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Key Factors Influencing Gen Zs to Participate in Stock Market Trading in Mysuru

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Abstract

The participation of young investors in India's stock market has increased considerably in recent years, with Gen Z commerce and management students emerging as a notable segment due to their academic exposure to financial concepts. The purpose of this study is to examine the participation of Gen Z commerce and management Gen Zs in stock market trading, focusing on the factors that influence their decisions and behaviours, the scope of the paper are the commerce and management Gen Zs of Mysuru. The study concludes that family income, prior family involvement in investing and gender - shape investment behaviour. Findings emphasize that the need for financial literacy, institutional support to promote responsible and informed participation among Gen Z investors.

Keywords: ***Stock Market Participation, Commerce and Management Students, Investment Behavior, Demographic Factors, Socio-Economic Background, Motivational Drivers, Risk Profile, Portfolio Composition, Financial Literacy.***

Introduction

The landscape of retail investment in India has undergone a significant transformation in recent years, with an unprecedented surge in Gen Z investors entering the stock market. Gen Z Commerce and management Gen Zs, equipped with theoretical knowledge of financial markets, represent a particularly interesting segment of this emerging investor demographic. Understanding what motivates these Gen Zs to transition from theoretical knowledge to active market participation is crucial for educational institutions, financial service providers, and policymakers alike.

Previous research has established strong connections between financial literacy, educational background, and stock market participation. Studies by Priye and Sangwan (2023) and van Rooij and Lusardi (2007) highlight that knowledge gaps and perceived risks often deter young investors, while institutional support and targeted educational programs can significantly boost participation. However, the specific factors driving Gen Z commerce and management students in Mysuru—a city known for its educational excellence and growing economic significance—remain largely unexplored.

The Indian stock market has witnessed remarkable democratization through technological advancements, with platforms like Zerodha making trading more accessible than ever before. This accessibility, combined with increasing financial awareness among youth, creates a unique environment worthy of investigation. As noted by Manaf and Amron (2024), multiple factors beyond

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mere financial literacy—including risk tolerance, social interactions, and peer influence—play crucial roles in shaping investment behaviours among Gen Zs.

This research aims to provide a comprehensive understanding of stock market participation among Gen Zs in Mysuru by addressing three key objectives. First, it seeks to create and compare profiles of Gen Zs participating in stock market trading, identifying demographic patterns and characteristics of Gen Z investors. Second, it aims to identify the key factors encouraging Gen Z to engage in stock market activities, examining motivations that range from academic influence to peer pressure, technological access, and perceived career advantages. Finally, the study will analyze the nature of portfolios held by participating Gen Z, providing insights into investment preferences, risk appetites, and trading strategies among this nascent investor group.

By investigating these dimensions, this research will contribute valuable insights to the growing body of literature on Gen Z financial behavior while offering practical recommendations for enhancing financial education and fostering responsible investment practices among Gen Z. The findings will help bridge the gap between theoretical financial education and practical market participation, potentially informing curriculum development, institutional support mechanisms, and targeted initiatives to promote financial literacy and responsible investing behaviours among commerce and management Gen Zs in Mysuru and beyond.

Operational Definitions

Gen Z:

For the purposes of this study, Gen Z is defined as those born between 1997 and 2012 who are now ages 18 to 28. This group is known for its unique technology savviness, digital fluency, and ease of use when it comes to online personal finance tools. To this study, Gen Z is defined as young investors or prospective investors in pursuit of higher education or early phase work experiences that are seeking to utilize financial market as a wealth generation tool.

Stock Market Trading:

What is Stock Market Trading? In simple words, stock market trading is nothing but the process of buying and selling stocks (securities) listed on a stock exchange like the BSE or NSE. In the current context it refers to participation of Gen Z participants in trading through either conventional brokerage platforms or e-trading applications with a view towards investment, making profits or diversification of their portfolio.

Portfolio

Portfolio A Portfolio is a grouping of investment or financial assets such as stocks, bonds, mutual funds and exchange-traded funds (ETFs). In this study, portfolio refers to the distribution and composition of Gen Z investors' financial assets, which reveal patterns of where they invest, how they diversify their investments and how they manage financial risk.

Investment Behaviour

Investment habits Investment Habit is how individuals act and make decisions when they have several choices of where to put their money. That, in this case, refers to how Gen Z investors choose, allocate and manage their assets from their risk tolerance and timeline for holding investments to their dependence on digital platforms and reaction to market volatility.

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Financial Literacy

Financial Literacy is the knowledge, awareness or skills that help people make informed and effective decisions. In this study, knowledge of Gen Z investors about finance products, market mechanisms, risk estimation (risk assessment) and investment capabilities (investment planning) impact the Gen Z participation in stock trading and portfolio management.

Literature Review

Priya & Sangwan (2023) examined stock market participation among 112 Gen Zs, finding most were knowledgeable about markets, preferred large-cap stocks, and engaged in both intraday and long-term trading. Educational programs significantly boosted participation and confidence. The study revealed a moderate positive correlation between awareness and participation, highlighting the importance of financial literacy in encouraging investments.

Jones Pontoh (2023) analysed investment behaviour of 60 student respondents, noting most understood stock market basics and preferred large-cap stocks and mutual funds. Educational programs enhanced their confidence, though risk concerns deterred some. The study recommended universities provide consistent training on technical and fundamental analysis while fostering self-reliance in decision-making.

Blay & Musah (2024) assessed financial literacy among 400 university students in Ghana, revealing generally low literacy levels with higher rates among older students, males, postgraduates, and those with work experience. Stock market participation was moderate, with mutual funds being the most common investment. A strong positive correlation existed between financial literacy and market participation.

Srikanthnaik & Jayanth (2022) investigated stock market awareness among 30 undergraduate Gen Zs in Ballari, finding generally low awareness influenced by gender, academic discipline, and prior financial education. Many hesitated to invest due to perceived risks and insufficient knowledge, underlining the need for enhanced financial education.

Van Rooij & Lusardi (2007) examined over 2,000 respondents, concluding that financial literacy significantly influences stock market participation. Limited knowledge of risk diversification and market mechanisms was identified as a key barrier, while individuals with higher financial literacy were more likely to engage in markets.

Manaf & Amron (2024) studied 669 Malaysian university students, finding that financial literacy, herding behavior, risk tolerance, and social interaction significantly influenced investment intentions and market participation. Financial well-being and overconfidence showed minimal impact.

Siddharth & Saikrishnan (2024) explored awareness among 102 commerce students in Coimbatore, revealing that 33.33% were "somewhat aware" of investment opportunities but many lacked deeper financial literacy. Gender significantly influenced Demat account maintenance, and despite relevant coursework, practical exposure remained insufficient.

Lama & Karki (2023) examined 120 university students in Nepal, finding moderate awareness but low participation attributed to financial literacy gaps, limited income, and risk perceptions. Business students demonstrated higher engagement, with most investments remaining below NPR 10,000 annually.

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Priya & Kumar (2023) studied 120 management students, revealing limited knowledge about various market instruments despite understanding basic concepts. Most had not invested in these instruments, preferring gold and fixed deposits. Investment decisions were influenced by self-interest, recommendations from family and friends, and social media. Statistical analysis showed a strong association between investment levels and participation in specific instruments, but no significant link between market awareness and investment levels

Research Methodology

Objectives

To examine the influence of Gen Zs' demographic and socio-economic backgrounds on their participation in stock market trading.

To identify and analyze the key factors that motivate undergraduate Gen Zs to engage in stock market trading.

To study the characteristics and composition of investment portfolios held by Gen Zs involved in stock market trading.

To explore the different types of trading activities undertaken by undergraduate Gen Zs and assess patterns based on relevant variables

3.2 Sampling Technique and Study Tools

Convenient Sampling is employed in this research work

3.2.1 Statistical Software

jamovi (Version 2.6) → Used for running statistical tests and data analysis.

R (Version 4.4) → Backend statistical computing environment (jamovi is built on R).

3.2.2 Statistical Tests

Chi-Square Test of Independence (χ^2) → Used for testing associations between categorical variables (e.g., Family income vs Initial investment, Gender vs Risk profile, Year of study vs Trading frequency).

Mann–Whitney U Test → Non-parametric test used to compare two independent groups (e.g., Gen Zs with vs without family members investing).

3.2.3 Descriptive Statistics

Frequency distributions, cross-tabulations, and percentage breakdowns (e.g., gender, age, income groups, broker preference).

Scope

The scope of this study is to investigate the involvement of Gen Zs in stock market trading and to identify the major determinants of their participation in stock market trading. The study considers age, gender, current program of study, family income, family participation in stock market trading for the analysis.

Limitations

The study is limited to undergraduate commerce and management Gen Zs of Mysuru City, however, the study's findings can be extended to other cities of the country.

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Data Analysis and Interpretation

Section A : Descriptives

Gender and Age Distribution

Gender and Age	B.Com	BBA	Grand Total
Female			
18 - 20	4	-	4
20 - 22	4	2	6
Male			
18 - 20	14	2	16
20 - 22	20	4	24
Grand Total	42	8	50

Table NO. 01

Source: Primary Data

The respondents of the study predominantly consisted of male students, with the greatest representation found in the 20-22 age group within the B.Com course. Female respondents were considerably fewer, particularly in the BBA 18-20 category, where no female participation was noted. Overall, the sample demonstrated a clear male majority and a strong preference for B.Com, especially among older students, highlighting a distinct gender and age imbalance within the group of respondents.

Family Members Investing, Amount Invested, Investment Platforms, and Source of Introduction to Stock Market

Family members investing ion stock market	amount invested with the investment platform					
	Zerodha, groww, Angel one	Groww	Zerodha			Grand Total

& who introduced to stock market	10,000 - 25,000	1,00,000 and above	10,000 - 25,000	1,00,000 and above	10,000 - 25,000	25,000 - 50,000	
No							
Friends					2		2
Self			2		2		4
Sibling			2				2
Teacher			2	2			4
Yes							
Father		2	2		2		6
Friends			2		8		10
Mother					2		2
Relatives					2	2	4
Self	2		6	2	4	2	16
Grand Total	2	2	16	4	22	4	50

Table NO. 02.

Source: Primary Data

The table indicates that a diverse group of respondents' family members invested across various platforms such as Dhan, Grow, Angel One, and Zeroth, with investments ranging from ₹10,000 to above ₹1,00,000. The investment journey for many was influenced primarily by self-motivation, friends, and fathers, with additional introductions from siblings, teachers, mothers, and relatives. Self-introduction and friends played a notable role especially in the 'Grow' and 'Zeroth' segments. Overall, the pattern shows strong personal and peer-driven exploration into stock market investments, with the highest number of respondents reporting self-introduction, followed by friends and fathers as key contributors to their entry into stock market activity.

Investment Approach by Yearly Family Income

investment approach	Count of Yearly Family Income
Long-term (>2 years)	
Monthly	8
Occasionally	14
Weekly	2
(blank)	2

Medium-term (6 months-2 years)	
Daily	2
Monthly	10
Occasionally	10
Short-term (1-6 months)	
Monthly	2
Grand Total	50

Table NO. 03.

Source: Primary Data

The data reveals that the respondents' investment approaches vary across different time horizons and frequencies. For long-term investments (over 2 years), most respondents invest occasionally (14) or monthly (8), with fewer invests weekly or irregularly. Medium-term investors (6 months to 2 years) primarily invest monthly (10) or occasionally (10), with a small amount investing daily (2). Short-term investments (1-6 months) are less common, with only 2 respondents indicating monthly investments in this category. This pattern suggests that most respondents prefer medium-to-long-term investment strategies, favoring less frequent but consistent contributions such as monthly or occasional investing. These approaches align with broader trends where systematically; regular investing overtime is favored for stock market participation. The data reveals that respondents predominantly follow medium-term (6 months to 2 years) and long-term (>2 years) investment approaches. For long-term investments, monthly and occasional investing are most common, with 8 monthly and 14 occasional investors. Medium-term investors also prefer monthly and occasional investing, both with 10 each, while daily investment is less frequent. Short-term (1-6 months) investment is minimal, with only 2 respondents investing monthly. This pattern indicates a preference among respondents for steady, less frequent investing over extended durations rather than frequent short-term trade.

This summary encapsulates student investment behavior, motivational factors, preferences, risk profiles, and information sources, providing a comprehensive snapshot of the demographic approach to stock market investing.

Summary of Key Demographic and Investment Characteristics

Aspect	Count / Details
Gender	Male: ~76%, Female: ~24%
Age Groups	18-20: ~40%, 20-22: ~60%
Programs	B.Com: ~84%, BBA: ~16%
Year of Study	Mostly 3rd and 4th year (~80%)

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Fathers Occupation	Private Sector / Self Employed / RTD / Govt Employee / Unknown (varied)
Mothers Occupation	Homemaker / Self Employed / Private Sector / Unknown
Number of Siblings	Mostly 0-2 siblings
Yearly Family Income	Spread across ranges, majority ₹5L-10L and above
Family Members Investing in Market	76% Yes, 24% No
Introduced to Stock Market	Self, friends, father, relatives, teachers among primary introducers
Years Investing	Mostly 1-5 years (mid to long term investment)
Initial Investment	Predominantly ₹10,000-₹25,000 range
Current Broker	Mainly Zerodha and Groww
Motivation to Invest	Aspiration to multiply wealth, surplus money, career preparations
Investment Approach	Long-term (>2 years): ~50%; Medium-term (6 months-2 years): ~40%; short-term (<6 months): ~10%
Asset Allocation	Preference for Large-cap, Mid-cap, Small-cap stocks across diverse sectors
Trading Frequency	Occasional (~50%), Monthly (~40%), Weekly/Daily (remaining)
Sectors Invested	Financial Services, Technology, Healthcare, Energy, Telecom, Real Estate, Automotive, Consumer Goods etc.
Use of Fundamental Analysis	Majority affirmative
Use of Technical Analysis	Majority affirmative
Financial Education Needed	Basic investment concepts, risk management, fundamental & technical analysis, portfolio management

Table NO. 04.

Source: Primary Data

Hypothesis Test Results

Hypothesis (H_1): There is a significant association between **yearly family income** and the **initial investment amount** in the stock market

Contingency Tables – Chi^2 Test

Contingency Tables

	Family Income					
Initial investment	0 - 5,00,000	5,00,000 - 10,00,000	10,00,000 - 15,00,000	15,00,000 - 20,00,000	Above 20,00,000	Total
10,000 - 25,000	14	12	4	2	8	40
25,000 - 50,000	2	2	0	0	0	4
1,00,000 and above	0	2	0	0	4	6
Total	16	16	4	2	12	50

χ^2 Tests

	Value	df	p
χ^2	10.2	8	0.0253
N	50		

Interpretation

The hypothesis test was conducted to determine if there is a significant association between yearly family income and the initial investment amount in the stock market. Using the Chi-square test of independence on the contingency table, the test statistic (χ^2) value was 10.2 with 8 degrees of freedom and a p-value of 0.0253. Since the p-value is lesser than the typical significance level of 0.05, the null hypothesis can be rejected. This means there is statistically significant association between family income groups and the initial investment amounts among the respondents. In other words, the initial investment made in the stock market significantly vary based on the yearly family income in this sample.

Hypothesis (H_2): Students whose **family members invest in the stock market** are more likely to invest larger amounts than those whose family members do not.

Mann- Whitney U Test

		Statistic	p
initial investment exact	Mann-Whitney U	218	0.0378

Note. H_a $\mu_{No} < \mu_{Yes}$

Frequencies

Frequencies of Does any of your family members invest in stock market?

Does any of your family members invest in stock market?	Counts	% of Total	Cumulative %
No	12	24.0%	24.0%
Yes	38	76.0%	100.0%

the hypothesis (H_2) states that students whose family members invest in the stock market are more likely to invest larger amounts than those whose family members do not. The Mann-Whitney U test was conducted to compare the initial investment amounts between these two independent groups.

The test produced a Mann-Whitney U statistic of 218 with a p-value of 0.0378. Since the p-value is less than the significance level of 0.05, there is sufficient evidence to reject the null hypothesis. This means that students with family members who invest in the stock market tend to invest significantly larger amounts compared to those without such family influence.

Additionally, the frequencies show that 76% of respondents have family members who invest in the stock market, while 24% do not. This further supports the importance of family influence in the investment behavior of students, reinforcing that students with investing family members are more likely to invest larger initial amounts.

Hypothesis (H_3): There is a significant association between **gender** and the **risk profile** (aggressive/conservative) of the students.

Contingency Tables – Chi^2 Test

Contingency Tables

	Risk Profile				
Gender	Moderate	Very Conservative	Very Aggressive	Conservative	Total
Male	26	4	4	6	40
Female	10	0	0	0	10
Total	36	4	4	6	50

χ^2 Tests

	Value	df	p
χ^2	4.86	3	0.0182
N	50		

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The hypothesis (H_3) tests whether there is a significant association between gender and the risk profile (moderate, very conservative, very aggressive, conservative) of the students. The Chi-square test of independence was applied to the contingency table showing the distribution of risk profiles by gender.

The Chi-square statistic value is 4.86 with 3 degrees of freedom and a p-value of 0.0182. Since the p-value is less than the significance level of 0.05, this indicates there is a statistically significant association between gender and risk profile. In other words, the risk-taking behavior differs by gender among the students.

From the table, most males fall into the moderate risk category, with some in very conservative, very aggressive, and conservative profiles. Females are only present in the moderate risk category. This supports the conclusion that gender influences students' risk profiles, with males exhibiting a wider variety of risk attitudes, including higher risk-taking profiles, compared to females.

Hypothesis (H_4): There is a significant association between the **year of study** and **trading frequency**.

Contingency Tables – Chi^2 Test

Contingency Tables

	Year of study				
Trading Frequency	1st	2nd	3rd	4th	Total
Occasionally	2	0	14	8	24
Monthly	0	2	12	6	20
Weekly	0	0	2	0	2
Daily	0	0	2	0	2
Total	2	2	30	14	48

χ^2 Tests

	Value	df	p
χ^2	7.10	9	0.627
N	48		

The hypothesis (H_4) examines whether there is a significant association between the year of study and the trading frequency among students. The Chi-square test of independence was performed on the contingency table displaying the distribution of trading frequencies across different years of study.

The Chi-square statistic value is 7.10 with 9 degrees of freedom, and the p-value is 0.627. Since the p-value is much greater than the typical significance level of 0.05, there is insufficient evidence to reject

the null hypothesis. This means there is no statistically significant association between the year of study and trading frequency in this sample.

In other words, trading frequency appears to be independent of the students' year of study, indicating that the frequency with which students trade does not significantly vary across different academic years. The hypothesis (H_4) tests the association between the year of study and trading frequency of students. The Chi-square test resulted in a statistic value of 7.10 with 9 degrees of freedom and a p-value of 0.627. Because the p-value is greater than 0.05, it indicates that there is no statistically significant association between the year of study and trading frequency. Therefore, the data suggest that trading frequency among students does not vary significantly according to their year of study.

Here is a summary table of the hypothesis test results:

Hypothesis	Test Used	Test Statistic	Degrees of Freedom (df)	p-value	Result	Interpretation
H_1: Significant association between yearly family income and initial investment amount	Chi-square Test	10.2	8	0.0253	Reject H_o	Statistically significant association exists. Initial investment varies with family income.
H_2: Students with family members investing tend to invest larger amounts	Mann-Whitney U Test	218	-	0.0378	Reject H_o	Students with investing family members invest significantly more.
H_3: Association between gender and risk profile	Chi-square Test	4.86	3	0.0182	Reject H_o	Statistically significant association between gender and risk profile; males have varied risk profiles, females moderate only.
H_4: Association between year of study and trading frequency	Chi-square Test	7.10	9	0.627	Fail to reject H_o	No significant association; trading frequency independent of year of study.

This table summarizes the statistical tests, their outcomes, and the conclusions drawn based on p-values at the 0.05 significance level.

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Findings

Demographics of Respondents

Majority were male (~76%), aged 20–22 years, mostly B.Com Gen Zs.

Most belonged to families with annual income of ₹5–10 lakhs.

Around 76% had family members investing in the stock market.

Background Factors

Family income significantly affects initial investment → Gen Zs from higher-income families invested more.

Family influence is crucial → Gen Zs whose family members already invest tend to commit larger amounts themselves.

Parental occupation and number of siblings were hypothesized but not tested in the results folder.

Motivational Factors

Key motivators: wealth creation, peer influence, self-interest, and career preparation.

Gen Zs were often introduced to stock markets by themselves, friends, or fathers.

Many expressed the need for financial education in technical and fundamental analysis.

Portfolio Characteristics

Preference for medium-term (6 months–2 years) and long-term (>2 years) investments.

Initial investments were mostly in the ₹10,000–₹25,000 range.

Portfolios commonly included large-cap, mid-cap, and small-cap stocks across sectors like finance, technology, healthcare, and energy.

Risk Profile

Gender differences were significant → males displayed varied risk appetites (aggressive, conservative, moderate), while females were only moderate.

Trading Practices

Trading frequency was not linked to academic year → progression in study did not affect trading habits.

Most Gen Zs traded occasionally (50%) or monthly (40%), with very few engaging in daily or weekly trading.

Zerodha and Groww were the most popular broker platforms.

Conclusion

This study examined the key factors influencing commerce and management Gen Zs in Mysuru to participate in stock market trading, with a focus on demographics, socio-economic background, motivational drivers, portfolio composition, and trading activities. The analysis revealed that family income and family involvement in investing significantly affect the size of initial investments, while gender differences play a role in shaping risk profiles. Gen Zs from higher-income households and those with family members engaged in the market demonstrated greater confidence and higher levels

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of participation. In contrast, the year of study showed no significant impact on trading frequency, suggesting that academic progression alone does not alter investment habits. Overall, Gen Zs displayed a preference for medium- to long-term investments, often guided by peer influence, self-motivation, and career aspirations. The findings highlight the importance of financial literacy programs, mentoring, and institutional support to bridge the gap between theoretical education and responsible market participation

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