Factors Affecting Investment Decisions of Individuals: A Comparative Study between Developed and Emerging Markets (The Case of Jordan)

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Abstract

This study aimed to analyze the factors influencing individuals' investment decisions in Jordan, comparing emerging markets (such as Jordan) and developed markets (such as Dubai). The sample included 100 individual investors (50 from Jordan and 50 from Dubai), and a 30-item questionnaire covering economic, psychological, social, and technical factors was used. The results showed that economic factors such as inflation and growth significantly influence investment decisions in both markets, but without significant statistical differences, as the T-statistic value for economic factors was 0.8665 and the P-value was 0.3883. On the other hand, psychological factors were more influential in developed markets, as the T-Statistic showed a value of -4.3778 and the P-value was 0.00003, indicating that Dubai investors bear more risks than Jordan. Technical factors significantly impacted developed markets, as the F-statistic value was 9.623 and the P-value was 0.0025. In contrast, the study showed that investors in emerging markets face more significant challenges compared to developed markets, with a T-Statistic of 6.6154 and a P-Value of 0.0000000019. The study recommends increasing government support to enhance political and economic stability in emerging markets to mitigate investor challenges. It also recommends enhancing the use of technology in investing in emerging markets, and improving financial education to encourage informed risk-taking. In addition, it is suggested that regulators in developed markets adopt strategies that support greater transparency and clarity of investment opportunities to facilitate decision-making.

Keywords: *Investment, Developed Markets, Emerging Markets, Economic Factors, Psychological Factors, Technical Factors, Inflation, Risk Tolerance, Technology in Investment, Investment Challenges, Jordan, Dubai.*

Introduction

The onset of the decision-making process about investments is an essential factor determining the stability of financial markets and economic growth worldwide. Investors make decisions based on a wide range of economic and psychological factors that determine how they can allocate their money to achieve sustainable returns (Barberis & Thaler, 2003). However, the fact is that some of these features differ in many cases because they are not only environment and investor-specific issues, but they are also extensively studied in their own right, which makes the study of investment decisions worth it in both academic and practical research. Thus, apart from purely financial factors like economic performance and interest rates, there are also other behavioral factors like individual psychological biases, which highlight the links between risks and returns as one of the significant factors for the investors' decision-making (Mahmood et al., 2024).

Behavioral finance has become one of the most critical focus areas in recent investment research. Researchers argue that psychological factors significantly influence investors' decisions (Kahneman & Tversky, 1979). These factors include herding behavior and frame dependence, where individuals are strongly influenced by what others are doing in the market and how information is presented (Bikhchandani, 2000).

Cognitions relative to financial literacy are all of decisive nature in investment decision-making. Financially practically aware individuals are more efficient in understanding and analyzing economic data and thus make better decisions than their counterparts (Lusardi & Mitchell, 2014). Despite the many merits and demerits of literacy, there is a debate about financial literacy one way or the other, an overconfident one that allows some to inevitably reach the state of irrational investment (Gervais & Odean, 2001).

Studies also connected macroeconomic factors such as economic growth, inflation, and interest rates as the vital drivers of investor decisions (Keswani et al., 2024). These factors are the usual determinants and most

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popularly examined in the finance literature; research findings have shown a "good" relationship between economic performance and its effect on the stock exchange and the entire investment capital (that is, a positive association) (Chikwira et al., 2023). Casuistic to the general belief that these economic factors are the only parameters that investors take into consideration, recent research has suggested that some investors, regardless of the future economic data, make decisions under the influence of their emotions and biases, which emphasizes the strengthening of the understanding of the psychological elements behind the investment decisions (Shiller, 2000).

Furthermore, financial advice aids investors in arriving at the correct financial decision, especially for those who lack confidence in the financial sphere, Collins, 2012. Most investors wish to have some financial experts who guide them when investing in innovative products with uncustomary goals and by studying the current situation on the stock market, Inderst & Ottaviani, 2012. On the other hand, this advisor confidence could lead to hazardous investments, further exacerbating undesired outcomes, especially in cases of diffuse or wrong financial advice (Chalmers & Reuter, 2020).

This research, in this respect, deals with the different factors acting on investment decisions and their interaction: financial knowledge, economic analysis, and psychological influences. This research contributes to the literature by adding to the extent of knowledge in academic circles about the different determinants of investment choices and practically guiding investors and investment fund managers in ways to improve their portfolio selection.

This paper has certain significance on a number of grounds. Firstly, it addresses a void in the existing literature on comparing an emerging market representing Jordan with a developed market such as Dubai. Understandably, the way economic conditions, psychological influences, and the diffusion of technology influence investment decisions in such diversity can provide valuable lessons for investors and policymakers alike. These findings could help Jordanian and other emerging market economies in the design of better economic and investment policies that could promote financial stability and economic growth. The study thus calls for increased government support and the improvement of investment technologies that could somehow curtail some of these challenges, mainly political and economic instability in the markets. This research is also important to investors because it provides a furthered understanding of how different factors influence their decision-making processes and hence enables them to make more informed, rational investment decisions.

The importance of learning from this study is multifaceted. In academia, this contributes significantly to both the financial and behavioral literature through filling a gap that has existed regarding studies of investor behavior in both developed and emerging markets. It helps shed light on how investment decisions are influenced by different factors such as inflation, risk tolerance, and psychological biases across varying economic landscapes. This is important knowledge to advance academic discourses in behavioral finance, especially in contexts other than the well-researched developed markets. The results can also be useful for teaching classes in investment management, behavioral economics, and finance by offering students a comparative perspective into how different investor behaviors are shaped by market conditions. On a practical scale, the research provides pointers to practitioners, such as financial advisors and fund managers, on how to adapt their advice and services according to the needs of their clients operating in a number of different markets, especially in emerging economies where the challenges are greater but the opportunities for growth are considerably higher.

The Study Problem

The study of this field becomes essential when related to the money world, as the personal decisions of investors are influenced by numerous factors, some of which are market-specific. This study will enhance economic and investment policies not only in the emerging markets but also through examining a comparative study of the condition of individual investor variables in emerging markets such as Jordan and developed markets such as Dubai.

Importance of the Study

For The Jordanian and Emerging Markets: Providing decision makers with the information needed to understand investor behavior better, enabling them to develop investment policies that stimulate economic growth.

For Investors: We aim to provide investors with a deeper understanding of the factors influencing their investment decisions, helping them make wiser and more informed decisions.

For Academic Research: Bridging the knowledge gap between research on investor behavior in developed markets and that focused on emerging markets, contributing to the financial and economic literature.

Questions of the Study

The study seeks to answer the following questions:

What are the main factors that influence individuals' investment decisions in Jordan?

How do these factors differ between investors in emerging and developed markets (such as Jordan)?

How do economic factors (such as inflation and economic growth) impact investment decisions in both markets?

How do psychological factors (such as fear of risk or optimism) affect individuals' investment decisions in both markets?

What are the challenges investors face in emerging markets compared to developed markets?

Literature Review

The research project conducted by Priyadarshini and Deepa (2024) compares the income levels of individuals who make investment decisions using several elements from the Traditional Finance Theory and the Behavioural Finance Theory. Data for the study came from the Coimbatore housing and student populations surveyed via quota sampling. For this survey, we gathered replies from approximately 154 participants. This test is not parametric. The Mann-Whiteneye test assesses the impact of different variables in the Low- and High-income groups; a U Test was used to analyze the statistically significant differences. According to the results, traditional financial and behavioral finance aspects vary across income brackets. There is little to no variation in the categories' perceptions of financial literacy. Both groups view risk and return in essentially the same way. The effects of frame reliance and herd behavior on different income brackets are strikingly different. Despite the study's limitations caused by its non-probability sampling method, the results provide useful information for stakeholders like investors and financial advisors regarding the variables of investment decisions.

Prajapati & Swongamikha (2024) study set out to learn more about the factors that influence Nepalese women investors' choices in mutual funds. It lays out Nepalese women investors' several considerations when making a financial commitment. While the study uses a descriptive research strategy to characterize and quantify the data, it employs a causal-comparative research design to examine the influence of particular characteristics on women investors' decisions to invest in mutual funds. At the same time, the research demonstrated that various elements, including accounting and financial data, investors' engagement with advisors, and the reputation of mutual fund issuing organizations, significantly impact Nepalese women's investing decisions for the better. According to the study, women investors' investment decisions were unaffected by their level of investment knowledge or the state of the economy. In order to empower women investors and foster fair practices in the financial investment sector, this study can serve as a foundation for educational initiatives and legislation improvements.

Adiputra et al. (2024) analyze the stock investment choices of investors in Jakarta and find that financial socialization, herding, overconfidence, and mental accounting all play a role. Stock investors based in Jakarta make up the study's sample. Two hundred five individuals were polled using the purposive sample technique through Google Forms, distributed online through various social media platforms. A structural equation system called SmartPLS.3.2.9 was used to analyze the research data. This study's results show that financial socialization positively and significantly affects millennials' investment decisions in Jakarta. A healthy dose of overconfidence in Jakarta significantly favors millennials' investment choices. When making financial investments, mental accounting has a favorable and substantial effect on Jakarta's millennials and Gen Zers.

Sachdeva and Lehal (2023) set out to fill a gap in our understanding of what goes into stock market investors' decision-making processes. Along with that, the suggested model undergoes a gender multi-group analysis. Structured questionnaires were administered to individual investors in North India, and 402 valid replies were gathered. For the descriptive analysis, we utilize SPSS 23, and for testing hypotheses and establishing the constructs' validity, we use AMOS 22. In order to ensure that the model is robust enough to undertake multi-group analysis, many invariance tests have been performed. Investment decisions are impacted by myriad factors, including firm image, accounting information, neutral information, advocate recommendations, and personal financial needs. Among these, the firm's image is the most influential, while advocate recommendation shows the most minor influence. There were no discernible gender differences. Due to its exclusive focus on North India, the present study has limitations. Incorporating additional demographic parameters for investment choice prediction is also within the realm of possibility. A wide variety of criteria covering all facets of investment decision-making are included in this study. This research adds to the little literature on the topic in an Indian setting by bringing attention to signaling theory.

The research by Al-Malkawi et al. (2023) examines how the marketing mix, consumer attitudes, and religion affect the purchase of Islamic banking products in a developing market, specifically the UAE. The results of an online survey administered to 435 participants during January and February 2022 are analyzed quantitatively in this study. Smart PLS (partial least squares) employs the structural equation modeling (SEM) method to analyze the data for direct and moderating links. In the United Arab Emirates, consumers' opinions of Islamic banking products and the marketing mix (product, price, place, and promotion) positively correlate with the purchase decision. Nevertheless, an investigation of moderation indicates that religion does not have a significant role in moderating the correlations above. This study integrates factors from marketing, human psychology, and personal convictions. This study's findings facilitate a broader comprehension of consumer behavior toward Islamic banking products. Marketers can use the findings of this study in the Islamic banking sector to execute efficient market segmentation and well-designed marketing strategies. This would enhance the sustainable expansion and advancement of the Islamic banking sector in the UAE and other geographical areas over time.

The study conducted by Kareem et al. (2023) sought to identify the factors that impact investment choices made by financial institutions listed on Iraqi stock exchanges (ISX). The research was conducted on the six firms comprising the study's sample size. The researcher employed a well-designed questionnaire administered to the participants individually to collect data. Eight items comprised the questionnaire. The questionnaire items were analyzed, including normal distribution, linear multiplicity, validity in content and appearance, questionnaire stability using the split-half method, and test and re-test method.

Furthermore, the research hypotheses were examined on both the independent and dependent variables. The mean, standard deviation, weight percentile, and coefficient of variance were computed from the available data. This study elucidated the importance of the relationship between the dimensions of the decision-making elements by employing Spearman's correlation coefficient and the t-test. We conclude that in the final stage of the proposed model, the coefficients of determination improve and reach a value of 0.98. This indicates a highly satisfactory and nearly comprehensive interpretation of the influence of the extracted dimensions in the model and their effect on investment decisions. A modest decrease in the regression coefficient value was observed for all variables. Additionally, it was noted that the coefficients for the five variables have positive signs, indicating the magnitude of their direct impact on the investment decision-making process. The questionnaire achieved a commendable response rate of 97.7%.

The purpose of Nguyen Tien's (2022) research was to identify the reasons why European Union (EU) investors choose to invest in Vietnam through foreign direct investment (FDI). European Union investors substantially impact Vietnam's economic growth, being active in 18 out of 21 critical economic sectors. The varied role of key sectors in various industries is demonstrated by the following: electronics (6.4%), textiles and garments (6.94%), refining and petrochemicals (11%), and more. Engaging in actions that boost their appeal to foreign investors is crucial for investees (Vietnamese enterprises) to attract FDI successfully. To offer practical insights and solutions for expanding FDI inflow from the EU, this study utilizes an exploratory factor analysis (EFA) model to investigate the elements influencing the decisions of EU investors. The results should lend credence to developing specialized strategies that correspond with the traits of confident EU investors to ensure effective and sustainable investment growth in Vietnam.

Aiming to gain a deeper understanding of the elements that impact individual investors' investment decisions, Mathew and Kumar (2022) are researching the Indian stock market. This research aims to identify the critical variables impacting individual investors' stock choices and investment decisions. We also try to understand how these factors influence their socioeconomic aspects within the framework of the Indian stock market. To achieve the study's aims, relevant post hoc tests, an independent t-test, and an Analysis of Variance (ANOVA) were performed in addition to the ranking data analysis. According to primary data analysis, the three primary considerations for individual investors when making investing selections are return, risk, and the performance of equities in the past. Academics are becoming increasingly interested in the micro-area of behavioral finance that deals with individual investors' thoughts and motives, particularly in developing markets. This study adds to that body of work. Additionally, future researchers might utilize the present study's findings to learn about individual investors' preferences regarding aspects that impact stock investment decisions.

With a focus on developing and developed economies in the midst of the 2019 coronavirus disease (COVID-19) pandemic, Hemmati et al. (2022) seek to determine the impact of industry 4.0 (IR4.0) adoption on the performance of sustainable manufacturing (SM) in the manufacturing sector. Using a cross-sectional research design, the study suggests a theoretical framework based on influential literature and theories. A total of 154 manufacturing enterprises from both developing and developed nations in Malaysia and Australia were surveyed using a purposive sample technique. To put the hypothesis and the research model to the test, structural equation modeling based on partial least squares is used. The study concludes that the sustainability performance of the manufacturing industry is not directly affected by the adoption of IR4.0 technologies. Instead, the relationship between the two is fully mediated by the SM trajectories of efficiency, flexibility, automation, big data, and granularity. There is no discernible change in the structure or linkages between Australia and Malaysia, suggesting that this mechanism does not distinguish between developed and developing nations. This research helps managers better understand COVID-19 and how to apply IR4.0 in the SM space. Focusing on SDGs, industry, innovation, infrastructure, and ethical production, the study provides policymakers with greater information.

Patil & Bagodi (2021). An exciting new area of study, behavioral finance, has enormous potential. Policies, institutions, and companies in India struggle to comprehend individual investors' actions about the stock market due to a lack of literature. The response to various conditions or features is what ultimately causes the behavior. An investigation was carried out in the Indian stock market, comprising of ten sectors and thirty businesses listed on BSE-30 SENSEX, to ascertain the elements that impact the investor's choice to invest. Two thousand one hundred people were asked to complete a survey with fourteen different parts. Over six months, p. 467 respondents filled out the survey, and the data was categorized using the KANO model as "must be," "linear," and "delight" aspects. The result of technical analysis, the state of financial statements, and current economic indicators are all considered "must-have" features, while "insider information" is considered a "wonderful" perk. The study indicated that these elements affect investors' decision-making. Investors' decision-making processes can be better understood by looking at sector-specific considerations, which benefit several stakeholders.

Using the years 2012–2016, the populations of the study include the Egypt Exchange (EGX), the National Association of Securities Dealers Automated Quotations Exchange (Nasdaq), and the New York Stock Exchange (NYSE). The impact of investment recommendations on stock returns is the focus of Wagdi et

al. (2017). Lastly, investment recommendations have a small but statistically significant effect on stock returns in both markets. However, this effect is distinct in the International and Emerging markets, which the researchers attribute to unique market features.

Methodology

Study Sample

The number of participants was (100) individual investors, among which (5 investors from Jordan and (50) investors from Dubai.

Sampling Methods

In this study, 100 individual investors were purposely selected: 50 were chosen from Jordan as representative of the emerging market, and 50 from Dubai as representative of the developed market. Such a sample was non-random to ensure that it captures the two contrasting market environments desired for a comparative study of the investment behavior. The technique of purposive sampling is very effective for the capturing of certain characteristics of a population, in this case, investment behaviors across different market contexts.

Statistical Methods

Descriptive Statistics: Means and averages were used to summarize the factors influencing investment decisions in both markets, such as economic, psychological, social, and technical. Descriptive statistics were used to outline how critical the particular factor, such as inflation, risk-taking, use of technology, contributed to shaping investment behavior.

T-tests and F-tests: The study used T- and F-tests in comparing the differences in investment behavior between investors in both the emerging and developed markets. These tests would help identify if significant differences existed in how certain factors affect investors' decisions such as risk tolerance, economic growth, and technology between Jordan and Dubai. For example, the psychological factors have revealed a tremendous difference between the two markets with an F-Statistic: 19.165, P-Value of 0.00003; this therefore, indicates that Dubai investors are riskier than Jordanian investors.

Regression Analysis: Besides, the researchers carried out a regression analysis that helped in ascertaining the extent to which each independent variable factor-economic, psychological, social, and technical-affects the dependent variable, which is investment decisions. This also helped analysts to evaluate the magnitude and direction of the association between investment decisions and the various factors. Economic aspects like inflation and growth are equally influencing investment decisions for the two markets, as came out of results, while psychological and technical factors differ significantly.

ANOVA (Analysis of Variance): ANOVA was done to understand the variation that existed between the two markets' investors in respect of responses on challenges faced by them. This was quite useful in comparing the challenges which the investors in emerging markets faced, such as political and economic instability, with those in developed markets, which were much lower in challenges faced. (T-Statistic: 6.6154, P-Value: 0.0000000019).

The Study Tool

The study tool was a questionnaire that included a set of questions related to the factors that influence investment decisions, such as economic, psychological, and social factors. The domains of the questionnaire were the following:

Economic factors (such as inflation, economic growth, and interest rates).

Psychological factors (such as willingness to take risks, optimism, or pessimism about the market).

Social factors (such as social and cultural influences).

Technical factors (such as the use of technology and technical analysis)

Questionnaire Distribution

The questionnaire was distributed electronically to the investors. The researcher analyzed the data using the statistical program SPSS.

The Study Variables

Independent Variables

Economic factors, such as inflation, interest rates, and economic growth.

Psychological factors, such as fear of risk, optimism, and pessimism.

Social factors: such as social and cultural influences.

Technical factors: such as the use of technology and technical analysis.

Dependent Variables

Investment decisions include the choice of asset types (stocks, bonds, real estate, etc.), investment size, and investment timing.

Results of the Study

The researcher reached the following results.

*Results Related to The First Question***:** What are the main factors that influence individuals' investment decisions in Jordan?

The prevailing economic, psychological, and technical factors influence individual investment decisions in Jordan. Economic aspects entail issues like inflation and economic growth, while on the psychological side, risk presents itself as a factor, not to mention technical ones like the use of technology in making decisions about investments.

Table 1. Key Factors Influencing Individual Investment Decisions in Jordan

Factor	Item	Average Jordan
Economic factors	Inflation greatly affects my investment decisions.	4.1
	I try to adjust my investments based on changes in economic growth.	4.2
Psychological factors	I take risks in my investments in search of higher returns.	3.6
	I avoid taking risks in my investments for fear of potential losses.	3.8
Technical factors	I use digital investment apps and platforms to make investment decisions.	4.2
	Modern investment technology makes me more confident in making quick decisions.	4.3

The table below shows that economic, psychological, and technical factors are important in the investment decisions of individuals in Jordan. For example, the paragraph relating to the influence of inflation on investment decisions has a mean of 4.0, meaning inflation plays an important factor in the investment decisions of Jordan investors. The mean for economic growth is 4.1, meaning investors in Jordan also consider this aspect when making investment decisions.

Among the psychological factors, the paragraph related to risk tolerance has an average of (3.5), indicating that Jordanian investors are willing to take reasonable risks.

The recorded mean for the use of technology in investment decisions was 4.1, which was quite high and indicated that investors rely heavily on technology in making their investment decisions.

Results Related to The Second Question: How do these factors differ between investors in emerging and developed markets (such as Jordan)?

Table 2. Differences Between Investors in The Emerging Market of Jordan and the Developed Market of Dubai

Factor	F-Statistic	P-Value
Economic factors	0.7508	0.3883
Psychological factors	19.165	0.00003
Social factors	2.432	0.1221
Technical factors	9.623	0.0025
Challenges	43.763	0.0000000019

From the table above, the psychological and technical factors vary significantly amongst investors in both emerging and developed markets. From the outcomes, an F-Statistic of 19.165 and P-Value of 0.00003 indicate that the psychological factor significantly influences investors in developed markets such as Dubai than in Jordan. By explanation of technical factors, the F-Statistic is 9.623, while the P-value is 0.0025, indicating that technology significantly affects investors in developed markets. However, economic factors, which have an F-statistic of 0.7508 and a P-Value of 0.3883, and social factors, at an F-statistic of 2.432 and a P-Value of 0.1221, do not have their differences statistically significant and hence affect both markets the same. About the challenges, according to the F-Statistic, values are very high at 43.763, with the P-Value being very low, at 0.0000000019, which confirms that investors in emerging markets are much more seriously challenged compared to developed markets.

Results Related to The Third Question: How do economic factors (such as inflation and economic growth) impact investment decisions in both markets?

Table 3. Impact of Economic Factors on Investment Decisions in Both Markets

Item	T-Statistic	P-Value
I feel that inflation significantly affects my investment decisions.	0.8665	0.3883
I try to adjust my investments based on changes in economic growth.	0.9123	0.3214
Interest rates directly impact my decision to invest or avoid investing.	0.7541	0.4562
I consider the performance of the local economy before making any investment decision.	0.8200	0.4111
Fluctuations in inflation rates affect my investments in various assets.	0.8902	0.3425

The table shows that inflation and economic growth affect investment decisions and do not significantly distinguish between emerging and developed markets. For example, from the paragraph on the influence of inflation, it can be obtained that a T-statistic of (0.8665) and a P-value of (0.3883) is obtained, showing that in that respect, there is no significant difference between the two markets. Similarly, the effect of interest rates on investment decisions illustrated a T-Statistic of 0.7541 with a P-Value of 0.45620, indicating

that economic factors similarly affect both markets. These values reflect that economic factors affect investors in emerging and developed markets similarly, with no statistically significant differences between them.

Results Related to The Fourth Question: How do psychological factors (such as fear of risk or optimism) affect individuals' investment decisions in both markets?

Table 4. The Impact of Psychological Factors on Investment Decisions in Both Markets

Item	T-Statistic	P-Value
I take risks in my investments in search of higher returns.	4.3778-	0.00003
I avoid taking risks in my investments for fear of potential losses.	3.9125-	0.00008
I am optimistic about the future of the financial market and make my investments based on this feeling.	4.1012-	0.00005
Fluctuations influence my investment decisions in market sentiment (such as fear or greed).	4.3201-	0.00002
When the economic climate is unstable, I hesitate to make investment decisions.	4.2009-	0.00004

The table shows the psychological factors influencing investment decisions between emerging and developed markets. The item on risk tolerance yielded a significant difference with a T-Statistic value of -4.3778 (and P-Value of) 0.00003(, thus evidence that investors in developed markets, such as Dubai, take more risks than investors in emerging markets. The item related to risk aversion likewise revealed a significant difference with a T-Statistic of -3.9125(and P-Value of) 0.00008;, indicating that investors in emerging markets are more averse to risks. The last item, on whether or not the emotions of the investor- for example, fear or affect their decisions, also yielded a T-Statistic value of -4.3201 (and P-Value of) 0.00002; which means that psychological factors dominate the decisions of investors in an emerging market over the developed market investor.

*Results Related to The Fifth Question***:** What are the challenges facing investors in emerging markets compared to developed markets?

Table 5. Challenges Facing Investors in Emerging Markets Compared to Developed Markets

Item	T-Statistic	P-Value
When making investment decisions, I face more significant challenges in emerging markets than in developed markets.	6.6154	0.0000000019
Political and economic instability in emerging markets makes investing riskier for me.	6.3150	0.0000000012
Investment opportunities in developed markets are more prominent and more accessible to evaluate.	6.1289	0.0000000008

From the table above, it can be observed that the Challenges item has a massive difference with a T-Statistic value of 6.6154 and a very low P-Value of 0.0000000019, showing statistically solid significance that investors in emerging economies face more significant challenges than those operating in the developed markets. Also, the political and economic instability indicates a T-Statistic value of 6.3150 with a P-Value of 0.0000000012, clearly showing that investors in emerging markets consider investment riskier. It followed that developed markets presented more apparent and straightforward opportunities to invest, with a t-stat of 6.1289 and P-value of 0.0000000008 supportive of the notion that in developed markets, investment opportunities are more apparent.

Discussion of the Results

The findings suggest that various factors in making investment decisions differ among income levels and psychological factors. This confirms the finding of Priyadarshini and Deepa (2024), who determined that behavioral factors and frame dependence exert a differential impact between high—and low-income groups. Thus, both these studies prove that these behavioral parameters are significant for the investment choice of different groups, and therefore, one can suggest that behavioral biases change with socioeconomic groups.

On the other hand, factors of overconfidence in financial knowledge did not significantly contribute to the investment decision, which was rather opposite to the research of Gede Adiputra et al. (2024), which proved that the dominant factors in investment decisions were overconfidence and financial knowledge. Adiputra's findings indicate that the perceived decision-making ability positively influences investors, who are more confident in their decisions. However, as a result, financial knowledge did not have the expected effect.

This also reflected the apparent influence of consultation with financial advisors and the perceived reputation of an institution amongst the general public when one makes investment decisions. Evidence for this supports what Prajapati & Swongamikha 2024 have also found: that the consultation of financial advisors tends to positively influence investment decisions, especially for investors who look to attain financial stability or professional advice. However, the findings vary regarding the status of the general economy; Nabin's study showed that this factor is not highly influential on investment decisions, whereas the results of this study may indicate a higher impact of the economic factors.

On the contrary, the results showed that corporate image and financial information positively influence investment decisions, which is consistent with the results of the study of Sachdeva & Lehal (2023) that indicated the public image of the company and accounting information play a significant role in making the investment decision. However, in the present study, it was not found that the impact of the recommendations of financial advisors was lower, as probably suggested in the case of Sachdeva and Lehal (2023). However, some influencing factors differ according to the geographical context or the type of investors participating in the studies.

Investment decision research has recently gained much attention, especially with the growth in interest in behavioral finance and the way psychological and social factors affect investors' behavior. While traditional theories of finance basically revolve around a core of rational decision-making, studies such as this point to the biases of behavior and limitations in cognition that help make investment decisions in reality-particularly within varying market contexts, such as between emerging and developed markets.

Therefore, one of the directions of further research is understanding how behavioral biases such as herding behavior, overconfidence, and emotional responses of fear or greed, among other biases, determine investment decisions across age, gender, income groups, and economic environments. For instance, studies like Kahneman & Tversky, 1979, were the foundation of prospect theory in understanding the way investors perceive risk and return. However, the differences in such biases between developed and emerging markets could be researched in further studies, thus complementing the comparison of Jordan and Dubai as represented in this study.

Another promising avenue for research is the role played by financial literacy in influencing investor decisions. In an analysis done by Lusardi & Mitchell (2014), financial literacy is an indispensable factor in directing investors to appropriate decisions. Other studies can also investigate the interface between financial literacy and behavioral biases, especially in those emerging markets that have low endowments of education and finances. This could be extended further to knowing how digital financial platforms and investment technologies affect decision-making, as this study evidenced growth in reliance on technology in both markets.

Moreover, how economic instability and political uncertainty influence investment behavior is a pretty unexplored arena. While the present study identifies political and economic risks that investors in emerging

markets have to bear, further research might try to explain how such variables of macroeconomic factors influence risk tolerance and investment strategies over time. They can be used to conduct longitudinal studies in the way investor behavior changes due to extended economic downturns or political instability and thus become truly useful insights for policymakers and financial advisors of emerging economies.

A last and increasingly important niche is responsible investment, including the consideration of environmental, social, and corporate governance criteria in the decision to invest. Other studies might go on to investigate how investors across developed and emerging markets differ in prioritizing the main factors of ESG or whether the focus on sustainability itself shifts with market maturity. Other studies, such as Hemmati et al. (2022), also suggest that the performance of sustainability is quite different between developing and developed economies, therefore adding a new dimension to investment behavior research in a social responsibility context.

It therefore goes without saying that the results of this study create a firm foundation for further research in the areas of behavioral biases, financial literacy, macroeconomic impacts, and sustainable investing. Further research into these various sub-areas will help illustrate even more about these multifaceted drivers of investment decisions in differing economic climates.

Conclusion

The study thus gives good insights into what factors determine individual investment decisions in emerging and developed markets by comparing investor behavior in Jordan and Dubai. These results indicated that, in both the markets, economic factors such as inflation and economic growth played an important role for investment decisions. However, the results pointed to two important factors: the role of psychological factors and technical factors differs between investor groups. Where investors in the developed markets, such as Dubai, may be more open to risks and tech-dependent in decision-making, investors within emerging markets, such as Jordan, might still be quite skeptical of any risks and further influenced by political and economic instability.

This study underlines the importance of support from emerging market governments to establish more stable and transparent atmospheres for investment. According to the research, policymakers could enhance the investment environment by overcoming the challenges created by instability and improving the level of technology used for investments. This is rather important because the political and economic uncertainties seemed to clearly deter investment activities in Jordan. Contrarily, the findings hint that, in developed markets, transparency and clarity would even more enable decision-making in investment opportunities.

The study opens new avenues for future research. A deeper exploration into the behavioral finance factors of herding and overconfidence could further reveal just how these psychological influences may differ across income groups and economic contexts. Also, financial literacy and the way it interacts with technological advancement in both markets would provide a very critical area of further consideration. Given this role of technology in investment, which is bound to increase furthermore, the subject matter of this book-how technology affects investor behaviour-becomes vital for both developed and emerging markets.

These would be complimented through the adoption of longitudinal studies that follow investor behavior over time as the political and economic climate changes, especially in emerging markets. This would go a long way toward informing both academics and practitioners on the dynamics involved in the making of investment decisions across different market environments.

In sum, the current research enriches both the theoretical literature and practice by drawing attention to the drivers of investment decisions from different economic settings. The results again indicate that only behavioral, economic, and technological aspects may give a boost to the conception of a more investor-friendly environment, which may be difficult in any other case, especially for emerging markets. The study encourages further research as a way of continued investigation into these dynamics and offers a few practical suggestions for policymakers and financial advisors.

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