AN ANALYSIS OF INDIVIDUAL INVESTORS' BEHAVIOR:
A CASE OF THE DHAKA STOCK EXCHANGE

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Abstract

The objective of this research is to ascertain the factors associated with financial indicators, independent sources of information, financial necessities, advocate recommendations, and personal reputation/firm reputation compliance that can influence the behavior of the Dhaka Stock Exchange (DSE) individual investors. The research was carried out by questionnaire method. The survey was conducted with 300 investors trading on DSE. The survey includes only gender as a demographic factor of the participants, 5 main variables, and 27 sub-factors related to them. The obtained data were analyzed with SPSS 26 program. In the research, descriptive analysis was used to achieve the research objective. The findings of the research present that financial indicators, independent sources of information, and personal reputation/firm reputation compliance have a significant impact while financial necessities have a moderate impact, and advocate recommendations have very little impact on DSE individual investors' behavior. The research provides guidance to individual investors, firms, policymakers, and investment advisors.

Keywords: *Behavioral Finance, Descriptive Analysis, DSE, Individual Investors, Investment Decision.*
JEL Classification: *G4, G11, G41*

BİREYSEL YATIRIMCI DAVRANIŞLARININ ANALİZİ:
DAKKA MENKUL KIYMETLER BORSASI ÖRNEĞİ

Öz

Araştırmanın amacı, Dakka Menkul Kıymetler Borsası (DSE) bireysel yatırımcılarının davranışını etkileyebilecek finansal göstergeler, bağımsız kaynaklardan edilen bilgiler, finansal ihtiyaçlar, yandaş tavsiyeleri ve kişisel itibarı/firma itibarı uyumluluğu ile ilgili faktörleri tespit etmektir. Araştırma anket yöntem ile yapılmıştır. Anket, DSE'de işlem yapmakta olan 300 yatırımcıyla gerçekleştirilmiştir. Anket demografik faktör olarak sadece katılımcıların cinsiyet ile 5 ana değişken ve bunlara bağlı 27 alt faktörü içermektedir. Elde edilen veriler SPSS 26 program ile analiz edilmiştir. Araştırmada, araştırma amacına ulaşmak için tanımlayıcı analiz kullanılmıştır. Araştırmanın bulguları, finansal göstergelerin, bağımsız kaynaklardan edilen bilgilerin ve kişisel itibarı/firma itibarı uyumluluğunun önemli bir etkiye sahip olduğunu, finansal ihtiyaçların orta düzeyde bir etkiye sahip olduğunu ve yandaş tavsiyelerinin DSE bireysel yatırımcıların davranışları üzerinde çok az bir etkiye sahip olduğunu göstermektedir. Araştırma, aynı zamanda firmalara, politika yapıcılarına ve yatırım danışmanlarına da yol gösterici niteliktedir.

Anahtar Kelimeler: *Bireysel Yatırımcılar, Davranışsal Finans, DSE, Tanımlayıcı Analizi, Yatırım Kararları.*
JEL Sınıflandırması: *G4, G11, G41*

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1. Introduction

The Dhaka Stock Exchange (DSE) is the major stock exchange in Bangladesh. As of July 2021, there are 625 listed firms and approximately 5 million individual investors in the DSE (Dhaka Stock Exchange Ltd., 2022). On April 28, 1954, the East Pakistan Stock Exchange (EPSE) was officially established, which would later become the DSE. With 197 companies listed on EPSE and a total paid-in capital of approximately 4 billion Pakistani Rupi, formal trading on EPSE began in 1956 (Chowdhury, 1994). The total market value of companies listed on the DSE is over 68 billion USD (Henricks, 2021: 5).

Companies listed in the DSE belong to the textile sector, the fuel and electricity sector, the mutual fund sector, the banking sector, etc. Managers of different companies invest about 16 percent of their total investments in the textile sector. The state of Bangladesh is the largest investor in the fuel and electricity sectors, with around 32 percent of total investments. In addition, institutional investors account for almost 28 percent of financing for the mutual fund sector. The banking sector consists of foreign investors for about 22 percent of its investments. In addition, it has been shown that close to 17 percent of the financing for the textile sector comes from individual investors. However, unexpectedly, individual investors invest only 0.10 percent of their total wealth in the telecom sector (Zaman and Rahman, 2019). Small-scale asset purchases for one's own account may be the focus of individual investment activities. The market data structure and its factors are believed to have a systematic influence on investment decisions and market results.

Investors and investment advisors often make investment decisions. When conducting investment analysis, investors often employ fundamental analysis and technical analysis. Individual investor preferences and market outcomes are thought to be consistently impacted by market conditions. The mindset of evaluation process may be used to examine the market performance of investors, incorporating the reasons behind their trading of stock. These elements concentrate on how investors comprehend and apply facts to make judgments. Even if a person is well-informed and has done extensive research on a firm before investing, he could nonetheless move hastily out of worry about possible consequences. Numerous factors that affect an investor's capacity for logical thought contribute to their inconsistent behavior as an individual investor. An individual investor is a person who makes small personal investments in stocks.

A number of factors may influence investment decisions, such as market conditions, personal risk profiles, and financial data. Nagy and Obenberger's (1994) study of factors affecting behavior of individual investors revealed that general wealth maximization goals are indispensable to investors, despite the fact that investors utilize a variety of criteria when selecting firms. Recent subjects have been briefly explored, including regional or worldwide initiatives, sustainability practices, and the firm's ethical attitude. Individual investors frequently disregard the recommendations of brokerage houses, financial consultants, relatives, and coworkers.

Investors often consider a number of factors, such as predicted business profitability, the likelihood of becoming rich quickly, stock liquidity, firms' stock performance, governmental interference, and the emergence of planned financial markets. Skilled investors place more weight on technical and fundamental research and less on portfolio consideration, whereas general individual shareholders place more weight on media news and market perception when making a stock investment decision, according to Dimitrios (2007), who studies investment choices in the stock market. Market players are continuously juggling a variety of issues, such as financial information, financial reports, and recommendations and viewpoints shared on mainstream or social media. Analyzing all of these sources of information is indeed tough. The most recent stock index results, web data, current economic trends, and investment adviser counsel are all major influences on this information (Francis and Soffer, 1997:195). Each of these elements suggests an external knowledge source that is comparatively independent.

The objective of this research is to ascertain how factors associated with financial indicators, independent sources of information, financial necessities, advocate recommendations, and personal reputation/firm reputation compliance can influence the behavior of DSE individual investors. The research also provides guidance to individual investors, firms, policymakers, and investment advisors.

The research aims to give individual investors a better understanding of the many decisions they must make in light of the present situation and the outcomes of each decision. Since the strategies of the companies are determined by the investment decisions of the investors, the research will highlight the factors influencing investors' behavior that will have the greatest impact on future policies and plans. The study will contribute to a greater comprehension of the behavioral processes and results that are crucial to financial advisers since it will enable them to create asset allocation strategies for client transactions that are suitable given how investors react to market movements. The research will provide information to governments and administrations in this regard by identifying the most influential factors on the decisions of investors that have an impact on monetary policy, foreign capital policy, tax legislation, and other fundamental legislation in order to support and regulate market efficiency as well as meet the needs of investors.

2. Literature Review

2.1. Related Empirical Literature about the Developing Countries

Employing a sample size of 450 people, it was determined that six factors had the greatest impact on individual investor investment decisions in the United Arab Emirates (UAE). The predicted profitability of the firm, quick-rich projects, stock marketability, firms' prior stock performance, investment by government agencies, and the growth of organized financial markets were the elements that had a significant influence, listed in that order. On the other hand, it was shown that five traits had the least influence on investor perceptions in the UAE. Reduced risk, predicted losses from stock markets, perceptions about the status of the economy, and family members' viewpoints were the ones with the least significant effects, in order of significance. Unexpectedly, religious convictions and the influence of friends' or co-workers' viewpoints were the two factors that had the least influence on how UAE investors behaved (Al-Tamimi, 2006: 2).

Furthermore, Abul (2019: 27) conducted research on the factors influencing the behavior of individual stock investors on the Kuwait Stock Exchange (KSE) and found that overconfidence, risk perception, and herd behavior had an impact on the choices made by KSE individual investors. Makrani & Abdi (2014: 2131) examined the effects of net earnings, cash flow, and book value on the individual stock investor's behavior on the Tehran Stock Exchange (TSE) from 2008 to 2013. The effects of book value are higher than those of cash flow and net earnings on the behavior of TSE individual investors in Iran.

Four critical factors—financial indicators, financial necessities, advocate recommendations and gender—have been shown to be significant factors for shareholders in Malaysia, according to Mohamad et al. (2017: 11). Mutswenje (2009: 37–38) found that using 50 sample sizes, the most important factors impacting individual investment decisions at the Nairobi Stock Exchange (NSE) in Kenya were firm reputation, the firm's industry status, financial health, projected corporate earnings, firms' stock performance, economic conditions, and price per share by NSE stockholders. Phan and Zhou (2014: 77) performed research with 470 individuals in the Vietnamese stock market and found that five behavioral factors— overconfidence, excessive optimism, firms' status, herd behavior, and the psychology of risk —had a significant impact on individual investors' behavior.

Bhatt & Sumangala (2012) examined the top 60 publicly traded firms in India over a ten-year period and concluded that earnings per share had an effect on stocks' market value in India. Interpersonal conflicts, overconfidence, and adverse selection are the biggest influences on stock investors, according to another study carried out in India with 602 participants. Herd behavior, however, doesn't significantly affect individual investors' investment decisions (Kanojia et al.,

2018: 30). Advocate recommendations had the least impact in Pakistan, whereas factors related to financial indicators had the most, according to Bashir et al. (2013). The six significant factors linked to the variables "personal reputation/firm reputation compliance" and "financial indicators" have also been identified in Pakistan. These factors include dividends paid, the firm's reputation, feelings toward its products and services, the desire to get rich quickly, the firm's involvement in efforts to solve societal problems, and the firm's position in the industry. The majority of investors' viewpoints, the current stock price movement, religious motivations, family members' viewpoints, and broker recommendations connected to other factor categories were exposed to be the factors with the low level of effectiveness with regard to relevancy. Moreover, Iqbal & Usmani (2009: 15) found that independent sources of information had the most significant influence on individual investors in Pakistan.

It was discovered in research in Bangladesh with 300 participants that past information on stocks, financial parameters, dividends paid, firms' status in the sector, diversification of portfolios, and minimizing losses had a significant impact on DSE investors (Khan et al., 2015: 202). Another study done in Bangladesh with 400 participants found that the key factors influencing individual investors' investment decisions are the firm's attributes and reputation, financial status, and net asset value (Hossain & Nasrin, 2012: 110). DSE investors are demotivated by risk concerns, stockholders' uncertain attitudes, profits per share, political upheaval, and uncontrollable macroeconomic variables (Sarbabidya & Saha, 2018). According to Hossain & Siddiqua (2022: 1) with 300 individual investors in Bangladesh, market instability and perceived risks are the two behavioral factors that have the highest influence on DSE investors' behaviors.

The findings, according to Kayser and Golder (2019: 95), show that factors linked to macroeconomic and financial indicators significantly influence investment decisions among 550 DSE members in Bangladesh. In another study (Sultana et al., 2017: 1) with 100 participants in Bangladesh, the researchers found that margin loans, paid-up capital, cash dividends, and net income all had a significant influence on DSE investors' investment decisions. The research also found no influence of Islamic theology on stock trading. According to Khan & Islam (2020: 67), the execution of governmental policy, interest rates, and basic analysis are significant determining factors for individual stock investors in Bangladesh.

Therefore, the literature review helps DSE investors understand what factors are grouped together in different variables. DSE investors can easily comprehend the difference between important factors that may affect investors in Bangladesh and those that may affect investors in other developing countries. They can also identify the gap in their information as well as in the literature.

2.2. Research Gap from the Literature Review

In the literature review, there are many factors addressed under five research variables (financial indicators, independent sources of information, financial necessities, advocate recommendations, and personal reputation/firm reputation compliance) that can affect the behavior of individual investors in different countries. However, not enough factors have been studied that could significantly influence DSE investors to invest in stocks. Therefore, there are still gaps in the literature in the Bangladesh context.

Financial indicators and financial necessities do not affect DSE individual investors' behavior (Hossain & Siddiqua, 2022: 9). The effect of financial necessities and a firm's reputation on individual investors' behavior in Bangladesh is not significant (Sarbabidya & Saha, 2018: 18). In addition, no adequate empirical study has been done on individual investors' investment decisions in Bangladesh related to independent sources of information, financial necessities, advocate recommendations, and personal reputation/firm reputation compliance. The main goal of the study is to fill a gap in the literature in the Bangladeshi context.

2.3. Research Model (Conceptual Framework of Research)

This proposed research model in Figure 1 has been developed in light of a literature review focusing on the stock investment decisions of individual investors in Dhaka. To examine the projected effect on the dependent variable known as investors' behavior, the researchers expressed independent variables from this literature review such as financial indicators, independent sources of information, financial necessities, advocate recommendations, and personal reputation/firm reputation compliance.

Figure 1: **Research Model**
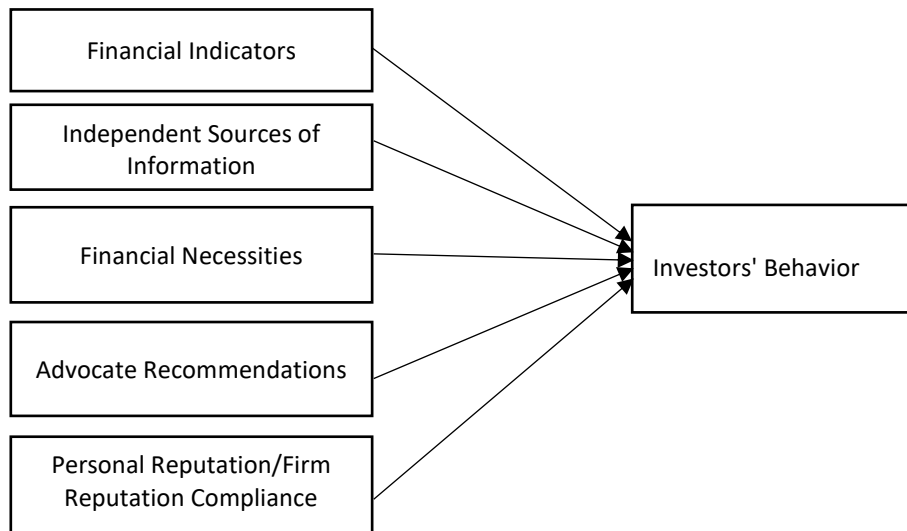
3. Research Methodology

3.1. Survey Method

In order to collect the essential data in line with participants' thoughts, opinions, lifestyles, and demographic data, researchers must use the survey approach (Hair et al., 2003). Participants can share their thoughts freely under this strategy using a self-administered questionnaire, online surveys, and telephone interviews (Zikmund & Babin, 2007; Pannerselvam, 2006). A self-administered questionnaire survey has been conducted among individual investors in Dhaka, Bangladesh.

3.2. Questionnaire Design

According to Hair et al. (1998), a questionnaire is a systematic framework made up of questions and scales used to collect primary data. Personal administration of questionnaires can be effective in gathering information from respondents. According to Sekaran (2003), the research questionnaire was a pre-written collection of questions that were clearly described for ease of understanding in order to receive the information provided by the respondents. In order to meet the goals of the research and respond to the research question posed in the study, the researcher employed a self-administered questionnaire for the current study.

Moreover, the researcher used a 5-point Likert scale, such as 5 = to a very large extent; 4 = to a large extent; 3 = to some extent; 2 = to a small extent; and 1 = to no extent. A cover letter, which is regarded as a crucial component of questionnaire design, should be included with the first page of the questionnaire (Hair et al., 2009). To acquire primary data, however, questionnaires were employed. The researcher then verified the information. The five variables covered by the questionnaire items were financial indicators, independent sources of information, financial necessities, advocate recommendations, and personal reputation/firm reputation compliance. There are a total of 27 sub-factors related to these research variables. Each investor received the

questionnaires on an individual basis. This tactic was appropriate because it produced rapid responses from respondents. The questionnaire was divided into two parts. The participant's basic information (only gender) was the focus of the first segment. Section II concentrated on data on factors impacting individuals' investment decisions. Participants were asked to rate how each factor had affected them on a five-point Likert scale.

3.3. Target Population and Data Analysis

The sample corresponds to a subgroup or fraction of the overall population, which relates to a group of a greater number of people, although the population generally consists of elements with comparable traits (Malhotra, 2008). The target population of the research is DSE individual investors. The researcher conducted a survey of stock investors in Dhaka, the capital city of Bangladesh.

In addition, the research collected the names and addresses of investors from the brokerage firms in Dhaka. 300 individual investors were randomly chosen (sample size) to answer one questionnaire for a basic, randomly selected sample of six brokerage firms in Bangladesh (Parkway Securities Ltd., Modern Securities Ltd., UCB Capital Ltd., Anwar Securities Ltd., Mika Securities Ltd., and United Financial Training Company Ltd.). In the experiment, the researcher utilized simple random sampling techniques. Simple random sampling guarantees that the sample is impartial, representative of the total population, and free from bias. It also helps to reduce the tendency to make decisions based on criteria (Neville and Sidney, 2004).

The researcher collected data from DSE individual investors in Bangladesh. Each respondent received a personalized copy of a standard questionnaire that the researcher used to collect data. The survey consisted of 27 questions. 300 surveys' worth of functional data are analyzed using SPSS 26. The most important factors affecting DSE individual investors are discussed in this research using descriptive analysis.

4. Data Analysis: Findings and Discussion

4.1. Reliability Test

A reliability test is performed to make sure that all measurements of each variable are accurate. It consists of estimations of how much variance in distinct variables' scores is due to chance or random mistakes (Seymour, 1976: 358). A coefficient higher than or equal to 0.5 is generally regarded as acceptable and a good indicator of data consistency (Nunnally, 1978:133). According to Armor (1973: 33), Van Marwijk et al. (1995: 197), and Cronbach (1951: 311), reliability is mostly decided by Cronbach's alpha, with a value of 0.7 (close to 1) being preferred. Furthermore, Cronbach's alpha (CA) should be greater than 0.70 in order to ensure consistency in datasets (Collier, 2020: 25–29). Furthermore, the internal reliability (CA level of 0.6 or above for statistical significance) of the survey items was tested to increase the instrument's consistency (Bonett & Wright, 2015: 11), and CA values ranging from 0.50 to 0.70 are deemed to have moderate reliability (Perry et al., 2004: 364).

Thus, reliability findings are given in Tables 1 and 2 for all twenty-seven components under five variables in this study. Overall, all of the variables combined have a good output value (0.597) in Table 1, which is about 60 percent, whereas all of the factors together have an outstanding output value (0.801), which is 80 percent. Table 2 displays the Cronbach's alpha level for each variable and factor separately. Furthermore, in Table 2, "independent sources of information" among variables has the highest Cronbach's alpha value (0.586), while "personal reputation/firm reputation compliance" has the lowest Cronbach's alpha value (0.543). Moreover, according to Table 2, the expected dividend, past performance of the firm's shares, stock index fluctuation, friend or coworker recommendation, and a firm's ethics have a high Cronbach's alpha value (0.800–0.807). However, most of the components measured in this study are reliable.

Table 1: **Reliability Test (Cronbach's Alpha)**

Description	Cronbach's Alpha	N of Items
Reliability Statistics for Variables	0.597	5
Reliability Statistics for Factors	0.800	27

Table 2: **Cronbach's Alpha for All Items**

	Description of Variables	Cronbach's Alpha
Item-Total Statistics for Variables	Financial Indicators	0.576
	Independent Sources of Information	0.586
	Financial Necessities	0.558
	Advocate Recommendations	0.584
	Personal Reputation/firm Reputation Compliance	0.543
Item-Total Statistics for Factors	Q1. Do you analyze the results of income statements and balance sheets of firms before investing in stocks?	0.791
	Q2. Do you look at expected corporate earnings from financial statements (EPS)?	0.795
	Q3. Do you consider dividend paid when investing in a share?	0.796
	Q4. Do you also consider the current market price of a share?	0.799
	Q5. Do you take into account the expected dividend?	**0.807**
	Q6. Do you look at how the company's stock has performed in the past?	**0.801**
	Q7. When considering an investment in stocks, do you research firms online?	0.792
	Q8. Do you observe how the stock index changes?	**0.800**
	Q9. Do you focus on media coverage of stock performance?	0.793
	Q10. Do you consider the statements of government officials related to the economy?	0.792
	Q11. Do you pay attention to the current economic indicators (interest rate, inflation rate, unemployment rate, GDP, etc.)?	0.794
	Q12. Do you follow the recent price fluctuation in a firm's stock?	0.795
	Q13. How much are you interested in non-stock investments?	0.783
	Q14. Do you consider diversifying your investments?	0.791
	Q15. Do you plan to effortlessly get borrowed funds?	0.786
	Q16. Do you try to minimize the risk of loss in the market?	0.798
	Q17. How can broker recommendations influence your choice of investments?	0.791
	Q18. What impact does family members' advice have on your choice of investments?	0.788
	Q19. What impact does friend/co-worker recommendations have on your choice of investments?	**0.807**
	Q20. How do people's opinions on the firm's stock affect your investment decision?	0.793
	Q21. How important are feelings about a firm's stock to you?	0.790
	Q22. How significant is it to you that the company has a good public reputation?	0.790
	Q23. How significant do you consider the development of efficient financial markets?	0.790
	Q24. Does firm status in the industry matter to your investment decision?	0.793
	Q25. How important is it to you to feel the economy?	0.789
	Q26. How significant do you consider a company's ethics?	**0.802**
	Q27. Do you consider the firm's involvement in solving community problems?	0.792

4.2. Descriptive Analysis

To address the study goals, descriptive analysis is performed on both the gender of the respondents and the research variables.

4.2.1. Gender of the Respondents

The only question in the demographic part of the survey is regarding the gender of the individuals who responded. The gender description of respondents is detailed in Table 3. In accordance with the table, male respondents make up 69.7 percent of the sample, while female respondents make up 30 percent.

Table 3: **Gender Description of respondents**

	Description	Frequency	%
Valid	Male	209	69.7
	Female	91	30.3
	Total	300	100.0

4.2.2. Financial Indicators

The variable "financial indicators" has been examined in Table 4 using descriptive statistics. According to Table 4, the mean values of all six factors are greater than 4.00, which indicates that the majority of respondents analyze almost all financial indicators, such as the result of a firm's income statement and balance sheet, expected corporate earnings, dividend paid, current market price of a share, expected dividend, and past performance of a firm's stock. Furthermore, the average mean score (4.21) suggests that the majority of respondents thoroughly observe "financial indicators" before making an investment decision in a stock (4.00 = to a large extent based on the Likert scale).

Table 4: **Descriptive Analysis of Financial Indicators**

Description	N	Minimum	Maximum	Mean
Q1. Do you analyze the results of income statements and balance sheets of firms before investing in stocks?	300	1	5	4.20
Q2. Do you look at expected corporate earnings from financial statements (EPS)?	300	2	5	4.01
Q3. Do you consider dividend paid when investing in a share?	300	1	5	4.05
Q4. Do you also consider the current market price of a share?	300	3	5	4.43
Q5. Do you take into account the expected dividend?	300	2	5	4.13
Q6. Do you look at how the company's stock has performed in the past?	300	2	5	4.46
Average Mean	300	2.33	5	4.21

4.2.3. Independent Sources of Information

The average mean value (3.97) of the variable "independent sources of information" in Table 5 indicates that respondents paid moderate attention to the factors under "independent sources of information". However, certain factors have strong mean values, such as collecting information about firms through the internet (mean: 4.41), following the volatility in the stock index (mean: 4.22), and following the recent price movement in a firm's stock (mean: 4.06). As a result, individual stock investors in DSE consider "independent sources of information" before participating in the stock market.

Table 5: **Descriptive Analysis of Independent Sources of Information**

Description	N	Minimum	Maximum	Mean
Q7. When Considering an investment in stocks, do you research firms online?	300	3	5	4.41
Q8. Do you observe how the stock index changes?	300	2	5	4.22
Q9. Do you focus on media coverage of stock performance?	300	2	5	3.70
Q10. Do you consider the statements of government officials related to the economy?	300	1	5	3.51
Q11. Do you pay attention to the current economic indicators (interest rate, inflation rate, unemployment rate, GDP, etc.)?	300	1	5	3.90
Q12. Do you follow the recent price fluctuation in a firm's stock?	300	2	5	4.06
Average Mean	300	1.83	5	3.97

4.2.4. Financial Necessities

The variable "financial necessities" in Table 6 has an average mean value of 3.80, indicating that investors analyze the factors under "financial necessities" moderately before making an investment decision. However, DSE investors constantly want to reduce the market's risk of loss (mean: 4.50).

Table 6: **Descriptive Analysis of Financial Necessities**

Description	N	Minimum	Maximum	Mean
Q13. How much are you interested in non-stock investments?	300	1	5	3.59
Q14. Do you consider diversifying your investments?	300	2	5	3.66
Q15. Do you plan to effortlessly get borrowed funds?	300	1	5	3.49
Q16. Do you try to minimize the risk of loss in the market?	300	2	5	4.50
Average Mean	300	1.75	5	3.80

4.2.5. Advocate Recommendations

An average mean value of 3.67 in Table 7, showing that "advocate recommendations" received less attention than "financial indicators", "independent sources of information", and "financial necessities". However, a couple of factors under "advocate recommendations", such as broker recommendations (mean: 3.98) and friend or coworker recommendations influencing investment decisions (mean: 3.93), have a good mean value (close to 4.00).

Table 7: **Descriptive Analysis of Advocate Recommendations**

Description	N	Minimum	Maximum	Mean
Q17. How can broker recommendations influence your choice of investments?	300	1	5	3.98
Q18. What impact does family members' advice have on your choice of investments?	300	1	5	3.69
Q19. What impact does friend/co-worker recommendations have on your choice of investments?	300	1	5	3.93
Q20. How do people's opinions on the firm's stock affect your investment decision?	300	2	5	3.07
Average Mean	300	1.50	5	3.67

4.2.6. Personal Reputation/Firm Reputation Compliance

The variable "personal reputation/firm reputation compliance" has the highest average mean value (4.52) in Table 8, which is between "4.00 = to a large extent" and "5.00 = to a very large extent" on a 5-point Likert scale. Additionally, before making an investment decision in the stock market, DSE individual stock investors have always observed the factors under "personal reputation/firm reputation compliance". Furthermore, the ethics of a firm (4.62), firm status in the industry (4.62), the formation of efficient financial markets (4.59), and the firm's public reputation (4.56) have been identified as the most significant factors impacting DSE individual investors' investment decisions.

Table 8: **Descriptive Analysis of Personal Reputation/Firm Reputation Compliance**

Description	N	Minimum	Maximum	Mean
Q21. How important are feelings about a firm's stock to you?	300	1	5	4.39
Q22. How significant is it to you that the company has a good public reputation?	300	2	5	4.56
Q23. How significant do you consider the development of efficient financial markets?	300	2	5	4.59
Q24. Does firm status in the industry matter to your investment decision?	300	3	5	4.62
Q25. How important is it to you to feel the economy?	300	2	5	4.52
Q26. How significant do you consider a company's ethics?	300	3	5	4.62
Q27. Do you consider the firm's involvement in solving community problems?	300	1	5	4.34
Average Mean	300	2.57	5	4.52

4.3. A Brief Discussion of The Findings Based on The Research Objectives

To determine the factors associated with financial indicators can influence the behavior of the individual investors.

The descriptive analysis in Table 4 shows that financial indicators have a significant impact on how individual investors behave because, as the average mean value of 4.21 shows, the majority of respondents consider financial indicators to a large extent before investing in a stock. Al-Tamimi's (2006: 15) and Logitama et al. (2021: 278–280) findings are consistent with this.

To determine the factors associated with independent sources of information can influence the behavior of the individual investor.

According to the descriptive analysis, independent sources of information has a moderate impact on individual investors' behavior, as the average mean value of 3.97 suggests that the majority of respondents carefully consider independent sources of information before making an investment choice in a firm. This is coherent with the output of Al-Tamimi (2006:15), Sultana and Pardhasaradhi (2012:51–56), and Wilaiporn et al. (2021).

To determine the factors associated with financial necessities can influence the behavior of the individual investor.

According to the descriptive analysis, the issues of financial necessities have a moderate influence on individual investors' behavior because the average mean value of 3.80 indicates that the majority of respondents think about the issues of financial necessities before making an investment decision on a stock. This is consistent with the result of Islamoğlu et al. (2015: 533), and Somathilake (2020).

To determine the factors associated with advocate recommendations can influence the behavior of the individual investor.

According to the descriptive analysis, advocate recommendations have a very small influence on individual investors' behavior compared to other variables, because the average mean value of 3.67 indicates that the majority of respondents consider advocate recommendations very little before making an investment decision on a stock. This is consistent with the results of Islamoğlu et al. (2015: 533), Al-Tamimi (2006: 15), and Khawaja and Alharbi (2021).

To determine the factors associated with personal reputation/firm reputation compliance can influence the behavior of the individual investor.

The descriptive analysis reveals that personal reputation/firm reputation compliance have a significant impact on how individual investors behave because, as the average mean value of 4.52 suggests, the majority of respondents pay close attention to personal reputation/firm reputation compliance before making an investment decision in a stock. This is consistent with the results of Islamoğlu et al. (2015: 533), Al-Tamimi (2006: 15), and Sohail et al. (2020).

Therefore, it can be said that all research objectives have been met based on the aforementioned discussion.

5. Conclusion

One of Bangladesh's most significant issues in recent years has been the factors that influence investment decisions. These elements directly affect investors' intentions to invest and have a significant effect on their decisions. Therefore, the purpose of this study is to pinpoint the key factors influencing individual investment behavior in Dhaka. The Dhaka stock market's individual investors are examined using behavioral elements as a conceptual lens to examine their investing motives and expression levels. Research on stock investment and management might benefit significantly from looking into these factors. The current research analyzes the most important factors influencing investor behavior using relevant empirical literature. These aspects of investors' decision-making processes include mental, psychological, and social aspects. The investor's risk perception, financial situation, investment goal, level of financial literacy, emotional state, and other personal characteristics are among these variables. The objectives and research framework for identifying individual investors' behavioral intentions are presented in this research. The findings of this research will significantly advance our understanding of the factors affecting DSE individual investors' choices in the DSE and will aid future research in this area. The research suggests that before making an investment decision, investors should carefully examine the investment components using logical business data. Before investing in DSE, investors should also be able to understand market and economic information. Instead of focusing on only one aspect of stock investment, they ought to analyze every research variable. Investors must diversify their investments by creating a portfolio of assets in order to lower risks and boost earnings.

The study advises that before deciding whether to invest, investors should thoroughly analyze the investment elements using logical business information. Besides stockholders also need to be able to comprehend market and economic statistics before investing in DSE. Instead of focusing on only one variable regarding stock investment, they ought to assess every research variable. To reduce risks and increase profits, investors must diversify their investment in various companies by building a portfolio of assets.

The research explored the most important factors for individual stock investors in the DSE. These factors were developed from personal interviews, previous research findings, and behavioral finance theories. First, future researchers should seek to explain the relative importance of decision variables for individual investors' stock investment decisions. Secondly, we only considered the investors in Dhaka in the research; new research can also be done with investors in other cities in Bangladesh. However, in future research, a series of suggestions can be presented

to create new factors that can contribute to a better understanding of the current research topic. Third, it can be suggested that new researchers conduct their research with a large number of participants. Fourth, more than one country on the same subject can be analyzed comparatively. Finally, the framework of the research can be expanded and additional factors can be introduced.

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