone account for a third of respondents, and social media, YouTube and apps together add another 32.0%. Only 6.8% rely mainly on a financial advisor. Younger respondents lean digital: social media is the joint-top source for 18–25s (9 of 36), while respondents aged 55 and above rely almost entirely on family, friends and bank representatives. Heavy reliance on unregulated sources raises the risk of poorly suited or mis-sold products.

Table 5. Biggest barrier to investing more (n = 103)

Barrier	All respondents	Share (%)	Non-investors (n = 21)
No major barrier	28	27.2	1

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Barrier	All respondents	Share (%)	Non-investors (n = 21)
Insufficient income	20	19.4	10
Complexity of investment products	13	12.6	1
Fear of losing money	10	9.7	2
Prefer to keep money in savings	8	7.8	1
Lack of financial knowledge	7	6.8	2
Lack of time	5	4.9	1
Lack of trust	5	4.9	1
Lack of awareness	5	4.9	0
Other	2	1.9	2

Interpretation. Barriers fall into three groups. Economic: insufficient income is the most cited actual barrier and the reason given by about half of non-investors (10 of 21). Knowledge-related: complexity, lack of knowledge and lack of awareness together account for 24.3%. Psychological: fear of loss, preference for savings and lack of trust together account for 22.3%. Among current investors, complexity of products (12 of 82) is the most cited barrier after "no major barrier".

7.1 Future investment intentions

Avenue most likely to be chosen in future	Respondents	Share (%)
Real estate	25	24.3
Stocks / shares	18	17.5
Gold	18	17.5
Not sure	17	16.5
Insurance / ULIPs	11	10.7
Mutual funds	8	7.8
Government bonds / securities	4	3.9
Fixed deposits	1	1.0
No response	1	1.0

Interpretation. Real estate is the most preferred future avenue (24.3%) even though only 14.6% hold it today, reflecting the enduring appeal of physical assets in India. Direct equity is the top future choice among 18–25s (10 of 36). Notably, only 1 respondent names fixed deposits as a future choice although 35.0% hold them now, suggesting deposits are held out of habit rather than preference. One in six (16.5%) are unsure, a group that investor education could reach.

VIII. CROSS-ANALYSIS AND HYPOTHESIS TESTING

Income is the clearest dividing line in investment behaviour: it is significantly linked to both whether people invest and how much they invest. Age matters less once income is set aside.

Table 6. Summary of hypothesis tests ($\alpha = 0.05$)

Hypothesis	Test	Result	Decision
H1: Income × investment participation	Chi-square, 4 income groups (n = 79)	$\chi^2 = 13.62$, df = 3, p = 0.004, Cramér's V = 0.42	Supported
	Fisher's exact, below vs above ₹25,000	p = 0.003	Supported
H2: Income × monthly amount invested	Spearman's rank correlation (n = 78)	$\rho = 0.69$, $p < 0.001$	Supported
H3: Age × investment	Chi-square, 4 age groups (n = 103)	$\chi^2 = 6.51$, df = 3, p =	Not supported

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Hypothesis	Test	Result	Decision
participation		0.089, V = 0.25	
	Fisher's exact, 18–25 vs 26+	p = 0.022	Supported for youngest group
H4: Age × use of market-linked avenues	Chi-square, 4 age groups (n = 103)	χ^2 = 5.78, df = 3, p = 0.123	Not supported
Supplementary: occupation × participation	Fisher's exact, students vs others	p < 0.001	Significant

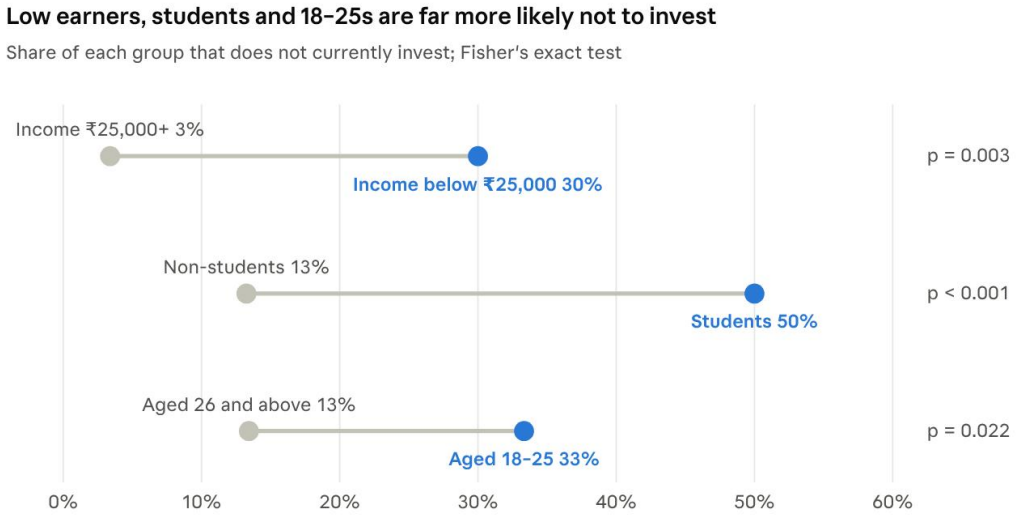


Figure 2. Source: primary survey, Market_research_for_project.xlsx (Raw Data); income comparison uses the 79 respondents who disclosed income

Interpretation.

- **Income drives participation (H1).** Every respondent earning ₹25,000–₹50,000 or ₹1–2 lakh a month invests, against 70% of those earning below ₹25,000. Cramér's V of 0.42 indicates a strong association. Because some cells have expected counts below 5, the 2 × 2 Fisher test is reported alongside and confirms the result.
- **Income drives the amount invested (H2).** The correlation of 0.69 is strong. All 27 respondents earning ₹1–2 lakh invest at least ₹5,000 a month, and 7 of them invest more than ₹50,000. No respondent earning below ₹25,000 invests more than ₹10,000.
- **Age matters mainly at the youngest end (H3).** Across all four age groups the association is not significant at 5%. But a third of 18–25s do not invest, against 13% of older respondents, and that difference is significant. Much of it overlaps with student status: half of the 20 students do not invest.
- **Use of market-linked products is broadly similar across age groups (H4**). About half of each group under 46 uses mutual funds or stocks. The exception is respondents aged 55 and above, of whom only 2 of 14 do, consistent with a preference for capital protection near or after retirement. Small group sizes limit the power of this test.
- **Age and avenue choice.** Respondents aged 35–45 hold the most diversified portfolios, with the highest use of PPF/EPF (10 of 28), government bonds (8) and fixed deposits (13). Respondents aged 55 and above rely more on recurring deposits (6 of 14) and fixed deposits (9 of 14), and none hold direct equity.

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IX. FINDINGS

1. **Participation is high in this sample but shallow in depth**. 79.6% invest, yet 41% of respondents invest no more than ₹10,000 a month and 13.6% hold only a savings account.
2. **Monthly investing is the dominant habit (35.9%),** consistent with salary-linked saving and the national rise of SIPs.
3. **Traditional avenues dominate. Savings accounts (90.3%),** gold (38.8%) and fixed deposits (35.0%) lead; mutual funds (35.0%) and stocks (28.2%) follow.
4. **Consumers balance growth and safety.** Return-related factors (33.0%) and protection-related factors (38.8%) carry similar weight.
5. **Medium- to long-term horizons prevail**. 70.9% prefer horizons of three years or more; younger respondents are the most short-term.
6. **Information comes mainly from informal channels**. Family and friends (32.0%) and digital media (32.0%) far outweigh professional advisors (6.8%).
7. **Income is the main barrier and the main driver.** It is the top barrier for non-investors and is strongly linked to both participation ($V = 0.42$) and amount invested ($\rho = 0.69$).
8. **Students and 18–25s are the least engaged**, with non-participation of 50% and 33% respectively.
9. **Product complexity is the leading barrier for those who already invest**, ahead of fear of loss.
10. **Future intentions tilt towards real estate, stocks and gold**, while almost no one plans to add fixed deposits; one in six are unsure.

X. SUGGESTIONS

For consumers

- Set specific goals with a time horizon, and match each goal to a suitable product rather than defaulting to a savings account.
- Start small and regular: a monthly SIP of a few hundred rupees builds the habit even on a modest income.
- Diversify across asset classes instead of concentrating in deposits or gold.
- Verify advice from friends or social media against regulated sources such as SEBI-registered advisors and official investor-education material.

For financial institutions and platforms

- Offer low-ticket products and simple, jargon-free disclosures for first-time and lower-income investors.
- Simplify onboarding and product comparison, since complexity is the main barrier for existing investors.
- Design products that combine capital protection with some growth, matching the dual return–safety preference.

For regulators and educators

Introduce practical financial-literacy modules in colleges, targeting students and young earners before their first salary.
Use the digital channels young people already rely on to carry verified, regulated investor-education content.
Strengthen awareness of grievance redressal to build trust among hesitant investors.

XI. LIMITATIONS AND SCOPE FOR FUTURE RESEARCH

- **Sample size and representativeness**. With 103 respondents, the findings cannot be generalised to the Indian population.
- **Sampling bias**. Convenience sampling through an online form over-represents urban, digitally active and higher-income respondents. 79.6% participation here is far above the 9.5% household figure reported nationally, which covers market products only.
- **Self-reported data**. Responses may differ from actual behaviour.
- **Income non-disclosure**. 23.3% did not report income, reducing the sample for income tests to 79.

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- **Questionnaire design**. Age bands omit 46–54, and single-choice questions on factors and barriers capture only the most important one.
- **Small cells**. Some cross-tabulations have expected counts below 5, so results for small groups should be read with caution.

Future studies could use larger stratified samples across states and rural areas, include rating scales for factors and barriers, measure financial literacy directly, and track behaviour over time.

XII. CONCLUSION

Indian consumers in this study are willing investors but cautious ones. Most invest regularly, yet they keep the bulk of their money in savings accounts, gold and deposits, and they seek growth only alongside safety. Income is the strongest determinant of whether and how much people invest, while students and young adults lag behind. Reliance on family, friends and social media for information, and the perceived complexity of products, hold back better-informed participation. Accessible low-ticket products, simpler disclosures and targeted financial education, especially for young and lower-income consumers, offer the clearest path to deeper and better-diversified participation.

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Appendix: Questionnaire

Administered through Google Forms (form link).

1. Name
2. What is your age group? (18–25 / 26–35 / 35–45 / 55 and above)
3. What is your occupation? (Student / Salaried employee / Self-employed or business / Retired / Homemaker)
4. What is your approximate monthly income? (Below ₹25,000 / ₹25,000–₹50,000 / ₹50,000–₹1,00,000 / ₹1,00,000–₹2,00,000 / Prefer not to say)
5. How frequently do you invest? (Monthly / Quarterly / Half-yearly / Annually / Occasionally or irregularly / I currently do not invest)
6. What is the biggest barrier preventing you from investing more?
7. What is your primary source of investment information?
8. What is your preferred investment horizon? (Less than 1 year / 1–3 / 3–5 / 5–10 / More than 10 years)

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9. Which factor influences your investment decision the most?
10. Which investment avenues do you currently use? (multiple choice)
11. What is your approximate monthly investment amount?
12. Which investment avenue are you most likely to choose in the future?