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Research Article

A Study of Demographic Influence on Use of Web-Based Information in Investment Planning for Retirement

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ABSTRACT

The Digital world is like a virtual galaxy of knowledge. This pandemic situation has further propelled people to depend upon the world of internet. This research is aimed at analysing the use of internet for gathering information for decision-making and depending upon various tools available on web for calculating returns of investments and finally building the corpus for retirement. It has been observed that people are always apprehensive about paying for advices in case of planning for their financial needs post-retirement. They depend heavily upon their perception of what amount of money would be required to pay off their post-retirement expenses. The survey conducted also brought forth the attitude of self-reliance. Now with the world of the internet being an easier and cheaper source of information, people prefer to rely on information available on the internet, a few discussions with friends and family for drawing up conclusions on the quantum of funds required post requirement and the nature of investments to be made. Yet approaching a professional expert is still not surely a priority in the list of information sources of people.

The research was conducted vide the survey method and a total of 155 completed responses were gathered.

The study concluded that the individuals' age significantly influences their perception and attitude towards accessing information from the internet about investment plans for retirement.

Another objective of this research was to study whether people with finance-based educational backgrounds had more reliance than people from non-finance based educational backgrounds on web-based information as a source for planning their retirement-oriented finance.

Keywords: Internet, digital information, investments, financial planning, retirement, web- based

INTRODUCTION

Covid – 19 has had a major impact on the financial plans of people at large and obviously on the economic condition of India. However, the positive impact of this has been the increased use of the world of internet and android based application for accessing information. At a click of a button information is on the screen and in lucid language and format. This study was conducted in the given situation to analyse the enhanced use and increased dependency on internet in current pandemic situation.

So, keeping in mind future normalcy as the backdrop of this research, it was noticed that India as a developing country did see a surge and inflow of job opportunities together with general increase in educated workforce India has seen a lot of changes. One of the major changes in workforce that was also witnessed over the last few decades is the enrolment of large number of youngsters into the world of our developing economy. Industrial growth and liberalized policy of the government has enhanced the level of employment thus leading to a massive growth in flow of funds in the market. The percentage of working class has by far improved over the past decades. Yet with growing consumerism, savings and investment for retirement has surely not

changed at the same pace. It has generally taken a back seat in this economy and thus eroding the capital formation for dynamic and sustainable growing India.
It's often noticed that people tend to focus on short-term financial goals, such as saving for a wedding, buying a home, or a car, before they start thinking about saving for retirement. It's typically not until their late 30s that individuals begin to consider long-term savings and investment plans, often for their children's education. Many people are still unsure about how much to save and the best way to save for the future. But increased sources of free-flowing information is surely making a positive impact on the knowledge enhancement area.

ORIGIN OF RESEARCH PROBLEM

In the backdrop of the above scenario, the research was undertaken to understand the effect of digitalisation in financial planning for retirement. It was observed that people usually were not inclined to seek expert advice for making the financial plans for retirement. With the ever-growing digital world and easy access to information, the research is aimed at studying the effect of the decision-making process with internet-based information as the main source of information.

SIGNIFICANCE OF THE STUDY

This study is aimed at assessing the factors effecting the inclination of individual investors towards use of web-based information available in assessing their choices over various investment alternatives mainly aimed at long term retirement planning. This shall lead to further focusing on review of quality enhancement of data availability in order to ensure and encourage more people to adopt to user friendly information. The availability of user-friendly, accurate and timely information will enhance the proactive use of free-flowing information thus indirectly securing the investors' funds through appropriate investment decisions.

OBJECTIVES OF STUDY

a) To determine the impact of age on the use of web-based information for financial planning for retirement.
b) To determine the impact of educational background on use of web-based information for financial planning for retirement.

Hypotheses (Null)

1. H_0 - There is no significant association between the age of the respondents and their preference for obtaining Investment related information from Internet for retirement
2. H_0 - There is no significant relation between educational background (finance/Non – finance) and their preference for obtaining Investment related information from Internet for retirement

Review of Literature

The web world is the new digital Encyclopedia of the current era. It gives us the all the information about anything and everything at just a click away. With time and situation people have adapted the ways of the world of technology.
The Journal of Accountancy published by AICPA & CIMA noted in one of its articles authored by **Sarah Phelan (2001) in "**The Internet as an Investment Tool" stated that the web world makes it easier for financial advisors as well as retail investors, to use e-based information on timely basis along with large quantity of data correlated together with financial-projection tools. The best part of it is that it can be done at any time of the day easily, cheaply, and accurately. A broker's consultation can be completely ruled out.
Number of Websites allow potential investors to set up watch lists and/or model portfolios for free. These web tools allow them to choose a handful of investments, invest a hypothetical amount of money and then observe the progress over time, thus helping them to test their judgment while risking only pride, using such a model portfolio,
However, it was also observed that access is not always reliable, however. Its also notable that lot of notable crashes happened in the past and has resulted out of false manipulated data.
Cyber crimes are also a fallout of this enhanced technological use. So cautious use of the use of the digital world is a very important criterion
An article published by Global Investors Group, authored by **Paulina Pielichata (2014)** noted that data accuracy is the biggest client reporting challenge facing investment managers. Accuracy and interpretation of data varied depending on perception of investment managers and their techniques. Information available online may always not be reliable and authentic thus can sometimes mislead investors. Scams, misleading and fraudulent information is also a big challenge for people accessing and depending upon internet- based information for investments and related studies
In a report by **Anuj Kumar Gupta (2015)** stated that Indians are still a little conservative in relying on information available on internet as against from more tangible sources. The information gathered require further authentication in most of the cases.
In a report by **Deloitte Centre for Financial Services (2017)** "Alternative data for investment decisions: Today's innovation could be tomorrow's requirement" it has been stated Investment management firms, soon,

will surely use news feeds, social media, online communities, communications metadata, satellite imagery among many more to augment their traditional processes for securities valuation as the rule, rather than the exception.

The Deloitte report also stated that the attraction of alternative data is set largely for the potential for an information advantage concerning investment decisions over the market. The current days' fortunes rest on the accessibility of large volumes of data together with advanced analytics that fuels the potential for information advantage. Knowledge with speed and accuracy are creating a legacy with the use of advanced analytics.

Research Gap

Keeping the above reports and studies in view, the perception of accessing information from the internet and the factors affecting such preference of sourcing information from the world for investment planning for retirement is being reviewed through this paper.

Research Methodology

Research Design

The present research is mainly descriptive in nature with the view to study respondents' perception about digital information available for financial planning and investment purposes. Its has been designed to understand if any relation exists between the age and educational background of investors and their reliance and dependency on the information available on the internet.

Sample Design

In preparation for data collection, a sample design was established. The data for this study was collected using a purposive sampling approach, which is a non-probability sampling technique. The study focuses on educated working individuals residing in the western suburbs of Mumbai, including academics, corporate professionals, entrepreneurs, and others. A total of 200 questionnaires were distributed through personal contacts, resulting in 178 completed questionnaires, of which 155 were considered usable for the study. The sample encompassed individuals from diverse age groups, income levels, and educational backgrounds.

Target Population

There was no restriction for gender, age, income and marital status. However, the other demographic factors were categorized. The respondents were divided into four age groups of 21 -30 years, 31 -40 years, 41 -50 years, 51 -60 years. The other categorization was based upon educational background and qualification. As for educational qualification, a basic level of Graduation has been established. The respondents have been particularly taken from either of the three types of organizations i.e., Educational Institutions, Banks and Company.

DATA ANALYSIS & INTERPRETATIONS

Testing of Hypotheses

Hypothesis 1

H_0 - There is no significant association between age of the respondents and their preference of obtaining Investment related information from Internet for retirement

H_1- There is a significant association between age of the respondents and their preference of obtaining Investment related information from Internet for retirement

Based on the survey conducted through interviews and questionnaires, the following observations have been made:

TABLE 1: Age wise preference of Obtaining Investment related information from Internet for retirement

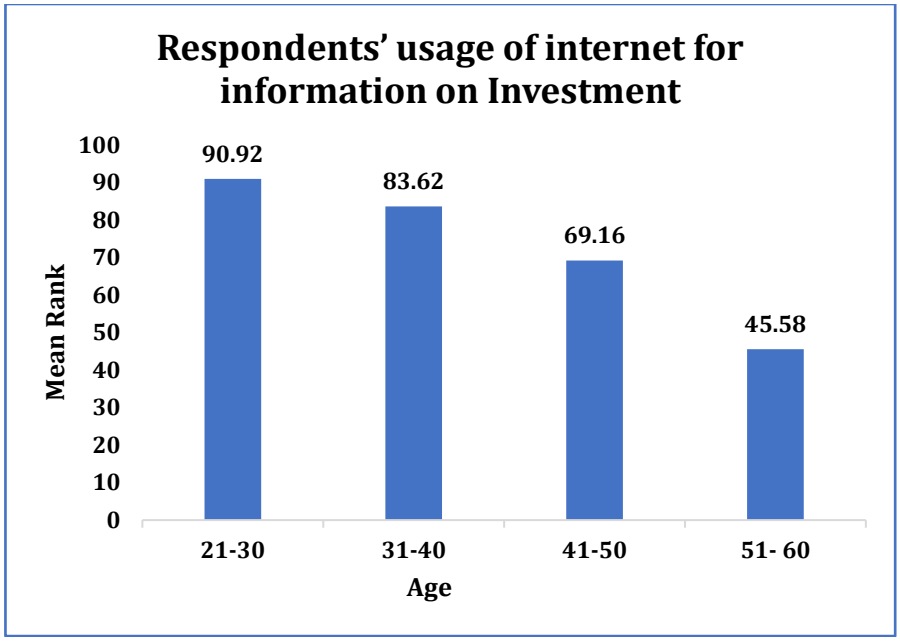
Age (years)		Usage of Internet for Investment related information
Age	21-30	79.6%
	31-40	58.0%
	41-50	27.6%
	51- 60	8.0%

On age-wise analysis shows that respondents within the age band of 21-30 years are giving the maximum priority to internet usage for gathering information (79.6%) as compared to 58% of the following age group of 31-40 years and above. In this age-wise analysis with a progressive rise in age group the percentage of usage of the internet has seen to on a lowering trend. It is clear from the table below that with the younger generation is more inclined towards gathering information from Internet rather than the older age group.

Table 2 : Mean ranking of Preference of Usage of Web based Investment Information for Retirement Planning

Ranks			
Respondents' usage of internet for information on Investments	Age (Years)	N	Mean Rank
	21-30	49	90.92
	31-40	52	83.62
	41-50	29	69.16
	51- 60	25	45.58
		155	

Graph 1: Mean ranking of Preference of Usage of Web based Investment Information for Retirement Planning



Testing of Hypothesis

Kruskal-Wallis Test

Test Statistics	
Chi-Square	20.331
Df	3
Asim. Sig.	.000145

a. **Kruskal Wallis Test**
b. **Grouping Variable:** Age

From Table above it is evaluated that the computed value of chi –square is 20.331. The corresponding P-value is 0.000145 which is less than 0.05.

Hence,

Alternative Hypothesis (H_1): There is a significant relation between the age of the respondents and their preference towards saving for retirement. – ACCEPTED.

Therefore, from the above observations and tests conducted, it is concluded that age has a significant association with the respondents obtaining investment related information from Internet for retirement.

Hypothesis 2

H_0 - There is no significant relation between educational background (finance/Non – finance) and their preference for obtaining Investment related information from Internet for retirement

H_1: There is a significant relation between educational background (finance/Non – finance) and their preference for obtaining Investment related information from Internet for retirement

Table 3: Distribution of Respondents According to their Educational background (Finance/Non- finance)

Education	Frequency	%
Graduate	55	34.6
Post Graduate	100	65.4
Total	155	100.0

• According to the table, it is clear that the majority of respondents, 100 out of 155 (65.4%), have post-graduate qualifications, including doctorates, chartered accountancy, M. Com, M. Sc., and other qualifications. This suggests that they may have a higher level of maturity, potentially leading to rational savings and investment decisions.

• **Area of specialization in education: Finance / Non-finance courses**

Table 4: Frequency of respondents Finance/Non-finance courses Specialized in Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Finance	89	56.9	56.9	56.9
	Non-finance	66	43.1	43.1	100.0
	Total	155	100.0	100.0	

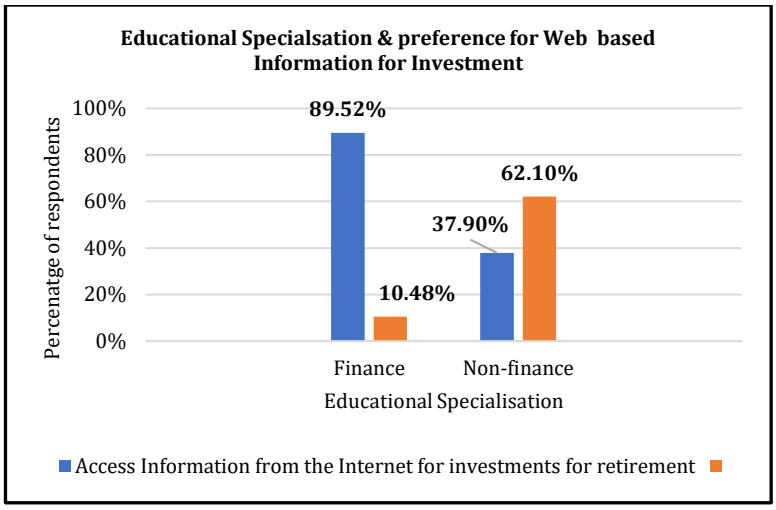
The data clearly indicates that the majority of the respondents, specifically 89 out of 155 (56.9%), come from a finance background, indicating a significant influence on decision-making approaches. This disparity between the finance and non-finance groups may lead to differing opinions. The attitudes towards savings, investment patterns, and priority for retirement are expected to be more clearly defined within this group. Consequently, their decisions are anticipated to be more rational, reflecting a higher level of maturity, and their savings and investment decisions may be considered prudent and well-informed.
Here, from the above graphical presentation and data available it is evident that with educational specialisation in finance tend to be more inclined to gain knowledge from internet for planning saving for their retirement.
The above stated hypothesis has been framed to judge the effect of educational qualification (specialisation in in Financial / non -financial courses) and preference for gathering information relating to investment for retirement from internet.

The said statistics have been portrayed below:

Table 5: Percentage of Finance/Non- finance educational courses reviewing information on investment alternatives on internet

Specialized in Qualification	Access Information from the Internet for investments for retirement		
	Yes	No	Total
Finance	89.52%	31.0%	100.0%
Non-finance	37..9%	62.1%	100.0%

Graph 2: Percentage of Finance/Non- finance educational courses reviewing information on investment alternatives on internet



On further analysis, it has been observed that out of the strength of 89 with finance specialization 86.52% had referred to internet for information on investments for retirement purposes as compared to 39.39 % of the respondents from non-finance background.

Hypothesis Testing

Chi-Square Test

	Value	Df	Asymp. Sig. (2- sided)	Exact Sig. (2- sided)	Exact Sig. (1- sided)
Pearson Chi-Square	14.688[a]	1	.000127		
Continuity Correction[b]	13.456	1	.00015		
Likelihood Ratio	14.861	1	.000235		
Fisher's Exact Test				.001	.001
Linear-by-Linear Association	14.592	1	.000112		
N of Valid Cases	153				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 29.33.
b. Computed only for a 2x2 table

From Table above it is evaluated that the computed value of chi-square is 14.688. The corresponding P-value is 0.000127 which is less than 0.05.

Hence,
Alternative Hypothesis (H_1): There is a significant relation between educational background (finance/Non – finance) and their preference for obtaining Investment related information from Internet for retirement – ACCEPTED
So, there is a relationship between specialization in educational backward with financial specialisation and their preference for obtaining information on the internet about investments for retirement purposes.

Conclusions

The Above research established that the retail investors have adapted to this world of technology. Respondents with a background in finance demonstrate a higher level of interest and attentiveness toward utilizing online resources to make retirement investments as opposed to respondents without a financial background. Moreover, age of the investors does have an effect of the use of such digital information. They have started relating and relying on information available thereat.
However, it's a long way before the all the investors are become depend on electronic data. Human intervention is something by far is still brings in an element of reliability. In this pandemic era when people were confined to their homes and stock market was giving them all lucrative opportunity, to retail investors did turn to the digital world. However, it is evident from the study that human intervention at any point would never be completely replaceable.

So, web- based information won't ever be able to substitute for experience and judgment of any one individual. Personal perception and ideology are always a personal human factor.

A glass half full can always be perceived as half empty

Road ahead

In times to come this study can be further improvised and several outcomes can be researched upon to best utilise the resources available. There are more attributes and factors which have a socio – economic impact of the decision -making process of an investor. For Fundamental and technical analysis, accuracy and reliability of data is of utmost importance. Reliance will surely differ from person to person depending upon the perception of accuracy of information on web world.

Financial authorities and its related agencies should organise seminars or workshops on capital market investment which should be attended by local investors who are keen on getting some information about the market. This would give away opportunity to educate the prospective investors the ways and means of usage of online data and also allow best opportunity to get more respondents for further research.

This sort of study will help the financial planners is addressing the loop holes and better client management. It will also aid them in relies the needs of retail investors and the economical and emotional equations of future investors.

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