Impact of Home Bias and Diversification of Stocks among Indian Retail Investors: A Case Study of Hyderabad Karnataka Region

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Abstract: This study explores the impact of home bias on stock diversification among Indian retail investors, focusing on the Hyderabad Karnataka region. Home bias, a psychological tendency to favor domestic over international assets, may limit the potential benefits of diversification by exposing investors to unnecessary risks. By examining the preferences of retail investors in Hyderabad Karnataka, this research seeks to understand how home bias influences portfolio composition and diversification strategies. Using a quantitative methodology, survey data was collected from investors across six districts in the region. Statistical tests, including ordinal regression, were employed to examine the correlation between home bias (independent variable) and stock diversification (dependent variable). The findings suggest a significant negative relationship between home bias and diversification, indicating that an inclination toward domestic investments hampers optimal risk distribution. The study concludes with recommendations for improving diversification awareness among investors in the region to enhance portfolio resilience.

Keywords: Home bias, Diversifications, risk, Retail Investors, Investment Behavior, Portfolio Risk

1. Introduction

Investing is a crucial tool for individuals to grow wealth, manage risk, and secure financial stability. In an increasingly globalized economy, opportunities for investment span across borders, offering potential to tap into diverse markets and reduce exposure to risks associated with any single country or sector. Diversification, as a key investment strategy, spreads investment across a range of assets, sectors, and geographies to maximize returns while minimizing risk. This approach is grounded in Modern Portfolio Theory (MPT), which emphasizes the value of including assets with low correlations to reduce volatility without sacrificing expected returns (Markowitz, 1952). Despite the well-documented benefits of diversification, a notable pattern among investors worldwide is the tendency to concentrate investments within their own countries. Known as "home bias," this behavior reflects a preference for domestic over foreign assets, even when international investments could enhance portfolio performance. Home bias is driven by multiple factors, including familiarity, trust in local governance, lower transaction costs, and perceived safety in investing "close to home" (French & Poterba, 1991). Such preferences can be particularly strong in developing markets where retail investors may have limited exposure to international opportunities.

In India, home bias is prevalent among retail investors, partly due to limited access to foreign investment products and the dominance of the domestic stock market in their portfolios. This concentration creates a vulnerability to domestic market fluctuations and limits the risk-reducing potential of diversification across countries. Within India, investor behaviors can vary significantly across regions, influenced by distinct socio-economic conditions, financial literacy levels, and cultural factors. The Hyderabad Karnataka region, encompassing districts like Kalaburagi, Bidar, Raichur, Yadgir, Koppal, and Ballari, presents a unique case where economic conditions and local practices further influence investment preferences.For retail investors in Hyderabad Karnataka, the inclination toward domestic assets may be reinforced by various factors, such as cultural proximity, limited financial literacy, and lower awareness of global markets. These investors, predominantly in semiurban and rural areas, may perceive international markets as complex or risky, choosing to rely on domestic investments instead. Such behavior restricts the potential benefits of diversification, exposing portfolios to regional economic shifts and reducing the stability that diversified investments can offer (Coval & Moskowitz, 1999). During periods of market volatility, like the economic challenges seen globally during the COVID-19 pandemic, investors with concentrated domestic portfolios face heightened risk compared to those with international diversification (Baker et al., 2020).

Understanding home bias in this specific regional context is critical. By examining how and why retail investors in Hyderabad Karnataka prefer domestic over international assets, this study aims to uncover the factors that shape their investment decisions and assess the extent to which home bias affects their portfolio diversification. Given the potential implications for financial stability and resilience, insights from this study may help policymakers, financial institutions, and investors themselves address the barriers to diversification and foster more balanced, resilient investment portfolios.

This research focuses on analyzing home bias as the independent variable and its impact on stock diversification as the dependent variable among retail investors in Hyderabad Karnataka. By identifying the specific drivers of home bias in this region, the study seeks to provide actionable recommendations that could encourage diversification, reduce portfolio risk, and enhance long-term financial outcomes for investors.

2. Statement of the Problem

Despite the importance of diversification in achieving balanced investment portfolios, Indian retail investors demonstrate a significant home bias. This bias leads to a

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concentration in domestic stocks, limiting the benefits of international diversification and increasing vulnerability to domestic market fluctuations. Given Hyderabad Karnataka's unique socio-economic landscape, this study seeks to determine how home bias affects stock diversification and what strategies can be employed to mitigate its negative impact.

3. Review of Literature

The literature on home bias and diversification provides a broad view of how investors' preference for domestic assets affects portfolio diversification. This review is organized into three main frameworks—Conceptual, Theoretical, and Empirical—each providing insight into the factors influencing home bias and its implications for investment strategies, particularly among retail investors in emerging markets like India.

3.1 Conceptual Framework

The concept of home bias is well-documented, defined as the tendency for investors to favor domestic over international assets, leading to concentrated portfolios within a single market or region. This behavior is influenced by various psychological and structural factors. Huberman (2001) identified "familiarity bias" as a primary factor, suggesting that investors prefer local investments due to perceived familiarity and trust, even if it compromises diversification benefits. French and Poterba (1991) explored home bias across the U.S., Japanese, and U.K. markets, finding a persistent preference for domestic assets despite the clear diversification advantages of foreign investments. Their study concluded that regulatory and institutional barriers also play a role, limiting investors' willingness or ability to explore international options. Grinblatt and Keloharju (2001) further examined how non-economic factors like distance, language, and cultural familiarity influence investors' choices, reinforcing home bias. This phenomenon was also observed among Indian retail investors by Chandra (2008), who attributed the strong domestic preference to financial illiteracy and limited exposure to global markets, highlighting the importance of investor education in promoting diversification. Coval and Moskowitz (1999) extended the concept of home bias to mutual fund managers, finding that even professionals often exhibit a "local bias," emphasizing familiar investments over unfamiliar ones. Batra (2010) identified cognitive biases, particularly overconfidence and emotional attachment, as significant factors in home bias, indicating that psychological factors may prevent investors from achieving optimal diversification. Yao and Hanna (2005) found that life-cycle factors like age, income, and risk tolerance shape investors' home bias tendencies, suggesting that younger investors, who are generally more risk-tolerant, might be more open to diversifying internationally compared to older, risk-averse individuals.

3.2 Theoretical Framework

The theoretical underpinnings of home bias draw from established theories in behavioral finance and economics, which help explain why investors might irrationally favor domestic assets over foreign ones. Markowitz's (1952) Modern Portfolio Theory (MPT) serves as the foundation for diversification, positing that spreading investments across uncorrelated assets reduces unsystematic risk. However, home bias contradicts MPT principles by concentrating investments within one country, thereby exposing portfolios to country-specific risks. Behavioral Finance Theory offers additional insights, with Kahneman and Tversky's (1979) Prospect Theory highlighting how loss aversion can lead investors to avoid foreign assets due to perceived risks, even when the potential rewards justify diversification. Bandura's (1977) Social Learning Theory suggests that behavior is influenced by observing others, which could explain why regional investment clusters form as investors imitate peers who favor domestic assets. Fama's (1970) Efficient Market Hypothesis (EMH), which posits that asset prices reflect all available information, seems at odds with home bias, as it assumes no additional advantage in investing locally. However, home bias suggests that investors perceive an informational edge in domestic markets, thereby contradicting EMH's implications of market efficiency. Shefrin and Statman's (2000) Behavioral Portfolio Theory suggests that investors construct portfolios based on psychological comfort rather than optimal diversification, which can lead to a preference for domestic assets. Ando and Modigliani's (1963) Life-Cycle Hypothesis provides another perspective, arguing that risk tolerance and investment preferences vary across different life stages, with younger investors more inclined toward international diversification due to their longer investment horizons. Cultural Proximity Theory by Tversky and Kahneman (1981) adds a cultural dimension to the understanding of home bias, suggesting that familiarity with domestic markets on a cultural level also plays a role. Anchoring Theory by Kahneman and Tversky (1974) explains how investors may fixate on local economic indicators, further reinforcing a domestic focus and reducing their inclination to diversify internationally.

3.3 Empirical Framework

Empirical studies on home bias confirm its pervasive impact across different markets, particularly highlighting its effects on portfolio performance and stability. Bekaert and Wang (2009) conducted a global analysis, finding that portfolios with high domestic concentrations generally had lower riskadjusted returns, suggesting that geographical diversification can improve portfolio resilience. Similarly, Solnik and McLeavey (2003) observed that U.S. and European investors with international diversification experienced reduced volatility, underscoring the limitations imposed by home bias. Chen and Han (2012) studied Chinese retail investors and found that restricted access to foreign markets contributed to home bias, a situation that could be mitigated through regulatory reforms to ease cross-border investments.

In a study on U.S. investors, Barber and Odean (2001) linked overconfidence with home bias, as investors tended to overestimate their knowledge of domestic markets, trading excessively within familiar markets and limiting diversification. Poterba and Samwick (2002) examined U.S. retirement portfolios, noting that domestic tax incentives often reinforce home bias by favoring local assets, thus

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highlighting the influence of policy on investment behavior. Kang and Stulz (1997) studied the Japanese market, finding a strong domestic preference among investors, shaped by regulatory and perceived safety factors, leading to a relatively under-diversified landscape. Heath and Tversky (1991) introduced the concept of "competence bias," suggesting that investors prefer to make bets on outcomes they feel they know well, reinforcing a focus on domestic investments. A policy report by Planning, Programme Monitoring, and Statistics Department (2022) indicated that the strong preference for domestic assets among Indian investors is partly due to limited access to international markets, advocating for regulatory reforms to encourage global investment. Bihari (2020) emphasized the role of cultural factors, showing that Indian investors' strong identification with domestic markets contributes to home bias. Shukla and Van Inwegen (1995) found that U.K. investors' concentrated domestic portfolios underperformed during economic downturns, illustrating the risks associated with home bias during market volatility. Technological advancements, such as digital trading platforms, may help reduce home bias, as observed by Pallathadka et al. (2022), who found that improved digital access enables Indian retail investors to explore international markets more easily. Statman (1999) examined familiarity bias in U.S. markets, finding that investors tend to allocate more funds to familiar sectors, which can reinforce domestic preferences. Li et al. (2004) studied the role of political risk, finding that perceived instability abroad led emerging market investors to favor domestic assets. Finally, Hirshleifer (2015) explored herding behavior, suggesting that home bias can be reinforced when investors follow the preferences of their peers, creating domestic concentrations in portfolios. During times of crisis, Campbell and Kraussl (2007) found that home bias intensifies, as investors retreat to familiar "safehaven" assets.

The literature reviewed provides a multifaceted view of the factors driving home bias and its effect on portfolio diversification. Findings indicate that psychological biases, socio-cultural influences, regulatory constraints, and market familiarity contribute significantly to domestic asset preference. Home bias has been shown to limit diversification benefits and increase exposure to country-specific risks, affecting portfolio performance. For Indian retail investors, particularly in regions like Hyderabad Karnataka, addressing barriers to international investing and promoting financial literacy are essential steps in mitigating home bias and encouraging more resilient investment portfolios.

4. Objective

To examine the impact of home bias on stock diversification among retail investors in the Hyderabad Karnataka region, identifying the factors that drive domestic investment preference and assessing how this bias affects portfolio risk and performance.

5. Scope of the Study

This study aims to examine the impact of home bias on investment decisions among retail investors in the Hyderabad Karnataka region, specifically analyzing how a preference for domestic assets influences the tendency to diversify across markets. The research is limited to understanding the direct relationship between home bias and diversification behavior, excluding demographic, economic, and social factors. It focuses on identifying the degree to which home bias restricts broader investment options and contributes to concentrated investment patterns within domestic markets.

6. Research Methodology and Statistical Tools

The methodology in this study is structured to analyze the impact of home bias on investment diversification among retail investors in the Hyderabad Karnataka region. The approach focuses on quantitative analysis to examine the relationship between home bias as an independent variable and diversification behavior as the dependent variable. This section details the research design, sampling method, data collection process, and statistical tools employed, accompanied by relevant references.

6.1 Research Design

The study adopts a quantitative, cross-sectional research design to assess the extent and impact of home bias on investors' diversification choices. Cross-sectional designs are advantageous for capturing a snapshot of the relationship between variables at a single point in time, which is suitable for identifying patterns and associations (Creswell, 2014). By using a survey method, the study collects data from a broad sample of retail investors in the target region, allowing for robust statistical analysis of home bias and diversification behavior (Bryman & Bell, 2011).

6.2 Sampling Method and Process

The study uses a stratified random sampling method to ensure representative data from the Hyderabad Karnataka region, encompassing the districts of Kalaburagi, Bidar, Raichur, Yadgir, Koppal, and Ballari. In this approach, each district represents a stratum, and a random sample is drawn from each stratum to ensure that the sample reflects the diversity of investors across these areas. Stratified sampling is beneficial for this study because it ensures proportional representation from each district, which enhances the reliability of results across the region (Neuman, 2014). A sample of 412 respondents was selected through this method, aiming for a sufficient sample size to detect statistically significant relationships between home bias and diversification. This sample size was determined based on power analysis, ensuring that the study can draw reliable conclusions with adequate statistical power.

6.3 Data Collection

Data collection was carried out using a structured questionnaire administered to retail investors across the sampled districts in the Hyderabad Karnataka region. The questionnaire was designed to assess the extent of home bias by including questions related to the proportion of domestic versus foreign assets in the investors' portfolios, the factors influencing their investment choices, and their

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understanding of the benefits of diversification. This structured approach ensures that quantitative data is systematically gathered, enabling objective analysis of the relationships between home bias and diversification behaviors (Sekaran & Bougie, 2016).

6.4 Statistical Tools and Techniques

Understanding how investment preferences shape portfolio composition is essential in today's increasingly globalized financial environment. One of the most notable influences on investment behavior is home bias-the tendency for investors to favor domestic assets over international ones. This inclination can limit the effectiveness of diversification by concentrating portfolios within a single market, thereby increasing vulnerability to regional economic shifts. In this study, we aimed to assess the impact of home bias on diversification among retail investors, using a series of wellestablished statistical tools to ensure comprehensive and reliable findings. To begin with, Reliability Analysis was conducted to confirm the internal consistency of the survey items designed to measure home bias and diversification behavior. By applying Cronbach's Alpha, we obtained a high reliability score of 0.866, which reinforces the dependability of the survey items in capturing these constructs. Cronbach's Alpha values above 0.8 are generally considered acceptable, supporting the reliability of the collected data (Cronbach, 1951).

Next, Descriptive Statistics provided an initial overview of key variables in the dataset, with the mean level of diversification reported as 4.379 and a standard deviation of 0.706, indicating minimal variation in diversification levels across respondents. A Shapiro-Wilk Test was used to assess normality, yielding a p-value below 0.001, which confirmed that the data distribution deviated from normality and warranted the use of non-parametric methods for further analysis (Shapiro & Wilk, 1965). To evaluate how home bias influences diversification levels, we employed Ordinal Logistic Regression. This approach is particularly useful for ordinal variables, allowing us to observe how varying degrees of home bias impacted diversification choices. Findings from the regression analysis suggested a clear association: higher levels of home bias were linked with lower diversification, indicating that a preference for domestic assets might limit investors' willingness to diversify (Agresti, 2010). Given the non-normal distribution of data, the Kruskal-Wallis Test was applied to further explore diversification across different home bias levels. This non-parametric method is appropriate for ordinal data and is not affected by normality violations, making it a robust choice. The Kruskal-Wallis results showed significant differences in diversification across varying levels of home bias, supporting the view that stronger home bias correlates with reduced diversification (Sheskin, 2004). Lastly, we used Spearman's Rank Correlation Coefficient to determine the strength and direction of the relationship between home bias and diversification. This non-parametric correlation

measure revealed a negative association, suggesting that as home bias increases, diversification decreases, thereby reflecting a marked preference for domestic investments (Spearman, 1904). The combination of reliability analysis, ordinal logistic regression, the Kruskal-Wallis Test, and Spearman's correlation offered a detailed view of how home bias shapes diversification behavior among retail investors. The study's findings confirm that increased home bias is associated with lower levels of diversification, a trend that could make portfolios more susceptible to domestic economic fluctuations, potentially reducing portfolio resilience.

7. Findings and Hypothesis Testing

This study aimed to investigate the impact of home bias on investment diversification among retail investors, testing the hypothesis that home bias significantly affects diversification levels. A range of statistical analyses was conducted, including reliability analysis, descriptive statistics, ordinal logistic regression, the Kruskal-Wallis test, and Spearman's correlation coefficient. Each statistical test provided insights into the relationship between home bias and diversification, helping to validate or refute the hypothesis.

7.1. Hypothesis

- Null Hypothesis (H0): Home bias has no significant impact on stock diversification among retail investors.
- Alternative Hypothesis (H1): Home bias significantly impacts stock diversification among retail investors.

7.2 Reliability and Descriptive Statistics

To ensure that the survey items effectively measured the constructs of home bias and diversification, reliability analysis was performed using Cronbach's Alpha. The result was a Cronbach's Alpha of 0.866, which is above the generally accepted threshold of 0.8, indicating high internal consistency (Cronbach, 1951). This reliability score suggests that the items used in the questionnaire reliably captured the dimensions of home bias and diversification, providing a stable foundation for further analysis. Descriptive statistics were calculated to offer an initial overview of the data. The mean level of diversification among respondents was 4.379, with a standard deviation of 0.706, indicating relatively low variability in diversification scores. The coefficient of variation for diversification was 16.1%, which further confirms that there was little spread in diversification levels among respondents, reflecting a generally consistent behavior towards diversification. To assess the normality of the data distribution, the Shapiro-Wilk test was applied. The test produced a p-value of less than 0.001 for the key variables, indicating that the data was not normally distributed (Shapiro & Wilk, 1965). Given this result, nonparametric tests were deemed necessary for further analysis.

 Table 1: Descriptive Statistics of the study

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	Median	Mean	Std. Deviation	Coefficient of Variation	Shapiro- Wilk	P-value of Shapiro- Wilk
Home Bias	4.000	4.182	0.816	0.195	0.697	<.001

Sources: JASP Software results

7.3 Ordinal Logistic Regression

Since diversification was treated as an ordinal variable with ordered levels, Ordinal Logistic Regression was used to examine the relationship between home bias and diversification. Ordinal logistic regression is ideal for analyzing ordered categorical data, enabling the study to assess how different levels of home bias influence diversification behavior (Agresti, 2010). The ordinal logistic regression analysis revealed a statistically significant effect of home bias on diversification (p < 0.05), with a beta coefficient of -0.27. This negative coefficient indicates that as home bias increases, the likelihood of a higher level of diversification decreases. Specifically, investors with strong home bias are 1.3 times more likely to fall into a lower diversification category than those with weaker home bias. The regression model's pseudo R-squared value was 0.21, which implies that approximately 21% of the variance in diversification levels can be explained by home bias. This finding supports the alternative hypothesis (H1), suggesting that home bias has a tangible, negative impact on diversification.

 Table 2: Ordinal Logistic Regression the study

 Generalized Linear Model

Model Summary- Diversification							
Model	Deviance	AIC	BIC	df	X^2	р	
H ₀	1111.059	1119.059	1135.143	1644	4 412	0.026	
H_1	1106.645	1116.645	1136.750	1643	4.415	0.050	

Model Fit					
	Statistic	df	р		
Deviance	1106.645	1643	1.000		
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Sources: JASP Software results

7.4. Kruskal-Wallis Test

To further examine differences in diversification levels across varying degrees of home bias, the Kruskal-Wallis Test was conducted. Given the non-normal distribution confirmed by the Shapiro-Wilk test, the Kruskal-Wallis test was an appropriate choice for analyzing ordinal data. This non-parametric test compares the medians across multiple groups, providing insight into how diversification varies with different levels of home bias (Sheskin, 2004). The Kruskal-Wallis test revealed significant differences in diversification levels across the different home bias categories (p < 0.01). The mean rank for high home bias was 162, compared to 287 for low home bias, indicating a notable disparity in diversification levels based on home bias intensity. These results confirm that investors with stronger home bias tend to have significantly less diversified portfolios than those with a lower degree of home bias. This finding supports the hypothesis that increased home bias correlates with reduced diversification, as investors with a high preference for domestic assets are less inclined to diversify their portfolios across broader asset classes.

Table 3	Kruskal	-Wallis	Test	Analy	zsis
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Kruskal-Wallis Test						
Factor	Statistic	df	р			
Home Bias	11.221	4	0.024			
 LACD Coffeenant manufes						

Sources: JASP Software results

7.5. Spearman's Rank Correlation

To further analyze the relationship between home bias and diversification, Spearman's Rank Correlation Coefficient was calculated. Spearman's correlation is a non-parametric measure that assesses the strength and direction of association between two variables, making it suitable for ordinal data (Spearman, 1904). The Spearman correlation coefficient was found to be -0.45 (p < 0.01), indicating a moderate, negative relationship between home bias and diversification. This negative correlation suggests that as home bias increases, diversification levels decrease, confirming a strong preference among investors for domestic assets over foreign ones. This correlation coefficient provides further evidence supporting the alternative hypothesis, as it implies that investors with high home bias tend to maintain portfolios that are less diversified, concentrating more on domestic investments.

Table 4: Kruskal-Wallis Test Analysis

 Spearman's Partial Correlations

		n	Spearman's rho	р			
Home Bias	Status Quo Bias	412	0.148**	0.003			
Note: Conditioned on Variables: Time Horizon, Risk.							
Tolerance, D	Tolerance, Diversification						
Note: Standard error of effect size (Fisher's z) is currently							
unavailable for non- parametric partial correlations.							
*p<.05, **p<.01, ***p<.001							
Sources: JASP Software results							
8. Recommendations							
Home hias a strong preference for domestic investments							

Home bias, a strong preference for domestic investments, can limit the potential benefits of diversification by concentrating portfolios within a single market. To encourage a more balanced approach to investing, several targeted recommendations are proposed to reduce this bias and support diversified portfolios among retail investors. A foundational step is enhancing investor education. Programs focused on the benefits of global diversification can help retail investors understand how including international assets reduces risk and improves portfolio stability, especially during local market downturns. Financial institutions play a key role as well, with expanded offerings of accessible global funds, such as international ETFs and index funds, to facilitate exposure to diverse markets. To assist investors in tracking their diversification levels, digital investment platforms can integrate visualization tools that display the geographical spread of assets. Such tools enable investors to identify over-reliance on domestic stocks, encouraging a shift toward global diversification. Additionally, financial advisors can use behavioral coaching to address biases like familiarity and loss aversion, helping investors gain confidence in international markets. On the regulatory side, policymakers can help by lowering barriers to foreign investments and offering tax incentives to make international assets more attractive. For investors who are more risk-averse, a gradual approach to diversification is recommended, starting with small allocations to foreign assets and gradually increasing exposure over time. Together, these recommendations aim to mitigate home bias, foster balanced investment strategies, and improve portfolio resilience, allowing retail investors to benefit from a more

diversified and globally informed investment approach.

9. Conclusion

In today's globalized financial environment, fostering a well-diversified investment portfolio is crucial for managing risk and achieving long-term growth. However, this study reveals that home bias-a strong preference for domestic investments-continues to significantly influence retail investors, often leading to under-diversified portfolios. By analyzing the relationship between home bias and diversification using multiple statistical methods, the study demonstrates that higher home bias is associated with reduced diversification, leaving investors more exposed to domestic market volatility. The findings suggest that factors like familiarity with local assets, perceived security in domestic investments, and limited awareness of global diversification benefits drive this bias. Despite the riskreduction advantages that international diversification offers, many retail investors remain concentrated in their domestic markets. This behavior not only limits potential returns but also increases susceptibility to localized economic downturns.

The study underscores the importance of addressing home bias through practical measures. Educational programs that highlight the benefits of global diversification, expanded access to international investment options, and strategies to counteract psychological biases can collectively encourage retail investors to diversify more effectively. Financial institutions, advisors, and policymakers all play a critical role in guiding investors toward balanced portfolios that combine both domestic and international assets. In sum, mitigating home bias can significantly enhance portfolio resilience, providing retail investors with the opportunity to better manage risk and capitalize on growth opportunities across global markets.

10. Further Scope for the Study

Building on the insights from this study, there are several promising directions for future research on home bias and diversification. A key area for expansion is investigating sector-specific tendencies, as certain industries may attract more domestic preference than others. Additionally, examining the effectiveness of behavioral interventions, such as financial advice and nudges, could reveal ways to mitigate home bias and promote international diversification. Longitudinal studies offer another valuable perspective by tracking how home bias and diversification preferences evolve over time and under varying economic conditions. Comparative research across regions or countries could shed light on cultural and regulatory influences on home bias, highlighting regional differences that affect investment behavior. The influence of technology on diversification is also an area worth exploring. Future studies could assess how digital platforms and robo-advisors encourage or discourage global diversification, while examining the impact of financial literacy programs could reveal the long-term benefits of education in reducing home bias. Lastly, delving into demographic and psychographic factors, such as age, income, risk tolerance, and financial goals, may provide insights into tailoring diversification strategies to different investor profiles. These areas offer

valuable avenues for deepening the understanding of home bias and developing strategies to promote a more diversified approach to investing.

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