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RESEARCH ARTICLE OPEN ACCESS

A STUDY ON ANALYSIS OF INVESTMENT DECISIONS IN KOTAK MAHINDRA BANK

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ABSTRACT

This research article titled "Analysis of Investment Decisions in Kotak Mahindra Bank" provides a comprehensive overview of the various investment avenues available to individual investors and examines the challenges they face while selecting suitable financial instruments. With diverse options such as equities, mutual funds, bonds, real estate, gold, bank deposits, Public Provident Fund (PPF), post office savings schemes, and insurance products, investors often experience confusion in making informed decisions. The study adopts a descriptive research design and collects primary data from 100 respondents using a structured questionnaire and convenience sampling, supplemented by secondary data from books, journals, and online sources. Data is analyzed using percentage analysis with the help of MS-Excel and presented through bar graphs and pie charts. The findings reveal that investors generally prefer a balanced approach considering both risk and return, with growing interest in market-linked instruments such as mutual funds and equity. The study recommends portfolio diversification and improved financial literacy for better investment outcomes.

Keywords: Investment Decisions, Kotak Mahindra Bank, Mutual Funds, Equity, Risk-Return, Financial Literacy, Portfolio Diversification, Investor Behavior, Bank Deposits, PPF.

CHAPTER 1: INTRODUCTION

1.1 Introduction

The terms "investment" and "investing" carry multiple meanings depending on the context. At its simplest, investing refers to the act of committing money or capital with the expectation of obtaining additional income or profit. Every investor is unique in goals, risk appetite, and time horizon, yet what unites them is the common pursuit of growing wealth and securing a stable financial future. Investment, in the financial sense, requires thorough analysis, an acceptable margin of safety, and a reasonable expectation of return — distinguishing it from speculation or gambling.

Investment plays a vital role in the economy by channeling household savings into productive sectors. It contributes to capital formation, supports entrepreneurship, and accelerates national growth. In contemporary India, with the rise of digital banking platforms, mutual fund SIPs, and demat-based equity participation, investing has reached far beyond the traditional fixed deposit and gold-buying mindset. Banks such as Kotak Mahindra have emerged as integrated financial supermarkets offering deposits, mutual funds, insurance, demat services, and wealth management under a single umbrella.

Despite the wide availability of investment products, many investors find decision-making intimidating due to complexity, jargon, and conflicting advice. A successful investment decision depends on understanding asset classes, evaluating risk, aligning investments with goals, and continuously reviewing the portfolio. This study attempts to analyse how investors at Kotak Mahindra Bank make investment decisions and what factors most influence their choices.

1.2 Scope of the Study

The scope of the present study is confined to analysing the investment decisions of individual investors associated with Kotak Mahindra Bank. The study covers investor preferences across major avenues including bank fixed deposits, recurring deposits, Public Provident Fund (PPF), post office schemes, government bonds, life insurance, mutual funds, and equity. The geographical scope is limited to selected branches and customers of Kotak Mahindra Bank, with a sample size of 100 respondents. The study examines demographic factors, behavioural patterns, satisfaction levels, and the relative importance of risk, return, and liquidity in shaping investment choices.

1.3 Need for the Study

In a rapidly evolving financial landscape, investors are exposed to an increasing variety of instruments — many of which are market-linked and carry inherent risks. There is a pressing need to study how investors evaluate these options and what factors guide their decision-making. The study is significant because it helps the bank understand customer preferences, design tailored financial products, and improve advisory services. It also helps individual investors recognize the importance of diversification, financial literacy, and long-term thinking.

1.4 Limitations of the Study

- The study is restricted to 100 respondents and may not represent the entire investor population.
- Data is collected using convenience sampling, which may introduce sampling bias.
- Responses depend on the honesty and accuracy of the respondents.
- The study is limited to selected customers of Kotak Mahindra Bank.
- Time and resource constraints restricted the depth of the study.

CHAPTER 2: REVIEW OF LITERATURE

A review of relevant literature provides theoretical grounding for the present study. The following are five seminal works that have shaped the understanding of investment decisions:

1. Harry Markowitz (1952) – Modern Portfolio Theory

Markowitz introduced the concept of portfolio diversification, arguing that investors can reduce risk without sacrificing expected return by combining assets that are not perfectly correlated. His mean-variance framework remains the cornerstone of quantitative asset allocation and forms the theoretical basis of mutual fund construction worldwide.

2. William Sharpe (1964) – Capital Asset Pricing Model

Sharpe extended Markowitz's work and developed the Capital Asset Pricing Model (CAPM), which explains how the expected return on an asset is related to its systematic risk (beta). CAPM provides a useful tool to evaluate whether an investment offers an adequate return for the risk taken.

3. Daniel Kahneman & Amos Tversky (1979) – Prospect Theory

Kahneman and Tversky's prospect theory revolutionised the understanding of investor behaviour. They showed that investors evaluate gains and losses relative to a reference point, display loss aversion, and tend to overweight small probabilities — behaviours that explain many anomalies observed in real markets.

4. Robert J. Shiller (2000) – Market Volatility & Investor Psychology

Shiller challenged the Efficient Market Hypothesis by showing that stock prices fluctuate far more than fundamentals would justify. His work on irrational exuberance highlights the role of psychology, herd behaviour, and sentiment in shaping investment decisions.

5. SEBI Investor Survey (2015) – Indian Context

The SEBI Investor Survey provided granular evidence on Indian household investment behaviour. It showed that while bank deposits and insurance remain dominant, awareness of mutual funds and equity is rising rapidly, especially among urban and educated investors. Financial literacy was identified as the single biggest determinant of capital market participation.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Research Design

The present study adopts a descriptive research design, which is appropriate to capture investor preferences, behaviour, and satisfaction with respect to investment decisions at Kotak Mahindra Bank.

3.2 Sources of Data

- Primary Data: Collected through a structured questionnaire administered to 100 respondents.
- Secondary Data: Collected from books, journals, RBI publications, SEBI reports, and online sources.

3.3 Sampling Technique

Convenience sampling is used because of the ease of access to respondents and the time constraints involved. The sample comprises 100 customers of Kotak Mahindra Bank across various branches.

3.4 Tools for Data Collection

A structured questionnaire of 10 questions is used, incorporating open-ended, dichotomous, and multiple-choice questions. A five-point Likert scale (Strongly Agree to Strongly Disagree) and a satisfaction scale (Highly Satisfied to Highly Dissatisfied) are used to capture attitudes and perceptions.

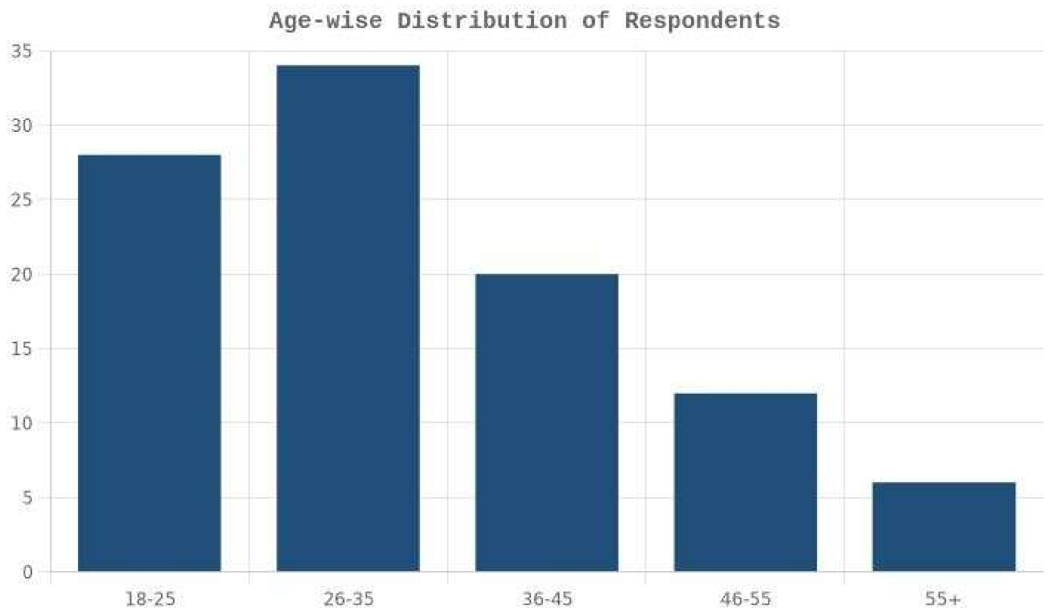
3.5 Tools for Data Analysis

Collected data is tabulated and analysed using percentage analysis in MS-Excel. Bar graphs and pie charts are used for graphical representation of findings.

4: DATA ANALYSIS AND INTERPRETATION

4.1 Age-wise Distribution of Respondents

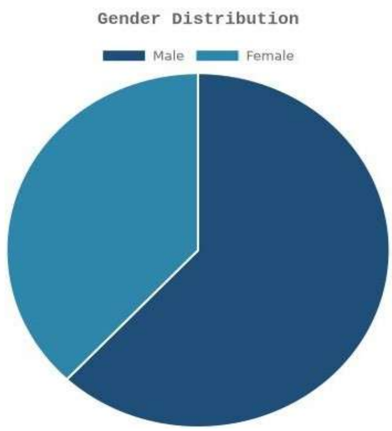
Age Group	No. of Respondents	Percentage (%)
18-25	28	28%
26-35	34	34%
36-45	20	20%
46-55	12	12%
Above 55	6	6%
Total	100	100%



Interpretation: The majority of respondents (34%) belong to the 26–35 age group, followed by 28% in the 18–25 group. This indicates that younger investors form the largest segment of Kotak Mahindra Bank's customer base for investment products.

4.2 Gender Distribution

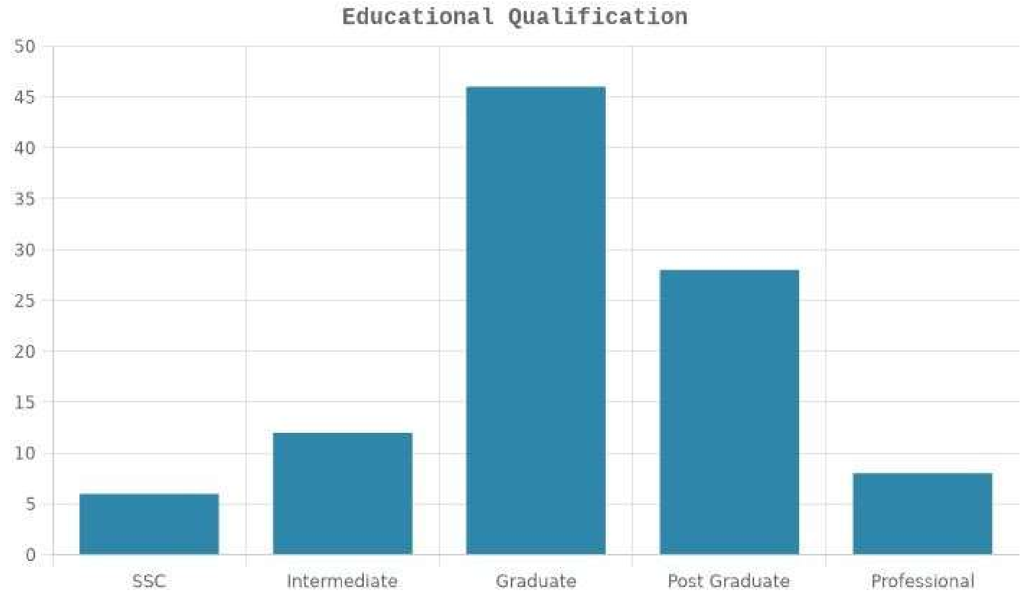
Gender	No. of Respondents	Percentage (%)
Male	62	62%
Female	38	38%
Total	100	100%



Interpretation: Male respondents (62%) outnumber female respondents (38%), suggesting that male investors are currently more active in investment decisions, though female participation is steadily rising.

4.3 Educational Qualification

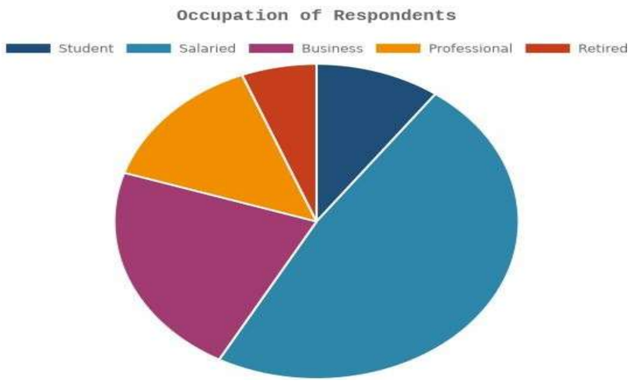
Qualification	Respondents	Percentage
SSC	6	6%
Intermediate	12	12%
Graduate	46	46%
Post Graduate	28	28%
Professional	8	8%
Total	100	100%



Interpretation: Almost 82% of respondents are graduates or above. A well-educated investor base indicates greater awareness of financial products and a higher probability of informed investment decision-making.

4.4 Occupation of Respondents

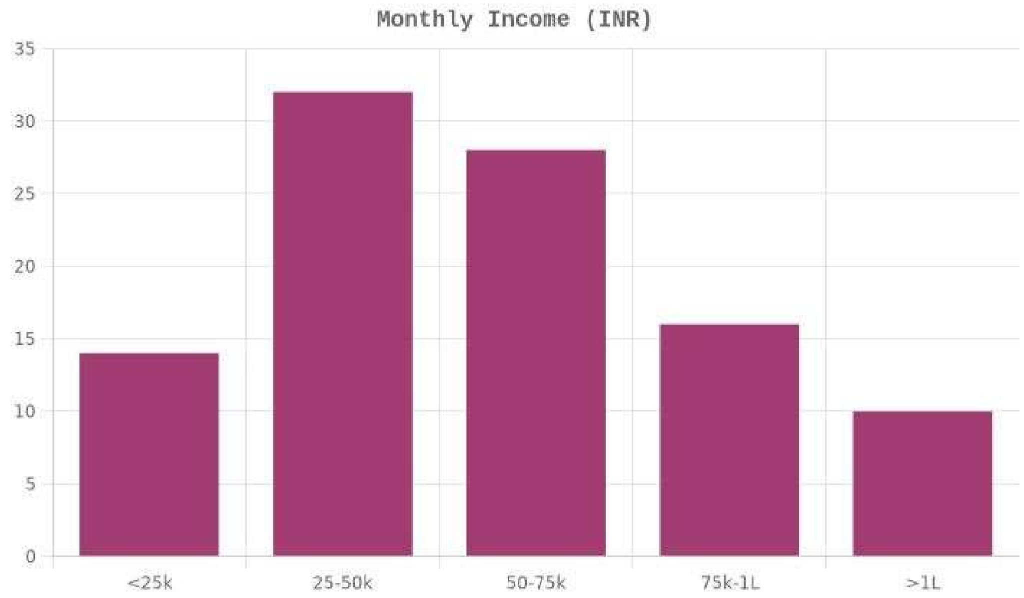
Occupation	Respondents	Percentage
Student	10	10%
Salaried	48	48%
Business	22	22%
Professional	14	14%
Retired	6	6%
Total	100	100%



Interpretation: Salaried individuals form the largest segment (48%), indicating that regular income is a key driver of disciplined investing. Business persons and professionals together form another 36%, who typically have higher risk appetite.

4.5 Monthly Income of Respondents

Monthly Income	Respondents	Percentage
Below ₹25,000	14	14%
₹25,000-50,000	32	32%
₹50,000-75,000	28	28%
₹75,000-1,00,000	16	16%
Above ₹1,00,000	10	10%
Total	100	100%



Interpretation: Around 60% of respondents earn between ₹25,000 and ₹75,000 per month. This middle-income group is typically the most active investor segment, seeking instruments that balance safety and growth

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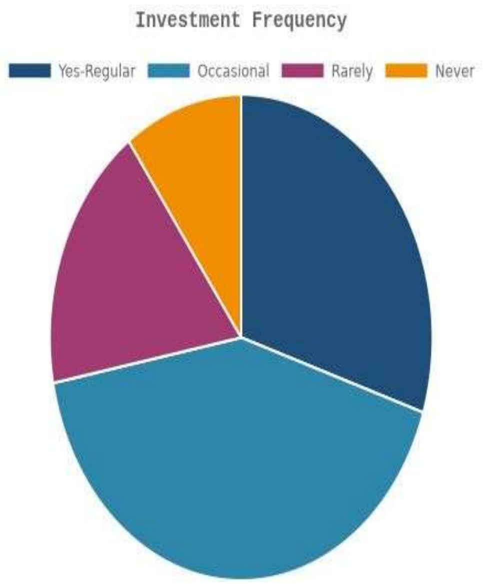
4.6 Frequency of Investment

Frequency	Respondents	Percentage
Regularly	30	30%
Occasionally	42	42%
Rarely	18	18%
Never	10	10%
Total	100	100%



Interpretation: Only 30% of respondents invest regularly, while 42% invest occasionally. This indicates the need for greater financial discipline and SIP-based investment habits among customers.

4.7 Investment Preference

Avenue	Respondents	Percentage
Bank FD	22	22%
PPF	12	12%
Mutual Funds	26	26%
Equity	18	18%
Gold	10	10%
Real Estate	6	6%
Insurance	6	6%
Total	100	100%

Interpretation: Mutual funds (26%) emerge as the most preferred investment avenue, followed by bank fixed deposits (22%) and equity (18%). This signals a clear shift towards market-linked instruments while traditional safe options retain importance.

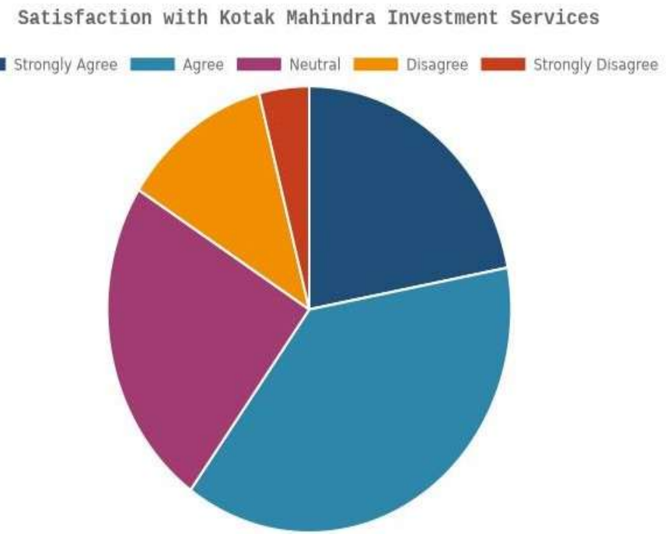
4.8 Investment Time Horizon

Time Horizon	Respondents	Percentage
Less than 1 year	18	18%
1-5 years	40	40%
5-10 years	28	28%
Above 10 years	14	14%
Total	100	100%

Interpretation: The majority (40%) prefer a 1–5 year horizon, indicating a medium-term investment outlook. Long-term investors (above 10 years) form only 14%, highlighting an opportunity for the bank to promote long-term wealth-creation products.

4.9 Satisfaction with Kotak Mahindra Investment Services

Response	Respondents	Percentage
Strongly Agree	22	22%
Agree	38	38%
Neutral	24	24%
Disagree	12	12%
Strongly Disagree	4	4%
Total	100	100%



Interpretation: A combined 60% of respondents are satisfied (Strongly Agree + Agree) with Kotak Mahindra Bank's investment services. However, 16% express dissatisfaction, indicating scope for improvement in advisory, transparency, and digital service quality.

5: FINDINGS AND SUGGESTIONS

5.1 Findings

- The majority of investors (62%) belong to the 18–35 age group, reflecting growing participation of young investors.
- Male investors (62%) currently dominate, but female participation is rising steadily.
- About 82% of respondents are graduates or above, indicating a financially literate sample.
- Salaried individuals (48%) are the largest occupational segment investing through the bank.

- Around 60% of respondents earn between ₹25,000 and ₹75,000 per month.
- Only 30% invest regularly, indicating limited investment discipline.
- Mutual funds (26%) are the most preferred investment avenue, followed by FD (22%) and equity (18%).
- The 1–5 year investment horizon (40%) is most popular, indicating medium-term preferences.
- 60% of respondents are satisfied with Kotak Mahindra Bank's investment services.
- Investors broadly prefer a balanced risk-return approach with increasing inclination toward market-linked instruments.

5.2 Suggestions

- Investors should diversify their portfolios across asset classes to manage risk effectively.
- Kotak Mahindra Bank should conduct regular financial literacy programmes and investor awareness camps.
- The bank may promote SIPs to encourage disciplined and regular investing.
- Tailored long-term investment products should be designed to attract investors with horizons above 10 years.
- Female investor participation should be encouraged through targeted programmes.
- Digital advisory tools and robo-advisors can simplify decision-making for younger investors.

5.3 Conclusion

Investment decisions are influenced by a combination of demographic, behavioural, and financial factors. The study reveals that customers of Kotak Mahindra Bank are gradually shifting from traditional, low-risk instruments toward market-linked products like mutual funds and equity, while still valuing the safety of b

ank deposits. Continued investor education, product innovation, and a customer-centric advisory approach can help the bank further strengthen its position as a preferred investment partner.

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