

***“A Study on Investment Behaviour among Coffee Planters of
Kodagu District”***

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ABSTRACT

Investing in various types of assets is an interesting activity that attracts people from all walks of life irrespective of their occupation, economic status, education and family background. The main objective of this research paper focuses on satisfy our future financial goals and keeping the value of money from inflation by investing in different kinds of investment avenues. When a person has more money than he requires for current consumption, he would be coined as a potential investor. The investor who is having extra cash could invest it in securities or in any other assets like gold or real estate or could simply deposit it in his bank account. The companies that have extra income may like to invest their money in the extension of the existing from or undertake new venture. Data has been collected from both primary and secondary sources. Descriptive research method and random sampling technique used for the research study. Percentage and descriptive statistics methods adopted for the statistical analysis. All of these activities in a broader sense mean investment. The real assets, gold, silver, arts, property and antiques acquired place in portfolio. These all are non – financial investments. Therefore, this research paper mainly highlights the way of investment and avenues of investment.

Keywords: Investment, Coffee Planters, Awareness and Preference of Investment avenues

1.1 INTRODUCTION:

Investment is a plan to make our surplus money double. In finance, the purchase of a financial product and other item of value with an expectation of favorable future return. The financial and economic meanings are related to each other because the savings of the individual flow into the capital market as financial investments, to be used in economic investment. Even though, they are related to each other. We are concerned only about the financial investment made on securities.

Investment is the employment of funds on assets with the aim of earning income or capital appreciation. Investment has three attributes namely time, risk and return. In general, investment means sacrificing present consumption for future return. This attribute of investment indicates the risk factor. The risk is undertaken with a view to reap some return from the investment.

1.2 COFFEE PLANTERS

Kodagu is an administrative district located in the southern state of Karnataka. It is also popularly known as “Coorg” and covers an area of 4,102 sq km in the region covered by the Western Ghats. To its north-west lies Dakshina Kannada, in the north is Hassan district, to its east is Mysore, and Kannur district of Kerala is located at its south-western border. The headquarters of Kodagu district is Madikeri.

Also known as **Coorg** and nicknamed as the "Kashmir of South", Kodagu is one of the precious gems in Karnataka's crown. Located in the Western Ghats of south-western Karnataka, Kodagu is known for rivulets winding their way through the landscape, sectors of paddy fields and coffee bushes interspersed with grassy downs and intriguing spice farms full of pepper, cardamom, oranges, lemon grass, etc.

Kodagu is the hub for coffee production. It is the livelihood for 80% of its residents.

Every farmer in Kodagu produces around 50-500 bags of coffee each year. It is an annual crop and most of the farmers depends upon the coffee. Kodagu is the sixth immense coffee manufacturer in the globe. Cultivating coffee is slow meticulous process. Once the berries are plucked it is like an industry process. The coffee cherry is roasted up to coffee beans & finally converted into coffee powder. Coffee producers face many challenges like nature fury, no proper rains, labour problems, and marketing challenges. The demand for coffee also varies from year to year, and it is dependent on global prices too.

1.3 OBJECTIVES OF THE STUDY:

Today everyone save money to meet uncertainty and fulfill future commitments. Every investor tries to avoid money from inflation. Investor invests money to get a good return from ideal money and satisfies future financial goals. Therefore our study intends to highlight the **investment avenues available to coffee planters.**

1.4 SCOPE OF THE STUDY

The study is based on investment avenues available to retail investors of Kodagu districts with the sample size of 100 respondents. Random sampling method is used and questionnaires distributed equally in three taluks of Kodagu districts respectively.

1.5 SOURCES OF DATA COLLECTION:

Research methodology is a systematic action of doing research. Primary and Secondary sources are used for the collection of data. Primary data collected from well structured questionnaire survey method and distributed to the respondents. Secondary data collected from referred journals, published articles, stock exchange reports and website etc.

1.6.1 DATA ANALYSIS AND INTERPRETATION

Our research study is limited to coffee planters of Kodagu district and questionnaire were distributed randomly to the respondents to collect their opinion about the invest avenues which are suitable for them.

1.6.1 Taluk-wise distribution of Coffee Planters (Respondents)

Table No. 1.6.1

Taluk	No. Respondents	Percentage
Somawarpet	33	33%
Madikeri	33	33%
Virajpet	34	34%
Total	100	100%

Source: Survey Data

Interpretation:

The above table explains taluk wise distribution of coffee planters. About 33% of respondents belong to Somawarpet taluk followed by 33% of Madikeri taluk and 34% of respondents belong to Virajpet taluk of Kodagu district.

1.6.2 Gender-wise distribution of respondents

Table No. 1.6.2

Gender	No. of respondents	Percentage
Male	74	74%
Female	26	26%
Total	100	100%

Source: Survey Data

Interpretation:

The above table states that gender wise distribution of respondents. About 74% of respondents were male and 26% were female respondents. Majority of 74% investors belongs to male respondents.

1.6.3 Annual Investment by the respondents

Table 1.6.3

Annual Income	Frequency	Percentage
Less than 2 lakh	54	54%
2 lakh to 3 lakh	21	21%
3 lakh to 4 lakh	14	14%
4 lakh to 5 lakh	9.0	9%
5 lakh and above	2.0	2%
Total	100.0	100%

Source: Survey Data

Interpretation

The above table shows annual investment made by coffee planters in various investment avenues. About 54% of coffee planters invest less than 2 lakhs annually, followed by 21% of respondents invest 2 lakh to 3 lakh annually, 14% of them invest 3 lakh to 4 lakh annually, about 9% of respondents invest 4 lakh to 5 lakh annually and only 2% of coffee planters invest above 5 lakhs annually as their level of incomes are concerned.

1.6.4 Awareness level of investment avenues by the respondents**Table No. 1.6.4**

Investment Avenues	N	Fully Aware	Aware	Neutral	Unaware	Fully Unaware	Mean
Savings Bank Account	100	100.0	--	--	--	--	5.000
Bank fixed deposits	100	76.30	19.8	3.9	--	--	4.1999
Gold and Silver	100	91.20	8.8	---	--	--	4.8954
L I C	100	87.25	11.54	1.21	--	--	4.1255
Real Estate	100	69.41	26.87	3.72	---	---	3.9654
Post Office Savings Scheme	100	79.62	14.56	3.61	2.21	---	4.1012
KVP & IVP	100	45.91	32.20	11.51	6.41	3.97	3.1215
National Saving Certificate	100	44.52	28.47	15.23	11.78	---	2.8421
Shares	100	36.54	17.63	40.21	5.62	---	2.4024
Debentures and Bonds	100	31.25	14.58	40.89	13.28	---	2.3014
Treasury Bills	100	11.54	26.32	51.87	5.21	5.06	2.0045
Certificate of deposits	100	7.23	11.25	54.68	15.30	11.54	1.9874
Systematic Investment Plan	100	9.56	11.56	60.25	14.23	4.31	1.7452
Purchase of Foreign Currencies	100	6.12	5.41	61.29	21.84	5.34	1.5423
Commodity Market	100	3.11	2.54	67.82	18.30	8.23	1.4254
Derivatives	100	2.86	3.87	68.63	19.84	4.77	1.2312

Interpretation:

The above table explains the awareness level on investment avenues by the coffee planters and used five point Likert scale to measure the awareness level with 5= fully aware, 4= aware, 3= neutral, 2= unaware and 1= fully aware with 16 variables.

Out of 16 variables savings bank account, gold and silver, bank fixed deposits, LIC, real estate, post office savings scheme and Kisan Vikas Patra and Indira Vikas Patra are over

and above average of mean ratings (3.1215) and least mean ratings are derivatives (1.2312).

1.6.5 Most preferable investment avenues opted by the Coffee Planters

Table No. 1.6.5

Investment Avenues	N	Mini mum	Maxi mum	Mean	Mean Rank
Savings Bank Account	100	15.0	16.0	15.6523	1
Bank deposits	100	12.0	15.0	13.5245	3
Gold and Silver	100	14.0	16.0	14.6584	2
L I C	100	12.0	16.0	13.4562	4
Real Estate	100	11.0	12.0	11.5689	5
Post Office Savings Scheme	100	11.0	12.0	11.2341	6
KVP & IVP	100	8.0	10.0	9.2354	7
National Saving Certificate	100	6.0	11.0	8.6542	8
Shares	100	8.0	9.0	8.0245	9
Debentures and Bonds	100	6.0	10.0	8.0021	10
Treasury Bills	100	3.0	8.0	5.4231	11
Certificate of deposits	100	2.0	8.0	5.1452	12
Systematic Investment Plan	100	4.0	7.0	5.0017	13
Purchase of Foreign Currencies	100	2.0	5.0	3.2546	14
Commodity Market	100	2.0	4.0	3.0126	15
Derivatives	100	2.0	4.0	3.0018	16

Source: Survey Data

Interpretation

The above table shows most preferred investment avenues by the coffee planters. The respondents asked to prefer their investment avenues by ranking minimum 1 and maximum 16 among 16 variables.

Majority of the respondents preferred savings bank account as their first preference for investment with the mean ratings of 15.6523 followed by gold and silver (14.6584), bank fixed deposits (13.5245), LIC(13.4562), real estate(11.5689), post office savings schemes(11.2341), KVP & IVP(9.2354) and national savings Certificate(8.6542)

The respondents were rated least mean ratings towards derivatives (3.0018), commodity market (3.0126) and purchase of foreign currencies (3.2546) as insufficient of knowledge towards stock market trading.

1.7 FINDINGS OF THE STUDY

- A total of 100 set of questionnaires were distributed to coffee planters, where 74 distributed to male respondents & 26 distributed to female respondents.
- Majority of the respondents have much knowledge about all types' investment avenues based on their preference and return factor.
- Majority of the coffee planters preferred to invest on savings bank account, gold and silver followed by Bank deposits, LIC and postal savings schemes.
- Majority of the coffee planters don't want to invest their funds in share market, because of price volatility of share price and scared to invest or common belief of losing money.
- Majority of the investors don't want invest their funds in derivatives and warrants as because of lack of knowledge.
- The study reveals that only educated and business oriented personalities invest their funds in shares, bonds and debentures as they have got enough information about stock market.

1.8 SUGGESTIONS

- Government and private agencies need to organise special workshop and awareness program to enlighten the investors to invest on modern investable avenues.
- Coffee planters always are a conservative investor and need to study all seasonal fluctuations happen in the market.
- We need to educate, develop and increase investment percentage by way of providing regular up to date information to the coffee planters (investors).

1.9 CONCLUSION

From the above research analysis, the following conclusions are drawn;

1. Investing in various types of assets is an interesting activity that attracts people from all walks of life irrespective of their occupation, economic status, education and family background.
2. Investment cultivates a habit of savings and this savings helpful in future days and investors should take proper precautions before investing in any avenues

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