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Behavioral Influences on Individual Investors' Decision-Making

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Abstract

The performance and decision-making of individual investors in Nepal are investigated in this study, with an emphasis on the behavioural aspects that affect their investing decisions. Determiners of investment performance and decisions, the interaction between market, firm, and risk-return variables, and their influence on investor choices are the objectives of the study. 110 respondents, including commercial banks, business owners, government employees, graduate management students, and stock market investors, were selected from the Bharatpur metropolitan area in the Chitwan district using a descriptive and causal comparative study approach. The results indicate that market trends have a considerable impact on investing confidence, as seen by the moderately positive correlation found between investor decisions and market-related variables (MRV). The significance of a company's performance metrics, management quality, and reputation is highlighted by the greater positive correlation found for company-related variables (CRV). Additionally, there is a moderately positive correlation between risk and return variables (RRV), indicating that people who are more confident in their investing decisions are more likely to be willing to face risks in exchange for larger returns or who prefer steady returns. According to the study's findings, investor decisions are significantly influenced by a variety of interrelated factors, including firm characteristics, market conditions, and risk-return preferences.

Keywords: Investors' decision, Market-related variables, Company-related variables, Risk-return variables, Behavioral influences

Introduction

Nepalese investors can be empowered to make more educated and logical investment decisions through education, awareness campaigns, and the creation of decision support technologies. To overcome behavioural biases and enhance investment results in Nepal, financial literacy programs and investor protection measures can also be investigated. Few studies have examined the investment behavior of Nepalese investors in the stock market. Adhikari (2010) found that investors are overconfident about their knowledge, experience, and ability to pick stocks, with a significant difference in confidence based on age and gender. The availability of information and understanding of respondents also influence their investment decisions. Interviews with brokers revealed that most Nepalese investors lack the necessary skills to analyze financial information about companies they are considering investing in, affecting the quality of their decisions. Kadariya (2012) analyzed factors affecting investment decisions, including capital structure, political and media coverage, luck and financial education, and trend analyses in the Nepalese capital market. The study found that most investors are youngsters and consider media coverage and friend recommendations as good sources of information. Dividend, earning, equity contribution, and government control are the most important factors in decision-making. Investors often blame the market for losses and credit their own abilities when earning profits.

This research aims to explore the impact of behavioral factors on investment decisions in Nepal. Despite the growing interest in financial markets, there is a lack of understanding of how these factors influence investment performance. Behavioral finance theories suggest that investors may not always make rational decisions but are influenced by cognitive biases, emotions, and heuristics. In Nepal, where the investment environment is influenced by unique socio-economic and cultural factors, it is crucial to understand how these biases manifest among investors and affect

their investment decisions. The study aims to investigate the extent to which factors like overconfidence, herding behavior, loss aversion, and anchoring biases influence investment decisions among Nepalese investors and analyze their performance implications. This understanding can help develop targeted interventions and strategies to improve investment performance. The study also identifies potential avenues for investor education and awareness campaigns to promote more informed investment practices.

- What are the relationship between market related variable, company related variable, risk-return related variable on investors decision?
- What are the impact of market related variable, company related variable, risk- return variable on investor's decisions?

Literature Review

Geetha and Ramesh (2012) research highlights the significant impact of behavioral factors on investment decision-making among individual investors. Cognitive biases, such as overconfidence, confirmation bias, and anchoring, can distort investors' assessments of information, leading to suboptimal investment decisions. Emotional responses, such as fear, greed, and regret, can cloud investors' judgment and lead to impulsive or irrational choices. The research emphasizes the importance of investor education and awareness programs to mitigate the negative effects of behavioral biases on investment outcomes. Educational interventions may include seminars, workshops, or online resources that impart knowledge on investment principles, risk management techniques, and strategies for overcoming cognitive biases. Their findings highlight the intricate interplay between behavioral factors and investment decision-making among individual investors, emphasizing the need for promoting investor education and awareness to foster more rational and informed investment behavior.

Kadariya (2012) examined the various elements that influence the investment decision of an investor. Capital structure, political and media coverage, luck, financial education, and trend analyses in the Nepalese capital market are some of the factors that are considered in this context. The findings of the study indicate that the majority of investors are young people, and when making decisions, they take into consideration the recommendations of their friends and the coverage that they receive in the media as legitimate sources of information. It is generally agreed that the most important considerations to take into account when making a decision are the dividend, earnings, equity contribution, and government control. Whenever they suffer a loss, investors place the blame on the market, but when they make a profit, they give themselves full credit for their own abilities.

Thapa (2013) reveals that investors in the Nepalese stock market prioritize short- term profit over long-term strategies, possibly driven by factors like market volatility or liquidity concerns. The size of investment also plays a role in investors' confidence levels, with larger investments tending to decrease confidence levels as they carry higher perceived risks or uncertainties. In terms of risk-taking attitudes, professional experience positively correlates with investors' willingness to take risks, while the size of investment exhibits a negative relationship with risk-taking propensity. Personal characteristics and psychology also play a role in investor behavior, with investors with higher levels of confidence, involvement, optimism, and risk-taking attitudes tending to engage in more frequent trading activity.

Karki and Adhikari (2014) investigate the reasons behind individual investors' decisions to invest in the stock market of Nepal. In their research, Karki and Adhikari discovered that the majority of investors were motivated by the desire to speculate, while the smallest percentage of investors were motivated by the desire to gamble themselves. In addition, the research came to the conclusion that there was a positive correlation between investment motive and information and analysis, investment horizon, age level, and experience in the stock market. The findings of this study also showed that there was a moderate association between academic qualification and investment motive, and that information and analysis had a positive relationship with the investment score. According to the findings of the study, rumors and tips are playing an important role in Nepalese stock markets. This was another conclusion reached by the researchers.

Bajracharya (2017) carried out an additional study for the purpose of examining the perspectives of investors regarding mutual funds. According to the findings of Bajracharya's research, there is no correlation between the demographic and socioeconomic factors of investors and their attitude toward mutual funds. On the other hand, investors give magazines the least preference as a source of information, while brokers and agents are the source of information that investors prefer the most. It was discovered that the attitude of investors toward mutual funds is not independent of demographic and socioeconomic variables (age, gender, monthly income, investment level,

educational qualification). This was the conclusion reached by the researchers. In addition, when it comes to the sources that are chosen, investors give the highest preference to brokers and agents when it comes to making investments.

Kumar & Goyal (2018) study's conclusions point to a number of significant behavioral biases that are common among Indian investors. One important factor that comes into play is overconfidence, or the unfounded belief that investors can accurately predict market movements or make profitable investment decisions. This overconfidence frequently results in increased portfolio turnover and excessive trading, which can have a detrimental effect on investment returns. The study also highlights the impact of loss aversion among Indian investors, who are typically more motivated by comparable gains than by losses. Due to this bias, people tend to invest conservatively and are reluctant to take on risks that might result in losses.

The study also reveals the impact of herd mentality on Indian stock markets, where investors usually mimic the moves of their peers instead of performing their own research. When investors react collectively to perceived trends or sentiments in the market, this behavior can intensify market volatility and result in irrational price movements. All things considered, the qualitative investigation offers insightful information about the behavioral biases unique to Indian investors, with implications for financial education programs and regulatory actions meant to promote more knowledgeable and logical investment choices in India's financial markets.

Shrestha (2020) examines the factors influencing Nepalese investors' stock market decisions, with a sample of 110 respondents from Surkhet Valley. Data was collected using structured questionnaires and categorized into three main variables: company- related variables (CRV), risk-related variables (RRV), and market-related variables (MRV). Company-related variables include factors like management team, financial performance, size, EPS, DPS, expected return, past return, company risk, liquid securities, and market information. Risk-related variables include expected return, past return, company risk, and liquid securities.

A study by Sohail and Akhtar (2021) found that market volatility leads to increased uncertainty, causing investors to adjust their portfolios by either reducing risk or adopting more conservative strategies. Investors tend to make decisions that prioritize stability during periods of high volatility, affecting their overall investment performance.

Lee, Wang, and Chen (2022) explores the impact of behavioral factors on investment performance. The authors identify key factors such as overconfidence, loss aversion, herding behavior, and mental accounting, and analyze their effect sizes and consistency across different markets and investor types. The meta-analysis reveals that behavioral biases significantly influence investment decisions and performance. Overconfidence leads to overestimation of abilities and excessive risk-taking, resulting in suboptimal outcomes. Loss aversion leads to conservative investment strategies, potentially limiting potential returns. The study also highlights the moderating effects of investor characteristics, market conditions, and study methodologies on the relationship between behavioral factors and investment performance. The authors emphasize the need for context-specific analyses and tailored interventions to effectively address behavioral biases in investment decision-making. The meta-analysis provides a comprehensive understanding of how psychological biases shape investor behavior and offers implications for improving investment strategies and outcomes.

Sharma and Vashistha (2023) examined how governance and management influence investment choices. They found that investors show a preference for companies with transparent governance and strong leadership, as these factors reduce perceived risk and promise better long-term returns. Nguyen et al. (2024) investigated how perceived risk affects the decision-making process of individual investors. They found that perceived high risk, even when the objective risk is low, discourages investment in volatile assets, thus influencing portfolio diversification and returns.

The study explores investors' decision-making and performance in Nepal, focusing on behavioral factors. Socio-economic, cultural, and institutional factors affecting investment behavior in Nepal may not be captured by previous studies. Understanding these local dynamics is essential for targeting interventions and policies that help Nepalese investors make informed decisions.

Research Methods

The study has used a descriptive and casual comparative research design, detailing participants' responses to a questionnaire and variables, and examining the relationship between variables and their impact, in line with the study's objectives. This study was conducted within Bharatpur Metropolitan city of Chitwan district, where the staffs of commercial banks, entrepreneurs, government officers, graduate level management student, and the person who

has invested stock market were the total population. To accomplishment the objectives very efficiently, only 110 respondents are selected as sample of the study.

Respondents' Profile

Table 1: Respondents by Gender

Gender	Numbers of Respondents	Percent (%)
Male	80	72.73%
Female	30	27.27%
Total	110	100.00%

With 72.73% of respondents being men and 27.27% being women, Table 1 demonstrates a notable male predominance. This suggests that there was a gender gap in the survey, with men making up slightly more than 25% of the sample as a whole.

Age Groups

Age, determined by birth years, significantly impacts individuals' stress experiences and coping mechanisms, potentially impacting academic performance and revealing age-related patterns in stress response and outcomes, thus underscoring the importance of understanding age-related factors.

Table 2: Respondents by Age Groups

Age	Numbers of Respondents	Percent (%)
0-30	10	9.09%
30-40	45	40.91%
40-50	40	36.36%
50 and above	15	13.64%
Total	110	100.00%

Table 2 shows the age distribution of 110 survey respondents, with the largest age group being 30-40 years, comprising 45 respondents (40.91%). The 40-50 age group has 40 respondents (36.36%), followed by 15 respondents (13.64%) and the 0-30 years age group (0.99%). This indicates a middle-aged demographic dominance in the surveyed population.

Level of Education

Education level is directly correlated with level of education of employees. In this paper we have used four different levels of education which are Bachelor degree, Master and Master and above. The table 4.3 shows that the number of respondents involved in this study.

Table 3: Respondents by Level of Education

Education Level	Number of Respondents	Percent
Bachelor	10	9.09%
Master	20	18.18%
Master's and Above	80	72.73%
Total	110	100.00%

The distribution of respondents' educational backgrounds is displayed in Table 3, where 10 have a bachelor's degree, 18.18% have a master's degree, and 72.73% have a master's degree or above. Higher educational backgrounds make up the bulk of respondents (110), which can affect their attitudes and investing choices. According to this distribution, investing decisions may be influenced by advanced education.

Employees Designation

Employees' designation is a job title assigned to an employee within an organization, indicating their level of responsibility, hierarchy, and duties. It helps in structuring the organization, defining career paths, and clarifying job functions and expectations. Common designations include entry-level positions, mid-level positions, senior-level positions, and executive-level positions.

Entrepreneurs made up 36.36% of the 110 respondents, followed by employees (27.27%), government officials (22.73%), and graduate-level management students (13.64%), according to Table 4. With entrepreneurs being the most represented group, followed by employees and government officials, and management students being the least represented, the data shows a wide variety of classifications among respondents.

Table 4: Respondents by Employees Designation

Designation	Number of Respondents	Percent
Staffs	30	27.27%
Entrepreneurs	40	36.36%
Government Officers	25	22.73%
Graduate level Management Students	15	13.64%
Total	110	100.00%

Years of Experience

Experience refers to the training, wisdom, or proficiency in a specific subject, business, or sector, ranging from Less than 1 year to over 5 years, depending on the context.

Table 5: Respondents by Experience

Experience	Numbers of Respondents	Percent (%)
Less than 1 year	25	22.73%
1-3 Years	8	7.27%
3-5 Years	32	29.09%
Above 5 Years	45	40.91%
Total	110	100.00%

The distribution of 110 respondents according to their experience is displayed in Table 5. 45 respondents, or 40.91%, have more than five years of experience. Those with three to five years, or 29.09%, come next, and those with less than a year, or 25 respondents, or 22.73%, come next. Those with 1-3 years, or 8 replies, or 7.27%, make up the smallest category.

Results and Findings

Descriptive analysis is a statistical method used to quantitatively summarize the characteristics of a collection of information, either representing the entire population or a sample. In this paper, we conducted a descriptive analysis on independent variables (market-related, company-related, risk-return- related) and dependent variables (investors' decisions). Statistical measures like mean and standard deviation were computed, and the mean score was calculated using SPSS's output.

Descriptive Analysis of Market Related Variable

The descriptive analysis of market related variable is presented in the table below.

Table 6: Descriptive Analysis of Market Related Variable

Observation Statements	Mean	Std. Dev.
Market trends significantly influence my investment decisions.	3.63	0.87
Understanding market dynamics is crucial for successful investing.	4.01	1.03
Investment strategy based on the overall market conditions.	2.89	1.11

A descriptive analysis of market-related variables (MRV) based on the ratings of 110 respondents is presented in Table 6.

The impact of market trends on investment choices, the significance of comprehending market dynamics for profitable investing, and the dependence on general market circumstances for investment strategy are the three observation statements that are assessed. With a moderate degree of response variability, the mean score of 3.63 suggests that market changes have a significant impact on investment decisions.

With a little higher degree of variability than the previous assertion, the mean score of 4.01 emphasizes how crucial it is to comprehend market dynamics for profitable investing. The average score of 2.89 suggests that opinions on the dependence of investment strategy formation on general market conditions are either neutral or somewhat disagreed. The varying standard deviations indicate differing levels of agreement and variability in responses across the three statements, highlighting diverse perspectives among investors regarding market-related factors.

Descriptive Analysis of Company Related Variable

The descriptive analysis of company related variable is presented in the table below.

Table 7: Descriptive Analysis of Company Related Variable

Observation Statements	Mean	Std. Dev.
The reputation and brand image of a company affect my investment choices.	3.43	1.1
Consider factors such as company management and corporate governance before investing.	3.55	1.09
Company performance indicators, such as earnings and growth prospects, influence my investment decisions.	3.29	0.97

Table 7 analyzes company-related variables (CRV) based on 110 respondents' ratings, focusing on three observation statements: the impact of a company's reputation and brand image on investment choices, the importance of company management and corporate governance in investment decisions, and the influence of company performance indicators on investment decisions. The mean score of 3.43 indicates moderate agreement among respondents, with some variability in responses. The mean score of 3.55 suggests moderate to strong agreement on the importance of management and governance in investment decisions, with some differing opinions among respondents. The mean score of 3.29 indicates moderate agreement on the influence of company performance indicators, such as earnings and growth prospects, on investment decisions. The study concludes that respondents moderately agree on the impact of company reputation, management, corporate governance, and performance indicators on their investment choices, but the variability in responses suggests that individual preferences and perspectives on their importance can differ.

Descriptive Analysis of Risk Return Variable

The descriptive analysis of risk return variable is presented in the table below.

Table 8: Descriptive Analysis of Risk Return Variable

Observation Statements	N	Mean	Std. Dev.
Willing to take higher risks in investments if there is potential for higher returns.	110	3.76	1.08
Carefully assess the risk associated with an investment before making a decision.	110	3.58	1.09
I prefer investments with steady returns over those with higher potential returns but greater risk.	110	3.47	1.01

Table 8 analyzes risk and return-related variables (RRV) based on 110 respondents' ratings. The analysis includes three observation statements: willingness to take higher risks for higher returns, careful assessment of investment risks, and preference for steady returns over higher potential returns with greater risk. The mean score of 3.76 indicates that respondents generally agree to accept higher risks for better returns, with varying degrees of agreement. The mean score of 3.58 highlights the importance of carefully assessing investment risks before making decisions, with a similar level of variability as the first statement. The mean score of 3.47 indicates a moderate preference for steady returns over high-risk investments, with a standard deviation of 1.01, indicating less variability and a more consistent preference for stable returns. The data reflects a balanced approach to risk and return, with a notable tendency towards stability in investment preferences.

Descriptive Analysis of Investors Decision

The descriptive analysis of investor decision is presented in the table below.

Table 9: Descriptive Analysis of Investor Decision

Observation Statements	Mean	Std. Dev.
Feel confident in my ability to make informed investment decisions.	3.77	1.01
Tend to follow my intuition or gut feeling when making investment decisions.	3.46	1.13
Frequently seek advice from financial experts or professionals before making investment decisions.	2.68	1.16

Table 9 analyzes investor decision variables based on respondents' ratings, including confidence in making informed decisions, reliance on intuition or gut feeling, and frequency of seeking advice from financial experts. The mean score for confidence in making informed decisions is 3.77, with moderate variability in responses. The mean score

for reliance on intuition or gut feeling is 3.46, with a higher standard deviation indicating a wider range of opinions. The mean score for frequently seeking advice from financial experts or professionals is 2.68, with a moderate to low level of agreement. The highest standard deviation is 1.16, indicating that while some investors consult with experts, many rely on their judgment or other sources for investment decisions. The analysis reveals that respondents generally feel confident in their investment decisions and moderately use intuition, but less frequent reliance on professional advice. The variability in responses highlights diverse approaches and levels of confidence among investors in their decision-making processes.

Correlation Analysis

Correlation analysis is a method used to examine the relationship between two or more variables. Pearson's approach is used for simple multiple-choice responses, and a computer-generated correlation matrix is used to assess the strength of the relationship. A positive correlation indicates a sloping relationship, while a negative correlation indicates the opposite, with an increase in one variable and a decrease in the other.

Table 10: Correlation Analysis

	ID	MRV	CRV	RRV
Investors' Decision (ID)	1			
Market Related Variables (MRV)	0.380**	1		
Company Related Variables(CRV)	0.472**	0.507**	1	
Risk and Return Related Variables (RRV)	0.401**	0.333**	0.464**	1
***. Correlation is significant at the 0.01 level (2-tailed).*				

Table 10 shows the results of a correlation analysis among four variables: Investor Decision (ID), Market Related Variables (MRV), Company Related Variables (CRV), and Risk and Return Related Variables (RRV). The Pearson correlation coefficients are provided, along with their significance levels and the number of respondents (N) for each correlation. The correlation coefficient of 0.380 indicates a moderate positive relationship between investor decision-making and market-related variables, indicating that as the influence of market trends and dynamics increases, so does the confidence in making investment decisions. The correlation coefficient of 0.472 suggests a moderately strong positive relationship between investor decisions and company- related variables, suggesting that the perception of a company's reputation, management quality, and performance indicators positively impacts the confidence in investment decisions. The correlation coefficient of 0.401 shows a moderate positive relationship between investor decisions and risk-return variables, suggesting that individuals who are more open to taking risks for higher returns or those who prefer steady returns tend to have higher confidence in their investment decisions. The correlation coefficient of 0.507 indicates a moderately strong positive relationship between market-related and company-related variables, suggesting that understanding market trends and dynamics is positively associated with the perception of a company's reputation, management, and performance. In conclusion, all correlations are statistically significant at the 0.01 level, indicating reliable relationships between the variables. These moderate to strong positive correlations reflect the interconnectedness of investor decisions with market conditions, company factors, and risk-return preferences.

Regression Analysis

Regression analysis is a statistical procedure used to identify the links between variables, focusing on the relationship between a dependent variable and one or more independent variables. It involves various modeling and evaluation strategies for multiple variables. The goal is to determine which independent variable best explains the variability in the outcome, how much the dependent variable is explained by independent variables, and which variables are most significant in explaining the variability of the dependent variable. To investigate the influence of independent factors (MRV, CRV, RRV) on dependent variables (ID), multiple regressions were conducted using simple regression and multiple regression models. This model is constructed with an equation as below:

$$\boldsymbol{y} = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \boldsymbol{\varepsilon}$$

Where,

y = Dependent Variable measured by Investor decision,
α = Constant,
β1 = Market Related Variable,
β2 = Company Related Variable,
β3 = Risk Return Variable
ε = Standard Error Term

Table 11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.533a	0.284	0.263	0.69549
a. Predictors: (Constant), RRV, MRV, CRV				

The model summary table shows a moderate to strong positive correlation between Risk and Return Variables (RRV), Market Related Variables (MRV), and Company Related Variables (CRV) and Investor Decision (ID). The R Square indicates a 28.4% variance in ID, with an adjusted R Square of 0.263, explaining 26.3% of the variance. The model's standard error of 0.69549 suggests moderate prediction accuracy, with the model explaining a significant portion of investor decision variance.

Table 12: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	20.312	3	6.771	13.998	0.000[b]
	Residual	51.272	106	0.484		
	Total	71.585	109			
a. Dependent Variable: ID						
b. Predictors: (Constant), RRV, MRV, CRV						

The ANOVA table shows that Risk and Return Variables (RRV), Market Related Variables (MRV), and Company Related Variables (CRV) significantly predict Investor Decision (ID). The sum of squares for regression is 20.312, indicating a substantial portion of the variability in ID. The sum of squares for residual is 51.272, representing the remaining variance after accounting for the influence of RRV, MRV, and CRV. The total sum of squares is 71.585, combining both explained and unexplained variance. The F-statistic is 13.998, indicating the overall significance of the regression model. The p-value of 0.000 indicates that the combined predictors significantly explain the variability in investor decisions.

Table 13: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.833	0.409		2.036	0.044
	MRV	0.196	0.116	0.162	1.684	0.045
	CRV	0.297	0.104	0.291	2.844	0.005
	RRV	0.214	0.095	0.212	2.263	0.026
a. Dependent Variable: ID						

Table 13 presents the coefficients from a regression analysis examining the impact of Market Related Variables (MRV), Company Related Variables (CRV), and Risk and Return Related Variables (RRV) on Investor Decision (ID). The analysis shows that all predictor variables significantly influence investor decisions, with CRV having the most substantial impact. The constant term has an unstandardized coefficient of 0.833, indicating a baseline level of investor decision confidence of 0.833. MRV has a positive, though modest, impact on investor decisions, with a standardized beta of 0.162 and a t-value of 1.684. RRV's unstandardized coefficient is 0.214, suggesting a positive and statistically significant effect of risk and return-related variables on investor decisions.

Discussion and Conclusion

This study concludes the positive correlations between independent variables and investment decisions, with market trends and company reputation significantly impacting investment choices. Risk and return variables are also emphasized, with factors like volatility and liquidity being integral to investment decisions. This study provides detailed statistical evidence, including correlation, regression coefficients, ANOVA results, and model summaries, revealing the influence of market- related variables (MRV) and company-related variables (CRV) on investor decisions more precisely. It also employs a more detailed regression analysis with multiple predictors, revealing how MRV, CRV, and RRV collectively impact investor decisions which are consistent to the findings of Azam and Kumar (2011). The current study reflects more recent trends and investor behaviors, possibly due to changes in the financial environment since Azam and Kumar's study. In summary, while both studies share a foundational

understanding of the impact of market-related, company-related, and risk-return variables on investment decisions, the current study provides more detailed and updated statistical analysis, reflecting changes in investor behavior and market conditions.

This study and Shrestha (2020) highlight the importance of company-related, risk-related, and market-related variables in influencing investment decisions. Both studies find significant positive correlations between investor decisions and these variables, highlighting the robust relationship between these variables and investment choices. Statistical significance is established through methods like ANOVA and regression analysis. Dissimilarities include geographic and sample differences, with Shrestha (2020) focusing on investors from Surkhet Valley, Nepal, while the current study might involve a different geographic region or demographic, potentially leading to varying investor behaviors and preferences. Variance explained by each variable is different, with the current study using more recent methodologies or refined statistical techniques. The scope of analysis may also differ, with Shrestha (2020) providing specific details about the impact of company financials, management, and market information, while the current study might broaden the scope or focus on additional factors influencing investor decisions.

The current study offers valuable insights into the factors influencing investment decisions, with a strong emphasis on market-related, company-related, and risk-return variables. The consistency in findings reflects the enduring relevance of these factors, while the differences in sample, methodology, and scope illustrate the evolution of investment research and the need for updated analyses.

The study reveals that investors accept higher risks for better returns but prefer stable returns, indicating a balanced approach. The moderate positive correlations between MRV, CRV, and RRV with investment decisions indicate that market conditions, company performance, and risk tolerance influence investors. These factors collectively explain a significant portion of investor decisions. The research reveals that investors' decision-making approaches vary significantly, with some relying on market and company-specific factors, while others rely more on intuition. This highlights the complexity of investment behavior and the need for tailored strategies that cater to different investor preferences and risk appetites, emphasizing the need for tailored investment strategies.

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