

Information Sources Credibility and its Impact on Individual Investor Behavior : An Empirical Analysis

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The paper is an Exploratory attempt to analyze the information source credibility to the individual stock investors of Punjab and gauge the impact of information sources on investor behavior. For the purpose, level of usage of sources of information for making stock market investment decisions by individual investors is identified and further, sources were grouped into factors. The results revealed that stock investors in Punjab place self instinct/experience as top priority source for making investment decisions followed by other highly used sources i.e. financial magazines, Broker recommendation, Family and Relatives, Investment Advisor recommendation and rumors in the market. Factor analysis grouped information sources into five identifiable categories or factors i.e. Media Factor, Recommendation Factor, Analysis Factor, Personal Factors and Herding Factor. Further, regression analysis was applied to find the influence of information source credibility on their investment behavior. The regression results revealed that media factor has highest influence on the investment behavior of individual investors of Punjab followed by recommendation factor and herding factor.

Keywords: Information sources, Individual stock investors, Investor behavior, factor Analysis, Weighted Average Scores, and Regression Analysis

Introduction

Many individuals actively search for information when making their investment decisions. Active information searchers tend to be those who believe they are knowledgeable about investments, those who are more risk tolerant and expect greater returns from their investments, which have a higher household income and those who are better educated. Consumers obtain information from a variety of sources, including literature, media, the Internet, friends/family and professional financial service providers. These sources differ in terms of their values and costs. Whether or not consumers use a particular information source is affected by their subjective knowledge, risk tolerance, age, educational level, and income level (Lin and Lee, 2004). There is always a need of adequate, reliable and timely supply of relevant information to take good decisions. However, the importance of such information possessing such features increases when the decision is related to financial matters. Since, for investment, if there are surplus funds available with the investors, it is very essential to understand and analyze the information relevant to the financial products under consideration for investment. However, several sources of information are available to

investors which they consider before making investment decisions which includes professional investment advisor, stock brokers, financial research journals, financial periodicals/dailies and media and peer groups.

Standard analysis of companies' financial statements involves the examination of fundamentals to explain and predict their growth and value added potential. However, in many cases, current fundamentals-based models fail to explain the past adequately, or predict the future reliably. Largely as a result of these failures, scholars have started to look beyond fundamentals to the role of other "non-fundamentalist" influences on financial and stock markets, including the approach to forecasting taken by practitioners (Maditinos, et.al, 2007).

The experimental framework typically featured in studies requires a focus on two or three sources of the experimenter's choosing, leaving open the question of how investors actually rank a wider range of common sources of corporate accounting information. Such rankings can provide insights into the role that these sources play in investors' perceptions

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of the business reporting network. Similarly, it is commonly assumed that investors' value source credibility in their decisions, but the extent to which they value this factor across decision contexts bears examining, particularly since most studies of source credibility focus on financial reporting data while investors increasingly have access to non-financial data as well. Further, knowing the propensity of investors to use particular sources contributes to our understanding of investment decision-making (Schwarzkopf, 2007).

Literature Cited

Gniewosz (1990) gauged the use of accounting and other information in the share investment decision process of an institutional investor. The study was conducted within the context of an organization's everyday working environment. The author focused on the qualitative data and analysis of a case study rather than on quantitative data and general tendency analysis of a random sample. The authors found that the annual report acted as a stimulus for identifying specific questions rather than merely as a source of information in response to prior questions for institutional investors. The author commended that the study can also be considered relevant for other institutional investors who had similar commitment and were engaged in fundamental analysis.

Lin and Lee (2004) identified the factors that affected the consumers' information search behavior towards making investment decisions. Respondents were selected via two-stage random sampling, with a stratified disproportionate random sample at the first stage followed by a simple random sample of all households at the second. Using the 2000 to 2001 Macro Monitor data set, authors found that subjective knowledge, amount of investment, risk tolerance, age, education, and income influenced both the extent of information search and the use of specific information sources, including literature, media, the Internet, friends/family, and professional services. The authors claimed that study provides insights for marketers of investment products and financial service providers.

Agnew and Szykman (2005) tested how three common differences among defined contribution plans (the number of investment choices offered, the similarity of the choices, and the display of the choices) lead to varying degrees of information overload and the probability of opting for the default. The authors found that low-knowledge individuals opt for the default allocation more often than high-knowledge individuals. The findings suggested that the success of certain plan features depended strongly on

the financial background of the respondent. The results emphasized the importance of plan design, especially the selection of plan defaults, and the need to improve the financial literacy of participants. The study searched out the incorporation of each individual's relative level of financial knowledge into the analysis.

Schwarzkopf (2007) analyzed the source credibility to investors by providing insight into investors' perception and use of common information sources. The study included 235 individuals with investing experience and who ranked the perceived credibility of nine common sources and nine sources of non-financial performance measures. Respondents also assessed the relative value of source credibility to their investment decisions and indicated which common sources of information they use when investing. The authors found no significant differences in the rankings between more and less experienced investors. Respondents were found to impute accountability or independence to certain sources without warrant. Surprisingly, low proportion of investors was reported using the auditor's report and financial statement notes in combination with financial statement data. The study concludes that the investors need to question their assumptions about a source's typical behaviour. Need was found to promote more heavily the value of credible sources of non-financial performance measures by financial reporting professionals. The authors suggested that the investors should question their assumptions about a source's typical behaviour. The authors suggested that the study could be expanded to address investors' assumptions about source accountability or independence and the data context's effect on the relative value of source credibility.

Maditinos, et.al (2007) investigated the various methods and techniques used by Greek investors (both professional and individuals) when evaluating potential additions to their investment portfolios. The study used both a questionnaire survey and a series of interviews to examine the practice of investment management in terms of stock market forecasting and stock valuation. The respondent consisted of six different groups of investors, drawn from across Greece, namely: official members of the Athens Stock Exchange, mutual fund management companies, portfolio investment companies, listed companies, brokers and individual investors (ININ). The purpose of the study was to analyze whether individuals and investment analysts regarded some techniques for market forecasting and stock selection as more important than others in different time period. The results concluded that ININ relied more on newspapers/media and noise in the market when making their investment decisions,

while professional investors relied more on fundamental and technical analysis and less on portfolio analysis. The investment horizon seemed to have a direct association with the relative importance of the techniques that professionals used for stock analysis. The results highlighted the practical methods and techniques used by various Greek investors when making their stock investment decisions as well as analyzed the consequences of these methods on their performance.

Sanchez – Galan (2011) analyzed whether the economic information in newspapers is perceived as a credible source for individuals in making their investment decisions considering two main aspects i.e. investors had little knowledge in this matter and they didn't had many resources to invest much money in financial products. The authors focused on investigating economic behaviours of non experts' individuals and the reason of their decisions which were based on journalistic financial information. For the collection of data, both in-depth interviews and group meetings were used and questionnaire was used containing various items related to revenues, billings and payments activities, expenditures, savings, investments, banking and financial services, financial products and the way to get market information from a specific journalistic source (newspapers, radio and internet). The authors concluded that the group of "non expert investors" demanded transparency of market reports done by highly skilled professionals based on the credibility of sources. The veracity of the information's value was found the most defendant part in the market reports. The investors when making a stock investment considered the reputation and experience of the entity that manages them (banks or savings banks) instead of brokerage houses.

Need and Objectives of the Study

Even though numerous studies have investigated consumer information search behavior, consumer information search for investment decisions have not received much attention. The need for the study arises, as in Punjab; the research focusing on identifying investors' value for source credibility in their decisions and impact of source credibility on their investment behavior, has not been researched so far. The present study aims to fulfill the gap with the following objectives:

- To identify the level of usage of sources of information chased by investors before making investment decisions.
- To group the sources into identifiable factors influencing investment decisions.
- To gauge the impact of information sources on investor behavior.

Database and Research Methodology

The present study is mainly based on primary data collected from 150 individual stock market investors from Punjab. These investors were interviewed through a pre-tested, well structured questionnaire which was administered personally. Convenience cum judgmental sampling technique has been used. The responses of the investors were sought for identifying the level of usage of sources of information chased by investors before making investment decisions on a five point likert scale ranging from Highly Used to Not at all Used (5 for Highly used, 4 for Used, 3 for Neutral, 2 for Less Used and 1 for Not at all used). To determine the investor behavior, investors were asked to rate for the level of influence of information sources on their investment decisions on a five point likert scale of strongly agree to strongly disagree (5 for Strongly Agree, 4 for Agree, 3 for Neutral, 2 for Disagree and 1 for Strongly Disagree). Weighted Average Scores have been used to carry out results for ranking the level of usage of source of information. Factor Analysis has been applied to group the sources of information chased into identifiable categories. Further, regression analysis has been applied to identify the impact of highest significant information source factor influencing investment behavior of individual stock investors of Punjab.

Results and Discussion

A. Level of usage of sources of Information

Investment generally involves substantial amount of money and risk, and information search is therefore an important activity for many consumers before making investment decisions (Lin, C., Q. and Lee, J., 2004). Several sources of information are considered by individuals before making investment decisions relating to stocks which include professional investment advisor, broker recommendation, financial periodicals, television, internet, family, peers etc.

The present study has tried to carry out the level of usage of various sources of information for making stock market investment decisions by the individual stock investors of Punjab. The sources of information inquired from respondents included Fundamental and Technical Analysis, Self Instinct/Experience, Portfolio Analysis, Friends and Peers, Noise or Rumors in the market, Family and Relatives, Television, Current economic indicators, Foreign Market Indicators, Investment Advisor recommendation, Broker recommendation, Corporate reports, Internet and Financial Magazines and Newspapers.

Table 1 reveals the most to least used information sources by individual stock investors of Punjab and weighted average score has been calculated for each source to measure its credibility. The ranking of the various sources of information is analysed in Table 2 revealing that the stock investors in Punjab place self instinct/experience as top priority source for making investment decisions followed by other highly used sources i.e. Financial magazines, Broker recommendation, Family and Relatives, Investment Advisor recommendation, Rumors in the market. The sources such as Friends and Peers, Television, Internet, Fundamental and Technical Analysis, Current economic indicators, Foreign Market Indicators, Newspapers are used moderately by investors. The slightest level of usage is found for two sources i.e. corporate reports and Portfolio Analysis.

B. Information Sources: An Application of Factor Analysis

There is need to group the various sources of information into identifiable categories i.e. factors to identify their influence on the investment behavior of individual stock investor of Punjab. So, with the help of factor analysis we group the various sources of information into various factors and named them accordingly.

Before applying the factor analysis, testing of the reliability of the scale is very important as it shows the extent to which a scale produces consistent results if measurements are made repeatedly. This is done by determining the association between scores obtained from different administrations of the scale. If the association is high, the scale yields consistent results, thus, is reliable. Cronbach's alpha is most widely used method. It may be mentioned that its value varies from 0 to 1 but, satisfactory value required is more than 0.6 for the scale to be reliable (Malhotra, 2002). In the present study, the value of Cronbach's alpha comes out to be 0.758 which is significant.

Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is a useful method to show the appropriateness of data for factor analysis. The KMO statistics varies between 0 to 1. It is recommended that the value greater than 0.5 is acceptable. Kaiser-Meyer-Olkin measure of sampling adequacy is found to be 0.634. It is indicated that the sample is good enough for survey. The overall significance of correlation matrices is tested with Bartlett test of sphericity, (approx chi-square = 911.674 and significant at 0) provided as well as support for validity of the factor analysis of the data set. Table 3 indicates that data is appropriate for factor analysis.

Principal Component Factor Analysis

Principal Component Factor Analysis followed by varimax rotation (Hair, et.al, 1990) is employed for extracting factors. Only the factors with latent roots greater than one are considered significant and all the factors with the latent roots less than one are considered insignificant and disregarded. Table 4 reveals the various variables loaded on five factors, their eigen values, communalities and percentage of variance explained by each factor.

These factors explained 65.677% of the total variance, which is very much acceptable for the Principal Component Varimax rotated factor loading procedure i.e. 50 % (Johnson and Wichern, 2002). In interpreting factors, there is a need to determine that which factor loadings are to be considered. The criterion given by Hair, et.al. (1990), where factor loading based on sample size is taken as the basis for decision about significant factor loading, was adopted. For our sample of 150 respondents, a factor loading of 0.4 and above has been considered significant. The five factors, their names and the variables loaded on these factors have been summarized in Table No.5.

Factor 1: Media Factor

Media factor forming as first factor explains 17.826 % of the variation. The factor includes four variables Newspapers, Internet, Television and Corporate reports which reveals that the investors consider sources of media as most important factor while selecting an investment option. The decisions of investors of Punjab are influenced by information retrieved from newspapers, websites, television advertisements, news channels and financial magazines.

Factor 2: Recommendations Factor

This factor explains 15.664 % of variance and includes the following variables i.e. Broker recommendation, Self Instinct/Experience, Investment Advisor recommendation and Current economic indicators. The factor include the variables that explain that investors give consideration to the advice of brokers, investment advisors and their own experience/ instinct and follow the current indicators of the market before making investment decisions.

Factor 3: Analysis Factor

The third factor explains 13.664 % of variance and includes variables i.e. Fundamental and Technical Analysis, Portfolio

Analysis, Corporate reports and Foreign Market Indicators. The factor includes variables related to analysis involved before making investment decisions like technical analysis, fundamental analysis, portfolio analysis and study of reports of the company.

Factor 4: Personal Factor

The fourth factor includes variables like opinion of family members friends and peers. The personal factor explains that the investment decisions are influenced by the opinions of friends and relatives.

Factor 5: Herding Factor

The fifth and last variable reveals the mimetic behavior of individual investors as it explains that investor follows the rumors in the market to take investment decisions.

C. Impact of Sources of Information on Investor Behavior

The technique of multiple regressions has been used to analyze the level of impact of sources of information on investor behavior.

Dependent Variable

Dependent variable was the influence of information sources on their investment decisions rated on a five point likert scale of strongly agree to strongly disagree by the respondents.

Independent Variable

All the five factors were taken as independent variables that were extracted from the Factor Analysis out of the list of 15 sources of information used by investors for making investment decisions.

Model Formulation

In order to obtain accurate results, tests such as Variance Inflation Factor (VIF) and Tolerance level (1/VIF) were measured to test the multicollinearity. VIF equivalent or below 10 is said to be acceptable as it reflects that the data is free from multicollinearity.

In this case, the value of VIF and Tolerance level came out to be 1.000 for each independent variable; hence it can be accepted from the analysis that there exists no collinearity

among the data. After checking the multicollinearity, we can estimate the regression model.

To meet the objective, the impact of decision and economic variables on the overall preference for stocks. Following model was used to study the relationship between the dependent and independent variables.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + U_t$$

Where,

Y= Dependent Variable;

α = Intercept term

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ are Regression coefficients

F_1, F_2, F_3, F_4, F_5 represent Independent variables;

U_t = Error term.

The value of R in the model shows a marked degree of correlation. The value of adjusted R Square is 0.437 as shown in Table 7 which indicates that all the variables extracted could explain 43.7 percent of the variation in the dependent variable. Hence, the model can be confidently said to be a generalized model. The difference between R square and adjusted R square is also satisfactory ($0.456 - 0.437 = 0.019$), which is interpreted as the 0.19% less variation in the outcome if it is derived from the actual population. To check, whether the model fulfills the assumption of independent errors, Durbin-Watson test is applied. The result of Watson test is 2.147 which is near 2 and considered to be significant. So, it has been proved from the test that the data meets the assumption of independent errors. To cross check the assumption of normal distribution of the standard errors, it is confirmed through normal probability curve and histogram. The significance of the model is measured through ANOVA (Analysis of Variance) to test the following null hypothesis:

$$H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0$$

The Null hypothesis explains that the mean values of regression co-efficient are equivalent to zero. Table 9 below has been drawn to reveal the significance level for F statistics. F ratio is highly significant; hence the null hypothesis is rejected i.e., there is no significance difference between the mean values of coefficient. It is evident that the value of one or more regression coefficient is not equal to zero.

The results discussed above favourably support the argument that the model is significant and can predict the outcomes. Table 8 reveals the coefficient for regression variables. The beta value coefficient allows us to test the strength of relationship between sources of information used and their impact on investment behavior of individual investors of Punjab. Independent variables i.e., F_1, F_2, F_5 have positive and significant values at 5 percent level of significance. F_3 and F_4 have been eliminated for the purpose of

interpretation as well as from regression model as these have insignificant values at 5 percent level of significance.

Regression Equation

The estimated equation is as follows:

$$Y=3.953 + 0.498 F_1 + 0.416 F_2 + 0.147 F_5$$

This equation can be used to know whether the sources of information are instrumental in influencing the investment performance given the values of the factors determining the impact of such variables behavior of respondents. The equation has been obtained by capturing the values of beta co-efficient through Table 8.

The significant t-value (Table 8) corresponding to each variable confirms the significant contribution of each independent variable to the model. The factors F_1 , F_2 , F_5 have significant values except F_3 and F_4 and hence excluded while formulating equation. Larger the value of t statistics, the contribution of the respective variable is known to be greater. The same fact has been shown through beta values. The value of Beta coefficients as shown in Table 8 is highest in case of F_1 (Media Factor) revealing that 49.8 percent of the variation in the investment performance can be explained by this variable. So, the results reveal that Media Factor has highest positive impact on the investor decisions and thus, behavior of individual stock investors of Punjab. Similarly, Recommendation Factor is the second most impacting factor influencing investors' behavior revealing that the decisions of individual investors are influenced by the recommendations and opinions of brokers, investment advisors, personal instinct /experience and study of current indicators. However, Herding factor is another major factor impacting investment performance revealing that investors' behavior is influenced by the news and gossips in the market.

Discussion, Managerial Implications and Conclusion

This study provides implications for financial service providers and marketers of investment products. The research will be helpful for the financial service providers to offer more effective advice and help their investors improve their personal financial management by including analysis involving technical, fundamental and portfolio analysis towards making investment decisions. Financial service providers and marketers should first differentiate between the active searchers and the passive searchers and to develop different strategies targeting different types of searchers.

This study presents a step towards better understanding of the information source credibility to individual stock investors of Punjab. The findings of the study would enable financial advisors understand the credibility of sources of

information used by investors and thus help them search for other sources for making effective decisions. The study concluded that the stock investors in Punjab place self instinct/experience as top priority source for making investment decisions followed by other highly used sources. i.e. Financial magazines, Broker recommendation, Family and Relatives, Investment Advisor recommendation, Rumors in the market. The sources such as Friends and Peers, Television, Internet, Fundamental and Technical Analysis, Current Economic Indicators, Foreign Market Indicators, Newspapers are used moderately by investors. The slightest level of usage is found for two sources i.e. corporate reports and Portfolio Analysis. Factor analysis grouped information sources into five identifiable categories or factors i.e. Media Factor, Recommendation Factor, Analysis Factor, Personal Factors and Herding Factor. Further, regression analysis was applied to find the influence of information source credibility on investor behavior. The regression results revealed that media factor has highest influence on the investment behavior of individual investors of Punjab followed by recommendation factor as second most influencing factor thirdly, rumors in the market influence the behavior of investors.

The marketers of high-risk/high-return investment products should help investors who are more risk tolerant in searching and providing information related to these investment products through various information sources involving analysis factor since risk-taking investors need to follow more of analysis factor than personal factors or opinions of friends/family. However for risk averse investors, the most effective way of searching information is media or professional financial service providers. The results of this study also provide implications for investor educators as it helps them teach investors to correctly assess their level of investment knowledge as it affects the extent of their information search. Investor educators should encourage investors to search for more information to make informed investment decisions as some investors underestimate their own knowledge and tend to engage in less information search leading them to make risky investment decisions without sufficient information. Investor educators need to teach them various information search skills, such as where to find the information and how to assess the value of different information sources. The study focuses on understanding the usage of various sources of information for making investment decisions by individual stock investors of Punjab and influence of sources on their investment behavior. The purpose of this study is to better understand the investors' information search behavior when making investment decisions. Specifically, this study identified the information sources that affect investors' behavior towards choosing investments and affect their search for various investments. To

understand the characteristics of each one of the different types of investment the investor needs to have enough financial knowledge and to gain knowledge an investor needs to follow various sources. The present study reveals that individual stock investors in Punjab make use of information available through media follow recommendations of investment advisors, brokers for grasping investment information and follow rumors in the market. The individual investors of Punjab lack in following technical analysis as a source for choosing investments as derived from regression analysis.

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ANNEXURE

Table 1 : Sources of Information used by Individual Investors

Sources of Information	Highly used (Freq.)	Used (Freq.)	Neutral (Freq.)	Less used (Freq.)	Not at all used (Freq.)	WAS	Rank
Self-Instinct/Experience	83	60	7	0	0	4.51	1
Financial Magazines	64	53	22	3	8	4.08	4
Broker recommendation	62	73	11	3	1	4.28	2
Friends and Peers	36	38	38	22	16	3.37	13
Rumors in the market	61	55	21	5	8	4.04	6
Family and Relatives	69	51	23	6	1	4.21	3
Television	31	52	31	19	17	3.41	12
Investment Advisor Recommendation	59	53	26	12	0	4.06	5
Internet	30	59	39	17	5	3.61	10
Current Economic Indicators	45	74	14	13	4	3.95	7
Fundamental and Technical Analysis	27	52	46	14	11	3.47	11
Portfolio Analysis	18	42	21	47	22	2.91	14
Corporate reports	11	20	58	46	15	2.77	15
Foreign Market Indicators	39	52	35	19	5	3.67	8
Newspapers	33	58	37	17	5	3.65	9

Table 2 : Ranking of Information Sources

Average Score	Significance Level of Usage	Sources of Information
4.00-5.00	Highest	Self Instinct/Experience, Financial magazines, Broker recommendation, Family and Relatives, Investment Advisor recommendation, Rumors in the market
3.00-3.99	Moderate	Friends and Peers, Television, Internet, Fundamental and Technical Analysis, Current economic indicators, Foreign Market Indicators, Newspapers
2.00-2.99	Slightest	Corporate reports, Portfolio Analysis
1.00-1.99	Lowest	-----

Table 3 : KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.634
Bartlett's Test of Sphericity	Approx. Chi-Square	911.674
	df	105
	Sig.	.000

Table 4 : Principal Component Analysis with varimax rotation

Variables	F1	F2	F3	F4	F5	Communalities
Newspapers	.945	.005	.095	.085	-.138	.670
Internet	.940	.002	.104	.070	-.081	.588
Television	.564	.234	-.108	-.258	.508	.573
Financial Magazines	.502	.419	-.017	.078	.148	.682
Broker recommendation	.149	.732	-.026	.117	.010	.629
Self Instinct/Experience	.098	.708	.066	.386	-.069	.688
Investment Advisor Recommendation	-.160	.644	.326	-.059	-.035	.710
Current Economic Indicators	.267	.507	.474	-.036	.297	.551
Fundamental and Technical Analysis	-.037	.155	.740	-.032	.102	.906
Portfolio Analysis	.001	-.167	.677	.230	.084	.642
Corporate reports	.170	.436	.584	.098	-.133	.585
Foreign Market Indicators	.388	.307	.550	.093	-.374	.546
Friends and Peers	.070	.041	.072	.793	.204	.456
Family and Relatives	.030	.264	.117	.756	-.179	.696
Rumors in the market	-.101	-.040	.114	.095	.772	.929
Eigen value	3.999	2.068	1.354	1.288	1.143	
Percent of variance explained	17.826	15.664	13.664	10.228	8.295	
Cumulative percentage of variance explained	17.826	33.490	47.154	57.382	65.677	

Table 5 : Factor names

Factor Number	Factor Name	Factor Loading	Variables Included in the Factor
F ₁	Media Factor	.945	Newspapers
		.940	Internet
		.564	Television
		.502	Financial Magazines
F ₂	Recommendation Factor	.732	Broker recommendation
		.708	Self Instinct/Experience
		.644	Investment Advisor recommendation
		.507	Current economic indicators
F ₃	Analysis Factor	.740	Fundamental and Technical Analysis
		.677	Portfolio Analysis
		.584	Corporate reports
		.550	Foreign Market Indicators
F ₄	Personal Factor	.793	Friends and Peers
		.756	Family and Relatives
F ₅	Herding Factor	.772	Rumors in the market

Table 6 : Variables for multiple Regression Analysis

	Name of the variable	Definition	Label
Dependent Variable	Impact of information sources on investment decisions	Information sources used by investors influence their investment decisions	Y
Independent Variable	REGR factor Score 1	Media Factor	F ₁
	REGR factor Score 2	Recommendation Factor	F ₂
	REGR factor Score 3	Analysis Factor	F ₃
	REGR factor Score 4	Personal Factors	F ₄
	REGR factor Score 5	Herding Factor	F ₅

Table 7 : Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.675	.456	.437	.744	.456	24.147	5	144	.000	2.147

Table 8 : Information Sources and Impact on Investment Behavior

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.953	.061		65.049	.000		
	REGR factor score 1 for analysis 1	.498	.061	.502	8.172	.000	1.000	1.000
	REGR factor score 2 for analysis 1	.416	.061	.419	6.818	.000	1.000	1.000
	REGR factor score 3 for analysis 1	-.017	.061	-.017	-.273	.785	1.000	1.000
	REGR factor score 4 for analysis 1	.077	.061	.078	1.262	.209	1.000	1.000
	REGR factor score 5 for analysis 1	.147	.061	.148	2.409	.017	1.000	1.000