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A Study on Retail Investors' Perception toward Investment Banking

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***Abstract* – Investment banking plays a significant role in the development of financial markets by providing services such as capital raising, financial advisory, underwriting, mergers and acquisitions, and portfolio-related guidance. Investors' perception towards investment banking is an important factor that influences their investment decisions, trust, and willingness to use financial services. The present study aims to examine investors' perception regarding investment banking and identify the major factors influencing their opinions and decisions. The study focuses on various factors, including awareness, trust, transparency, risk and return, reputation, service quality, technological advancement, and financial literacy. The study also examines the relationship between demographic characteristics such as gender, age, educational qualification, marital status, monthly income, occupation, and residence with investors' perception towards investment banking. Primary data can be collected through a structured questionnaire using a five-point Likert scale. Statistical tools such as percentage analysis, mean, standard deviation, and Analysis of Variance (ANOVA) can be used to analyse the collected data.**

***Keywords* - Investment Banking, Investor Perception, Investment Decisions, Financial Awareness, Risk and Return, Investor Satisfaction.**

I. INTRODUCTION

Investment banking is an important segment of the financial services industry that acts as an intermediary between companies, governments, and investors. It provides various financial services, including capital raising, underwriting, mergers and acquisitions, financial advisory, and securities trading. Investment banking plays a vital role in facilitating economic growth by helping organisations raise funds and enabling investors to explore different investment opportunities.

Investor perception refers to the opinions, beliefs, attitudes, and expectations of individuals regarding investment opportunities and financial institutions. Investors' perceptions are influenced by several factors, such as risk, expected returns, financial knowledge, market conditions, transparency, trust, and the reputation of financial institutions. A positive perception encourages investors to participate in financial markets, whereas a negative perception may reduce their confidence and investment willingness.

In the present competitive financial environment, understanding investor perception has become increasingly important for investment banks. Technological developments, digital financial platforms, and increasing access to financial information have changed the way investors evaluate financial services. Investors are becoming more conscious of service quality, transaction transparency, security, and professional financial advice before making investment decisions.

II. LITERATURE REVIEW

The perception of investors towards investment banking has attracted attention in financial research because investor confidence and decision-making influence the growth of financial markets. Several researchers have examined the factors affecting investment behaviour, financial awareness, risk tolerance, and trust in financial institutions.

Lusardi and Mitchell (2014) pointed out the significance of financial literacy for taking informed financial decisions. They found that financial literacy is a key factor in people's understanding of financial products, assessing risks and making effective investment decisions.

Pandya and Prajapati (2026) explored the shift in the preference of Indian retail investors about online investment platforms. The factors influencing the choice and ongoing use of a platform were identified as technology adoption, trust, security, service quality, customer satisfaction and behavioural biases. The study also revealed a gap in research regarding the actual investment results and the experiences of various groups of investors.

The past 50 studies on individual investors' behaviour in the Indian stock market have been summarized by **Paul and Raju (2026).** They found that behavioural biases, personality attributes and financial literacy had an impact on investment decisions. The research also showed the increasing significance of digital investment platforms in the investor's behavior.

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Kumaraswamy and Tamizhjyothi (2026) have explored the role of financial literacy on investment decisions of retail investors in India. In their review they identified increasing importance of financial knowledge, financial inclusion, digital financial services and behavioural finance. They also highlighted the importance of conducting research integrating financial literacy, behavioural factors, and digital investment services.

III. RESEARCH METHODOLOGY

- **Objective of the Study:** To study the perception of investors towards the investment banking
- **Sample Size:** 137
- **Statistical Tools:** Descriptive Statistics, ANOVA

IV. DATA ANALYSIS AND INTERPRETATION

Table 1 Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	94	68.6	68.6	68.6
	Female	43	31.4	31.4	100.0
	Total	137	100.0	100.0	

The table 5.1 shows that out of the total 137 respondents, 94 are Male (68.6%) and 43 are Female (31.4%). The data indicates a clear majority of male participants in the sample, representing over two-thirds of the total population surveyed.

Table 2 Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20	68	49.6	49.6	49.6
	21- 40	59	43.1	43.1	92.7
	41- 60	9	6.6	6.6	99.3
	Above 61	1	.7	.7	100.0
	Total	137	100.0	100.0	

Table 5.2 depicts that the majority of respondents belong to the younger demographic: 49.6% are below 20 years old, followed closely by 43.1% in the 21–40 age bracket. Combined, individuals under 40 years of age constitute 92.7% of the total sample. Respondents aged 41–60 (6.6%) and above 61 (0.7%) form a very small fraction of the surveyed group.

Table 3 Highest Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Matric	6	4.4	4.4	4.4
	Senior Secondary	59	43.1	43.1	47.4
	Graduate	36	26.3	26.3	73.7
	Post graduate	28	20.4	20.4	94.2
	Others	8	5.8	5.8	100.0
	Total	137	100.0	100.0	

Table 5.3 analyzed that the highest proportion of respondents have completed Senior Secondary education (43.1%). Graduates and Post Graduates represent 26.3% and 20.4% of the sample respectively, bringing the total proportion of highly educated respondents (higher education) to 46.7%. Matriculates (4.4%) and others (5.8%) account for the remaining share.

Table 4 Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	29	21.2	21.2	21.2
	Unmarried	104	75.9	75.9	97.1
	Divorced	3	2.2	2.2	99.3
	Widow	1	.7	.7	100.0
	Total	137	100.0	100.0	

Table 5.4 shows that an overwhelming majority of the respondents are Unmarried (75.9%). Married respondents make up 21.2%, while Divorced (2.2%) and Widowed (0.7%) individuals make up negligible portions of the sample. This directly aligns with the youthful age profile observed in Table**.**

Table 5 Per month Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 10000	81	59.1	59.1	59.1
	10001-20000	16	11.7	11.7	70.8
	20001-30000	16	11.7	11.7	82.5
	30001-40000	4	2.9	2.9	85.4
	Above 40000	20	14.6	14.6	100.0
	Total	137	100.0	100.0	

Table 5.5 highlights that more than half of the total respondents (59.1%) earn less than ₹10,000 per month. Equal proportions (11.7% each) fall into the ₹10,001–20,000 and ₹20,001–30,000 income groups. A small

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fraction (2.9%) earns between ₹30,001 and ₹40,000, while 14.6% earn above ₹40,000 monthly.

Table 6 Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Homemaker	2	1.5	1.5	1.5
	Student	87	63.5	63.5	65.0
	Salaried	23	16.8	16.8	81.8
	Self Employed	10	7.3	7.3	89.1
	Professional	13	9.5	9.5	98.5
	Public Employer	2	1.5	1.5	100.0
	Total	137	100.0	100.0	

The table 5.6 shows that students comprise the primary occupational category in this study, representing 63.5% of respondents. Salaried workers (16.8%), Professionals (9.5%), Self-Employed individuals (7.3%), Public Employers (1.5%), and Homemakers (1.5%) make up the remainder of the sample.

Table 7 ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	4.372	16	.273	1.305	.205
	Within Groups	25.131	120	.209		
	Total	29.504	136			
Age	Between Groups	7.576	16	.474	1.143	.324
	Within Groups	49.709	120	.414		
	Total	57.285	136			
Highest Education	Between Groups	17.830	16	1.114	1.116	.348
	Within Groups	119.849	120	.999		
	Total	137.679	136			
Marital status	Between Groups	4.018	16	.251	1.085	.377
	Within Groups	27.778	120	.231		
	Total	31.796	136			
Per month Income	Between Groups	67.429	16	4.214	2.243	.007
	Within Groups	225.505	120	1.879		
	Total	292.934	136			
Occupation	Between Groups	26.897	16	1.681	1.545	.095
	Within Groups	130.577	120	1.088		
	Total	157.474	136			
Residence	Between Groups	7.741	16	.484	1.214	.267
	Within Groups	47.821	120	.399		
	Total	**55.562**	**136**			

The ANOVA results in table 5.7 reveal that among all seven demographic variables, only monthly income has a statistically significant influence on investors' perception towards investment banking, as its significance value (0.007) is below the 0.05 level. On the other hand, gender, age, educational qualification, marital status, occupation, and residence do not show any statistically significant differences in investors' perception.

V. CONCLUSION

Overall, the study concludes that monthly income plays a significant role in influencing investors' preferences regarding investment banking, whereas gender, age, educational qualification, marital status, occupation, and place of residence do not have a statistically significant influence on their preferences.

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