

A Comparative Study of Traditional and Modern Investment Avenues among Young Investors

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Abstract: *Investment behavior among young investors in India has experienced a remarkable transformation due to increasing financial literacy, technological advancement, digital brokerage platforms, and changing economic conditions. Traditionally, investors preferred safer investment avenues such as bank fixed deposits, post office schemes, gold, insurance policies, and real estate because of their stability and guaranteed returns. The present study aims to comparatively analyze traditional and modern investment avenues among young investors in Jammu and Kashmir using primary data collected from four brokerage houses with equal distribution of respondents.*

The study is based on a sample size of 200 respondents, with 50 respondents selected from each brokerage house operating in Jammu and Kashmir. The selected brokerage houses include Sharekhan, Angel One, Motilal Oswal, and JKB Financial Services. The research adopts a descriptive and analytical research design using structured questionnaires for data collection. Statistical tools such as percentage analysis, weighted average analysis, chi-square test, and comparative analysis are used for interpretation.

The findings of the study reveal that young investors in Jammu and Kashmir are gradually shifting toward modern investment avenues due to better return expectations, technological convenience, and growing awareness of financial markets. The study concludes that although modern investments are gaining popularity, a balanced investment portfolio combining both traditional and modern avenues is the most suitable strategy for long-term wealth creation and financial security.

Keywords: Investment, Investor, Financial Awareness, Investment Avenues

I. INTRODUCTION

Investment is the process of allocating financial resources into various assets or instruments with the objective of earning future returns. Investment decisions play a crucial role in wealth creation, economic growth, and financial security. In recent years, the investment landscape in India has changed significantly due to rapid digitalization, economic reforms, technological innovation, and increased awareness regarding financial planning.

Traditionally, Indian investors preferred safe and stable investment avenues such as fixed deposits, post office savings schemes, insurance policies, gold, and real estate. These investment options were considered reliable because they involved lower risk and assured returns. However, with the emergence of modern financial markets and fintech platforms, young investors are increasingly participating in market-linked investment avenues such as equities, mutual funds, exchange-traded funds (ETFs), cryptocurrencies, and derivatives.

The development of online trading platforms and mobile investment applications has simplified investment procedures and enhanced participation among youth. Young investors today are more financially aware, technologically advanced, and willing to take calculated risks for wealth maximization. This transformation has become particularly visible in regions like Jammu and Kashmir, where digital brokerage platforms have increased access to capital market participation.



The present study focuses on comparing traditional and modern investment avenues among young investors associated with four brokerage houses in Jammu and Kashmir. The research investigates investor preferences, awareness levels, risk perceptions, return expectations, and factors influencing investment decisions.

Industry Profile

The Indian capital market has witnessed rapid growth due to digital finance, financial inclusion, and technological innovation. Online brokerage firms have transformed traditional investment systems into digitally accessible platforms. Brokerage houses provide trading and investment services to retail investors through web and mobile applications.

The major brokerage houses included in this study are:

- Sharekhan
- Angel One
- Motilal Oswal
- JKB Financial Services.

These platforms have significantly increased investor participation among youth due to low brokerage charges, educational resources, ease of account opening, and user-friendly interfaces.

The Indian securities market is regulated by Securities and Exchange Board of India, while major exchanges include National Stock Exchange of India and Bombay Stock Exchange.

Need for the Study

The investment preferences of young investors are changing rapidly due to technological advancements and digital financial services. Jammu and Kashmir has witnessed increasing participation in capital markets through brokerage platforms. Therefore, understanding the investment behavior of young investors is important for brokerage firms, policymakers, financial advisors, and researchers.

The study is important because it:

- Examines changing investment preferences among youth.
- Identifies factors influencing investment decisions.
- Compares traditional and modern investment avenues.
- Evaluates awareness regarding capital markets.
- Helps brokerage firms understand investor behavior.

Statement of the Problem

Young investors today are exposed to numerous investment alternatives ranging from traditional low-risk instruments to high-risk market-linked securities. However, investment decisions are often influenced by risk perception, return expectations, financial literacy, technological awareness, and economic conditions. Therefore, the study aims to analyze and compare the investment preferences of young investors toward traditional and modern investment avenues in Jammu and Kashmir.

Objectives of the Study

- To study the investment behavior of young investors in Jammu and Kashmir.
- To compare traditional and modern investment avenues among young investors.
- To identify factors influencing investment decisions.

Research Hypothesis

Null Hypothesis (H₀)

There is no significant difference between traditional and modern investment preferences among young investors.



Alternative Hypothesis (H1)

There is a significant difference between traditional and modern investment preferences among young investors.

Scope of the Study

- The study is limited to young investors aged between 18–35 years associated with four brokerage houses operating in Jammu and Kashmir. The research focuses on investment preferences, awareness, risk appetite, and factors affecting investment decisions.

Review of Literature

1. Mehta and Aggarwal (2010)

The study examined the relationship between demographic factors and investment choices among investors in Jammu. The findings revealed that age, gender, and occupation significantly influence investment decisions. Female investors preferred safer avenues such as fixed deposits and provident funds.

2. Khalid Mehraj and Vinay Kumar (2025)

The researchers analyzed retail investor behavior in the Kashmir division and found that younger investors were more inclined toward high-risk investment avenues such as derivatives and equities. The study emphasized the importance of financial literacy and digital investment platforms.

3. Poorvi Tiwari and Hariom Puniyani (2024)

The study focused on investment decision-making behavior among youth in India and concluded that equity shares and mutual funds are increasingly preferred by financially literate young investors.

4. Deepika Dhawan and Sushil Mehta (2019)

The research examined saving and investment patterns in Jammu city and highlighted the relationship between income and investment preferences. The study found that investors preferred low-risk avenues for long-term financial security.

5. Pandey and Others (2020)

The study investigated investment preferences among young investors and revealed that younger individuals increasingly prefer equities and mutual funds because of higher return potential.

Research Gap

Most previous studies focused either on traditional investments or modern investment avenues separately. Limited studies have comparatively analyzed both categories among young investors specifically in Jammu and Kashmir using brokerage-house-based primary data. Therefore, the present study attempts to bridge this research gap.

Research Methodology

Research Design

The study adopts a descriptive and analytical research design.

Sources of Data

Primary Data

Primary data was collected through structured questionnaires distributed among young investors.

Secondary Data

Secondary data was collected from:

- Research journals
- SEBI reports
- Financial websites
- Newspapers and magazines
- Research publications



Sample Design

Brokerage House	Number of Respondents
Motilal Oswal (Jammu)	50
Angel One (Jammu)	50
JKB Financial Services Limited (Srinagar)	50
Sharekhan (Srinagar)	50
Total	200

Sampling Technique

Convenience sampling method was used.

Area of Study

The study was conducted in Jammu and Kashmir.

Tools Used for Analysis

- Percentage Analysis
- Weighted Average Method
- Chi-Square Test
- Comparative Analysis
- Graphical Representation

Limitations of the Study

- The study is limited to 200 respondents only.
- Responses are based on investor perceptions and may involve personal bias.
- The study is restricted to selected brokerage houses in Jammu and Kashmir.
- Market conditions may influence investor opinions during data collection.

Data Analysis and Interpretation

1. Gender-wise Classification

Gender	Respondents	Percentage
Male	130	65%
Female	70	35%

Interpretation

Male investors dominate investment participation in brokerage platforms, though female participation is gradually increasing.



2. Age-wise Classification

Age Group	Respondents	Percentage
18–25 Years	90	45%
26–30 Years	70	35%
31–35 Years	40	20%

Interpretation

Young investors aged 18–25 form the largest category of investors.

3. Preferred Traditional Investment Avenues

Investment Avenue	Respondents	Percentage
Fixed Deposits	60	30%
Gold	50	25%
Insurance	40	20%
Real Estate	30	15%
Post Office Schemes	20	10%

Interpretation

Fixed deposits and gold remain highly preferred traditional investment avenues because of safety and stability.

4. Preferred Modern Investment Avenues

Investment Avenue	Respondents	Percentage
Mutual Funds	70	35%
Equity Shares	60	30%
ETFs	25	12.5%
Cryptocurrency	20	10%
Derivatives	25	12.5%



Interpretation

Mutual funds and equities are the most preferred modern investment avenues among young investors.

5. Factors Influencing Investment Decisions

Factor	Percentage
High Returns	35%
Safety	30%
Liquidity	15%
Tax Benefits	10%
Digital Accessibility	10%

Interpretation

Higher returns and safety are the major factors influencing investment decisions.

6. Awareness Regarding Modern Investments

Investment Instrument	Awareness Level
Mutual Funds	High
Stock Market	High
ETFs	Moderate
Cryptocurrency	Moderate
Derivatives	Low

Interpretation

Young investors possess high awareness regarding mutual funds and stock markets due to digital exposure and financial education.

Chi-Square Analysis

Hypothesis Testing

The chi-square test was applied to examine whether there is a significant relationship between age and investment preference.

Result

The calculated chi-square value was found to be greater than the table value at a 5% significance level.

Conclusion

The null hypothesis is rejected. Therefore, there is a significant difference between traditional and modern investment preferences among young investors.

Findings of the Study

- Young investors increasingly prefer modern investment avenues.



- Mutual funds emerged as the most preferred modern investment option.
- Fixed deposits remain the most preferred traditional investment avenue.
- Digital investment platforms have increased market participation.
- Higher returns motivate investors toward market-linked investments.
- Financial literacy significantly affects investment behavior.
- Investors aged 18–25 exhibit higher risk tolerance.
- Cryptocurrency investment participation remains moderate due to risk concerns.
- Brokerage platforms influence investment awareness through educational content.
- Investors prefer diversified portfolios combining safe and growth-oriented investments.

Suggestions and Recommendations

- Financial literacy programs should be expanded in Jammu and Kashmir.
- Brokerage firms should provide investor education regarding risk management.
- Young investors should diversify their investment portfolios.
- Awareness regarding ETFs and bonds should be improved.
- Government and regulators should promote secure digital investment systems.
- Investors should focus on long-term investment planning instead of speculative trading.
- Brokerage houses should strengthen customer support and financial guidance services.

II. CONCLUSION

The study concludes that investment behavior among young investors in Jammu and Kashmir is gradually shifting from traditional investment avenues toward modern market-linked instruments. Technological advancement, digital brokerage platforms, higher return expectations, and improved financial literacy have significantly influenced investor behavior. Although traditional investments such as fixed deposits and gold continue to provide security and stability, modern investment avenues such as mutual funds and equities are gaining increasing popularity among youth.

The findings indicate that young investors are becoming more risk-tolerant and financially aware. However, balanced investment strategies combining traditional and modern avenues remain essential for long-term financial growth and wealth creation. Brokerage houses play a significant role in increasing investor participation and awareness regarding capital market investments.

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