

Awareness Perception and Satisfaction of Investors Towards Mutual Funds in Chennai City

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Abstract: Investment in mutual fund products is an important part of financial planning. Proper investment planning helps to increase the income level of the investors. This can be done by taking advantage of all kinds of mutual fund product available in the market. The study investigates individuals' awareness level among various mutual fund products, preferences and their perception towards mutual funds. Overall Findings reveal that the most preferred mutual fund alternative that satisfy the investors. Mutual fund is a recent scenario that entered the Indian financial market and plays a crucial role in our economy by mobilizing savings and investing finance in the capital market, thus establishing a link between savings and the capital market. A mutual fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments. The research was carried out to study the awareness, perception and satisfaction of the investment behavior of the investors in the mutual fund schemes and services provided by the mutual fund companies.

Mutual Fund-Investors-Financial Goal-Financial Securities-Financial Products-Capital Market

Introduction

A sound financial sector is the nervous system of a healthy economy. The mutual fund industry, a financial sector is considered as one of the important segment in an economy for its growth and development, particularly the developing economy like India. The winds of liberalization and privatization have brought in dramatic and important changes in the economic and financial sectors across the world. Mutual fund is a source of revenue and income for the government. Money collected through this method is used for the country's development through numerous programs and schemes. Investment in the financial sense is the allocation of monetary resources to assets that are projected to provide some benefit or positive return over a period of time.

Statement of the Problem

Today, the investors in mutual funds prefer more security and schemes with lucrative benefit. Now the public has the opportunity to choose from the many mutual fund schemes. The Indian customer, like his global counterpart, buy mutual for tax benefits and ensures secured savings for the future. Today most of the salaried individuals invest in these types of mutual fund schemes. The recent Budget 2023 has caused a lot of confusion among investors regarding the

choice between the different mutual fund schemes. The government has introduced various incentives in the 2023 Budget to encourage the small investors to invest in mutual fund. These changes show that the government's intention is to have investment transition to the new mutual fund schemes. The key factors of success of any mutual fund product are attributed to its innovative offers, customer centric products, increasing awareness levels of consumers through a need based structured approach of selling, sound risk management practices and reaching out to customers through a number of distribution and communication channels and providing advice to the customer. One of the most curious aspects of mutual fund services is that to fulfil the customer's expectation along

with the secured return and customization. These two aspects must be tailored to any new player entering into the mutual fund business in order to differentiate its product offering from its service delivery system which would be the key differentiator.

Scope of the Study

It is anticipated that the study designed would provide valuable information on vital aspects of mutual funds, namely, awareness level of the mutual fund holders and their satisfaction, perception etc. with regard to their participation in mutual funds, which has not been elicited so far by any other research. The respondents under study comprised from educated to illiterate, working class to business class etc. As a result, the focus of the study would be on understanding the behaviour of the mutual fund holders. The study aims at finding the extent of awareness about mutual funds among the public. It will also give a clear picture about mutual fund penetration and indicate the probable market potential available. The mutual fund companies, both private and public, will get an idea about each customer expectations and preferences towards mutual funds services, and factors influencing investments in mutual funds.

Objectives of the Study

- To study the level of awareness regarding the Mutual Fund scheme among the people.
- To study the perception of the consumers on the pros and cons of various Mutual investment schemes.
- To study the satisfaction obtained from the Mutual Fund investment schemes.

Limitations of the study

- Time duration is limited in data collection.
- The present study focused on the mutual fund schemes offered by certain schemes only other schemes are not taken into consideration.
- The result of a study is confirmed to the respondents in Chennai city. The result may vary when it is circulated to respondents of different geographical locations.

Research Methodology

The methodology is a plan of action for a research project and explains in detail how data is to be collected and analyzed and presented so that they will provide meaningful information.

Research Gap

The logic and reasoning behind the research problem is that more areas of the study can be found. Based on the following research gap, the research has created multiple dimensions to investigate investors preference and awareness level in various mutual fund schemes. This study thoroughly examined the respondent's perception towards the investment in mutual fund.

Research Design

The research is designed to include a survey through Structured Questionnaire and Likert scale to collect the data from the survey. The attributes used in the data collection are dynamic and subjective in nature. The respondents' replies are based on their own experiences with awareness and benefits of Mutual Fund investment schemes, as well as their level of satisfaction and usefulness. The primary data is collected by 150. The research is done based on a Structured Questionnaire which includes 17 questions in total. The type of Questions includes Multiple Choice, Likert Scaling Questions.

Sample Size

The sample size is a term used in research for defining the number of subjects included in a sample size. By sample size, they can understand a group of subjects selected from the general population and considered representative of the real population for that specific study. There is a large population and out of the population, 150 respondents are taken for study.

Sampling Area

The area of sampling was chosen, and the sample is drawn from the population in Chennai.

Data Analysis

Descriptive and inferential statistical methods were used for the data analysis.

Literature Review

Sundaravel (2017) The purpose of the study is to find out the most suitable and popular forms of mutual fund scheme used to have regular income and to examine the amount saved by using that instrument. Overall findings reveal that the most adopted mutual fund investment scheme is retirement benefit scheme, which got the first rank in this study and the second most adopted mutual fund scheme is money market schemes.

Vigneshwar.D(2005) The goal of this study is to learn about the saving and investing habits of IT professionals. The investment behavior of IT professionals demonstrates that most respondents have only a small amount of money. They are also given a higher ranking for bank deposits and mutual funds investments.

Reasen(2001) By comparing mutual funds to other saving investment options on the market, the current study aims to determine how investors feel about and favour them. The current study is a modest attempt to learn how investors feel about ELSS in comparison to other saving instruments offered in India. It is based on a survey of 100 respondents in Goa. There is a noticeable contrast between investors' impressions of the Growth Option Investment Plan of mutual funds and investments in PPF, LIC, 5 Year Fixed Deposit Bank Schemes, and NPS, according to research on investor perceptions and preferences.

Geetha (2003) The researcher correlated financial planning and investment in mutual fund of salaried employees. The data was collected through a structured questionnaire by means of hand delivery and a Google form filled out by 250 employees working in different sectors in the district. It was found from the analysis that there is a relationship between Annual savings, Age, Income, and the Sectoral employment designation of people.

Analysis and Interpretation

Category	Source	frequency	percentage
Age	20-30 years	63	42
	31-40 years	41	27.3
	41-50 years	27	18
	Above 50 years	19	12.7
	Total	150	100
Gender	Male	61	40.7
	Female	89	59.3
	Total	150	100
Educational Qualification	Below higher secondary	25	16.7
	UG	72	48
	PG and above	43	28.7
	Professionals	10	6.7
	Total	150	100
Occupation	Private employee	66	44
	Public employee	14	9.3
	Business person	40	26.7
	Daily wager	5	3.3
	Home-maker	25	16.7
	Total	150	100
Awareness Level of Mutual Fund Investment Schemes	No	35	23.3
	Yes	115	76.7

	Total	150	100
Underlying Portfolio	Equity, Debt, Open ended, Close ended, Intervals schemes	16	10.7
	Hybrid, Money market instruments, Growth, Income, Liquidity schemes	22	14.7
	Multi Asset, Actively or Passively schemes	66	44
	None of the above	46	30.7
	Total	150	100
Thematic / solution oriented –Scheme In Future	Tax saving, Retirement benefit scheme	48	32
	Child welfare, scheme	73	48.7
	Arbitrage Exchange Traded Funds, Overseas funds, Fund of funds	29	19.3
	Total	150	100

Source: primary data

Inference

From the above table it is observed that the majority of the respondents are from the age group of 20-30 years (42%) followed by the age group of 31-40 years (27.3%) (18%) the least is said to be above 50 years (12.7%). And it is observed that the majority of respondents are Female (59.3), and the remaining of them are Male (40.7%). And the majority of respondents have completed UG (48%) followed by the Professionals (6.7%) of the respondents. And the majority of the respondent are Private employees (44%), and public employees (9.3%) and the least respondent occupation is daily wager (3.3%). And the majority of the respondents are aware of the Mutual Fund investment schemes (76.7%), and the remaining are not aware (23.3%). And the majority of the respondents have invested in the Multi Asset, Actively or Passively schemes (44%) followed by (30.7%) who have not invested in any of the schemes, (14.7%) invested in the Hybrid, Money market instruments, Growth, Income, Liquidity scheme, and (10.7%) are invested Equity, Debt, Open ended, Close ended, Interval scheme. it also observed that (48.7%) of respondents prefer to invest in Child welfare scheme, (32%) prefer to invest in Tax saving, Retirement benefit, scheme, and (19.3%) prefer to invest in Arbitrage Exchange Traded Funds, Overseas funds, Fund of funds scheme.

Descriptive Analysis - Awareness of the Mutual Fund Investment Schemes

Name of the Mutual Fund investment schemes	Mean	Std. Deviation	Rank
Multi Asset, Actively or Passively schemes	1.63	0.484	1
Hybrid, Money market instruments, Growth, Income, Liquidity schemes	1.41	0.493	2
Tax saving, retirement benefit, scheme	1.33	0.473	3

Source: Computed Data

Inference: From the above table, it is noted that, the level of awareness about the Mutual Fund investment schemes offered. The majority of the respondents are aware of the Multi Asset, Actively or Passively schemes with a mean of 1.63 and followed by the Hybrid, Money market instruments, Growth, Income, Liquidity schemes with a mean of 1.41 and then the Tax saving, retirement benefit scheme with a mean of 1.33.

Inferential Statistics - Relationship between the people invested in Mutual Fund investment schemes and level of satisfaction towards benefits obtained from the Mutual Fund investment schemes.

Null hypothesis:

There is no significant difference between the people invested in Mutual Fund investment schemes and the level of satisfaction towards benefits obtained from the mutual fund investment schemes.

Alternative Hypothesis:

There is a significant difference between the people invested in mutual fund investment schemes and the level of satisfaction towards benefits obtained from the mutual fund investment schemes.

One-Way Anova shows a significant difference between the people invested in mutual fund investment schemes and the level of satisfaction towards benefits obtained from the mutual fund investment schemes.

Benefits	Sum Of Squares	Df	Mean Square	F	Sig.
Between Groups	224.203	3	74.734	3.804	.012
Within Groups	2868.357	146	19.646		
Total	3092.560	149			

Source: Computed Data

NOTE: Denote significant at 5% level

Inference: Since the P value is less than 0.05, the null hypothesis is rejected at a 5% level of significance. Hence there is a significant difference between the people invested in mutual fund investment schemes and the level of satisfaction towards benefits obtained from the mutual fund investment schemes.

Finding

- In this study, it is noted that, the level of awareness about the mutual fund investment schemes offered by the companies. The majority of the respondents are mostly aware of the Multi Asset, Actively or Passively schemes with a mean of 1.63 and followed by the Hybrid, Money market instruments, Growth, Income, Liquidity scheme with a mean of 1.41 and then the Tax saving, retirement benefit scheme with a mean of 1.33.
- In this study, it is observed that the majority of the respondents have invested in the Multi Asset, Actively or Passively schemes scheme (44%) followed by (30.7%) of respondents who have not invested in any of the schemes, (14.7%) of respondents who invested in the Hybrid, Money market instruments, Growth, Income, Liquidity scheme, and (10.7%) of the respondents are invested in Equity, Debt, Open ended, Close ended, Interval scheme.
- In this study, it is noted that the perception of consumers on the pros of various mutual fund investment schemes. The majority of respondents strongly agreed with the statement that the Multi Asset, Actively or Passively scheme earns interest, adding value to your savings is ranked as 1 (4.59) followed by Hybrid, Money market instruments, Growth, Income, Liquidity schemes can be used as collateral to avail of a loan is ranked as 2 (4.18) and the last one is Tax saving, retirement benefit, scheme is the last rank (3.94).
- In this study, it is denoted the perception of the consumers on the cons of various mutual fund investment schemes. The maximum number of the respondents highly agreed on Multi Asset, Actively or Passively

schemes for the deposits” which comes under rank 1 (4.41) and followed by and the least one is Tax saving, retirement benefit scheme ranked” as 5 (3.85).

- In this study, it is noted that the majority of the respondents were highly satisfied with the “earn interest income” with a mean rank of 5.67 and followed by the “No risk of theft or loss” with a mean rank of 4.75 and “Interest and capital gains are exempt from tax” is mean rank 4.39 and the last one is “High in purity” with the mean rank 3.91.

Suggestions

- ❖ The main focus of the study is to know about the Investor’s awareness of various forms of mutual fund schemes offered in the mutual fund market. The majority of the respondents choose that they are aware of Child welfare scheme, Tax saving, Retirement benefitschemes. Few people are unaware of the mutual fund investment schemes. So, the authorities can create awareness about mutual fund investment schemes through Advertisements, Awareness programs.
- ❖ Nowadays most of the people prefer to invest in mutual fund for future purposes, so they can invest in various options like Hybrid, Money market instruments, Growth, Income, Liquidity, and Equity, Debt, Open ended, Close ended, Interval schemes.
- ❖ The authorities can increase the interest rate for the Multi Asset, Actively or Passively schemes. So that the investors can willing to invest in the schemes.
- ❖ The Tax saving, retirement benefit investment schemes are safe and sure compared to the investment in other forms of investment. Earning from this schemes are exempt from the capital gains tax, income tax, and wealth tax. So, people can invest in this scheme to reduce the tax burden.

Conclusion

The present study “Awareness and benefits of mutual fund investment schemes offered by the companies” tries to study about the various forms of mutual fund investment options available to investors. The main objective of the study is to know the investor’s awareness and level of satisfaction with the various forms of mutual fund Investment schemes and also try to find out the pros and cons of the mutual fund investment schemes. Based on the research few people are unaware of the mutual fund investment schemes. And most of the people were invested in Multi Assets Actively Passively Schemes. So, the authorities has to make proper process to create more awareness among the people it helps the people to invest in Hybrid, Money market instruments schemes, Equity, Debt, Open ended, Close ended, Intervalschemes. Investing in mutual fund scheme is exempted from income tax, capital gain tax, and wealth tax. It helps to reduce the tax burden for the taxpayer. This study helps people to know more about the mutual fund investment schemes offered to the potential investing public.

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