

Abstract

This research explores the impact of behavioral biases on investment decision-making, focusing on the differences between retail and institutional investors. The study employs a mixed-methods approach, combining quantitative surveys with qualitative interviews to examine how cognitive biases such as overconfidence, loss aversion, and anchoring influence investment choices in both investor groups. By comparing these two groups, the research aims to shed light on the unique ways behavioral biases manifest and affect investment outcomes.

In the quantitative phase, a survey is distributed to a sample of retail and institutional investors to assess the prevalence and intensity of specific behavioral biases in their decision-making processes. Statistical analysis is then used to identify patterns and differences between the two groups, offering insights into how biases may influence investment returns, risk tolerance, and portfolio diversification strategies. This phase also explores whether investor experience or education mitigates the impact of these biases.

The qualitative component involves in-depth interviews with both retail and institutional investors to understand the psychological and emotional factors behind their decision-making. These interviews provide a deeper perspective on the context and reasons behind the manifestation of behavioral biases. By combining quantitative and qualitative methods, this study aims to provide a well-rounded understanding of how behavioral biases affect different types of investors and offer recommendations for mitigating their impact on investment strategies.