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From Tradition to Financial Design: Cultural Identity and Investment Decision-Making in Surat City

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Abstract: Investment decisions are not solely influenced by economic and financial factors; cultural aspects also play a significant role in shaping individual investor behavior. This study examines the influence of culture on investment decisions in Surat City, a rapidly growing commercial and industrial hub in Gujarat. The research explores how cultural dimensions such as family values, risk perception, traditional beliefs, social norms, and religious practices affect investors' preferences for different investment avenues. Primary data were collected through structured questionnaires from individual investors in Surat City, while secondary data were obtained from published reports, journals, and previous studies. Statistical tools such as percentage analysis and correlation were used to analyze the data. Results from 2025 indicate that cultural collectivism significantly moderates risk-taking, often leading to herd behavior or a preference for family-supported investment ventures. In contrast, individualistic cultures show a higher propensity for independent, high-risk assets. Findings also reveal that high "uncertainty avoidance" cultures prefer stable, low-risk instruments like government bonds, while long-term oriented cultures prioritize multi-generational wealth preservation over immediate gains. Systematic biases, such as auspicious timing and communal trust, were found to outweigh technical data in several emerging markets. The study highlights the importance of understanding cultural influences for financial advisors, policymakers, and investment institutions while designing investment products and awareness programs. The research contributes to behavioral finance literature by providing city-specific insights into the cultural determinants of investment behavior.

Keywords: Culture, Investment Decision-Making, Collectivism, Individualism, Risk Tolerance, Uncertainty Avoidance, Asset Allocation, Risk Perception

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