

Understanding the Socially Responsible Investment Choices of Individual Investors in India

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Abstract

The study examines the attitudes, understanding, and preparedness of Indian retail investors to address environmental, social, and governance (ESG) issues. In order to identify important demographic characteristics, awareness levels, attitudes, willingness, and particular impediments that affect their Socially responsible investing (SRI) decisions, the study also discusses the difficulties Indian investors encounter when evaluating SRI solutions. A tailored survey and descriptive statistics were used to collect and evaluate data, and the theory of planned behavior (TPB) and binary logistic regression offered insights on the reasons behind SRI engagement. The results suggest that while investors are interested in SRI and understand the importance of ESG, there is a lack of general information regarding SRI. There are still many obstacles to overcome, such as the absence of tax advantages, the belief that returns will be smaller, a lack of liquidity, ignorance, and worries about possible returns. According to the logistic regression analysis, demographic characteristics had less of an impact on SRI decision-making than having a clear investing objective and being knowledgeable about SR/ESG funds and indexes.

The paper highlights the need to raise SRI awareness among Indian investors and has practical ramifications for lawmakers, asset management companies, government agencies, and ethical fund managers. It suggests that while issuers should give accurate information on SRI options and the risks and advantages involved, regulators should concentrate on SRI education. By examining SRI awareness, attitudes, willingness, and obstacles among Indian individual investors—areas that haven't received much attention in previous research—this study adds something special.

Keywords: *ESG elements in investments, investor awareness, attitudes toward ESG, individual investors, Socially responsible investing (SRI), obstacles to the implementation of SRI in India, Research study, Theory of Planned Behavior*

Introduction

Historically, the main goal of investors has been to increase wealth, and they have typically made decisions based on financial criteria like risk and return. However, non-financial considerations including social, ethical, and environmental issues have recently gained more weight when evaluating investments (Sandberg et al., 2008). Beyond the immediate financial effects, governance has come to be seen as a crucial factor, particularly in the wake of corporate scandals that

brought to light the need of ethics, accountability, and openness in investing choices. Sandberg et al. (2008) claim that including governance elements may increase profitability and shareholder value, igniting interest in ethical, or socially responsible, investment (SRI), among academics and professionals.

With the introduction of the first SRI mutual fund in the United States, the "PAX World Fund" in 1971, a new era in responsible investing began. Despite its steady growth since then, SRI is still not widely known in many emerging economies. Even while sustainability is becoming more and more important, developing countries like India still have low levels of understanding about SRI and ESG (environmental, social, and governance) investing. Since corporate activities are frequently blamed for major environmental problems such pollution, carbon emissions, waste, and resource depletion, the "triple bottom line" strategy—which aims to strike a balance between profit, people, and the environment—has been adopted. Global frameworks such as the Paris Agreement, the UN Sustainable Development Goals, and the COP26 Summit emphasize how urgent it is for developing nations like India, where pollution and fast population increase are major problems, to adopt sustainable practices.

Most SRI research has been conducted in industrialized nations including the US, UK, Australia, and Europe. However, each country's unique political, cultural, and economic conditions have an impact on SRI operations (Sparkes, 2002). According to Louche and Lydenberg's (2006) research on SRI in the US and Europe, the two continents' cultures have an impact on SRI terminology, practices, key players, and strategies. According to Lopez-Arceiz et al. (2018), a country's cultural background can have an impact on an investment fund's risk-return profile. To fit its cultural norms, Japan adapted aspects of American and European SRI models, according to Sakuma and Louche's (2008) research. The present study on India, where investor opinions of SRI may be influenced by the unique cultural and economic circumstances of a developing country, was based on these observations.

India has a lot of room to grow, especially in the information technology sector, thanks to its growing economy. The five major Asian countries of China, Hong Kong, India, South Korea, and Taiwan are home to more than 98% of IT enterprises in emerging markets, according to Gokoluk and Yap (2021). The excellent environmental standards of these companies are attracting the attention of ESG-focused asset managers. According to McKinsey & Company (2017), impact investing is expected to expand at a rate of 20–25% annually through 2025, underscoring the possibility that socially responsible investing (SRI) would play a key role in India's efforts to achieve the Sustainable Development Goals (SDGs) by 2030. Even though SRI has only recently gained traction in India, the introduction of nine ESG funds in recent years suggests that asset managers are becoming more interested.

Although SRI has gained widespread traction in more developed nations, it is still a relatively new idea in India. The rising economy and collectivist culture of India provide a distinctive backdrop for investment behavior, and this study examines SRI in the context of Indian retail investors. The way that individual investors in emerging nations integrate ESG considerations into their investing decisions has been the subject of corporate studies conducted by multinational corporations, but there is still a dearth of scholarly study on the subject. The purpose of this study is to close that gap by investigating the main influences on the awareness, attitudes, willingness, and concerns of Indian retail investors regarding SRI, as well as the factors that influence their investing choices.

Literature Review

Individual investors can purchase stocks directly or indirectly through mutual and pension funds to participate in the market. These choices were formerly made exclusively on the basis of financial risk and reward. But socially responsible investing (SRI) gained popularity in the 1970s as ethical issues started to affect investments. At first, SRI used negative screening, which helped investors stay away from industries like gambling, alcohol, tobacco, guns, and pornography. The emphasis of the SRI framework has changed throughout time to highlight the environmental, social, and governance (ESG) impact of a business.

According to the US SIF (Forum for Sustainable and Responsible Investing), SRI nowadays aims to integrate ESG criteria in order to achieve both competitive returns and beneficial social effect. According to the European SRI-2018 Study, SRI is a tactic that influences business behavior and fosters sustainable returns by fusing financial analysis with ESG factors. ESG is positioned as essential to SRI by the Principles for Responsible Investment (PRI), which highlight the importance of active ownership and ESG integration.

Many investing businesses increasingly include ethical considerations in their strategy as a result of globalization and SRI's influence on financial markets (Revelli, 2016). SRI growth is contingent on performance, nevertheless, and research contrasting it with conventional investments has shown conflicting findings. While some studies (Statman, 2000; Kreander et al., 2005; Bauer et al., 2007) indicate little difference, others (Statman and Glushkov, 2016; Tripathi and Bhandari, 2015; Sherwood and Pollard, 2018) indicate that SRI performs better than traditional investments. SRI may perform worse than traditional investing, according to other research (Luna Sotorrio, 2014; Bodhanwala and Bodhanwala, 2020).

Although studies show encouraging results, SRI and ESG research in India is still in its infancy. According to preliminary research, ESG portfolios typically beat benchmark portfolios (Chelawat and Trivedi, 2013), and ethical funds and companies routinely beat market benchmarks, rewarding investments based on values (Tripathi and Bhandari, 2015). According to more research, business sustainability and profitability in India are strongly correlated (Bodhanwala and Bodhanwala, 2018). According to Dalal and Thaker (2019), companies who do well in ESG report superior financial results when they are part of the NSE 100 ESG index.

While Raut et al. (2020) identify ethical standards and financial knowledge as major influencers on SRI intents, Vyas et al. (2020) argue that environmental attitudes, risk tolerance, and collectivism shape SRI decisions among Indian retail investors. Despite SRI's promise in India, low awareness and limited access to ESG data are limiting its expansion (Tripathi and Bhandari, 2014). According to Raut et al. (2020), a significant obstacle is still the dearth of ethical investment possibilities.

Tripathi and Bhandari's (2014) findings of low SRI awareness served as the impetus for this study, which attempts to gauge present awareness levels among Indian retail investors. It is crucial to comprehend investor viewpoints on ESG considerations and the difficulties they encounter with SRI, particularly as India strives to fulfill sustainable development objectives. This study looks at investors' attitudes about ESG, their awareness of SRI, and the influence of several barriers on SRI decision-making in an effort to close the knowledge gap. The results will give asset managers and governments important information and direction to help SRI expansion in India.

Hypothesis Development

The variables have been categorized into five constructs—awareness, attitude, willingness, impediment, and sociodemographic status—in order to accomplish the research goal. These constructs were identified by previous research studies.

i. Awareness Construct

A person's awareness of a certain topic tends to rise when they have easy access to information and previous expertise about it. Five major characteristics of financial risk perception were identified by Diacon and Ennew (2001): regulatory failure, financial return volatility, potential negative outcomes, mistrust of products and providers, and inadequate knowledge or information. Interestingly, a major contributing element was a lack of awareness regarding financial goods. Higher education levels were associated with greater access to information, according to an experimental study by Glac (2012) that examined the relationship between education level and the integration of investment options. Similar findings were made by Capon et al. (1996), who polled 3,386 US mutual fund investors and found that just 4% were knowledgeable. Investors' risk-taking behavior and their level of knowledge were found to be strongly correlated by Wang (2009), who also suggested that knowledge increases self-confidence, which in turn improves information processing and decision-making skills.

Financial gains and financial knowledge are important indicators of investment behavior, according to Raut et al. (2020). According to Tripathi and Bhandari (2014), investors' ignorance and lack of knowledge on ESG issues is another factor contributing to the sluggish growth of SRI in India. These investigations influenced the choice of "awareness" as a central concept in this study. This concept focuses on three distinct factors that are associated with investors' awareness and current understanding of SRI.

The following theories were developed to examine investors' knowledge of socially responsible funds, ESG/SRI indexes, and SRI:

H1a: Investors' decision-making on SRI is unaffected by their level of awareness.

H1b: Investors' SRI decision-making is unaffected by knowledge of ESG/SR indexes.

H1c: The knowledge of socially responsible (SR) funds has no effect on investors' SRI choices.

ii. Attitude Construct

Governments have made combating climate change, global warming, and carbon emissions a higher priority in recent decades, and they have made great strides in this regard thanks to international agreements like the Paris Agreement and the Kyoto Protocol. ESG performance standards have been established and updated in large part by groups such as the Global Reporting Initiative (GRI), Principles for Responsible Investment (PRI), the European Federation of Financial Analysts Societies (EFFAS), and the CFA Institute. According to Rosen et al. (1991), investors usually view labor and environmental concerns as crucial markers of ethical business practices. Schueth (2003) further underlined that social factors ought to be just as important to SRI as financial gains. According to research by Renneboog et al. (2008), socially conscious investors frequently use negative screening to weed out businesses that abuse workers or produce dangerous goods. According to Nilsson (2009), "socially responsible and return-driven" investors seek to balance financial advantages with social responsibility when making investment decisions. Williams (2005) added that social objectives are frequently prioritized over financial considerations by SRI investors. Prioritizing human rights is essential for organizations looking to create long-term value, as Dunstan (2021) emphasized in his blog, making it a fundamental component of ESG standards for corporations and institutional investors globally.

This study, which built on previous research, examined investor opinion in two key areas: (1) the perceived importance of ESG issues in general and (2) the relative importance of certain ESG factors in particular when making investment decisions. Eight sub-variables, including gender equality, community services, employee rights, charity, environmental effect, human rights, and carbon footprint, indicate particular ESG features in the second category. The first category includes three sub-variables to measure investors' overall attitudes toward ESG problems. Williams (2005) also looked into whether SRI investors tended to be more religious than ordinary investors, albeit the findings were inconclusive. By employing a behavioral variable, "faith-based investing," to assess respondents' perceptions of the role that faith plays in financial decisions, this study built on Williams' work.

To evaluate how these mindsets impact SRI decision-making, the following theories were created:

H2: Investors' SRI choices are unaffected by their views on broad ESG issues.

iii. Willingness Construct

According to Fernandez Sanchez and Luna Sotorrio (2014), social criteria and differing degrees of screening rigor in socially responsible investing (SRI) can occasionally raise investment expenses and possibly result in inferior financial returns for investors. According to Beal et al. (2005), socially conscious investors place a higher value on social issues and are prepared to forgo higher earnings in order to support them, whereas the majority of investors emphasize financial returns. Ten categories of SRI investors were distinguished by Chatzitheodorou et al. (2019), one of which is "environmentally opportunist investors," who concentrate on environmental profit-seeking opportunities such water conservation, biodiversity, renewable energy, and climate projects. These investors are driven not only by SRI's financial potential but also by its effects on society and the environment.

This collection of factors measures retail investors' willingness to engage in SRI, building on earlier research. In particular, this study looks at two important factors: the willingness of retail investors to participate in SRI and their tolerance for the possibility that SRI could yield lower financial returns than regular investing. With the following hypothesis, the impact of these willingness factors on SRI decision-making is examined:

H4: Willingness considerations have no discernible effect on investors' SRI choices.

iv. Obstacle Construct

Eight important factors that act as roadblocks to socially responsible investing (SRI) are identified by this fourth construct. Acc. to Rosen et al. (1991), investors place a high value on a company's socially conscious actions, but they are not prepared to forgo financial gains in exchange. This demonstrates that a major obstacle to SRI is reduced financial returns. Lower financial returns from SRI investments are therefore regarded as the primary barrier. Four characteristics were found by Lundstrom and Rosberg (2017) to have a detrimental impact on SRI participation: financial understanding, SRI knowledge, access to SRI possibilities, and trading time. In a similar vein, Diacon and Ennew (2001) shown that investors often perceive investment products as providing low returns when they lack sufficient understanding about the dangers involved.

Tripathi and Bhandari (2014) noted that one of the main causes of SRI's sluggish growth among Indian investors is a lack of knowledge and awareness regarding ESG issues. In a Forbes article, Giddens (2018) also pointed out that one obstacle to impact investing is the dearth of SRI goods on the market. This research served as inspiration for the inclusion of three further hurdle variables: a lack of knowledge about SRI, a lack of information about the socially responsible character of the investment possibilities, and a lack of investment channels.

Sundar et al. (2000) discovered that tax incentives have a major influence on the choices made by individual investors, while Jansson and Biel (2011) identified tax reduction as a major driver of SRI among institutional investors. Therefore, another barrier to SRI is the lack of tax benefits. These characteristics were included to the list of variables after feedback from pilot testing indicated that investors view higher investment risk and lesser liquidity as major roadblocks.

According to Beal et al. (2005), ethical investors must weigh the trade-off between psychological and financial gains, which can change depending on their ethical principles. Lewis and Mackenzie (2000a) came to the conclusion that ethical investors frequently combine ethical and non-ethical investments based on personal values, while Adam and Shauki (2014) discovered that moral norms and personal standards have a major impact on SRI behavior. This prompted the addition of the last barrier variable: a misalignment between one's personal ethics or principles and the accessible investment possibilities.

To examine the effects of these eight barrier elements, the following hypothesis was developed:

H5: Investors' decisions about SRI are not influenced by barriers like low financial returns, few investment opportunities, high investment risk, ignorance of SRI, lack of knowledge about the socially responsible nature of investment options, lack of tax benefits, reduced liquidity, and disalignment with personal ethics and values.

v. Socio-demographic Construct

Social and demographic factors impact people's decision-making, particularly their choices about socially responsible investing (SRI). Previous studies have investigated this relationship; Nilsson (2009) looked at five of these factors: place of residence, income, education, gender, age, and age. Similarly, Owen and Qian (2008) employed demographic data as control factors to explore individual investor characteristics in SRI, while Williams (2005, 2007) used age, gender, income, and education to analyze SRI decision-making. There are additional connections between people's demographic characteristics and their preferences for SRIs, according to other research, such as that conducted by McLachlan and Gardner (2004), Tippet and Leung (2001), and Rosen et al. Expanding upon previous research, this study examines the impact of four demographic factors—age, gender, income, and educational attainment—on the SRI decision-making of Indian investors. The following hypothesis is put forth:

H6: Investors' decisions about SRI are unaffected by demographic factors.

Theoretical Framework

According to Ajzen and Fishbein's Theory of Reasoned Action (TRA, 1975), a person's attitude and subjective norms have the biggest influence on their behavioral intentions. According to this theory, subjective norms represent the perceived social pressure to engage in or refrain from a specific conduct, whereas attitude represents a positive or

negative assessment of an action (Ajzen, 1991). Raut et al. (2020) extended TRA by include four elements: financial performance, moral standards, environmental concern, and financial literacy in order to better understand investors' socially responsible investing (SRI) behaviors. This modification offers a more thorough understanding of the variables affecting SRI choices.

In the Theory of Planned Behavior (TPB), perceived behavioral control (PBC) was introduced as a third element of TRA. PBC is a person's evaluation of how simple or difficult an action is to perform, influenced by past experiences and anticipated challenges, according to Ajzen (1991). Using mutual fund knowledge or awareness as a form of perceived behavioral control that affects investment decisions, Kaur and Kaushik (2016) employed TPB in their study on mutual fund investing. Research by Adam and Shauki (2014) and Hofmann et al. (2008) further reinforced the importance of TPB to SRI by indicating that investor and consumer choices are significantly influenced by age, gender, income, and education.

The current study employs TPB to investigate the factors influencing the SRI behavior of individual investors in light of these findings. It emphasizes key elements that impact SRI intentions, including the following: willingness, attitudes toward ESG, awareness (as perceived behavioral control), perceived obstacles (as subjective norms), and demographics (as subjective norms).

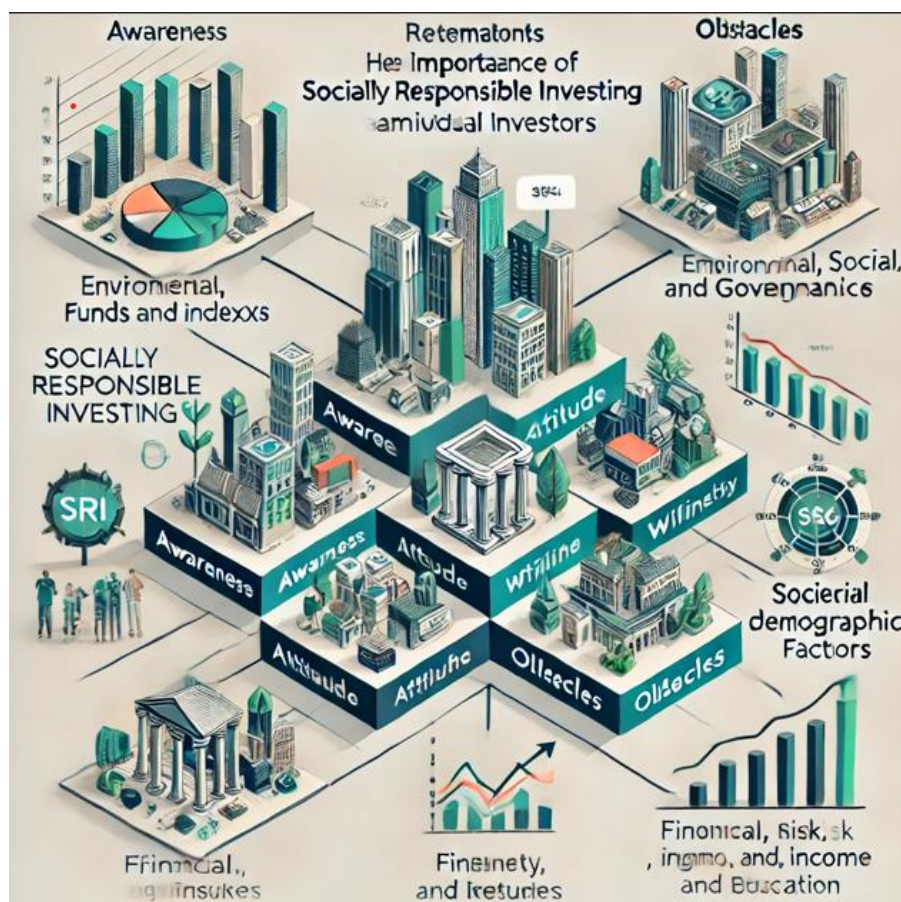


Figure 1 Conceptual Model

Research Methodology

Data for this exploratory investigation was gathered using a standardized questionnaire that the authors created. The purpose of the survey was to assess retail investors' understanding of socially responsible investing (SRI), their opinions on the significance of environmental, social, and governance (ESG) considerations, their readiness to engage in SRI, and the challenges they encounter when making decisions pertaining to SRI.

The demographic data gathered comprised the age, gender, educational attainment, and yearly income of the respondents.

All responses were recorded on a five-point Likert scale, evaluating behavioral intentions, attitudes, and perceptions, with the exception of demographic data, which was self-reported using multiple-choice questions. The questionnaire was purposefully kept simple to ensure responders understood it, considering SRI is a specialized field. Three distinct questions were used to gauge awareness: one for each of the following topics: SRI funds, ESG/SR indexes, and SRI. One question was used for each of the other constructs (attitude, willingness, and difficulties) in a similar manner.

50 investors with a range of yearly incomes (from less than 5 lakh to more than 20 lakh), educational backgrounds (from undergraduate to PhD), and age groups (20 to 60 years) participated in a pilot test. A few new variables and other wording changes were made in response to feedback from this trial. Data gathering was delayed by three months as a result of the complete move to online methods due to COVID-19 lockdowns. Data was collected using Google Forms between July and November 2020. Financial institution contacts sent the survey URL, and responders were asked to forward it to other investors. Additionally, the survey was directed at college professors and investor experts like chartered accountants. Sampling blended judgmental and snowball sampling methods. A response rate of 145 completed questionnaires out of the roughly 230 that were given.

Cronbach's alpha was used to evaluate the constructs' internal consistency and reliability; values greater than 0.70 indicate strong internal consistency (Nunnally, 1978). Demographic characteristics and constructs evaluating awareness, attitude, willingness, and barriers for Indian retail investors contemplating SRI were analyzed using a consolidated Likert scale data set from five categories to three for descriptive analysis.

Of the 145 respondents, 67 said they make SRI investments in addition to standard investments, while 78 said they exclusively make traditional investments. This led to the classification of respondents as either conventional investors (78), or socially responsible investors (67). Binary logistic regression was used to evaluate how certain constructs—such as awareness, attitude, willingness, impediments, and demographics—affect SRI decision-making.

SRI investment was the dependent variable, and it was binary, with 1 denoting SRI investors and 0 denoting non-SRI investors. Among the predictor variables were demographics (age, gender, income, and education), awareness, attitude, willingness, and barriers. The likelihood of investing in SRI was determined using binary logistic regression using the predictor values.

A series of binary logistic regressions were carried out to assess the influence of these variables on SRI decisions. SRI investment, the dependent variable, was compared to awareness variables in the first regression. Subsequent regressions looked at how attitude, willingness, demographics, and hurdle factors related to SRI investment. The most powerful factors influencing SRI decision-making were finally identified by performing a combined regression using important variables from the earlier analyses.

Research findings and discussion

This part presents the investigation's findings, arranged in line with significant analytical frameworks. The "Awareness" construct encompasses socially responsible investing (SRI), ESG funds, ESG/SR indexes, and specific ESG considerations such as faith-based investing, human rights, environmental impact, consumer protection, philanthropy, employee rights, community services, gender equality, and carbon emissions. The "Attitude" construct encompasses both general perspectives on the importance of general ESG issues (such as environmental, social, and governance factors) and specific ESG concerns. The "Willingness" construct is used to assess investors' interest in participating in SRI and their readiness to accept potentially lower returns in exchange. The "Obstacle" design draws attention to obstacles such as low financial returns, limited investment opportunities, perceived high risks, confusion or misinformation about SRI, absence of tax incentives, reduced liquidity, and ethical dilemmas. Finally, sociodemographic factors including age, gender, income, and education provide additional context for understanding the SRI decision-making behaviors of respondents.

Result of descriptive Statistics

More than two-thirds (43.7%) of the 145 respondents were between the ages of 20 and 30, followed by those in the 30–40 age range (25%), and those over 40–50 and over 50 years old (15%), according to the descriptive analysis of

sociodemographic data. 45.4% of the respondents were female, and 54.6% of the respondents were male. A quarter had undergraduate degrees, 13% each had PhD.s or professional degrees, and nearly half (47%) had postgraduate degrees. Just 9.6% of participants earned more than 20 lakhs annually, while the majority (36.4%) earned less than 5 lakhs or between 5 and 10 lakhs (29.2%).

40.2% of respondents were not aware of SRI, 26.4% were very vaguely aware, and 33.4% were aware, indicating a typically low level of awareness. The distribution of ESG index awareness was similar; for SR funds, only 7.2% were aware of all seven listed SR funds, 57.4% were only moderately knowledgeable, and 35.4% were not aware of any. According to respondents' attitudes toward ESG concerns, 86%, 82.8%, and 79.8% of them said that environmental, social, and governance factors were important when making investment decisions. Particular concerns were particularly highly regarded, with environmental effect being the most concerned, followed by consumer protection (85.2%), human rights (81.8%), and environmental impact (87.5%).

34.3% said they were willing to accept lesser returns from SRI, while 41.8% said they were ready to invest. Low financial returns (72.8%), limited investment options (68%), high risk (75.1%), ignorance (70.1%), and inadequate knowledge about SRI (73.4%) were among the main challenges noted.

Results and Conclusion

Socially responsible investment (SRI) attracts investors who want to improve the lives of future generations in addition to increasing their financial holdings. The awareness, attitudes, willingness, and perceived barriers to making SRI decisions of Indian individual investors are assessed in this study. Despite the fact that many respondents consider ESG factors to be significant when making investment decisions and express interest in SRI, albeit with some reluctance to accept reduced returns, descriptive data demonstrate that investor understanding of SRI is generally poor. Lower returns, a lack of tax incentives, a lack of knowledge about SRI choices, limited liquidity, and a limited selection of SRI investment opportunities are some of the main challenges mentioned.

According to regression study, investors' SRI judgments are significantly influenced by their knowledge of ESG indices and SR funds. The attitude construct places a high value on faith-based investments, gender equality, and environmental concerns. Given that investors are becoming more conscious of ecological impacts—a trend that is also found globally, particularly among millennials and women, as mentioned by Giddens (2018)—environmental issues are especially pertinent. Another noteworthy issue is gender equality, which is supported by special monies in the US. Regression results demonstrate that faith-based investing has a significant influence on SRI decisions, despite descriptive data indicating a moderate interest in it. This is in contrast to findings by Berry and Junkus (2013), who found no religious influence on SRI decisions in other countries.

Investors generally demonstrate a desire to participate in SRI and accept reduced profits. Since investors often favor stability over high-risk options, high investment risk is the biggest challenge. It's interesting to note that SRI decisions were not significantly impacted by demographic criteria like age, gender, income, or education. The motivation to seek SRI and knowledge of ESG indexes and SR funds were highlighted by the combined regression model as important factors influencing SRI engagement.

Even within SR funds, some investors emphasize financial benefits, according to Nilsson (2009) and Revelli and Viavani (2015), despite the fact that investor commitment to SRI varies—often balancing social duty with economic ambitions. According to the study's findings, knowledge of ESG indexes, SR funds, and gender equality issues have a significant impact on Indian investors' SRI choices. Government participation and regulatory bodies like SEBI could increase awareness and implementation of SRI given its niche status in India. Political incentives may promote ethical investing and assist mainstream investors in integrating social responsibility into their financial choices, according to Cowton and Sandberg (2012).

Implications, limitations, and further research

For managers of ethical and socially responsible (SR) mutual funds, legislators, governmental organizations, and global asset management companies, this study provides insightful information. This study gives fund managers a basis for creating new products that suit the SR preferences of retail investors in India by examining the elements that affect their

SRI choices. Findings about awareness levels, general and particular ESG goals, and major barriers to SR investing choices can help guide initiatives to improve the sustainability of the financial system, which is important for mutual fund companies and regulatory agencies like SEBI. In order to encourage the expansion of SRI among Indian investors, issuers of SR funds in particular should place a high priority on informing ordinary investors about the special goals of SR funds.

This study's main drawback was its reliance on online data collecting, which restricted in-person interaction and might have caused respondents to interpret questions differently. Online surveys are effective, but they frequently have low engagement rates because some respondents ignore them or flag them as spam.

Future studies could examine SRI decision-making in other nations, even if this one concentrated on Indian retail investors. Further research might also look at successful marketing tactics for SR, ethical, and ESG funds in India or compare the attitudes and actions of conventional versus SR investors.

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