



DELIVERING
WINNOVATIVE
BUSINESS STRATEGIES:
THE QUEST FOR MANAGERIAL EXCELLENCE



Research Paper Presentation 2018

4th September, 2018
Colombo, Sri Lanka.

Organized by ;

The Institute of Certified Professional Managers of Sri Lanka



In collaboration with

Association of Management Development Institutions in South Asia (AMDISA)



AMDISA
ASSOCIATION OF MANAGEMENT DEVELOPMENT INSTITUTIONS IN SOUTH ASIA
SUPPORTED PROGRAMME

ISBN 978-955-3729-03-3



9 789553 729033

Contents

About CPM Sri Lanka and AMDISA	III
About Conference	IV
Message from the President of AMDISA	V
Message from the President of CPM Sri Lanka and Immediate Past President of AMDISA	VI
Research Paper Presentation Process	VII
Critical Factors for the Development of Women Entrepreneurship in Retail Business of Bangladesh <i>Nazrul Islam, Mohitul Ameen Ahmed Mustafi, Amitava Bose Bapi and Abid Aziz</i>	01-10
Investors' Risk Absorption: A strategic tool for investors' propensity to invest <i>Yadav Devi Prasad Behera, Dr. Saroj Kumar Sahoo and Madhusmita Pati</i>	11-21
Deferential customer-satisfaction: The central building-block of customer retention <i>Tushar Ranjan Sahoo, Dr. Saroj Kumar Sahoo and Ritika Gupta</i>	22-29
Effect of experiential marketing on post purchase intention in the fine dining restaurant industry in Western Province, Sri Lanka. <i>Malinka Jayasekera and Nadeeja Dodangoda</i>	30-49
The Impact of Personal Characteristics on Personal Branding in Reflection to the Employability: A comparative study between IT graduates passing out from the state and private sector universities in Sri Lanka. <i>Prassanna Pathmanathan and Nadeeja Dodangoda</i>	50-65
A critical analysis of NPA management in Indian banking industry: A case study of select banks <i>Dr. K. V. Ramesh and Prof. R. K. Mishra</i>	66-76

Investors' Risk Absorption: A strategic tool for investors' propensity to invest

Yadav Devi Prasad Behera¹, Dr. Saroj Kumar Sahoo², Madhusmita Pati³

¹Research Scholar (Ph.D.), PG. Dept. of Business Administration, Sambalpur University, Odisha, India, PIN Code -768019.

²Asst. Professor, PG. Dept. of Business Administration, Sambalpur University, Odisha, India, PIN Code -768019.

³Research Scholar (Ph.D.), PG. Dept. of Business Administration, Sambalpur University, Odisha, India, PIN Code -768019.

Correspondence: Dr. Saroj Kumar Sahoo, Tel: 91-943-711-1277, E-mail: sahoosaroj78@yahoo.com

Abstract

If the financial product marketers can develop a set of psychological adjustments within the individual investors belonging to middle income groups, then they will be able to take financial risk for a comparative long time period with fair level of satisfaction towards the particular financial products (proposed as risk absorption in the present study). The above said psychology of investors may propel them to purchase more and more the financial product with moderate risk with an extended risk tolerance capacity, which can be strategized by the financial product marketers for their new similar financial products. In this context the research problem is "Can the risk absorption develops a propensity to invest of the individual investors in certain financial products?" This paper aims to study the factors of financial risk absorption among middle income group and the effect of risk-absorption on the propensity to invest of the individual investors in the financial market. Causative research design is followed in this study, where stratified random sampling method is adopted with a structured questionnaire to the sample size of 112. Data is analyzed through factor analysis to find the factors which explain financial risk absorption characteristics of individual investors and multiple linear regression is used to find out the effect of financial risk-absorption on investors' propensity to invest. This study resulted in exploration of distinct factors like financial risk tolerance, information sources, patience and self-confidence, ease of investment, decision taking capacity, liquidity etc., which reflects the 'financial risk absorption characteristics' of individual investors. The risk absorption has a significant positive impact on propensity to purchase certain financial product having moderate risk. The risk tolerance some time meets the saturation position after the value receipt or after the maturity of investment resulting in lack of focus on retaining the customers of financial products with moderate risk. But this paper focused on those characters of investors that lead to such a behaviour, which end in absorption of risk for a longer period with a continuous fair level of satisfaction.

Key words: Risk absorption, Propensity to invest, Individual investors, financial product.