# DECISION FACTORS AFFECTING INVESTING ACTIVITIES IN THE EQUITY MARKET

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**Abstract**

This research aimed to determine how much impact the various elements had on stock market investments. Its main goal was to answer the following questions: a) respondents' demographics; b) respondents' assessments of the factors influencing stock market investing decisions, broken down into Personal Factors, Company and Industry Factors, and Economic Factors; and c) a statistically significant difference in respondents' assessments of the elements affecting stock market investing choices when they are classified by profile. The study's target respondents were individual online investors in the Philippine equities market. A total of 395 respondents were surveyed using the non-probability sampling technique. Based on the results, most of the respondents were 18 to 30 years old, female, single, bachelor's degree graduates, earning P20,000 or less per month, private employees, investing in both blue and non-blue-chip stocks for 1 to 3 years, and were attending less than four training/seminars per year. The study also determined that the top 3 influencing factors by order of influence were Investment Objective, Past Performance, and Interest Rate. The results assumed that these online investors use the Bottom-up Approach in their investment analysis. Specific recommendations were drawn for Stockbrokerages or Trading Participants, the Philippine Stock Exchange, Bangko Sentral ng Pilipinas, government agencies, and private companies to address the issues revealed in the study.

**Keywords**: Economic Factors, Equity Market, Company and Industry Factors, Personal Factors, Decision factors

## Introduction

Building wealth and securing one's financial future are best done through investing (Addo, 2021). People's economic lives are divided into four stages; the learning phase, earning phase, accumulating phase, and retirement period (Tang, 2018). Individuals must make an effort to comprehend these stages and establish a financial objective. Long-term assets such as insurance, pre-need plans and bonds are saved and invested during the accumulation period. The final phase, retirement, is regarded as harvest time - this is an opportunity to relax and unwind. Portfolio assets like unit-investment trust funds (UITFs), bonds, mutual funds, and stocks are also available for investors. Stocks are the riskiest of these assets, but they are also the most recommended. Historically, investing in high-quality equities has produced higher returns than investing in most other products (Kuvshinov& Zimmermann, 2021). Stocks or equity securities reflect a corporation's ownership stake. They are classified and classified into numerous subgroups. According to their ownership, stocks are divided between Class A and Class B, with Filipino investors dealing exclusively in Class B. There are two types of stock, ordinary and preferred, according to Chang et al., 2019. The primary

distinction between these two sorts of investors is their level of involvement and selection (Blake & Cairns, 2021). Common stocks reflect a corporation's residual claim on its assets and profits. Preferred stock takes precedence over ordinary stock in the case of liquidation. Common shareholders are entitled to receive whatever remains after all other rights are fulfilled (Butzbach, 2022). Domestic and overseas investors may deal in Class B securities. Financial, industrial, holding company, property, service, and mining and oil stocks are just examples of the many different types of stocks available. It is possible to classify stocks according to their risk and return characteristics. (Usman et al., 2019).

Choosing a stockbroker is the first step in getting started in the stock market. Two types of stockbrokers are conventional and online. Orders can be placed in writing or by phone with the help of a licensed salesperson who handles the account. People that communicate with their customers largely via the internet are known as online stockbrokers (Lin et al., 2022). Stock brokerages or trading participants in the Philippines have 132 active members as of February 9, 2018. The rapid development of online trading makes it intriguing to investigate how online stock investors in the Philippine equities market make investment decisions. Several sources of information may help you make an informed decision, including family members, friends, colleagues, financial experts, newspapers and publications, and the internet. Objective considerations include long-term capital appreciation, short-term financial gains, dividends, and diversification, while information sources include objectives, market or economic, industry, and corporate aspects. The company factors are further subdivided into qualitative and quantitative subcategories. Concerning industry variables, this includes a company's historical performance and growth rate and its current position in an industry's life cycle. When evaluating a company, several qualitative variables include its size, perception of its goods or services, reputation, managerial quality, perceived ethics, and local and worldwide activities.

This study only used a few of the variables listed above. Industry performance, stock price per share (GDP), inflation, and interest rate were among the factors examined in the study. A novel research model was designed using the conceptual framework. The three key factors in evaluating were personal, company and industry, and economic factors. An investment is a sum of money invested in a company or a company's stock. The firm and industry elements include the potential of the industry and business, the makeup of management, market pricing, market saturation, and prior success. Economic factors include the Business Confidence Index, GDP, Inflation Rate, and Interest Rate. The purchase, sale, and holding of shares in the stocks market, as defined above, are the subjects of this research. A purchase order is an instruction to purchase a specific amount of a security, whereas a sale order is an instruction to sell an investor's equity shares (Investor words, undated). A stockholder expects a price increase in the future due to owning it (Baur et al., 2020).

## Literature Review

### Personal Factors

- **Investment Amount**

When investing, the percentage of one's income that can be set aside for this purpose (or the amount of money an individual has to spare) is considered. It is also known as a capital investment which pertains to the funds invested in a firm to advance its business objectives (Blanchard & Olney, 2017). In accounting, it is defined as the money invested in a business to generate income (Business Dictionary, undated). Based on the 2013 Survey of Consumer Finances, most American retirees have limited financial resources. Around 52% of the households aged 55 and above have no retirement savings, and most rely only on social security (Fleisher, 2022). In the Philippines, only 14.1% of Filipinos have savings in banks, and less than 1% of the households have investments in stocks and mutual funds (Kluchnyk&Davymuka, 2020). According to Willows & October (2021), the underlying reason why people don't save for their retirement is that they can't see themselves in the future.

- **Investment Knowledge and Investment Objective**

Investment competence is a word that refers to an investor's familiarity with several types of investments, which could either be limited, average, above average, or extensive (Dyer, 2021). Many financial experts suggest investing in knowledge first before venturing into any kind of business or investment. Only 25% of Filipinos are financially literate, according to the Standard and Poor's Global Financial Literacy Survey. A person might be educated but not literate or vice versa. The study showed that highly educated people with high income could be as financially ignorant as those with less education earning less income. The first step in building a solid investment portfolio is to match the investor's investment objective to the asset class. A combination of different asset classes should be considered to spread the risks (Certomà et al., 2020), and Hsiao & Tsai (2018) defined an investment objective as a result desired by an investor. An investment objective is a clear statement of the client's investment objectives or aims to be achieved. There are four common investment goals: current income, capital preservation, total return, and capital appreciation. The most conservative objective is intended by investors who want to preserve the safety of their money. The main concern in this objective is long-term growth which means that the investor is willing to wait for 5 to 10 years before the investment reaches its full potential.

- **Investment Horizon and Risk Tolerance**

"Investment horizon" refers to the period of time over which an investor would typically amass a certain quantity of assets(Hsiao & Tsai, (2018). The short term is usually less than three years, the medium-term ranges from 3 to 10 years, and the long term goes beyond ten years. According to Guo et al. (2017), the standard allocation for investment funds must be 20% bank deposits, 50% bonds, and 30% stocks for a financial goal of 2 to 5 years. Risk tolerance refers to the degree and kind of risk that an individual is prepared to accept (Hsiao

& Tsai, 2018). Knowing the risk profile before investing in any portfolio investment is essential. Risk tolerance refers to the degree and kind of risk that an individual is prepared to accept. Levels of risk can be categorized into moderately aggressive, aggressive, somewhat conservative, and conservative. The ability to take the risk is determined based on age, income, net worth, and time horizon.

## Company and Industry Factors

Investing decisions are influenced by several elements, according to Ajide (2017). Age, gender, marital status, and educational attainment are statistically important drivers of an investor's investing choices. Dividend policy, expected business profitability, and get-rich-quick scams are all considered factors. People's faith in companies, rumors about them, loyalty to their products and services, and family members' opinions have the least impact on a company's performance. Heuristics, prospect, market, and herding were all addressed in this study. Rasool & Ullah (2020) investigated the impact of Heuristic and Prospective variables on their investment decisions. The findings indicate that heuristics have a positive correlation with investing success. Prospect factors (mental accounting, loss aversion, and regret aversion) negatively affect investment success. Western participants experienced smaller return dispersions and trade latencies than Eastern players.

## Economic Factors

- **Business Confidence Index**

Stock market risk premiums, corporate and consumer confidence, and stock market forecasting was explored by Nartea et al. (2020). According to a variance decomposition study, the stock market risk premium has a beneficial impact on business and consumer confidence. It was found that the Indonesian stock market's returns were influenced by both company and consumer confidence from 2000 to 2013. According to the study, there is a high and positive association between quarterly stock index confidence and all indices. On the other hand, the quarterly Agriculture and Trade Index has a clear association with consumer confidence in agriculture. Ahmed (2020) investigated the effect of investor and business confidence on risk premiums in the Vietnamese stock market. The stock market's risk premiums grow when investors have faith in it, but this is not the case when businesses have faith in it.

- **Exchange Rate**

Stock market risk premiums, corporate and consumer confidence, and stock market forecasts were explored by Nartea et al. (2020). According to a variance decomposition study, the stock market risk premium positively impacts business and consumer confidence. It has been estimated that company and consumer confidence changes have influenced Indonesian stock market returns since 2000. According to the study, all quarterly stock indices are strongly linked to company confidence. The quarterly Agriculture and Trade Index, on the other hand, has a clear association with consumer confidence in agriculture. Ahmed (2020) studied the effect of investor and business confidence on risk premiums in the Vietnamese stock market.

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- **Gross Domestic Product**

Switzer & Wang (2017) conducted an exploratory cross-sectional study on Tanzania's equities market to learn more about investors' purchasing habits. Gross domestic product (GDP), FDI, unemployment, HCPI, state debt, import, export, money supply, short-term interest rates, and trade balance were all considered in the study. According to research by Pan & Mishra (2018), stock market success and economic progress are linked, and in the Philippines, the rate of unemployment and real GDP go hand in hand. The results of studies suggest that a country's economic output is enhanced when its stock market is successful.

- **Inflation Rate and Interest Rate**

Inflation may significantly impact the distribution of wealth, income and the number of productions generated. Sherman et al. (2018) claim that unemployment and inflation are the two most important indicators of a nation's health. Market performance is positively associated with inflation, although this relationship is small compared to other correlations. Other factors that could affect the stock market include a company's Performance, profits per share, GDP growth, and dividend policy. Interest rates on various market instruments, such as Treasury bills, are extremely volatile. The greater the interest rate, the more likely investors will invest in less hazardous assets like money market funds. Researchers found that interest rates, yields on Treasury bonds, and stock market returns all have a modest negative association. The Philippines' economy will suffer if interest rates in the United States rise, according to Kim et al. (2020). Share prices fall due to a decreased demand for equities, which lowers their value. There is strong evidence that from 1980 to 2011, the stock markets of 12 emerging countries were significantly impacted by interest rate volatility. A sound monetary policy, instead, would improve investment opportunities.

## Objectives of the Study

This research aimed to determine the degree to which various variables impact stock market investing choices. It deliberately seeks to address the following goals: (1)Participants' demographic profile; (2) assess the degree of efficacy of the following characteristics on stock market investing choices when participants are categorized by profile in terms of: Personal Factors, Company and Industry Factors, and Economic Factors; (3) assess substantial difference in the participants' assessments of the degree to which the variables impact stock market investing choices when categorized according to their profile

## Method

## Research Design

This study used a quantitative approach. Quantitative research, according to Leppink (2017), is primarily concerned with the collection of numerical data. It analyzes and explains the statistical links between the data acquired using the logical scientific technique. The research

used a descriptive statistic to determine the choice variables impacting online investors' equities market investment activity. A descriptive statistic condenses and organizes unstructured data into valuable data. Additionally, it clarifies the research topic by identifying the variables used in the study (Paltridge& Starfield, 2020).

## Participants

The study's target respondents were individual stock investors in the Philippine equities market. To qualify as a responder, an individual must be a Filipino citizen and engage in stock trading using an internet platform. 395 eligible respondents completed the study questionnaire. The study classified the respondents as stock investors having accounts with various online stock brokerages.

## Research Instrument

Seth et al.'s (2020) study on stock investment choices made by American and Thai investors served as the basis for the research questionnaire. The questionnaire had selected factors that the researcher modified slightly. Five (5) financial professionals evaluated the questionnaire before the adviser's approval to enhance it further. A pre-test was done on twenty (20) online stock investors to assess the questionnaire's reliability. The researcher then authorized the statistician to calculate the Cronbach Alpha for the completed surveys. The statistician estimated a coefficient value of 0.83, indicating that the research instrument has a high degree of internal consistency.

The research tool is divided into two pieces. For starters, we examined the characteristics of investors, including their age, gender, and Marital Status; their highest levels of educational achievement; their Average Monthly Earnings; their jobs and the number of years they have invested in stocks; their stock category preferences; and the average number of training/seminars they attend annually in the related field. As part of this book, you'll find sections on various factors you need to consider when investing in the stock market. Money, investment expertise, investment goals, and risk tolerance are all factors that might influence an individual's ability to invest effectively. Some economic factors include the BCI, the exchange rate, the GDP, the inflation rate, and the interest rate. Participants rated their influence on decisions as follows: 1 = Not at all influential (1.00–1.49), 2 = slightly influential (1.50–2.49), 3 = moderately influential (2.50–3.49), 4 = very influential (3.50–4.49), and 5 = highly influential (4.50–5). This scale allowed researchers to understand how the study participants felt about the decision-making processes.

## Data Gathering Procedure

The researcher undertook the following measures during data generation. (1) In a letter, the researcher asked the Philippine Stock Exchange's Trading Participants Relations Section to approve her study to distribute the research surveys to online brokers quickly. Unfortunately, owing to the regulator's discretion, the request was refused. (2) As a follow-up, the researcher independently contacted the internet brokers, and a handful of them was willing to work with her.(3) The data collection process occurred from March 10 through March 24, 2018. A total

of 400 research questionnaires were sent out to the target audience. However, only 395 surveys were found to be legitimate by the researcher. Because the responders submitted incomplete data, five (5) were disqualified.(4) A statistician tallied and analyzed the completed surveys once they were collected.(5) After that, the researcher evaluated, interpreted, and summarized the findings. Excerpts from relevant literature and research were incorporated to ensure consistent results, conclusions, and recommendations.

## Results and Discussion

The research found significant and essential findings that determine the decision factors influencing stock market investment activity.

### Table1: Summary of the Profile of Respondents

| Characteristics | Frequency | Percent |
|---|---|---|
| Age: 18 - 30 years old | 182 | 46.10% |
| Gender: Female | 209 | 52.90% |
| Marital Status: Single | 203 | 51.40% |
| Highest Educational Attainment:  Bachelor's Degree | 246 | 62.30% |
| Average Monthly Earnings: ₱20,000 or less | 101 | 25.60% |
| Job: Private Employee | 174 | 44.10% |
| Number of Years Investing in Stocks:  1 to 3 years | 141 | 35.70% |
| Stock Category Preference:  Both Blue & Non-Blue Chips | 174 | 44.10% |
| Average Number of Related Training/Seminars Attended per Year: Less than 4 | 204 | 51.60% |

The demographic profile of the respondents is shown in Table 1.Most of them are 18 to 30 years of age, female, single, graduated with a bachelor's degree, earning P20,000 or less per month, private employees, investing in both blue and non-blue-chip stocks for 1 to 3 years, and are attending less than four training/seminars every year.

**Table 2: Summary of the most influencing decision factors affecting investing activities in the equity market**

| DECISION FACTORS | ASPECTS | GRAND MEAN | RANK | VERBAL INTERPRETATION |
|---|---|---|---|---|
| Personal Factors | Investment Objective | 4.07 | 1 | Very Influential |
| | Investment Horizon | 3.99 | 2 | |
| | Investment Amount | 3.96 | 3.5 | |
| | Risk Tolerance | 3.96 | | |
| | Investment Knowledge | 3.88 | 5 | |
| Company & Industry Factors | Past Performance | 4.03 | 1 | Very Influential |
| | Industry and Business Potential | 3.96 | 2 | |
| | Management Composition | 3.87 | 3 | |
| | Market Price | 3.81 | 4 | |
| | Market Saturation | 3.73 | 5 | |
| Economic Factors | Interest Rate | 3.84 | 1 | Very Influential |
| | Inflation Rate | 3.78 | 2 | |
| | Business Confidence Index | 3.77 | 3 | |
| | Exchange Rate | 3.74 | 4 | |
| | Gross Domestic Product | 3.61 | 5 | |

Table 2 summarizes the most influencing decision factors affecting investing activities in the equity market. Each variable from the three categories of the decision factors is ranked based on its grand mean. To sum it up, the three aspects with the highest grand means are Investment Objective, Past Performance, and Interest Rate. Based on these results, the researcher deduces that the respondents generally assessed the Investment Objective, Past Performance, and Interest Rate as the most influencing decision factors in their investment activities in the equity market. Moreover, these three aspects signify those online investors are likely to after the profitability of their equity investments. By order of influence, the Personal Factors have the highest general weighted mean, seconded by the Company and Industry Factors, and lastly by the Economic Factors. These results are indications that online investors consider Personal Factors the most. This means that satisfying the personal motive is the first consideration of all investors, regardless of their profile. Moreover, this research also revealed that the respondents are likely using the Bottom-up Approach wherein the investors decide by the sequence of company analysis, industry analysis, and economic analysis.

**Table 3: Test for Significant Differences in Respondents' Assessments of Decision Factors that can influence Equity Market Investing Activities by Age**

| Indicator | Age | Mean | F-test | p-value | Decision | Remarks |
|---|---|---|---|---|---|---|
| Personal Factors | 25 y/o and below | 4.11 | 4.743 | 0.001 | Reject Ho | Significant |
| | 26 – 35y/o | 3.97 | | | | |
| | 36 - 40 y/o | 3.80 | | | | |
| | 41 - 50 y/o | 3.79 | | | | |
| | 51 y/oand above | 3.63 | | | | |
| Company & Industry Factors | 25 y/oand below | 3.96 | 2.854 | 0.024 | Reject Ho | Significant |
| | 26 - 35 y/o | 3.91 | | | | |
| | 36 - 40 y/o | 3.83 | | | | |
| | 41 - 50 y/o | 3.75 | | | | |
| | 51 y/o and above | 3.47 | | | | |
| Economic Factors | 25 y/oand below | 3.78 | 1.384 | 0.239 | Accept Ho | Not Significant |
| | 26 - 30 y/o | 3.80 | | | | |
| | 31 - 40 y/o | 3.72 | | | | |
| | 41 - 50 y/o | 3.66 | | | | |
| | 51 y/oand above | 3.45 | | | | |

Note: y/o = years old

A p-value of 0.001 indicates Personal Factors have an F-value of 4.743%. For the Company and Industry Factors, the F-statistic is 2.854 (p=0.024). Null hypotheses are ruled out because all p-values are smaller than.05. This indicates that individuals of all ages have diverse perspectives on the issues that influence personal, business, and industry decisions. However, there are no major differences between the responses regarding the Economic Factors. Assuming the null hypothesis, the F-statistic is 1.384%, and the significance level is 0.2339. This shows that respondents' views on Economic Factors are the same regardless of their age group.

**Table 4: Differences between men and women in their assessments of the factors influencing their investment decisions in the equity market were tested for statistical significance**

| Indicator | Gender | Mean | t-test | p-value | Decision | Remarks |
|---|---|---|---|---|---|---|
| Personal Factors | Female | 4.05 | 2.353 | 0.019 | Reject Ho | Significant |
| | Male | 3.89 | | | | |
| Company & Industry Factors | Female | 3.98 | 3.135 | 0.002 | Reject Ho | Significant |
| | Male | 3.77 | | | | |
| Economic Factors | Female | 3.82 | 2.148 | 0.032 | Reject Ho | Significant |
| | Male | 3.67 | | | | |

As a result, all the factors significantly differ from the respondents' gender. With the t-value of 2.353 and p-value of 0.019, the null hypothesis for Personal Factors is rejected. Table 4 also shows an at-value of 3.135 and a p-value of 0.002 for Company and Industry Factors, thereby resulting in rejecting the hypothesis. Similarly, the Economic Factors hypothesis is also rejected as its t-value was pegged at 2.148 and p-value at 0.032. The results imply that female and male respondents have different perspectives regarding investment decisions.

**Table 5: Differences in the respondents' assessments of the decision factors affecting equity market investment activities based on Marital Status**

| Indicator | Marital Status | Mean | F-test | p-value | Decision | Remarks |
|---|---|---|---|---|---|---|
| Personal Factors | Single | 4.08 | 3.771 | 0.011 | Reject Ho | Significant |
| | Married | 3.87 | | | | |
| | Legally Separated | 3.83 | | | | |
| | Widowed | 3.79 | | | | |
| Company & Industry Factors | Single | 3.98 | 3.137 | 0.025 | Reject Ho | Significant |
| | Married | 3.76 | | | | |
| | Legally Separated | 3.88 | | | | |
| | Widowed | 3.82 | | | | |
| Economic Factors | Single | 3.85 | 3.406 | 0.018 | Reject Ho | Significant |
| | Married | 3.63 | | | | |
| | Legally Separated | 3.65 | | | | |
| | Widowed | 3.70 | | | | |

Table 4 shows the p-values above.05. reject all of the null hypotheses for the variables mentioned above. The F-value is 3.771, and the p-value is 0.011 for Personal Factors. The Company and Industry Factors have reached an F-value of 3.137 and a p-value of 0.025. 3.406 And 0.018 are the F-values and p-values, respectively, for the Economic Factors model. Different marital situations see the choice elements that influence equity market investment activity differently

**Table 6: Examine whether there is a significant difference in respondents' assessment of factors influencing equity market investment activities according to educational attainment level.**

| Indicator | Highest Level of Educational Success | Mean | F-test | p-value | Decision | Remarks |
|---|---|---|---|---|---|---|
| Personal Factors | Certificate of Completion of Secondary Education | 3.74 | 3.627 | 0.006 | Reject Ho | Significant |
| | Certificate of Technical or Vocational Competence | 3.73 | | | | |
| | Four-year college degree | 4.01 | | | | |
| | Graduate Studies | 4.09 | | | | |
| | Student | 4.70 | | | | |
| Company & Industry Factors | Certificate of Completion of Secondary Education | 3.65 | 2.266 | 0.062 | Accept Ho | Not Significant |
| | Certificate of Technical or Vocational Competence | 3.76 | | | | |
| | Four-year college degree | 3.92 | | | | |
| | Graduate Studies | 3.95 | | | | |
| | Student | 4.70 | | | | |
| Economic Factors | High School Diploma | 3.65 | 1.750 | 0.138 | Accept Ho | Not Significant |
| | Vocational / Technical Certificate | 3.54 | | | | |
| | Bachelor's Degree | 3.79 | | | | |
| | Graduate Studies | 3.80 | | | | |
| | Student | 4.20 | | | | |

Respondents have assessed personal Factors with an F-value of 3.627 and a p-value of 0.006 (Table 6). To say that Personal Factors are distinct is an understatement. There is no difference in how well-educated a responder is when it comes to their appraisal of the Company/Industry Factors (F=2.854) and Economic Factors (F=1.384), regardless of their educational level.

**Table 7: Differences in the respondents' assessments of the factors influencing equity market investment decisions based on Average Monthly Earnings**

| Indicator | Earnings Per Month | Mean | F-test | p-value | Decision | Remarks |
|---|---|---|---|---|---|---|
| Personal Factors | ₱30,000 or less | 3.87 | 4.005 | 0.003 | Reject Ho | Significant |
| | ₱30,001 to₱40,000 | 3.99 | | | | |
| | ₱4,001 to₱50,000 | 3.91 | | | | |
| | ₱50,001 to₱60,000 | 3.88 | | | | |
| | ₱60,001 or more | 4.26 | | | | |
| Company & Factors | ₱30,000 or less | 3.83 | 1.314 | 0.264 | Accept Ho | Not Significant |
| | ₱30,001 to ₱40,000 | 3.93 | | | | |
| | ₱40,001 to ₱50,000 | 3.80 | | | | |
| | ₱50,001 to ₱60,000 | 3.86 | | | | |
| | ₱60,001 or more | 4.03 | | | | |
| Economic Factors | ₱30,000 or less | 3.66 | 0.657 | 0.622 | Accept Ho | Not Significant |
| | ₱30,001 to₱40,000 | 3.78 | | | | |
| | ₱40,001 to₱50,000 | 3.75 | | | | |
| | ₱50,001 to₱60,000 | 3.80 | | | | |
| | ₱60,001 or more | 3.81 | | | | |

In terms of Personal Factors, there is a big discrepancy. The F-value of 4.005 and p-value of 0.003 indicate that the null hypothesis is rejected. Table 7 entails that Personal Factors are viewed differently by respondents of different monthly incomes. Meanwhile, respondents from different income brackets unanimously evaluate the companyand industry, and economic factors. There is a significant difference in results between the f-value of 1.314 for the company and industry factors of 0.657 and the p-value of 0.622 for the economic factors. The p-values for the last two components are above the 0.05 level of significance, suggesting no significant difference in the replies when grouped by income level.

**Table 8: Significant Differences in job-based Assessments of Decision Factors Affecting Equity Market Investment**

| Indicator | Job | Mean | F-test | p-value | Decision | Remarks |
|---|---|---|---|---|---|---|
| Personal Factors | Business Owner | 3.81 | 5.842 | 0.000 | Reject Ho | Significant |
| | Self-Employed | 3.75 | | | | |
| | Private Employee | 4.09 | | | | |
| | Public Employee | 4.09 | | | | |
| | Retired Employee | 3.62 | | | | |
| | OFW/Student | 4.38 | | | | |
| Company&Industry Factors | Business Owner | 3.74 | 2.066 | 0.069 | Accept Ho | Not Significant |
| | Self-Employed | 3.79 | | | | |
| | Private Employee | 3.98 | | | | |
| | Public Employee | 3.93 | | | | |
| | Retired Employee | 3.56 | | | | |
| | OFW/Student | 3.93 | | | | |
| Economic Factors | Business Owner | 3.55 | 2.683 | 0.021 | Reject Ho | Significant |
| | Self-Employed | 3.61 | | | | |
| | Private Employee | 3.82 | | | | |
| | Public Employee | 3.90 | | | | |
| | Retired Employee | 3.60 | | | | |
| | OFW/Student | 3.92 | | | | |

According to this study, people's perspectives on personal and financial decision-making components vary widely. A 0.05 threshold of significance was used to establish whether there were significant variations between the assessments for personal factors (5.842 F-value, 0.000 p-values) and economic factors (2.683 F-value, 0.021 p-values). F-value of 2.066 and p-value of 0.069 indicate no significant variation in the participants' assessment of the Company Factors, which indicates that the opinions of different jobs are in line.

**Table 9: Examining the impact of time spent investing in stocks on investors' perceptions of the importance of various decision factors**

| Indicator | Number of Years Investing in Stocks | Mean | F-test | p-value | Decision | Remarks |
|---|---|---|---|---|---|---|
| Personal Factors | Fewer than a year | 3.95 | 5.429 | 0.005 | Reject Ho | Significant |
| | 1 to 4 years | 3.86 | | | | |
| | Over three years | 4.14 | | | | |
| Company & Industry Factors | Fewer than a year | 3.85 | 1.504 | 0.224 | Accept Ho | Not Significant |
| | 1 to 4 years | 3.84 | | | | |
| | Over three years | 3.98 | | | | |
| Economic Factors | Fewer than a year | 3.69 | 0.723 | 0.486 | Accept Ho | Not Significant |
| | 1 to 4 years | 3.77 | | | | |
| | Over three years | 3.78 | | | | |

Respondents rated personal factors significantly differently, with an F-value of 5.429 and a p-value of 0.005. The p-value is below the significance level, as shown in Table 9. No significant difference is seen between the F-values of 1.504 for the Company and Industry Factors, the p-value of 0.224, and 0.733/0.486 for Economic Factors since both have p-values over 0.05, which means they are not significant. Thus, respondents' perceptions of company, industry, and economy were comparable, while their perceptions of personal factors were vastly different.

**Table 10: Discriminant Analysis of Decision Factors Affecting Equity Market Investing Activities**

| Indicator | Stock Category Preference | Mean | F-test | p-value | Decision | Remarks |
|---|---|---|---|---|---|---|
| Personal Factors | Blue Chips | 4.00 | 3.174 | 0.043 | Reject Ho | Significant |
| | Non-Blue Chips | 3.84 | | | | |
| | Both | 4.04 | | | | |
| Company & Industry Factors | Blue Chips | 3.92 | 2.485 | 0.085 | Accept Ho | Not Significant |
| | Non-Blue Chips | 3.76 | | | | |
| | Both | 3.94 | | | | |
| Economic Factors | Blue Chips | 3.76 | 3.402 | 0.034 | Reject Ho | Significant |
| | Non-Blue Chips | 3.61 | | | | |
| | Both | 3.82 | | | | |

Personal Factors (F-value: 3.174; p-value: 0.043); and Economic Factors (F=3.402; p-value: 0.034) have their null hypotheses rejected due to their significance levels being below the threshold of.05, as shown in Table 10. In this case, respondents with varying preferences for stock categories have varying perspectives on personal and economic factors to consider. Instead of having a significant difference, the responder has an F-value of 2.485 and a p-value of 0.085 for their opinion on the company and industry factors.

**Table 11: T-test for the significant difference in the assessment of decision factors affecting equity investing activities by the average number of related training/seminars attended per year**

| Indicator | Average Annual Participation in Related Training/Seminars | Mean | F-test | p-value | Decision | Remarks |
|---|---|---|---|---|---|---|
| Personal Factors | Less than 4 | 4.10 | 8.738 | 0.000 | Reject Ho | Significant |
| | 4 to 8 | 3.93 | | | | |
| | More than 8 | 3.77 | | | | |
| Company & Industry Factors | Less than 4 | 3.98 | 5.497 | 0.004 | Reject Ho | Significant |
| | 4 to 8 | 3.86 | | | | |
| | More than 8 | 3.72 | | | | |
| Economic Factors | Less than 4 | 3.83 | 6.486 | 0.002 | Reject Ho | Significant |
| | 4 to 8 | 3.80 | | | | |
| | More than 8 | 3.55 | | | | |

Table 11 shows that respondents with a wide range of training/seminars attended per year saw different decision variables. There is an 8.738 p-value for Personal Factors and an F value of 8.738. A p-value of 0.004 was assigned to the Company and Industry Factors, while the corresponding p-value for the Economic Factor was 0.002. The null hypotheses are ruled out because the p-values are so low that they fall below the 0.05 significance level.To summarize, the analysis of respondents' perceptions of the decision factors influencing their stock market investment activities when grouped according to profile verified the researcher's profiling. Significant differences in how people rate their personal characteristics such as age, gender, Marital Status, the highest level of education, Average Monthly Earnings, job title, and years invested in the stock market can be seen. Based on these results, we can see differences in the stock categories people prefer and the average number of related training sessions participants attend each year. It is indicative that the differences in the respondents' views on the Personal Factors are probably true and not due to chances. Across all profiles, Investment Objective gets the highest weighted mean of 4.07, while Investment Knowledge has the lowest weighted mean of 3.88. Hsiao & Tsai (2018) described that Investment

Objective refers to an investor's desired outcome, such as a steady income stream, capital growth, capital preservation, and capital appreciation. The findings on the assessment, Personal Factors, imply that the investors are likely after the profitability of their stock investments.

For the respondents' assessment of the Company and Industry Factors, the data reveals significant differences based on age, gender, Marital Status, and the average number of related training/seminars Attended per year. The rejected null hypotheses for these variables were indications that the differences in the respondents' perspectives on the Company and Industry Factors are probably true and not due to chances. However, factors such as education level, monthly income and job, number of years in the stock market, and stock category preference have no substantial impact on the Company and Industry Factors.' Respondents' views on Company and Industry Factors are consistently based on these profiles. Past Performance has a weighted mean of 4.03, while Market Saturation has a weighted mean of 3.73 across all profiles. A track record of a company's revenue and profits growth, such as dividend payout, return on equity, and earnings per share, was operationally characterized in this study as "past performance." An important finding of the study was that internet investors are eager to see their stock investments pay off financially, as agreed by Amar et al. (2019), Misra et al. (2019), Wang et al. (2020), and Warnick et al. (2018), that the Past Performance of the company is one of the influencing factors that affect investors' decisions.

We also found a wide range of views on economic factors, ranging from a preference for male or female stockholders to the average number of related training/seminars attended per year. Assuming that the respondents' differing assessments are genuine, the null hypotheses are rejected. Economic Factors are the only variables that differ significantly from each other regarding demographics, such as age and education level. This suggests that the respondents' appraisal of the traits listed above is perceived similarly. There is a weighted mean of 3.84 for the Interest Rate and a weighted mean of 3.61 for the Gross Domestic Product. When borrowing money for some time, the interest rate is calculated by the Bangko Sentral ng Pilipinas (undated). It's usually expressed as a percentage of the total amount owed. It is possible to explain the relationship between stock returns and interest rates using the Capital Asset Pricing Model (CAPM) established by Warren Buffett (Dawid & Gatti, 2018). According to Arfaoui & Naoui (2021), Christou et al (2017), Farooq & Ahmed (2018), Kim et al., (2020), and Yuana et al., (2019). Economic Factors results show that investors are wary of how the interest rate on a risk-free asset behaves. If interest rates are falling, then stock returns on equity must be rising, and the reverse is also true. As a result, they concluded that the interest rate significantly impacted their stock market investment decisions.

## Conclusions

In this study, most respondents are young adults aged between 18 to 30 years old. The female respondents outnumbered their male counterparts by a minimal percentage only, showing gender equality in the equity market. Most of the respondents are single, and most of them

are bachelor's degree graduates earning a monthly income of P20,000 or less as employees in the private sector. Also, most of them have been investing in stocks for less than 1 to 3 years already. Nearly half of the respondents are both investing in blue-chip and non-blue-chip, and most of them are attending less than four training/seminars per year. The three aspects with the highest weighted mean among the decision factors are Investment Objective, Past Performance, and Interest Rate. These findings reflected online investors' desire to profit from their stock investments regardless of the company, industry, and economy. Personal Factors, followed by Company and Industry Factors, and finally, Economic Factors, were found to have the most impact on online stock investors' decision-making process. These findings show that bottom-up approaches to investing analysis are more prevalent among internet investors. The significant difference test showed no significant age difference in evaluating personal, company, and industry factors. Economic Factors' appraisal has statistical importance, despite this fact. The evaluation of all characteristics changes significantly when grouped by gender. There is statistical significance only in examining personal factors, not evaluating the company and investment and economic factors regarding the greatest level of educational attainment, Average Monthly Earnings, profession, and the number of years invested in stocks. Overall, reviews were insignificant when sorted by stock category preference. While all elements are notably different when classified by the number of relevant training/seminars held annually, the opposite is true.

## Recommendations

The following suggestions were made according to the findings and conclusions of this research:

**For the Stockbrokerages or Trading Participants:** Client Suitability Assessment should be done regularly as this will serve as a guide to the decisions made by the investors. The continuous study conducted regarding the changes in the investors' preferences may be considered. It may reflect the behavior of the investing public, which will lead the financial institutions to develop a more appropriate financial product—customization of an investment portfolio, which is best suited to the investor's profile. The stockbrokers should also orient the investors to consider other long-term investment strategies like Money Cost Averaging. The stockbrokers may offer an option to the investors to reinvest their cash dividends. This will further encourage capital build-up in the economy.

**For the Philippine Stock Exchange (PSE):** The PSE should regulate the equity market to promote a competitive market while observing the Anti-Trust Laws. The PSE should require stock brokerages to conduct regular training, seminars, and conferences to provide investors with sufficient knowledge of their investments. Moreover, the PSE should also eliminate barriers to entry and streamline the business processes to increase the market players. In cooperation with stock brokerages, the PSE must conduct economic briefings to update and inform the stockholders about the importance of economic indicators in their investment decisions.

**For the Bangko Sentral ng Pilipinas (BSP):** The BSP - Economic and Financial Learning Department, in cooperation with the Department of Education (DepEd) and Commission on Higher Education (CHED), may strengthen the building blocks of the financial system by integrating financial education into the school curriculum. The BSP may encourage lowering the minimum investment amount in all stock brokerages to increase public participation in the equity market and strengthen investment formation in the country. Once implemented, a more financially literate nation will be achieved, and the victim of scams will be mitigated.

**For the Private Companies and Government Agencies:** Private companies and government agencies may initiate a partnership with a particular stock brokerage company to conduct training or seminars to encourage employees to invest their money in stocks as preparation for their retirement. A stock option may also be offered to employees as part of their benefits in the agency or company.

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