



RESEARCH ARTICLE

Investment model on the causation of inclining attributes towards bank investment options in the investor's portfolio

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Abstract

In today's dynamic financial landscape, investment portfolios have become increasingly diversified with a growing number of investors gravitating towards bank investment options. This shift in preference can be attributed to various factors that resonate with investors evolving needs for reputation, emotional dimensions, financial gains, and service quality. Understanding the underlying causes of this trend is crucial for both investor's portfolios and to attract and retain investors. The research purpose is to create an investment model. The inclination is a feeling that an individual wants to do a particular thing or the fact that one prefers to do a particular thing. The purpose of the model is to represent the inclining attributes of the investors with six factors based upon the relationship by the Structure Equation Model (SEM). Simple random sampling is adopted with judgment sampling, which has a sample size of 619 respondents from twenty-four private and public sector banks from Chennai city, and the study period was from January to July 2024. Since the research is based on developing an investment model, SEM investigation is found to be an effective statistical tool. This study helps researchers identify the causes of inclining attributes toward bank investment options and further explore the bank investment options arena. This study helps investors choose the optimal inclining bank investment attributes for their portfolios. This study helps the social upliftment of the investors, which leads to capital formation in the economy.

Keywords: Bank investment options, Inclining attributes, Investment model, Structure Equation Model, psychological factors, emotional dimension.

Introduction

An investment model is a strategy or plan that outlines investors' intention to allocate their assets and invest their money. The model depends on the individual's bank investment attributes based upon causation if inclining attributes on the bank investment options. Research is based on developing an investment model for investors to guide them toward their investor goals. Assessment of investment is essential to select the right investment. Evaluation of investment comprises assessing the attributes of investment. This research is focused on service quality, psychological factors, emotional dimension, financial gains,

organizational impact and economic conditions are the key attributes towards causation of inclining attributes towards bank investment options, and developed the investment model accordingly to examine the research gap identified from the various literature (Koedijk & Slager, 2021; Jain & Mate, 2022; Corvo *et al.*, 2022; Garg *et al.*, 2022; Jean-Francois *et al.*, 2022).

Investors attribute toward bank investment options.

Service Quality

The banking sector monitors their service excellence on a systematic base to confirm the majority of investors' gratification level and to expand investors' maintenance and trustworthiness.

Psychological Factors

Psychology plays a critical part in helping banks better understand and serve their investors, which is vital for the long-term success of any financial institution. Psychology is crucial in banking for various reasons, including predicting investors' behavior.

Emotional Dimension

From various viewpoints, effects that stimulate investors to select and prefer a particular investment option or service

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are the emotions of individuals. The emotional link among a bank and investors is developed progressively. Bank investment options are highly influenced by the emotional dimensions of the investor's portfolio.

Financial Gain

Investment banking offers the opportunity to become an expert at the construction of big, complex financial models at the initial phase of a career. The bank investors should develop investment model based upon their expected financial gain wealth.

Organizational Impact

Organizational decisions and practices of banks directly influence investors' perceptions, satisfaction, and loyalty. By concentrating on investors' needs, transparency, security, and innovation, banks can establish a positive relationship and distinguish themselves in a competitive market.

Economic Conditions

The financial well-being and decisions of bank customers, influencing everything from borrowing costs to savings growth and investment strategies.

Review of Literature

The Press Trust of India (2024) conducted research and discovered that the government's nine-year reform program successfully addressed credit correction, safeguarded lending, and enhanced governance. Along with the introduction of technology and bank mergers, bankers' overall confidence was preserved.

According to Alex (2024), psychology is crucial to banks' ability to comprehend and assist their clients, which is essential for any fiscal organization to prosper in the elongated path. Solutions that are not grounded in user-centric design and human psychology have no place in the banking business since it is so significant, influential, and fundamental to people's lives.

Magids *et al.* (2017) in their article, explain that emotional ties can boost a financial services company's client lifetime value by up to 800%. When investors subordinate a brand with their core views, purposes, and inspirations, an emotional connection is created. Gaining insight into and enumerating the emotional bond that investors have with their bank is essential to expansion and financial success (Levy & Hino, 2023).

Hall (2023) supports the economy running efficiently. The banking sector is vital to the contemporary economy. As the primary provider of credit, it offers money for people to buy necessities like cars and homes, buy equipment, enlarge their operations, and meet their payrolls.

Tang *et al.* (2022) found that a robust banking business is a base for economic progress in the existing corporate sector. Additionally, to achieve the undefined and complex

condition of the worldwide market, the economic sector of any state must accomplish planned attractiveness by executing additional tools and strategies. Organizational performance refers to the organizational efficiency in accomplishing its purposes.

Kamboj *et al.* (2022) find in their study that the level of investor satisfaction is a reliable path to the excellence of amenities. The good performance of services gives improved investor satisfaction, while a bad quality of facility leads to dissatisfaction among investors. Service quality plays a significant part in upholding the bank investors of the organization (Khan, 2014).

Summary for Literature Review

Overall, the literature suggests that the causation of inclining attributes toward bank investment options is based on six key attributes: Service Quality, Psychological Factors, Emotional Dimension, Financial Gains, Organisational Impact, and Economic Conditions. These six key attributes should be highly considered by the banking sector in order to attract more bank investors.

Research Gap

According to research on bank investment possibilities, there was a lot of research on various financial and investment institutions. However, there is no study on the causation of inclining attributes on bank investment options in the Indian Banking Scenario. The causation of inclining attributes towards bank investment options and its effect on investment model have been the major subject of this study.

Objective

To develop the investment model on the causation of inclining attributes towards bank investment options in the investor's portfolio.

Hypothesis for the Study

H_{01}

There is no significant influence on the causation of inclining attributes toward bank investment options

Materials and Methods

Table 1 consists of the procedure for this research; since the population is indefinite, simple random sampling is used for research. The unit of study focuses on Bank Investment Options, Inclining Attributes, and Investment Model, with 619 respondents used for research analysis. The study period is from January to July and the mode of study to collect information in questionnaire method. Tools used for the research analysis are the Frequency method and structural Equational Model; since the research is based upon developing an investment model, SEM examination is measured to be an effective statistical tool.

Table 1: Research methodology

Research Design	Descriptive, Investigative and Expressive Research
Sampling Type	Simple Random Method
Study Unit	Bank Investment Options, Inclining Attributes, Investment Model
Sample Collected, Research Period	619, January to July 2024
Study Mode	Digitally framed questionnaire with score value using a 5-point Likert sale
Collected Data	Primary data-Electronic approach to through E-letter and relative form of communication, Secondary Data-Journals
Analysis Tools	Frequency Analysis, Structural Equational Model-SEM

Table 2: Demographic profile

Category	Frequency	Percent
Gender Category		
Male	343	55.4
Female	276	44.6
Age		
Less than 30	193	31.2
31-40	121	19.5
41-50	129	20.8
51-60	85	13.7
Above 61	91	14.7
Annual Income		
Less than 200000	191	30.9
200001 - 300000	131	21.2
300001 - 400000	127	20.5
400001 - 500000	84	13.6
Above 500001	86	13.9
Educational Qualification		
Matriculate	130	21.0
Graduate	194	31.3
Post Graduate	136	22.0
Doctorate	109	17.6
Professional	50	8.1
Occupation		
Salaried	221	35.7
Self-employed	129	20.8
Business	109	17.6
Student	29	4.7
Homemaker	66	10.7
Others	65	10.5
Total	619	100.0

Results

Table 2 exposes the respondent's profile out of total of 619 bank investors, in which 31% falls the age group of less than thirty years where as 19-point five percent falls under the age group of thirty-one to forty years, there are twenty-point eight percent respondents belong to forty-one to fifty years, thirteen-point seven percent belong to 51 to 60 years and above sixty-one years there are fourteen-point seven percent respondents. There are 55.4% male respondents and 44.6 female respondents. Out of 619 respondents, the Annual income earned less than rupees two lakhs are 30.9%, one to three lakh is twenty-one-point two percent, Rupees three lakh, and one to rupees four lakhs is 20.5%, Rupees four lakh and 1 to 5 lakh is thirteen-point six percent and Above rupees five lakhs and one is earned by thirteen-point nine percent of investors. Of the 619 respondent twenty percent are matriculated, 31.3% of respondents are graduates, 22% of respondents have postgraduates, 17.6% of respondents are Doctorate holders, and 8.1% of respondents have professional qualifications. The occupational level of the collected sample size consists of thirty-five point seven respondents who are salaried, twenty-point eight percent who are self-employed, seventeen-point six percent who are businesspeople, ten-point seven percent who are homemakers, four-point seven percent who are students, and ten-point five percent who belong to other categories for this research.

Structural Equation Model Analysis

Causation of inclining attributes with bank investment options Model.

H_{01}

There is no significant influence on the causation of inclining attributes toward bank investment options in the investor's portfolio.

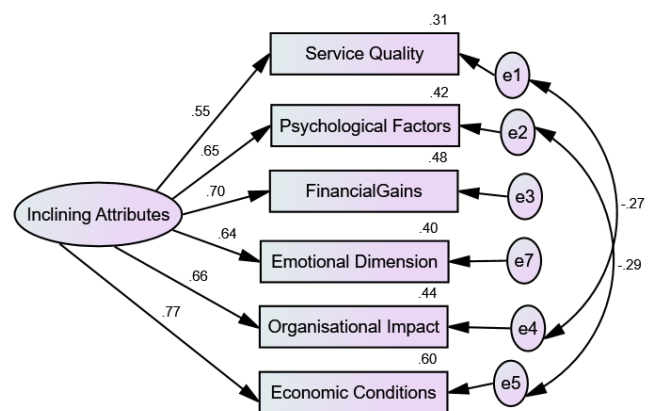
**Figure 1:** The developed structural equation model of the study

Table 3: Structural equation model

Sl. No.	Fit Indices	Benchmarks	Observed Values	Model Fit
1	Chi-Square values / Df (CMIN)	<5 Hair <i>et al.</i> , 2013	4.293	Excellent
2	P value	>0.05 Hair <i>et al.</i> , 2013	0.000**	Excellent
3	Goodness of Fit	>0.9 Hu and Bentler, 1999	0.984	Excellent
4	Comparative Fit Index	> 0.9 Hu and Bentler, 1999	0.979	Excellent
5	Normed Fit Index	>0.9 HU and Bentler, 1999	0.929	Excellent
6	Root Mean Square Error of Approximation	<=0.08 Hair <i>et al.</i> , 2006	0.730	Excellent

**Significant at 1%

Table 4: Standardized regression weights (Group number 1 - Default model)

Attributes	Indicator~	Estimate
Service Quality	<---	IA .982
Psychological Factor	<---	IA .970
Financial Gains	<---	IA .896
Emotional Dimension	<---	IA .996
Organisational Impact	<---	IA .983
Economic Conditions	<---	IA .972

Source- Primary data analysis

All the values in Table 3 satisfy the benchmark values; namely, the chi-square value is found to be significant at the 1% level since the observed value is 0.000. CFI value is 0.979, the goodness of Fit is 0.984, and NFI value is 0.929. Meanwhile, entirely, these values are found to be above 0.9 and satisfy the benchmark, so the model is considered to be perfectly fit, whereas RMSEA is 0.730, which is less than 0.08. The model is excellent with all the causation of inclining attributes (Figure 1). Since the values are satisfied by the model derived from the primary data, the research study concluded that the hypotheses framed for the research are all rejected; hence, there is a significant difference in the causation of inclining attributes towards bank investment options in the investor's portfolio.

From Table 4, the standardized regression weight value of Service Quality is 0.982, the Psychological factor is 0.970, Financial Gains is 0.896, the Emotional Dimension is 0.996, Organisational impact is 0.983, and Economic conditions is 0.972. All the factor loadings are above the commonly accepted threshold of 0.70, indicating that the indicators are reliable measures of their respective constructs. This suggests that the measurement model is perfect and has good convergent rationality.

Discussion

The majority of the investors in the research from the age category of less than 30 years were male respondents and they were graduates with annual earnings are less than rupees two lakhs and the majority of the investors were private sector employees.

The structural equation model has evidenced a significant relationship between the causation of inclining attributes and bank investment options, as indicated by the Chi-Square, Degrees of Freedom, and significant (p) value, which are statistically significant. All the considered model fit indices values like are satisfying the accepted benchmark. Hence, it is understood that the derived model is statistically proven, and the hypothesis is rejected. The SEM model derived with Service quality, psychological factors, Emotional Dimension, Financial Gains, Organisational Impact and Economic Conditions are the key attributes towards causation of inclining attributes towards bank investment options.

Conclusion

The research concludes that bank investment is important to achieve individual goals. From the above findings, it can be concluded that out of six inclining attributes on banking investment decisions, all six factors have an impact on bank investment options through the Structural Equational Model. Economic Conditions lead with the highest standardized value compared to all other attributes, which indicate investors are highly concerned about economic indicators such as interest rates, inflation, change in government, and overall economic productivity. The study suggests that every investor should contribute their bank investment options based on their investment portfolio. Banking activities impact the economy by acting as financial stabilizers, organizers of transactions, and providers of monetary gain. The banking sector is an essential part of every country's financial system and provides financial stability to the Indian economy. This research on the causation of inclining attributes helps the social upliftment of the investors, which leads to capital formation in the economy. The derived structure equation model in the research can be adopted as an investment model on the causation of inclining attributes by the banking sector to identify the investor's attributes on choosing the bank investment product as well as this will be an investment model for the financial advisors. The research has limitations in the causation of inclining attributes and bank investment options in investors' portfolios. Furthermore, it can be developed by analyzing banking investment platforms towards other goals and categories with different dimensions and objectives of banking strategy and sustainability.

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Conflict of Interest

Authors have no conflict of interest

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