

A Study on Pattern of Investment Behaviour of Select Medium Net worth Truck Operators in Indias Transport Industry

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Abstract

Today's truck operators is a hard working bosses having their own fleet of HCV or MVC or LCV on their own and feeding the workers up to 30 members and their family . Managing between their family life and their children., a sincere business operations , a genuine interest in the truck business , commitment towards family and children ,domestic expenditures with such commitment in their life and sincere interest is noteworthy. The prosperity and growth of a nation is measured by the status and development of its truck operators as they not only constitute part of its population, but also influence the growth of the remaining of the population thus ensuring availability of goods and services. Since time immemorial truck operators are known for struggling and balancing variety of roles at a time. The rural sector is of utmost importance to the Indian economy, not only because of the income generated and the employment potential of this sector but also because of the limit set by this sector to the growth of other sectors. The up liftment of the rural economy depends on the mobilization of savings and their transfer to the enterprising investors.

Keywords: Rural economy, truck business, rural sector, Indian economy, truck operators.

INTRODUCTION

The status and role of truck Men those who operate as a truck operators are play an important role in the creation and development of family in particular and society in general through involving in transportation of goods from one area to another area. In the traditional family husband earns for the family and take care of the requirements of family. The role of the Men who are involved in the truck operating business mainly confined to day to day business related works.

Truck operators' role which was confined to domestic areas has now switched over to the other areas where the truck operators are competing with their counterpart. This is due to the education the truck operators is getting, the truck operators centered policies, programmes of the government and the job opportunities available to them in the wake of modernization, urbanization, industrialization, liberalization, globalization etc. The opportunities available to truck operators paved the way for economic independence and their involvement in political and social sphere has increased to a great extent.

There were times when the prime role of truck operators was confined to their own territory. But of late there were lot of changes took place as a result of this, the truck operators started visualizing the potential of truck operating business as a whole in various parts of the NCR region . Today's truck operators is a hard working bosses having their own fleet of HCV or MVC or LCV on their own and feeding the workers up to 30 members and their family . Managing between their family life and their children., a sincere business operations , a genuine interest in the truck business , commitment towards family and children ,domestic expenditures with such commitment in their life and sincere interest is noteworthy. The prosperity and growth of a nation is measured by the status and development of its truck operators as they not only constitute part of its population, but also influence the growth of the remaining of the population thus ensuring availability of goods and services. Since time immemorial truck operators are known for struggling and balancing variety of roles at a time. The rural sector is of utmost importance to the Indian economy, not only because of the income generated and the employment potential of this sector but also because of the limit set by this sector to the growth of other sectors. The up liftment of the rural economy depends on the mobilization of savings and their transfer to the enterprising investors.

STATUS OF TRUCK OPERATORS IN INDIA

According to Sanjay Bansal (2017) "The Indian logistics industry comprising road, rail, air and water is currently estimated to be worth \$130 billion and is expected to reach \$300 billion by 2020. However, it is the road transportation, which dominates the mix as it carries around 65% of freight traffic as compared to rail, water and air, which account for 32%, 7% and 1% respectively. The road network of India, which is the second largest in the world, moves 7 million goods vehicles worth 1,325 billion ton-km.Looking at these figures, it isn't a rocket science to understand that trucks are in heavy demand. Trucks have evident advantages over other networks"

The status of truck operators in India has been subject to many great challenges over the past few years as the demand for the trucks are growing at faster rate. The history of truck operators in India has been highlights the importance of moving goods from one part of India and rest of the parts of India. In India, traditionally men have been the involved in work on their own or work for somebody in various cadre to meet the financial requirements of self and family. In this scenario, truck operators have to start working and take full

control the financial commitments to make the dependents satisfied. Hence truck operators should plan their finances and investment well. Truck operators have to concentrate on regularly saving for their own future and meet the requirements of the family and for their old age requirements. The role of truck operators has changed from "Savers to Investors". Most of the working rural truck operators have regular income because they work on the basis of transportation of goods and services. Savings are seen as insurance against foreseeable future difficulties which are completely unpredictable. Therefore truck operator's investors insure themselves against future risks by saving in the form of various investments such as deposits, gold, lands, and herds or by hoarding money.

A truck operator, if employed, is the best asset of not only to their family but also to their entire family livelihood. Though money is a sole vital factor for a competent living, the source of it is also equally much significant. Generally the source happens to be a job. Hence, for a family man, his earnings alone are not copious for a happy life. Savings and investment, in that sense, is a significant and inevitable source for a better maintaining of a family.

Operators are vacillating all over the world. Truck operators' stepping out of the confines of the households multiplied their roles and responsibilities. They have to shoulder their domestic responsibilities as well as say themselves in the professional arena. But the balance between the two fronts is a guileful exercise. The tilt on any side to a state of conflict generated from the related role.

TRUCK OPERATORS AND SAVINGS

Saving schemes are very important for an individual as the future is depending upon the savings one is having. Gavini and Athma (1999) research paper focused on the investors' awareness towards post office saving schemes. The study found, reasons cited for saving in urban areas by the investors are: social considerations, tax benefits, and provision for old age. On the contrary, rural investors prefer to save for their old age security. "Therefore it is clear that the truck operators like any other individual would like to focus upon the savings and investment to take care of their entire needs. A person earns with the objective of being able to spend and fulfill various basic needs. Keynes paradox of thrift advocates that individual savings are good for an economy. However, overall savings for an economy are bad as they pull down the consumption, reducing down the national income of the economy. Savings is most important factor from the view of truck operators as the savings alone going to help them in overcoming their rainy days.

Securities and Exchange Board of India (SEBI) and NCAER (2000) 'Survey of Indian Investors' has reported that "safety and liquidity were the primary considerations which determined the choice of an asset. Ranked by an ascending order of risk perception fixed deposit accounts in bank were considered very safe, followed by gold, units of UTI-US64, fixed deposits of non-government companies, mutual funds, equity shares, and debentures. "Therefore it is evident that the

truck operators started savings to meet their emergencies. They used to save to meet expenditures as well as for future requirements. Many forces have contributed to the growth of the newly emerging middle class working truck operators in India. The socio-economic liberation of Indian truck operators has itself being a product of, and an instrument in the change in their lives due to employment. A deep of vital change has taken place in the economic condition and personal status of truck operators in the recent past.

It is accepted fact now that truck operators have to play an most important role in the overall economic prosperity of India, as they constitute 5 per cent of the total population. It is recognized throughout the world that only when truck operators are in the mainstream of progress can economic and social development be possible and meaningful.

Freedom depends on economic conditions more than other reasons.

Pratap Singh et al (2002) research article aimed to explore "whether there is any distinction between male and female investors of Tamilnadu. The study concluded stating that the amount available for investment among the sample group was between Rs.20,000 to Rs.1,00,000 per annum. The private finance companies and new emerging investment agencies offer higher returns for investment. The Tamilnadu investors are more conscious of security. Security wise diversifications were predominant among both genders"

Therefore the truck operators, who is equally earning would like to aim for higher returns for their savings and investment.

INVESTMENT MANTRAS FOR TRUCK OPERATORS AS INVESTORS

Most of truck operators are as active as others when it comes to investing money other than their existing business model. They feel safe to invest again and again in trucks than investing in other avenues available. They are found keeping the income lying unutilized, they started investing in the purchase few trucks and add to their fleet strengths or by investing it in other avenues available. Instead of investing in trucks, if they invest prudently in avenues like Health Insurance which can take care of their medical requirements at the time of need without taking money out of business resulting to substantial saving.

Generally people think real estate investments in residential property give good and stable income by the way of rental sources. It is of course true to some extent, there is another avenue of investing in commercial property which can give better and stable income than from the residential property. The rental returns from a commercial property are almost three times as compared to residential property rentals returns.

Most of the medium size truck operators have now started investing in real estate investments as compared to their past pattern of traditional investment plans. By having health insurance cover for self and all the dependants, the money saved from both business and savings from curtailing the unnecessary expenses, they feel very comfortable to invest in

real estate investments which are giving stable and regular income without much of effort. However, as an exception few truck operators also invest in high risk avenues such as investing in equities of companies and mutual fund investment and any offer which promises high returns on their investment etc.,

FACTORS INFLUENCING INVESTMENT DECISION

Every individual medium level truck investors have their choice of investment based on different parameters. Their investment decisions depend on various attributes like individual requirement for day to day expenses, medical contingencies, marriage and other functions of their kids and expense of educating their children etc. All the investment decisions are based on their understanding and knowledge on various subjects like stock and commodity market, day trading and mutual fund and share market. The knowledge of the relationship between return on investment and risk associated with such investment planning needs to be focused by the medium net worth truck operators.

The source of information regarding investment avenues through friends, financial planning advisors, web sites of various financial service providers and bankers. One of the most important factors affecting personal investment is the availability of disposable income of medium net worth truck operators.. Most critical part of the investment is to have the investments in liquid form.

CHALLENGES AND OPPORTUNITIES FACED BY TRUCK OPERATORS INVESTORS

The challenges and opportunities faced by truck operators today honors some truck operators of substance, puts forward some social issues and hopes to offer realistic means towards creation of a gender unbiased society. Truck operators today have scaled great heights. They are impervious to the traditional beliefs of our society in a non-defiant but affirming way. They know what they want. They are not apprehensive in discovering their capacity and carving their own niche in these contemporary yet conventional times. They know striding a tight balance between personal life and career is challenge and they learnt to conquer it with grace of savings.

Swearing by the principles of equal opportunities as propagated by the constitution itself, the role and contribution of truck operators in society at large can never be completely underlined, however it is articulated. It is important to note that the truck operators as an investors should understand their savings behavior as it incorporates achievement oriented motivation and related to their well being and their family well being.

Kahneman and Tversky (1979) found in their work, "Prospect Theory - An Analysis of Decision under Risk, individuals make decisions based on the potential value of losses and gains rather than the final outcome, and people evaluate these losses and gains using interesting heuristics."

The truck operators thus aware about the risks associated with their investment and savings behavior and how these behaviors are influencing them at present.

SAVINGS AND INVESTMENT

"Saving' this word was clarified by Keynes (1936) as the excess of income over what is spent on consumption. In details, saving also can be defining as a portion of disposal income which excess after consumption of consumer goods. "(Keynes.J.M.(1936).

Savings is the most important aspect of an individual as savings takes care of the any contingencies one face in life.

Since the seminal work by Modigliani and Brumberg (1954), "the lifecycle savings model has been the framework through which economists have generally studied individuals' saving and consumption choices: individuals save to smooth consumption over time. Individuals who seem to be more patient have indeed been found to save more "(e.g., Lusardi (2001).

Thus the savings is considered as the most important component of one's life as it saves one's life and others in the family.

Investment is considered as putting ones money in the different portfolio of financial market by the truck operators.

Dynan et al. (2004) point out," there are several possible ways of measuring individuals' savings rates. Conceptually, characterize an individual's savings behavior by the proportion of disposable income in a period that is not consumed, but instead invested (or saved) for future consumption or bequest. For comparison purposes, this amount is scaled by the disposable income and then referred to as the Savings Rate. In principle, the amount saved during a period can be measured by the change in an individual's net worth during that period. Under such a broad savings measure, unrealized expected and unexpected capital gains or losses, for example in the form of changes in an individual's house value, are included in the amount saved, as long as such capital gains are not converted into consumption through increased leverage. For this measure, all capital gains and losses would be included in the disposable income." Thus investment is the most important aspect for the truck operators .

1. A higher interest rate will give a greater return on savings as banks offer more favorable rates.
2. Poor return on investment in stocks and shares and other forms of investment make savings comparably better.
3. Poor expectation for future economic growth, wages and job opportunities will increase savings in preparation for better future.

SAVINGS AND INVESTMENT PATTERN OF TRUCK OPERATORS AS AN INVESTORS

The National Council of Applied Economic Research (NCAER) conducted a survey of households (1964) entitled

“Attitude Towards and Motivations for Savings”. The survey covered a sample of 4650 households spread over India. It provides an insight into the attitude towards and motivations for savings of individuals. One of the important finding was that the investment in securities was preferred by the high income households.” Thus it is evident that the truck operators while investing in investment avenues looking forward for their security of their investment.

Stern P. Walter (1969) in his study “The Investment scene—An overview” identified the two broad styles of investing that are emerging; firstly the —Guns Lingers the aggressive investor, who feels that he can identify changes before they invest and capitalise on it. He is identifiable, he is young, he is able, he is arrogant, and he deals in concepts, not in price earnings ratio. He is —opportunity oriented and he checks out every idea you present to him before he acts. He wants freedom to act quickly, secondly the —Serious long term investor, basically interested in earnings trend, concepts relating to area of long term growth and fundamental work. He is fewer concepts oriented and is more profit earnings ratio oriented.”

In India the economic status of the truck operators are keep on changing as their level of income increases over a period of time. Today the truck operators are not only commit their money on products and services, but are also looking at different avenues available for them to investing their money.

CONCLUSION

Since this research has been conducted on the truck operators investors and a study of their investment behavior, it becomes important to understand the different types of investors. Truck operators Investors have their own investing styles: some are risk takers by nature, willing to gamble large amounts of money on highly speculative investments. Others prefer the safety and security of cash in the bank even if it means that the actual buying power of their money is slowly dwindling because of inflation. Most people fall somewhere in between these extremes, and are willing to assume some risk, with the expectation that they’ll be rewarded with higher returns.

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