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Stock Selection Behaviour of Retail Investors: A Literature Review

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ABSTRACT

Purpose: This study aims to examine the existing literature on the stock selection decisions of retail investors, with a particular focus on the Indian stock market. It seeks to understand the role of behavioural factors such as herding behaviour, anchoring bias, and loss aversion in shaping investment decisions. The research also explores the emerging influence of social media as a significant determinant in the decision-making processes of retail investors. Understanding these behavioural patterns is crucial for stakeholders including shareholders, market analysts, and regulators.

Methodology: The study adopts a literature review approach, analysing existing academic and industry research related to retail investors' stock selection behaviour. Emphasis is placed on behavioural finance theories and empirical studies that investigate the psychological and social influences affecting retail investment decisions in the Indian stock market context.

Findings: The study finds that behavioural variables—particularly herding behaviour, anchoring bias, and loss aversion—play a primary role in influencing retail investors' investment choices. Additionally, social media has emerged as a recent but significant factor impacting investor sentiment and decision-making. The research underscores the importance of understanding these behavioural influences for formulating better regulatory frameworks. Insights from this study can help policymakers design market structures that foster rational investment behaviour and contribute to a stable, fair, and transparent market environment for retail investors.

Paper Type: Review of Literature

KEYWORDS: Stock Selection | Behavioural Factors | Retail Investors | Literature Review

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Introduction

Individual investors, also known as retail investors, are a major part of the stock market. Retail investors often lack the knowledge, skills and experience to conduct thorough economic research and due diligence before making investment decisions. Also, behavioral biases play one of the most important roles in the low bottom line economic results of retail investors. The emotions, mindsets, and personal quirks of many investors can artificially influence overall market sentiment, with others either rallying behind or dismissing these impulses based on how compellingly the narratives are delivered, thereby impacting stock prices. Stock selection behaviour of retail investors is still an unresolved subject area for discussion even though it can be perplexing and a live issue. Retail investors are simply individual shareholders who buy securities in their own personal accounts, rather than on behalf of a firm or institution (Huang et al., 2024). Their investment behaviour is primarily governed by personal factors such as emotional intelligence, age profile, educational background, knowledge or awareness of financial products, risk tolerance and individual financial goals. The stock market has long been dominated by institutional investors, such as hedge funds, investment banks and pension funds, who have the resources and experience to navigate complex financial market situations. However, in recent years there has been a significant increase in retail investors participating in the stock market (Faster Capital, 2024). The retail investor market, while once unimportant to Wall Street's major players, has become a force to be reckoned with. In 2020, a wave of retail investors entered the stock market. In the last two years, approximately 30 million new retail investors opened brokerage accounts in the U.S. By 2021, retail investors comprised 25% of total equities trading volume, nearly double the percentage reported a decade prior. From 2011 to 2021, the share of retail investors in the volume of trades has almost doubled. According to Bloomberg Intelligence, the share of retail investors in total trading volume has increased from just above 10% in 2011 to more than 22% in 2021. According to IBISWorld, the market for individual investors reached $7.2 trillion as of the beginning of 2023 (Salvucci, 2023). According to the World Economic Forum, retail investors collectively held 52% of global assets in 2021, which is projected to grow to more than 61% by 2030. By mid-2024, global equity market capitalisation reached approximately USD 116.16 trillion, marking a 5% increase compared to the previous half-year. This growth reflects a robust recovery and a renewed sense of investor confidence in the equity markets.

Reflecting on recent developments, the global stock market showcased significant trends that provided valuable insights for Indian investors. In 2024, emerging market equities—including those from India—recorded a total return of 8.72%, driven by strong economic performance and favourable market conditions. This positive momentum was especially pertinent for Indian investors seeking portfolio diversification and exposure to high-growth markets. The surge of retail investors in India is a major trend that signals economic growth and progress, aligning with the transition towards a next-generation economy powered by modern technology. Despite the paradigm shift in investment preferences, as of April 2024–25, only 5% of the Indian population actively participates in the stock market. This participation rate remains relatively low when compared to more traditional investment avenues, with 51% favouring real estate, 15% investing in gold, and 14% opting for bank deposits. Several factors contribute to the lower participation in stock market investments in India viz.: 1) Limited Financial Awareness; 2) Demographic Dividend; 3) Cautious Investment Approach. Despite historically low participation rates, stock market investment in India has been steadily growing. The number of Demat accounts increased from 2.3 crore in 2010 to 5.3 crore in 2021, indicating a significant rise in new investors entering the market. This shift is defined by increase in participation of the middle class through restructuring stock trading platforms, Mobile Apps and other tools, financial awareness, boom in the stockbroking industry and assimilation of investment products. This shift has occurred not just in various income classes but also in various age groups; according to a recent NSE study, in 2018–19, just 18% of intraday traders were under 30 years old, but in 2022–2023 that number had increased to 48%, indicating that most new traders are in their 30s (Kaul, 2024).

In the past, behavioural variables including herding behaviour, anchoring bias, and loss aversion or risk tolerance primarily influenced investors' investment decisions. However, more recently, social media has emerged a new significant component that also influences retail investors' investment decisions. According to statistics reports that were published, there were 462.0 million social media users and 751.5 million internet users in India as of early 2024. This demonstrates the population's strong online presence, particularly among younger people (Wanjari & Dhoke, 2024). Investors today primarily obtain their information from social media, and social media influencers known as finfluencers or financial influencers, who have a great impact on their investment decisions. Finfluencers offer financial products using the affiliate marketing model and varied consumer friendly stock market strategies, and they receive a commission for each transaction which investors take through their Demat Account. An executive at a reputed stock broking was interviewed and it came out that the brokerages gave influencers between 30 and 40 percent of their commission (Kaul, 2024).

The choice and behaviour regarding stocks is a mixture of incidental psychological, cognitive and emotional factors that determine investment. The objective of this field of study, which sits on the cusp of investment psychology and behavioural finance, is to understand why investors are, quite often, not rational. Behavioural finance is the field of research that examines the impact of psychological factors on financial decisions and behaviour. Behavioural finance was introduced as a field of research that seeks to utilize findings from cognitive psychology in order to elucidate the deviations from traditional financial theory and understand the reasons behind individuals' illogical financial choices (Mulyani et al., 2022). Knowledge of stock selection behaviour is useful for the investors, financial advisors and policymakers in their decision-making process. Insights into stock selection behaviour are beneficial for investors, financial advisors, and policymakers in their decision-making processes. Furthermore, understanding these factors enables policymakers to design effective regulations and market structures that promote rational decision-making across various entities.

Literature Review:

Company factors

Al-Tamimi (2005) in his study analysed that the primary factors, ranked by influence, were government holdings, stock market liquidity, quick wealth accumulation programs, anticipated business profitability, and the establishment of organized financial markets, including the Dubai Financial Market and Abu Dhabi Securities Markets. Fewer than 10% of all respondents deemed the following five factors to be the least important on their behaviour. These elements were identified as the least influential factors. The considerations, listed in order of diminishing relevance, were: 1) risk minimization, 2) anticipated losses in overseas financial markets, 3) projected losses in other domestic assets, 4) familial viewpoints, and 5) intuitive assessments of the economic condition.

Anita et al. (2021) discussed that investing decisions are highly impacted by a number of factors, including stock research, financial tolerance, financial knowledge, and advocate recommendations, according to the data. In contrast, there is no clear influence that can be attributed to financial literacy.

Kaushik (2023) found that the primary factors that retail investors consider when selecting equities were the focus of this study. Factor Analysis is utilized to examine the principal components, which encompass Financial Data, Company Image, Individual Objectives, Neutral Information, and Advisory Recommendation. The findings indicated that investors of varying educational backgrounds, incomes, and occupations approach accounting information in significantly different manners. The significance of a company's image differs notably among investors depending on their experience and occupation. Personal needs and accounting information continue to be the main priorities across various income groups.

Hee et al.(2019) in his study provides definitive evidence to the firm's management that its image significantly impacts the investment decisions of retail investors in Malaysia. Therefore, it is essential for a company to cultivate a strong reputation underpinned by a solid financial foundation. Investors are more likely to commit larger investments to companies with a positive and solid financial background image. When selecting stocks for investment, company-specific factors play a crucial role in determining a company's potential for growth, stability, and profitability. Financial health, valuation metrics, competitive advantage, management quality, growth potential, dividend policies, and external risks all contribute to a company's attractiveness as an investment. By analysing these factors, investors can make more informed decisions that align with their financial goals and risk tolerance. These factors help investors assess the financial health, competitive position, management quality, and growth prospects of a company. Although factors such as stock analysis and suggestions from advisors are influential, financial literacy of retail investors does not distinctly affect investment choices. Investors consider financial data and corporate reputation when making their investment decisions. The significance of these criteria may differ based on individual attributes, including experience, income, and occupation.

Stock analysis

Chitra & Jayashree (2015) explained that fundamental analysis is closely linked to factors including beliefs, Self-Reliance, and Risk Aversion. This indicates that investors base their decisions on business statements and evaluate current data in relation to the previous year's price trend. They tend to refrain from investing in companies with a track record of inadequate earnings. The results demonstrate that technical analysis in decision-making is substantially affected by independent variables, including Belief and Rational Choice.

Singh et al. (2023) in his study explained that each metric in fundamental and technical analysis possesses distinct advantages and disadvantages. Fundamental analysis emphasizes obligations, assets, corporate loans, and debt, while technical analysis concentrates on historical trends. The investor may forecast their stock based on these characteristics; nevertheless, no method guarantees a return, and there is always inherent risk in stock market investments, irrespective of the depth of the investor's research.

Muhammad Zubair & Maheen (2024) analysed that self-control substantially affects the investing decisions of institutional investors on the Pakistan Stock Exchange, with technical analysis serving as a mediating factor. Furthermore, fundamental analysis substantiates the correlation between self-discipline and investment choices. Both technical and fundamental analyses strengthen the overconfidence in the investment processes of large investors.

Fundamental and technical analysis each possess distinct advantages and disadvantages. Fundamental analysis offers insights into a company's financial condition, whereas technical analysis concentrates on market patterns

There are other tools available for stock analysis based on Financial and business-related criteria refer to the various factors that investors use to evaluate a company's performance, stability, and potential for growth when selecting stocks. Investors use financial criteria in stock selection because these metrics provide objective, quantitative insights into a company's performance, stability, and potential for future growth. Financial criteria assessment techniques may include use of: 1) Financial Ratios Analysis, 2) Income Statement Analysis, 3) Cash Flow Analysis, 4) SWOT Analysis, 5) Discounted Cash Flow (DCF) Analysis. These criteria help determine whether a company is financially sound and positioned for future success. Similarly, Business related criteria may include: 1) Industry and Market comparison, 2) Management and Governance Evaluation, 3) Economic and Market Indicators. These tools provide investors with both quantitative and qualitative insights to make informed decisions. By using these tools, investors can form a comprehensive view of a company's financial health, market position, and future prospects, which enables them to make more informed stock selection decisions. It can enhance the impact of technical analysis and reinforce the connection between self-discipline and investment decisions.

Behavioural factors

Kamath et al. (2023) in his research seeks to examine the influence of the Big Five personality traits—Neuroticism, Extraversion, Openness to Experience, Agreeableness, and Conscientiousness—on the investment decision-making of retail investors in both short-term and long-term contexts, with investor mood serving as a mediating variable. It aids retail investors in understanding their personality characteristics, thereby enhancing their investment decision-making capabilities and enabling them to avoid potential biases. Moreover, investors can utilize their understanding of different personality types to anticipate and adjust trading strategies for maximum returns. The research establishes a clear connection between personality traits and financial decision-making; however, investor sentiment does not act as a mediator but shows a significant correlation with personality traits.

Ahuja & Kumar (2024) study's findings indicate that the primary motive for most interviewees to enter the stock market was to accumulate wealth and to apply the practical aspects of their academic discipline. Furthermore, social impact and parental exposure to the stock market significantly motivated investor participation. Investors favour domestic stock markets over international ones mostly due to insufficient information, difficulty in monitoring foreign markets and due to certain RBI restrictions. They mostly evaluate company-specific criteria and technical indicators to select a stock. They depend on their own discernment and analysis for making investing selections. Nonetheless, they are affected by anchoring, negativity bias, and familiarity bias.

Sometimes, Irrational exuberance refers to investor enthusiasm that drives stock prices far above their actual value, based on emotions like greed or speculation rather than fundamentals. This overconfidence can lead to market bubbles, where prices surge unsustainably before eventually crashing.

Gupta & Shrivastava (2022) explained that FOMO exerts the greatest substantial impact on the retail investors financial decisions, succeeded by loss aversion and herd behaviour, which was determined to have a negligible effect. Furthermore, the study demonstrated that FOMO serves as a mediator in the interplay between loss aversion and herd behaviour, augmenting their effects on retail investors' choices. The findings also indicated that loss aversion and herd behaviour retain their significance even in the absence of FOMO. However, when FOMO is present, the effects of loss aversion and herding behaviour on investment decisions are markedly intensified.

Mulyani et al. (2022) discussed that the risk perception is elevated in the high-risk group, this aligns with the idea that more risk generates greater investment desire. This link illustrates the significance of comprehending risk transitions in investment behaviour. This analysis indicates that risk perception and risk inclination are significantly correlated with investment decisions; conversely, framing issues and information asymmetry are not correlated with investment decisions. Investor age is also a key determinant in stock selection behaviour. Gen Z investors tend to prefer riskier, trend-driven stocks and are increasingly influenced by broader agendas such as sustainability and environmental, social and governance (ESG) factors. In contrast, older generations generally favour more passive, conservative investment strategies, prioritizing stability over high risk. Sustainable Development Goals (SDGs) and related sustainability agendas are increasingly influencing investors' stock selection decisions. Many investors now consider environmental, social, and governance (ESG) factors alongside financial performance, aligning their portfolios with long-term global development objectives.

Personality qualities affect the investing decision-making of retail investors; nevertheless, investor sentiment does not serve as a mediator in this process. The primary driving force behind retail investors' participation in the stock market is the pursuit of wealth accumulation through the practical use of academic learning. Social influence, personal biases and parental exposure also exert a considerable impact on stock selections by the investors. Investors favour domestic stock markets because of information asymmetries and challenges in overseeing international markets. They predominantly assess company-specific metrics and technical indicators while choosing stocks. Investor overconfidence can significantly affect stock selection by leading individuals to overestimate their knowledge, underestimate risks, and place excessive faith in their ability to predict market movements. This can result in excessive trading, insufficient diversification, and an overreliance on personal judgment, ultimately increasing the likelihood of suboptimal investment outcomes. Loss aversion philosophy of investor affects stock selection approach by making them more sensitive to potential losses than to equivalent gains. As a result, investors may avoid stocks they perceive as risky, even if those stocks offer strong potential returns, or they might hold onto losing stocks for too long in the hope of avoiding a realized loss, leading to irrational investment decisions. Similarly, 'regret aversion' mindset of an investor impacts investors' stock selection behaviour by causing him to avoid decisions that may result in feelings of regret. Investors might steer clear of stocks they fear could lead to losses, even if the potential for gain is substantial. Consequently, they may make overly cautious choices, favouring familiar or historically successful stocks, or avoid making decisions altogether to prevent future regret. This behaviour can limit investment opportunities and result in suboptimal portfolio choices. As a result, sometimes these behavioural biases can lead to less rational stock selection, causing investors to either take unnecessary risks, avoid opportunities, or make emotional decisions that don't align with their long-term financial goals. These behavioural factors can result in irrational or suboptimal decisions, diverging from traditional economic theory, which assumes that investors make choices based purely on objective data.

Cognitive factors

Ranaweera & Kawshala (2022) explained that self-assured investors are less likely to engage in imitation or herd behaviour with other investors. Investors possessing financial literacy exhibit overconfidence. The findings indicated that financial literacy influences the relationship between overconfidence bias and investment decision-making; however, there was no evidence to imply that financial literacy affects the connection between herding bias and investment decision-making.

Jains & Dashora (2012) identified distinct characteristics of investors living in Udaipur. An investor's understanding of the standards for evaluating reasonable and irrational investment behaviours enables them to proceed with prudence, as the consequences can profoundly affect their lifestyle, asset value, and relationships. The present study has shown that investors favour investments in both primary and secondary market products. The majority of decisions are logical and shaped by the diverse facts available in the market. Moreover, it was shown that investors typically utilize a cautious "wait and observe" approach while making selections. Their decision-making process is influenced by several psychological elements and behavioural characteristics.

Mutlu & Özer (2022) found that financial literacy, in conjunction with locus of control, significantly influences financial behaviour. Specifically, those with an internal locus of control exhibit adverse financial behaviour when they possess financial literacy. The financial well-being of individuals is correlated with their financial decisions, attitudes, and behaviours. The rising global interest in enhancing individual financial understanding has underscored the significance of financial literacy.

Cognitive factors play a significant role in shaping how investors make stock selection decisions. These biases can lead to deviations from rational decision-making and may result in investment choices that are based on emotion, mental shortcuts, or flawed judgment. Understanding these biases can help investors recognize when they might be falling victim to irrational thinking and take steps to mitigate their impact, leading to more disciplined, objective, and informed stock selection strategies.

Models

Huang et al., (2011) in his study found that genetic algorithms are employed to attain global optimization by addressing the complexities of feature interrelationships in stock selection. The genetic algorithm (GA) enhances the overall efficacy of the stock selection model by concurrently optimizing feature subsets and model parameters. The genetic algorithm-based model shows promise in improving computational finance and stock selection processes, substantiated by statistical evidence of its superiority over benchmarks.

Huang et al. (2012) in his paper provides a comparative analysis of regression-based and genetic algorithm-based models for stock selection, utilizing investor sentiment indices. The statistical analysis of the presented models demonstrates that our GA-based model surpasses both the benchmark and the regression-based model in performance. The results suggest that employing a genetic algorithm-based approach may offer significant advantages over traditional regression techniques in stock selection.

Jain et al., (2022) explained that the stock selection process is guided by the factors deemed significant by shareholders. This is accomplished by a distinctive approach known as Fuzzy AHP, which integrates various criteria. This paper presents a method for identifying a suitable stock selection procedure for investors, taking into account their individual preferences. The study employed the Fuzzy Analytic Hierarchy Process (AHP) methodology for stock selection decisions. The results emphasized the criteria and sub-criteria that had the most substantial impact. The three principal criteria identified were behavioural traits, trade prospects, and financial data, which exerted the most substantial influence.

Yan et al., (2024) discussed that the evaluation of the concept-oriented attention representation in hypergraph neural networks indicates that the technique excels across various parameters, particularly in scenarios involving short-term stock selection. The framework's peculiarities in identifying stock correlations enhance ranking optimization; yet, long-term performance poses a hurdle. The analysis of latent components reveals that they encompass knowledge and information regarding the relationship between stock prices, however they remain challenging to understand. Quantitative analysis demonstrates that latent concepts effectively encapsulate the flow connections between equities, necessitating more research.

In conclusion, investors can gain advantages by comprehending their personality characteristics, financial acumen, and behavioural predispositions. Advanced methodologies such as genetic algorithms and Fuzzy AHP can facilitate stock selection by evaluating multiple variables and enhancing decision-making processes. Nevertheless, additional study is required to mitigate the limits of these methodologies, especially with long-term implications.

Social Factors

Wanjari & Dhoke (2024) revealed that social media sites like Twitter, Instagram, YouTube and Telegram substantially impact the financial literacy and investment behaviour of young individuals. These platforms not only provide financial knowledge but also influence investment decisions and attitudes towards financial choices. The role of financial influencers, or finfluencers, is highly significant yet contentious. Despite providing comprehensible information and effectively engaging audiences, concerns persist over transparency, credibility, and potential conflicts of interest. Regulatory bodies in several nations, like SEBI in India and ESMA in Europe, are beginning to address these issues by proposing norms and licensing requirements for finfluencers to ensure responsible and informed financial advice. Finfluencers, despite often lacking licenses and expertise, provide comprehensible financial content that is readily accessible to youth. Numerous young individuals place their trust in financial influencers ideology without recognizing their qualifications and educational credentials. This may result in heightened financial risks and the possibility of stock manipulation within the market. However now these days, SEBI has increased its oversight of finfluencers due to concerns over their involvement in pump-and-dump schemes, where misleading stock promotions lead to artificial price hikes and investor losses. SEBI has taken multiple penal actions against several finfluencers for providing unregistered investment advice. In June 2024, SEBI imposed a penalty of ₹7.75 crore on 11 individuals for operating a pump-and-dump scheme in the scrips of Svarnim Trade Udyog through Telegram channels (Outlook Money, Dt. June 28, 2024). Similarly, SEBI has barred several prominent finfluencers from trading and providing investment advice. Only SEBI-registered Investment Advisors or Research Analysts are legally allowed to provide stock advice. SEBI has mandated that regulated entities must not engage with unregistered finfluencers in any form, including monetary relationships, referral agreements, marketing partnerships, or digital collaborations (NLIU Law Review, Dt. April 16, 2025). This move aims to curb misinformation, protect retail investors, and ensure market integrity.

Sathya & Prabhavathi, (2024) in their study found that individuals who frequently use social media for investing decision-making exhibit increased confidence in their selections. Furthermore, they found that risk perception partially mediates the relationship between social media usage and investment choices. This highlights the need of assessing the influence of social media usage on individuals' risk perception in investment decision-making. Behavioural biases, particularly overconfidence bias and herding tendency, significantly influence investment decisions. Overconfidence bias positively influenced investment decisions, whereas herding behaviour negatively affected them. The findings indicate that treatments and education designed to assist individuals in overcoming biases may be essential for enhancing investment decision-making.

Social and informational influences significantly impact the stock selection process. These external factors, including herd behavior, media coverage, and online discussions, can lead to decisions that are driven by emotions or external validation rather than objective financial analysis. In conclusion, although social media can serve as a beneficial tool for financial education, it is crucial to recognize the possible dangers of depending on unskilled financial influencers. Individuals must rigorously assess the information they obtain and contemplate the possible biases that may affect their financial choices. Investors must be mindful of these influences and ensure that their stock selection is based on thorough research and individual financial goals rather than external pressures or fleeting trends. Furthermore, a robust regulatory framework and stringent measures are essential to guarantee responsible and informed financial guidance from finfluencers.

Future research

Numerous research has been conducted in the realm of behavioural finance; Nevertheless, many elements still require exploration to provide a comprehensive understanding of investor behaviour in stock selection for investment. Research can be conducted to establish solutions that assist investors in mitigating behavioural biases and making more rational decisions. Such studies should focus on maximization of investor wealth, minimization of losses, and improve the risk-reward ratio in the investor's favour. Furthermore, to assist government and regulators, future research may concentrate on enhancing laws for financial influencers to guarantee transparency and legitimacy. Financial literacy programs can be customized for various categories of retail investors to enhance their well-being and safeguard their interests. Future studies should concentrate on investigating the application of sophisticated modelling approaches to elucidate the complex nature of investor behaviour and market dynamics. The advancement of technology has also compelled various Stock Broking Houses to use customer friendly online trading platforms. These platforms offer latest online computer solutions viz. Artificial Intelligence (AI techniques) and Machine Learning (ML), Big Data Analytics, Natural Language Processing (NLP), Robo-Advisors, Blockchain and Cloud Server based Technology. These cutting-edge technologies are transforming how investors select stocks by providing faster, more accurate, and data-driven methods for analysing market trends, company performance, and investor sentiment. These tools help investors make better-informed, more objective decisions, improving their chances of success in the stock market. By focusing on above factors, we may cultivate a more knowledgeable and resilient investor community that may contribute to the general health and stability of the financial markets in the future.

Conclusion

As this paper revealed the investment decision-making process of individual investors in the Indian stock market, the relationship of psychological, cognitive, affective, and contextual factors is complex and mutually influential. Classical models of the financial markets usually assume rationality; however, evidences show that people are driven by self-organised behaviours such as biases, heuristics and followership. The current cases and analyses examine the influence of group behaviour and self-preference, which are widespread in many investment scenarios, in contrast to traditional economic theory. This brings to light personality attributes, risk perception, financial literacy, and influence of social media and influencers into play. The Environmental, Social, and Governance (ESG) factors and social media players viz. Twitter, Telegram, YouTube and Instagram serve as major sources of information, sentiment and public opinion that influence investor perceptions and stock selection. Shifting focus to latest computer aided methodologies and hybrid models offers intriguing opportunities to enhance stock selection and forecasting. By adopting such skills, one can uncover valuable opportunities to enhance stock selection and forecasting.

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Annexure 17.2.4

Submission Date	Submission Id	Word Count	Character Count
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Reviewers Memorandum

Reviewer's Comment 1: The paper provides a clear and systematic review of stock selection approaches with a focus on fundamental analysis. The strength of the manuscript lies in its coverage of valuation ratios, earnings performance, and long-term investment strategies. It is relevant both academically and practically, as it connects theoretical concepts with real-world applicability. To further enhance the rigor, the methodology section could be explained in more detail, especially how the reviewed studies were identified and synthesized. This would improve transparency and replicability.

Reviewer's Comment 2: The manuscript is well-structured and easy to follow, with sections on fundamental indicators such as P/E ratio, book value, dividend yield, and earnings per share. The practical orientation makes the paper useful for students, researchers, and practitioners alike. However, the analysis could be strengthened by providing comparative insights with alternative approaches such as technical analysis or behavioural perspectives. A simple table contrasting these methods would give readers a broader understanding of stock selection strategies.

Reviewer's Comment 3: The study makes a meaningful contribution by emphasizing the importance of fundamental analysis in identifying long-term value stocks. The discussion highlights key financial metrics and their relevance to investors. To make the paper more impactful, a conceptual framework or flowchart linking fundamental variables (like EPS, dividend yield, and book value) with stock selection decisions could be added. This would visually integrate the findings and serve as a useful reference for both academics and practitioners.

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Conflict of Interest: Author of a Paper had no conflict neither financially nor academically.

Editorial Excerpt

The article has 0% plagiarism, which is within the accepted percentage as per the norms and standards of the journal for publication. As per the editorial board's observations and blind reviewers' remarks, the paper had some minor revisions, which were communicated promptly to the authors (Chetan and Geetika), and all necessary corrections were incorporated as and when directed. The comments related to this manuscript are closely aligned with the theme "Stock selection behaviour of retail investors: A literature review" both subject-wise and research-wise. The article offers a comprehensive study of stock selection strategies through fundamental analysis, integrating key financial indicators such as earnings, book value, dividend yield, and P/E ratio. It effectively highlights the relevance of these variables for long-term investment decisions while pointing towards future research opportunities in comparative approaches. After thorough reviews and the editorial board's remarks, the manuscript has been categorized and approved for publication under the "Review of Literature" category.

Acknowledgement

The acknowledgement section is an essential part of all academic research papers. It provides appropriate recognition to all contributors for their hard work and effort taken while writing a paper. The data presented and analysed in this paper by the authors (Chetan and Geetika) were collected first handily and wherever it has been taken the proper acknowledgment and endorsement depicts. The author is highly indebted to others who facilitated accomplishing the research. Last but not least, endorse all reviewers and editors of GJEIS in publishing in the present issue.

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