

A Study on Awareness of Investment in IPO's among GenZ from Mumbai Region

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Abstract: *A study on awareness of investment in Initial Public Offerings among the youth from the Mumbai region has been carried out with the intention of understanding how financial knowledge and behaviour are being shaped in a fast-growing urban environment. The subject has been considered relevant because IPOs have been treated as one of the most popular entry points into the stock market for new investors, and the financial capital of India has been regarded as the most suitable location for examining such a trend. The growing participation of young people in capital markets has been noticed, and the spread of digital trading platforms has been observed as a major reason behind the increased interest in IPO investments. The financial culture of Mumbai has been strongly influenced by its long-standing status as a hub for the stock exchange and corporate activity, and this background has been seen as significant in shaping the awareness of investment among the younger population. IPOs have been promoted widely by companies seeking fresh capital, and retail investors have been given active opportunities to subscribe to these offerings. The curiosity of the Gen Z and millennial segments has been captured by advertisements, social media promotions, and peer influence, and the role of such factors in shaping decisions has been acknowledged.*

Keywords: Initial Public Offerings

I. INTRODUCTION

A study on awareness of investment in Initial Public Offerings among the youth from the Mumbai region has been carried out with the intention of understanding how financial knowledge and behaviour are being shaped in a fast-growing urban environment. The subject has been considered relevant because IPOs have been treated as one of the most popular entry points into the stock market for new investors, and the financial capital of India has been regarded as the most suitable location for examining such a trend. The growing participation of young people in capital markets has been noticed, and the spread of digital trading platforms has been observed as a major reason behind the increased interest in IPO investments.

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The importance of awareness has been emphasized because financial literacy has been regarded as a cornerstone of informed decision-making, and the lack of adequate knowledge has been linked with impulsive choices or dependence on hearsay. Risks associated with IPOs have been pointed out in various studies, yet the glamour of quick listing gains has been observed as a stronger attraction for first-time investors.

The market dynamics in Mumbai have been shaped by high competition, constant media coverage, and widespread conversations about stock performance, and these conditions have been found to create both opportunities and challenges for new investors. A gap in financial education has been noticed in formal learning systems, and awareness initiatives have often been left to private institutions or self-driven exploration.



The behaviour of Gen Z investors in Mumbai has been characterized by curiosity, tech-savviness, and a willingness to take calculated risks, and the role of mobile trading applications has been highlighted in enabling quick access to IPO participation. The tendency of relying on digital influencers and social media groups for investment decisions has been observed, and the consequences of such dependence have been recognized as mixed, with both useful information and misleading content being shared.

II. REVIEW OF LITERATURE

Moniker Bharat (2023). This Study analyses the Indian Initial Public Offering (IPO) market dynamics throughout 2021 and 2022, focusing on valuation accuracy, IPO returns in correlation with market movements, the impact of issue size, and investor composition amid the influence of the COVID-19 pandemic and Russia- Ukraine War. The study showcases notable trends and findings that can significantly guide investors and financial analysts navigating the evolving IPO landscape.

Jayant Aggarwal (2025): The study hypothesizes that FOMO acts as a key psychological mediator in this relationship, channelling the aspirational goals of Gen Z into impulsive, emotionally-driven actions. Furthermore, it posits that financial literacy serves as a critical moderating variable, with higher literacy levels potentially mitigating the adverse effects of influencer-induced biases. The findings aim to provide empirical evidence on the mechanisms of digital influence

Patil & Gokhale (2023): Today, more than half of the young generation (Gen-Z) invest proactively. Investments can be a great way to generate income as well as to create assets. Hence, people save money to target good returns and financial security. The current generation is proving to be more financially sophisticated than their predecessors. The purpose of this paper is to determine the investment pattern of Gen-Z and to make a comparative analysis of the same

Nag & Shah (2022): Study of Gen Z in India showed that financial literacy has a strong positive effect on stock market investment intention; mediators like attitude and perceived behavioural control matter. The aim behind conducting this research was to identify the influence of financial literacy (FL) on the stock market investment decisions of individuals belonging to Gen Z in India. Attitude toward investment (AT) and perceived behavioural control (PBC) were considered as the mediating factors related to the same, while social factors (SF) and subjective norms (SN) were considered as independent factors.

III. RESEARCH METHODOLOGY

OBJECTIVES

1. To assess the level of awareness about Initial Public Offerings among the youth in the Mumbai region.
2. To analyse the factors influencing investment decisions in IPOs by young investors.
3. To examine the role of financial literacy in shaping perceptions and understanding of IPO investments.
4. To evaluate the impact of digital platforms and media on IPO awareness and participation.
5. To identify the challenges and misconceptions faced by the youth regarding IPO investments.

IV. STATEMENT OF PROBLEM

The problem addressed in this study arises from the growing participation of youth in IPO investments without adequate awareness and understanding of the process, risks, and long-term implications. While IPOs have been increasingly viewed as an attractive investment option due to the promise of quick returns and the convenience of digital platforms, many young investors in Mumbai are found to rely heavily on social media trends, peer influence, or limited promotional information rather than proper financial analysis. This lack of structured financial literacy creates a gap between interest and informed decision-making, which can lead to unrealistic expectations, poor investment outcomes, and potential financial setbacks. Although Mumbai is considered the financial capital of India, awareness about IPO allotment procedures, valuation methods, and risk factors remains uneven among its youth. The problem therefore lies in the imbalance between growing enthusiasm for IPOs and the insufficient depth of knowledge required



to make rational and sustainable investment choices, making it important to study and understand the actual level of awareness among young investors in the region.

V. DATA ANALYSIS

In this research, data will be collected from 100 investors in Mumbai region through surveys and interviews, providing both qualitative and quantitative insights. The primary data will be complemented by secondary data from financial reports and digital investment platforms.

Table 1 : AGE

Age	Number of Respondents	Percentage
Below -18	7	7%
18-22	77	75%
23-27	17	17%
28 & Above	1	1%

Interpretation:

We gathered information about the participants and to which age group they belong to in order to understand the difference in the thought processes of people belonging to different age group.

- The age-wise distribution of respondents shows that the majority of participants fall in the 18-22 age group, according for 75% of the total sample. This indicates that the survey largely represents younger students who are more active investors of IPO.
- The 23-27 age group makes up 17%, showing moderate representation, while only 7%of the respondents are below-18, suggesting that more younger students are participating in smaller numbers. While only 1% is for the age group 28 & above.
- This highlights that the IPO investors behaviour observed in this study is primarily reflective of the young adult age people, who are more engaged with IPO investment.

Table 2 : GENDER

Gender	Number of Respondents	Percentage
Male	84	83%
Female	16	16%
Others	0	0%

Interpretation:

We collected data on the age group of the respondents to understand how IPO investment among Genz across different stages of youth. Since individuals at different stages have different levels of financial independence and investing priorities. Analysing their age distribution help us identify how these factors influence their choices and behaviours.

- Male respondents make up the largest portion of the sample at 84%.
- Female respondents account for 16% of the portion.
- The No share of 0% Has not selected “Other “option



Table 3 : OCCUPATION

Occupation	Number of Respondents	Percentage
Student	71	71%
Working professional	23	23%
Business	4	4%
Others	2	2%

Interpretation:

- The occupation data shows that most respondents are Students, with 71 out of 100 belonging to this group. This means the study mainly reflects the awareness level of young learners who are still building financial knowledge.
- There are 23 working professionals, which adds some practical investment experience to the sample.
- Only 4 respondents are from a business background, showing limited representation from people who usually engage more in financial decisions.
- The remaining 2 respondents fall under the other category. Overall, the data shows that the survey responses are mostly influenced by students, with smaller contributions from working and business groups.

Table 4 : DEMAT AND TRADING ACCOUNT STATUS

Trading A/c Status	Number of Respondents	Percentage
Yes	70	70%
No	20	20%
Planning to open	10	10%

Interpretation:

- The data shows that 70 respondents have a demat and trading account, which means most participants are already prepared to invest in IPOs.
- 20 respondents do not have an account, indicating a smaller group that is not yet involved in market activities.
- Another 10 respondents are planning to open an account, suggesting growing interest in starting their investment journey soon.



Table 5 : AWARENESS LEVEL OF IPOs

Awareness level	Number of Respondents	Percentage
Highly aware	27	27%
Moderately aware	57	57%
Slightly aware	15	15%
Not aware	1	1%

Interpretation:

- The awareness data shows that 27 respondents are highly aware, which means a good portion has strong knowledge about IPOs.
- The largest group, 57 respondents, is moderately aware, suggesting they understand the basics but may lack deeper knowledge.
- 15 respondents are slightly aware, indicating limited familiarity with the concept. Only 1 respondent is not aware, showing very low lack of exposure in the sample.

Table 6 : IPO APPLICATION EXPERIENCE

Application Experience	Number of Respondents	Percentage
Yes	70	70%
No	30	30%

Interpretation:

The results show that 70 respondents have applied for an IPO, which indicates strong participation and practical exposure among the group.

The remaining 30 respondents have never applied, suggesting that a smaller portion is either new to investing or not confident enough to try the IPO process yet. Overall, most participants have direct experience with IPO applications.

Table 7 : PREFERRED IPO APPLICATION PLATFORM

Application Used	Number Of Respondents	Percentage
Zerodha	12	12%
Groww	35	35%



Upstox	20	20%
Angel One	22	22%
Bank ASBA	2	2%
Other	9	9%

Interpretation:

The data shows that Groww is the most preferred platform with 35 users, which suggests that its simple interface and easy IPO application process appeal to most respondents. Upstox is used by 20 respondents, showing a good level of popularity among young investors. Zerodha is chosen by 12 respondents, indicating moderate usage, possibly among more experienced users. Angel One is used by 22 respondents, showing similar preference as Zerodha. Only 2 respondents prefer Bank ASBA, which means traditional banking methods are less popular. The remaining 9 respondents use other platforms, showing some diversity in user choices. Overall, digital investment apps clearly dominate over bank-based methods for IPO applications

VI. SUGGESTIONS BY GEN Z REGARDING IPO INVESTMENT

- **Gen Z suggests creating more easy-to-understand educational content**

Many young investors feel that IPO information is often too technical. They believe companies and platforms should simplify terms so beginners can understand better. Clear videos, short guides and examples can help them build confidence. Gen Z appreciates content that is practical instead of theoretical. They want learning resources that help them make informed choices rather than depending on others.

- **Gen Z recommends increasing transparency in company disclosures**

Young investors want companies to be more open about risks, financial history and real business performance. They prefer honest communication instead of promotional messaging. Transparent disclosures help them trust the IPO process more. It also reduces the chances of misleading expectations. Gen Z values clarity because it helps them compare different IPOs in a smarter way.

- **Gen Z suggests improving the user experience on digital IPO platforms**

They want smoother applications with fewer technical issues, especially during peak hours. A clean and simple interface makes the process less confusing. They also prefer faster UPI mandate approvals and timely application updates. Platforms that reduce errors make IPO participation stress-free. Gen Z believes convenience strongly influences their decision to apply.

- **Gen Z recommends more awareness campaigns about IPO risks**

Many young investors feel they know only the basics of risk. They want platforms to highlight potential losses, volatility and overvaluation honestly. Proper risk awareness helps them set realistic expectations. This prevents impulsive applications driven only by listing gain hype. Gen Z feels responsible investing starts with understanding downside possibilities.

- **Gen Z suggests offering trial simulations for first-time investors**

They believe mock IPO applications or demo environments can help beginners practice. Such simulations remove fear and hesitation before applying for the first time. It allows them to understand the steps without real money involved. Gen Z thinks hands-on learning is more effective than reading theory. It can create a more confident group of new investors.



- **Gen Z recommends reducing the minimum lot size for some IPOs**

Many students and freshers feel restricted due to high investment requirements. A smaller lot size makes participation more inclusive. It allows young investors to start with small amounts and still learn the process. Lower entry barriers encourage more people to explore IPOs. Gen Z values accessibility because not everyone has large capital in the beginning.

- **Gen Z suggests more reliable customer support during IPO periods**

They prefer quick help when issues like payment delays or mandate failures occur. Responsive support builds trust and reduce confusion during the application window. Chat-based or call-based assistance should be more active on listing and closing days. Gen Z expects problem solving that is fast and clear. This support helps them feel secure while investment.

VII. OVERALL INSIGHT

The findings show that Generation Z in Mumbai is becoming more active and curious about IPO investing, supported by high awareness and strong future interest. Most of them prefer digital platforms and rely on easy-to-use apps, but they still expect smoother processes and clearer guidance. Their decisions are shaped by company reputation, basic research and social media influence. While many aim for long-term returns, they also look for better education on risks and transparency. Overall, Gen Z is confident but still learning, and they expect a more supportive and simplified IPO ecosystem

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