A study on technology and its impact of investment behaviour

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***Abstract*: Technology in business is a growing necessity. As the years go by, the business world is leaning more and more toward it, making it almost impossible to separate the two from each other. Innovation breeds business, and since technology paves the way for it, it can be gathered here that business needs technology to be sustained. for the purpose of study the data is collected form secondary sources. The main objective of the study is to know the conceptual frame work of technology, various investment avenues available for investors and finally the role of technology in inducing the individual to invest.**

***Keywords*: Investment venues, risk, digital knowledge, technology**

1. Introduction

Technology is the sum of techniques, skills, methods, and processes used in the production of goods or services or in the accomplishment of objectives, such as scientific investigation. Technology can be the knowledge of techniques, processes, and the like, or it can be embedded in machines to allow for operation without detailed knowledge of their workings.
There is no universally accepted definition of the term that might serve as a natural point of departure. In a very narrow sense, technology is only technical information contained in patents or technical knowledge communicable in written form. Very often, technology refers to a class of knowledge about specific product or production technique and sometimes includes the technical skills necessary to use a product or a production technique.

Technology thus is largely identified with the hardware of production or technical artefacts. Frances Stewart [101] provided probably the broadest definition of technology by including all skills, knowledge and procedures required for making, using and doing useful things. Technology in her definition therefore includes the software of production – managerial and marketing skills, and extended to services – administration, health, education and finance. Smillie [95] describes this broader definition of technology as " the science and art of getting things done through the application of skills and knowledge ".

In general, the concept of technology implies a subtle mix of know-how, techniques and tools. Technology in this sense is vested in people – their knowledge, skills and routines – just as much as in the machine they use. Machines and tools are only the physical manifestation of a particular technology or technologies. Indeed, mere access to the physical elements of technology – even if accompanied by instructions for their use, and time to build up experience in using them – does not automatically lead to 'mastery' of that technology.

For mastering technology as stated by Clark [18], should not consist just of the establishment of new production facilities along with ancillary manuals, charts, schedules, diagrams and people – embodied know – how. It requires also the knowledge and expertise for implementing technical change. This in turn involves both the underlying 'know – why' of the technological system itself as well as the various techno managerial capabilities needed to evaluate and transform existing plant to meet new and innovative operating conditions. Thus, technological mastery here implies the capability to use knowledge about physical processes underlying that technology in order to assimilate, adapt and / or create novel elements, in response to changing needs
Investment plays a central role in poverty reduction, by increasing the productive capacity of the economy and generating increased employment. A good investment climate provides incentives for all firms — small, medium and large, as well as micro enterprises — to invest productively, create jobs, expand and introduce new technologies that can serve to increase the productivity and sustainability of other factors of production.

While in developing countries the bulk of private investment is domestic in nature, foreign direct investment (FDI) is an important factor as it brings, apart from major financial resources, improved know-how, modern technology, access to international markets, and a corporate culture of efficiency and competitiveness. Perhaps the greater contribution of FDI is through innovation, transfer of knowledge and technology, and productivity. Its contribution to growth is likely to be higher if the knowledge of better technology it brings can be spread to domestic businesses through business linkages. In this sense FDI can be a driver for the growth of local business and can improve the overall investment climate.

2. Objectives of the study

1. To know the concept of technology
2. To study Investment avenues available to investors
3. To analyze the impact of technology in investment behaviour

3. Title of the study

"A study on technology and its impact on investment behaviour"

4. Research methodology

Type of research: descriptive research
Data collected form secondary sources such as books and research articles

5. Investment avenues available for investment

By Investment Avenue we mean a particular organization or system in which an investor can place his surplus funds with the objectives of having certain gains in the future. This organization may be well organized like a bank, financial institution, mutual funds and company or in an unorganized manner like chit fund organization, Nidhis (a type of non-banking finance company) or curry (a type of non-banking finance company in southern India). Different investment avenues have different features; few offer a fixed return and certain others offer stock market based returns and yet certain others offer a mix of these two. Few of these have an element of safety and yet others do not have any kind of safety. In certain cases these are in negotiable form and in other cases these are non-negotiable. Investment avenues of a country are subject to different rules and regulations of either the government or some apex body like Reserve Bank of India, NABARD, SEBI or Companies Act.

Following are the features of investment avenues.

- A place where one can invest his surplus
- Fixed or floating return
- Security vs. Non-security form
- Investment accepting organization might have an obligation or not
- Negotiable vs. Non-negotiable
- Risk is the inherent part of every avenue
- May be in an organized form or unorganized form
- Regulation
- Market oriented vs. others

Investment avenues can be broadly divided into following types.

- Security form
- Non-security form
- Traditional form
- Other emerging avenues

6. The role of technology in inducing investment behaviour

Artificial intelligence combined with big data, social analytics and learning from consumer behaviour are helping investors to reach their financial aspirations.
Technology, Artificial intelligence, big data, social analytics, consumer behaviour, investors, financial aspiration

Technology is rapidly changing the way Indians make financial transactions. Artificial intelligence combined with big data, social analytics and learnings from consumer behaviour are helping investors to reach their financial aspirations. Systematic investment recommendations combined with intelligent financial planning ensure that users will not only receive the best advice but would also get follow up advice to make sure that they are on track to reach all their financial needs.
Most Indians save first and think of spending later. However, when it comes time for them to plan their expenses, they end up relying on mental estimates of their financial position. As a result, most people are never confident of 1) how much to save and 2) whether they can reach their financial aspirations with their current investment plan. This is especially true for young professionals who want to save for a secure future but also want a more fulfilling life experience. What is required is financial advice that delivers the answers to these questions in a clear and quantified way.

However, finding good financial and investment advice was never a straightforward task. Though professional advice was available, it was largely offline, static and was limited to wealthy individuals. A fee-based advisor would provide effective financial planning but due to the cost it was not accessible for most investors. The offline model was also inflexible and any attempt to change an investor's investment or financial plan required active intervention and assistance of the financial advisor.

A solution to these issues has come from the field of artificial intelligence. Cognitive technologies is a branch of artificial intelligence that deals with the application of computers towards tasks traditionally performed by people. The aim of this process is to design a software solution that has comprehensive and detailed instructions, that enables it to do the same work that a person can. The benefits of this approach are that the same work can be done at a much faster pace, at a higher accuracy and at a lower cost.

A computer can examine tens of billions of data points. This processing power, guided by expert insights tests to find which factors are responsible for helping select the best investments. This process is constantly refined until a strategy with the best possible returns is found. Thus, a systematic way of finding the best investment opportunities is available to investors.

Traditional financial planning offers little in the ways of flexibility of implementation. It is also very hard for a person to track their progress toward their financial goals. Cognitive technologies are now addressing these issues by using specialised tools, accessible on mobile platforms, which would exponentially increase their reach. The power of computing also allows for nearly unlimited customization and as a result, the investor gets a solution that specifically addresses his needs. The tool is able to deliver this by analysing investor behaviour as well as personal data inputs to arrive at a customized result.

A major challenge in financial planning and investing is that investors are usually unable to understand technical terms. Most investors are unsure why they have been recommended particular investments and how that recommendation is made. This result in confusion and less willingness to follow through on the financial plan provided. However, mobile apps provide an interface that is user-friendly and helps him find what is suitable to his needs.

Mobile apps work best when they find activities that engage the user's interest. Similarly, financial planning works best when the investor's financial plan addresses his financial needs, investment plans and recommendations while also considering circumstances unique to him. Mobile apps can help deliver this by creating a financial plan that both includes his personal financial needs as well as recommendations that address issues that are familiar to him. Intelligent mobile apps are continuously learning from user behaviour to find and recommend appropriate goals and investments that will fit with any individual user's financial plan, to give him a truly unique solution.

Financial and investment advisory is one of the domains in India, which remains very under serviced. As young people enter the workforce, they will need advice on how to invest their savings in order to help them save for their personal and familial obligations. In addition, financial planning can also help improve the quality people's lives by reducing their fear of an uncertain future. Thus, financial planning is only going to get more important and with better digital solutions coming out, the future looks bright for the informed digital investor.

7. Conclusion

Finally this study helped to know the conceptual frame work of technology, various investment avenues available to investors to invest and the role of technology in deciding the investment avenue. The investors should have the knowledge of updated technology for the purpose of investing. The investment should be done in such a way that the return is maximum and the risk is minimum. Finally we can call the investor as digital investors.

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