

LEVEL OF INVESTORS SATISFACTION WITH ETFS, ADVANTAGES AND PERCEPTION TOWARDS INVESTMENT IN ETFS.

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Abstract

Gold Exchange Fund is a quick developing product to invest in Gold. Exchange Traded Funds (ETFs) has very positive significance as foreign exchange earner and safety and avoiding inflation in an economy (Wang et al., 2010). Investors considered safety, high returns, liquidity and capital appreciation in the time of investment. Finance is required for all development works. Financial leverage plays a significant role in the area of investment. The power of leveraging can be seen with long investments. The investment in the long term brings good result. Retail investment has remained as a strong growth driver. The investment styles of investors is subjected to rapid changes. A number of financial institutions are providing financial assistance and there is a lot of alternatives available to the retail investors depending upon risk, safety, regular income etc. The demand of investors i.e., returns and risks have been considered by the financial analysts and innumerable innovative instruments have surfaced to meet the demands of retail investors (Sailaja et al., 2018). Indian ETF industry is growing at a rate of 28% CAGR in between 2007 from 6 to 66 in 2018. AUMs grew 10X i.e., maximised and expanded results 10 times over in the previous 3 years from Rs. 8900 crores to 89500 crores as of October 2018. Further, the GOI gave impetus to the growth of ETFs when it raised capital through ETFs (Aruna Polisetty, et al., 2019). ETFs differ from mutual funds and they can be traded throughout the working day. The Bengaluru retailers are showing their likeliness towards ETFs as they are more safety less risk and better return yielding.

Purpose : The purpose of present study is to highlight the factors driving perceptions of respondents towards investments, analyse the level of satisfaction regarding to ETFs, study the advantages of ETFs and analyse the impact of socio-economic characteristics of respondents towards ETFs. The study expresses that ETFs can be more popularised among investors through conduct of investor meets, ad in newspapers, simplification of products, lower tax treatment and these factors definitely encourage new set of investors to park their investments in ETFs.

Design and approach : Investors behaviour towards ETFs are ever dynamic and volatile in nature. To understand buyer culture, subculture and social class is very difficult. A structured close end questionnaire was administered as schedule after considering to avoid non response, possible delay, and to respect the latest omicron virus, 3rd wave norms. A total of 120 questionnaires were in the hand and out of that only 100 were usable the remaining discarded due to incompleteness, forming 83.33% success rate.

Findings : All the demographic profiles of respondents showed significant relation with the ETFs investment and contingency co-efficient reveals high degree of relationship between demographic profile of respondents and investments. The level of satisfaction was measured by performing summated score which reveals all the factors are satisfying the needs of retail investors except changes in charges on the ETFs by the company (SS.332) risk level attached with the ETFs (SS.399). The advantages of ETFs measured and weighted ranking technique was performed to know the relative importance of factors driving satisfaction level and accordingly the first relative importance was awarded to the safe asset based on the strength of WA and the second and third relative importance was given to the factors secured investment and easy transaction. The investors at Bengaluru expect safety, security and easy transactions. The investors perception about ETFs measured by performing Kendall's co-efficient of concordance and it reveals the presence of high degree of drivers of perception and investment in ETFs. These include future prospects, safety and regular income.

Implications : The study about investors perception towards ETFs, satisfaction level and advantages of ETFs will be highly useful to the investors and policy makers. There exist strong relationship between the socio-economic characteristics and investments in ETFs and this concept has to be fully explored and take the benefit out of it. The GOI has given a good start by insisting on ETFs for the purpose of disinvestment. But through

conduct of useful investors meet, simplification of products, ad in newspapers and TV, lower tax treatment would encourage many and more to try ETFs in future.

Keywords : Regular income, less risk, safety, socio-economic factors, inflation, impact, liquidity, tax saving, popularizing, policy, Ad, opportunity, salaried employees.

Introduction

Investment in gold is ancestral in India. It has been a fundamental part of many rituals in India (Yadav, A.K. 2018). Every investor has a different perception towards investment. The general rule 'higher the risk higher the return' may not hold always correct. In addition to risk, return, safety and inexpensive also viewed by investors. It was reported that even an investor holds a wide variety of alternative assets, they are no perfect substitute for protection in the presence of gold. Investors can invest in gold in various means like gold bullion, jewelry, gold fund, gold ETFs and e-gold. The choice is driven by investment objective and time duration for which the investors like to hold gold. The significance of investment in gold is enhanced due to the fact that even the small investors can invest in gold which was not possible previously due to the need heavy capital. With the emergence of gold EFTs most of the drawbacks of other modes of investment has been overridden. Investment in gold ETFs is investment in gold of 99.55% purity. The investment in gold ETFs being virtual which does away the problem of safety and storage as in physical gold. Gold demand (excluding OTC) was 815.7 tons, virtually on par with Q4 of 2020. The opportunity to buy at lower prices boosted the consumer demand since many markets confirmed to emerge from lockdown and economic recovery lifted sentiment (Gold trends Q, 2021).

ETFs are increasingly finding favour in the global financial markets, foreign institutional investors in particular (FIIs) are using of ETFs to gain exposure to emerging markets. In India ETFs are making their presence gradually. After 1991, FIIs have played an instrumental role in the India stock market. It has been predicted that a sizable amount of FII flow comes through offshore and India focused equity funds and ETFs (Morning Star, 2014) ETFs are safest way of investing money in trades. They are popular because of their low cost and stock like features (Yasmeen Bano et al. 2017). ETFs are one of the best known innovation in financial markets. ETFs hold assets like stock, commodity or bonds, and trade close to their NAV (Net Asset Value) throughout the day. Virtually every one makes investment. Even if an individual does not select specific assets like stock, investments are still made through participation in pension plans (Velmurugan et al., 2015). ETFs are wonderful product innovation in the last 25 years. The Toronto 35 index participation Fund (TIP 35), launched in 1990 in Canada is perhaps the first ETF (Aruna Polisetty, 2019). The first US ETF S&P SPRD (Spy/Spiders) launched in 1993. The global ETF industry is managing \$4.9 trillion assets under Management (AUM). US leads volume with a 72% market value followed by Europe 16%, Asia Pacific 9% and the rest of the 3%. The first Indian Nifty Benchmark Exchange Traded Scheme (NIFTY BeES) was launched in 2001 by Benchmark Mutual Funds. At present in India Motilal Oswal NASDAQ 100 ETF is the best to buy as it is giving 2 year return 39.5% per annum. It is estimated that by the end of 2022 the best India ETFs are SMIN, EPI and GLIN.

Statement of the problem

Every nation requires capital for expansion purpose. A developing nation like India requires huge amount of capital. The required capital as raised through various means suiting the multi dimensional needs of investors. They are the rational wanted to maximise revenue out of their investment. They follow basic norms on the risk return considerations as the driver of investment decision making (Baker et al. 1977). All the investors need safety, regular income and firms financial stability which are named as critical investment drivers of all the modes of investment vehicle. Bengaluru respondents prefer ETFs because of added advantages. ETFs are popular as they are transparent, managed by experts, brings regular income and more safety and avoids storing as in the case of physical gold and free from theft. Even a small amount of money can be parked on Gold ETFs which was not possible since a large amount of capital was required. In order to raise more amount through ETFs and popularizing ETFs depends upon conduct of investors meet, and in TV and newspapers, reducing tax etc., Therefore the policy makers has to understand the type of strategy to be launched to make ETFs more meaningful and to raise their popularity.

Review of literature

Avellaneda et al., (2009) reported that leveraged exchange traded funds do not reproduce the corresponding multiple of index returns over extended investment horizons. In 2008, most leverages ETFs under performed the corresponding static strategies. The researchers studied this phenomenon in detail and gave an exact formula linking the return of a leveraged fund with the corresponding multiple of the return of unleveraged fund and its

realised variance. By using the formula for over 56 leveraged funds they were revealed that there exist excellent agreement between formula and the empirical data. The study also showed that leveraged funds can be used to replicate the returns of the underlying index provided if used rebalancing strategies.

Wang et al. (2010) claimed that gold exchange fund is a quick development or blooming product to invest in gold. It has very positive significance as foreign exchange, financial safety and avoiding inflation to a country. The small and medium sized investors found convenient to invest in gold exchange traded funds and this was welcomed by the markets. Their study was designed to clarify this understanding with the help of literature and analyse the development of gold exchange traded funds and future prospects, specifically in China.

Tim Pullen et al. (2011) stated that both gold bullion and gold ETFs show support for the safe haven property. However, as per their view gold stocks and gold mutual funds display very little evidence of the haven characteristic. Therefore the investors who are keen on securing safe haven features of gold investment cannot generally rely on gold stocks or mutual funds. Instead, they need to take positions directly in bullion or gold ETFs.

Anurag Pahuja et al. (2012) study found that investors used many strategies and each investment vehicle had its own unique characteristics. It was revealed that investors look for safety first in exchange traded fund products followed by good returns, liquidity and capital appreciation. The scheme selection decision was driven by magazines, brokers and agents, television, newspapers, friends suggestion.

Anitha et al. (2014) found in their research work demographic factors directly impact on risk perception and propensity ultimately on risky decision making and this was established in their study. Further, the study reveals that risk perception of old age and younger group differently. The aged will not take more risk where as young investors take risk more.

Anand (2017) analysis reveals that upcoming Gold ETFs are heavily influenced by gold prices and hence produce similar returns. The author further expresses Gold ETF market is relatively new in India and they were not performing well. In the long run gold ETFs may provide the highest return. Further, the author stated that Gold ETFs are expected to be more attractive investment and good portfolio diversification.

Sailaja Vedala et al. (2018). concluded in their study that ETF funds are known by people but they do not know the importance of them. The investment decision of investors depends mostly on age, risk taking capacity and the return for their investment and there is significant relationship between personal attributes and investor perception except in the case of educational qualification and knowledge.

Aruna Polisetty et al. (2019) stated that the gap in assets managed by active and passive investing styles is narrowing down with passive funds getting ready to dominate. Penetration of ETFs is low in India because of lack of product understanding and lengthy and uncomfortable transaction process. Product awareness about ETFs has to be created as large section of investors comfortable with traditional savings products. The authors suggested awareness should be created through investors camps, low tax treatment and simplified products.

Nishmita Ahuja (2020) stated that majority of the people are interested to grow their money but are hesitant to invest in securities which carries greater risk but provides better yield. A large number respondents said that they investment for future. All the approached respondents were aware of shares and mutual funds provide guide and higher returns, but they are not confident to take risk. The researcher concluded by stating that risks has a major impact on the investing decision of investors.

Objectives :-

1. To study the socio-economic characteristics of respondents towards investment in ETFs.
2. To check the level of satisfaction with regard to various factors of ETFs.
3. To study the advantages of ETFs.
4. To analyse the investors perception about investment in ETFs.

Hypotheses

1. The socio-economic characteristics of responds is not contributing towards studying investment in ETFs.
2. Respondents are not happy with various factors of ETFs.
3. There are no advantages of ETFs.
4. Investors have no perception about investment in ETFs.

Research questions

1. What are the reasons behind respondents socio-economic characteristics are not impacting or not contributing towards studying the investments in ETFs?
2. What is the level of satisfaction of respondents with regard to various factors of ETFs?
3. What are the advantages of ETFs?
4. What is the respondent perception about investment in ETFs?

Limitations of the study

1. The study is confined only to Urban Bengaluru.
2. Meeting the respondents was a little difficult on account of lack of time for the working respondents.
3. Covid-19 and Omicron third wave made little difficult to collect the necessary information.

Research Methodology

A structured questionnaire was framed and administered as schedule in order to overcome delay, non response and respecting the Covid-19, 3rd wave omicron pandemic. The first part of the questionnaire deals with demographic profile containing close end questions. The second part of the questionnaire contains Likert's scale questions relating to level of satisfaction with regard to various factors of ETFs, advantages of ETFs and investors perception about investment in ETFs. Primary data was collected by administering a structured questionnaire and secondary data sources include articles, magazines and internet. A questionnaire was prepared to know about 18 statements (characteristics) towards ETFs. Based on the answers data has been collected and analysed.

Research design, Source of data and data collection: A structured questionnaire was administered as schedule to collect the required data. The structured questionnaire contained close end questions. The secondary sources include journals, books, research articles. Data has been compiled from these sources in order to improve the perception of the topic and be able to analyse the data collected. Survey method of data collection has been followed in this research work.

Sample size and sampling technique : Convenient sampling technique was used to collect the data. It is a non probability sampling technique where subjects are selected because of their convenient accessibility and proximity to the researcher. The sample size was determined to be 100 on account of the existing conditions at Bengaluru where in Covid-19 norms were to be followed strictly. The type of sample respondents include salaried persons, business people, self employed, start up entrepreneurs, retired persons and homemakers.

Data collection tools : The collected data was tabulated properly. For the purpose of analysis of data the present research uses chi-square, contingency co-efficient, summated score weighted average and Kendall's co-efficient of concordance. These techniques were used as they are simple, understandable and sufficient for the study.

Scope of the study : The study is confined only to urban Bengaluru. The selected areas were corporation - 20, Jayanagar - 30, Indiranagar - 25, Malleshwaram - 25. The study covers about investments in ETFs Bengaluru which is becoming more popular. They refer to simple transactions, low cost and most demanded. ETFs at Bengaluru are becoming popular form of investment and the study purpose is to make them popular as they are less risky and safety investment.

Data presentation and analysis : Demographic profile of respondents - A

The concerned socio-economic characteristics were studied in order to know how far these characteristics impacts on investments in ETFs. These characteristics contain 18 statements which varies from gender to basis for the selection of ETFs.

Research question No. 1 : What are the reasons behind the socio-economic characteristics are not impacting on the investments in ETFs?

Hypotheses : No. 1 : H₀ : The socio-economic characteristics are not impacting on the investments in EFTs.

H₁ : There exist significant variation in the socio-economic characteristics of respondents.

Table - 1 depicts data about respondents socio-economic characteristics. There are 88 males and 12 females and 85 respondents are married and the remaining 15 remained single. 35 respondents belongs to the age group of 40-50 years, 25 to the 30-40, 15 to the 20-30, 13 to the 50-60 years and 12 to the group of above 60 years. Out of 100 respondents 36 are degree holders, 21 post graduates, 15 professionals, 13 completed PUC, 8 are ITI certificate holders and 7 studied up to 10th standard. 35 respondents are salaried persons, 21 each business and retired, 10 homemakers, 8 self employed and 5 are start up entrepreneurs. The monthly income data reveals that

28 are getting a monthly income in the range of 40K - 50K, 20 in between 20K-30K, 15 in between 30K-40K, 12 getting in the range of 10K-20K, 10 in between 50K-60K, 8 >60K and 7 less than 10K. Table further reveals data about savings. 25 respondents saved per month in the range of 8K-10K followed by 20 in between 6K-8K, 15 in the group of 10K-12K, 14 respondents savings are in between 4K-6K, 10 saved > 12K, 9 in between 0-2K and 7 in the range of 2K-4K. 85 respondents are living in joint family, 15 are nuclear families. The financial advisors include 67 authorised brokers, 19 friends and 14 robo advisors. The frequency of investment pattern reveals that 56 regular investors, 24 not regular and 20 never invested. Out of 100 respondents 23 are medium risk takers, 62 never took risk but wants safety. 15 respondents ready to take high risk, 78 respondents are interested to invest in ETFs others like other form of gold investments. 54 are guided by authorised investors, 21 newspapers, 13 friends and relatives and 12 self. 59 possessed good behaviour towards ETFs, 30 medium and 11 low. The source of information details reveals that 48 relied on stock brokers, 21 friends, 12 newspapers, 11 financial advisors and 8 neighbors. The investment vehicle data reveals that 37 preferred ETFs, 15 mutual funds, 12 fixed annuity, 10 individual stock, 9 variable annuities, 6 each individual bonds and hedge funds and 5 mutual fund wrap programmes. Out of 100 respondents 68 are living in development areas, 17 in slum areas and 15 in outskirts and finally the basis for investment reveals that, 38 wants safety, 25 regular income, 17 future prospects 15 tax savings and 5 wanted to create wealth. All the socio economic characteristics revealed significant and shows high degree relationship between characteristics and impactness on ETFs investment.

Analysis and interpretation of Data - B : This section deals with testing of hypotheses other than the socio-economic characteristics of respondents.

Research Question No. 2 : What is the level of satisfaction of respondents with regard to various factors of ETFs?

Hypotheses No. 2 : H₀ : There is no significant variation in the satisfaction level with regard to various factors of ETFs.

H₁ : There exist significant variation in the satisfaction level of respondents towards various factors of ETFs.

Table - 2 depicts data pertaining to level of satisfaction with various factors of ETFs. These factors varies from after sales service to safe assets. Respondents were almost equally satisfied with all the factors mention in the table. The summated satisfactory score ranges between 403 to 477, which shows satisfaction with diversification, price level of ETFs, safe assets and after sales service provided by the exchange traded funds companies. But still the investors are unhappy with risk level attached with ETFs (SS:399) and charges changed on the ETFs by the company (SS:332).

Research question No. 3 : What are the advantages of ETFs?

Hypotheses No. 3: H₀ : There exist no significant variation in the advantages of ETFs.

H₀ : There exists significant variation in the advantages of ETFs.

Table - 3 reveals data on advantages of ETFs. These advantages varies from safe asset to protection against currency fluctuation and inflation. The different advantages are measured and analysed with the help of weighted average technique. Based on the strength of WA the relative important rank was also assigned. There are 17 factors of advantages of ETFs. The weights are assigned depending upon the Likert scale which varies from 'strongly agree to strongly disagree'. The first weighted average rank was awarded to safe asset followed by the second relative important rank was given to secure investment and third rank was given to easy transaction. The sum of opinions are expressed in the form of 'f' and weights are 'w' and multiplication of the same is stated as 'fw'. The sum of 'fw' is divided by the sum of weights i.e., $5+4+3+2+1 = 15$. The table reveals about the presence of different advantages of ETFs.

Research Question No. 4 : What is the respondents perception about investment in ETFs?

Hypotheses No. 4 : H₀ : There exist no significant variation in the perception of respondents towards ETFs.

H₀ : There exist significant variation in the investors perception towards ETFs.

Table - 4 reveals data about respondents presentation towards investments in ETFs. The respondents perception are measured by performing Kendall's co-efficient of concordance with 3 point Likert scale varying from "strongly agree to somewhat agree". Out of 100 respondents 64 stated strongly agree followed by 24 agree and 16 somewhat agree. Out of 60 who said strongly agree 15 spoke about future prospects, 12 safety 8 regular income, 6 each wealth creation and multiplication of money, 5 pointed towards tax savings and 4 each expressed about liquidity and capital appreciation. Out of 24 who said agree 10 stated about future prospects, 3 each

revealed about regular income, and multiplication of money and 2 each about wealth creation and regular income. Further, 2 more spoke about liquidity. Out of 16 who stated somewhat agree 5 spoke about future prospects, 2 each about wealth creation and regular income and furthermore 2 each identified safety and liquidity, 'w' fails to accept H0 and accepts H1 and hence it is concluded that there exist significant relation between drivers of perception and investment in ETFs.

Summary and discussion of findings and conclusion

The existing literature and various reports speaks clearly that ETFs are innovative and popular investments. They are popular because they are less risky, more liquidity and regular income bringing investment. The objective of the present study is to identify the socio economic factors impacting on the investments in ETFs, analysing satisfactory level and advantages of ETFs. The investors perception towards ETFs is also studied after considering 8 statements. The present study developed items using review of existing literature and explanatory interviews with the respondents. Survey design was adopted to measure the socio-economic factors, satisfactory level of investors about ETFs, advantages of ETFs and perception of investors towards ETFs. A structured close end questionnaire was administered as schedule after viewing the existing omicron pandemic, a byproduct of Covid-19, avoiding non response and delay. The target population covered the respondents of Bengaluru Urban area. The type of respondents covered includes salaried people, business doing persons, self employed startup entrepreneurs, retired persons and home makers. The findings of the study reveals that the demographic characteristics reveal a significant relationship with ETF investments. The level of satisfaction or no satisfaction was measured by using summated score which reveals all factors driving ETF investment except changes in charges on the ETFs charged by the company (SS:332) and risk level attached with ETFs (SS:399). The remaining shows greater satisfaction level towards investment in the ETFs. The advantages of ETF are listed and measured by using weighted average technique. The opinions of respondents are presented by means of SA, A, N, DA and strongly disagree which are multiplied by corresponding weights to get total. The total was divided by the sum of weights i.e., $5+4+3+2+1 = 15$ to get 'WA'. The relative important factors driving the ETFs are ranked by the strength of WA. Accordingly the relative important rank was given to safe asset, the second and third was given to secure investment and easy transaction. The investors perception about investment in ETFs was also measured by applying Kendall's co-efficient concordance to measure the significant relationship between drivers of perception and investments in ETFs. The major drivers include future prospects, safety and regular income.

Based on the respondents bipolar opinions the socio economic characteristics are very much impacting on the investments. Investor perception about ETFs reveals that they preferred future prospects, safety and regular income which can be called as "three pillars of investments". The study depicts about the advantages of ETFs which include safe asset, secure investment and easy transactions. The study reveals through summated score about the level of satisfaction with regard to various factors of ETFs. All the factors except charges levied and risk level attached with ETFs shows satisfactory level regarding the investment in ETFs. The convenient sampling technique was used to obtain primary data through the questionnaire and the secondary data includes e-journals, books, reports and internet. The findings were presented, analysed and discussed using simple percentage, chi-square, contingency coefficient, Kendall's co-efficient concordance and summated score. Summated score was used to express the level of satisfaction or dissatisfaction level and all the factors except two stated above shows satisfactory level.

Conclusion

ETFs are becoming popular form of investments in Bengaluru. The reasons behind the popularity may because of cost efficiency, convenience of exchange handling, transparency and raising awareness among high networks individuals and dip-in actively managed funds. ETFs are becoming further popular since the GOI had chosen the ETFs paths to raise capital for the disinvestment. ETFs are liked very much because with lower amount one can buy virtual gold free of theft and storage. The ETFs are professionally managed type of pooled investment and are invested in stocks, bonds, short term money market instruments. The exchange traded fund will have a fund manager who trades the money on a regular basis. The net proceeds are distributed among all the investors. The primary data collected, analysed and presented and the existing review of literature reveals that investment in ETFs is about making the investors hard earned money work for them. The investment vehicle shows the investors never rely on single strategy since each investment has its own unique characteristics.

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Table - 1 : Socio-economic characteristics of respondents and satisfaction level on Investment in ETFs.

Characteristics	χ^2	TV@0.05	df	result of χ^2	“c”	Result of ‘C’
Gender	57.76	3.841	1	Significant	0.60	High Degree
Marital Status	49.00	3.841	1	Significant	0.57	High Degree
Age in years	19.40	9.488	4	Significant	0.40	High Degree
Educational qualifications	34.67	11.070	5	Significant	0.50	High Degree
Occupation	37.75	11.070	5	Significant	0.52	High Degree
Monthly income	25.27	12.592	6	Significant	0.45	High Degree
Monthly savings	17.32	12.592	6	Significant	0.38	High Degree
Type of family	49.00	3.841	1	Significant	0.57	High Degree
Financial advisors	51.38	5.991	2	Significant	0.58	High Degree
Frequency of investment	23.36	5.991	2	Significant	0.43	High Degree
Preferred level of risk	37.94	5.991	2	Significant	0.52	High Degree
Investment GEFTs	31.36	3.841	1	Significant	0.49	High Degree
Guiding factors for investment	46.80	7.815	3	Significant	0.56	High Degree
Behaviour towards ETFs	35.06	5.991	2	Significant	0.50	High Degree
Source of information	53.70	9.488	4	Significant	0.59	High Degree
Investment vehicle	61.28	14.067	7	Significant	0.61	High Degree
Place of residence	54.14	5.991	2	Significant	0.59	High Degree
Basis for the selection of ETFs	30.40	9.488	4	Significant	0.48	High Degree

Source : Field Survey

Note : $\chi^2 = \text{chi-square}$

‘c’ = $\sqrt{\chi^2 / (\chi^2 + N)}$

Where ‘c’ = contingency coefficient

N = Number of observations

When the value ‘c’ is equal or near 1, it means there is high degree of association between attributes.

Contingency co-efficient will always to be less than 1.

Table - 2 : Level of satisfaction with regard to various factors of ETFs

Statements / Factors	SA	A	N	DA	SDA	Summated Score(SS)
After sales service	85	6	2	2	5	466
Price level of ETFs	89	4	3	3	1	477
Charges levied on the ETFs by the company	24	25	18	25	8	332
Return on investment in the ETFs	48	21	22	4	5	403
Risk level attached with ETFs	51	20	10	15	4	399
Add on services	60	28	8	11	3	459
Brand preference regarding ETFs	68	9	7	10	6	423
Investment period of investments	63	25	5	4	3	441
Different schemes provided on the portfolios	75	14	6	3	2	457
Open trading	80	11	4	2	3	463
Secure investment	82	7	4	5	2	462
Safe asset	85	6	3	4	2	468

Source : Field Survey

Note : (1) SA - Strongly Agree, A - Agree, N - Neutral, DA - Disagree, SDA - Somewhat Disagree.

(2) The multiplication of weights with frequencies are generally not shown in the case of summated score.

Table - 3 : Advantages of ETFs

Factors	Weight Likert Scale	5 SA	4 A	3 N	2 DA	1 SDA	Total	WA
Safe asset	f	72	18	5	3	2	100	1
	fw	360	72	15	6	2	455	30.33
Secure investment	f	70	20	6	2	2	100	2
	fw	350	80	18	4	2	454	30.27
Easy transaction	f	65	25	8	1	1	100	3
	fw	325	100	24	2	1	452	30.13
In expense	f	52	38	4	3	3	100	14
	fw	260	152	12	6	3	433	28.87
No VAT, Wealth Tax or securities transaction tax	f	69	17	8	2	4	100	6.5
	fw	345	68	24	4	4	445	29.67
Simple trading	f	70	20	4	3	3	100	5
	fw	345	80	12	6	3	446	29.73
No exit load	f	65	22	8	3	2	100	6.5
	fw	325	88	24	6	2	445	29.67
Paperless investing	f	59	29	7	2	3	100	11
	fw	295	116	21	4	3	439	29.27
Long term gain after one year	f	60	22	14	2	2	100	12
	fw	300	88	42	4	2	436	29.07
No storage issue & fear of theft	f	59	25	4	5	7	100	16
	fw	295	100	12	10	7	424	28.27
Listed & traded on the NSE	f	60	28	8	2	2	100	9.5
	fw	300	112	24	4	2	442	29.47
Back by physical gold holding of 0.995 purity	f	72	15	7	3	3	100	4
	fw	360	60	21	6	3	450	30.00
Portfolio Diversification	f	70	16	4	3	7	100	13
	fw	345	64	12	6	7	434	28.93
Loan collateral	f	69	15	9	4	3	100	8
	fw	345	60	27	8	3	443	29.53
Open trading	f	70	18	5	3	4	100	9.5
	fw	345	72	15	6	4	442	29.47
Near wholesale price for buying & selling even one unit.	f	67	16	4	6	7	100	15
	fw	335	64	12	12	7	430	28.67
Protection against currency fluctuation and inflation(Hedge)	f	58	24	3	7	8	100	17
	fw	290	96	9	14	8	417	9.8

Source : Faced Survey

Likert scale : SA - Strongly Agree, A - Agree, N - Nutral, DA - Disagree, SDA - Strongly Disagree

Weights : 5 + 4 + 3 + 2 + 1 = 15

Weighted average = Total / sum of weights

Table - 4 : Investors perception about investment in ETFs

Drivers of perception	SA	A	SWA	RT	RT ²
Wealth creation	6	2	2	10	100
Tax savings	5	1	1	7	49
Future prospects	15	10	5	30	900
Regular income	8	3	2	13	169
Safety	12	1	2	15	225
Liquidity	4	2	2	8	64
Multiplication of money	6	3	1	10	100
Capital appreciation	4	2	1	7	49
Total	60	24	16	100	1656

Source : Field Survey

Note : SA - Strongly Agree, A - Agree, SWA - Somewhat Agree, RT - Row Total

$$SSR = \frac{\sum RT^2 - (\sum RT)^2}{N}$$

$$= \frac{1656 - (100)^2}{8}$$

$$= 1656 - 1250 = 406$$

$$W = 12 \times SSR / K^2 N (N^2 - 1)$$

$$= 12 \times 406 / 9 \times 8 (64 - 1)$$

$$= 4872 / 4536 = 1.07$$

Test the significance of W by using the chi-square statistic.

$$x^2 = k (n-1) w$$

$$= 3 (8-1) 1.07$$

$$= 3 \times 7 \times 1.07 = 22.47$$

Decision : At 7 d.f. with 0.05 level of significance the TV = 14.067. The calculated value being 22.47 higher than the critical table value and hence 'w' fails to accept H₀ and accepts H₁. Therefore it is concludes here that there exist significant relationship between independent variables and dependent variable.