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"An individual perception and consumer behaviour on mutual fund"

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Abstract: Mutual fund is demanded in market in current era. Investors are like to invest in mutual fund for more safety of risk and return. This paper is about the individual perception and consumer behaviour in mutual fund. mutual fund is famous between the youngster, they invest in mutual fund because to tax saving and moderate risk/return. Every investor must have total information and awareness about every financial security. This paper is also about awareness of investor in mutual fund. Literature review is also important for paper for primary as well as secondary data of topic. This paper takes primary data of 60 respondent. The data tool for data collection was Questionnaire method, convince sampling method is used for research of this paper. Excel statistical tool used for Chi-square test.

Key Words: Mutual fund, Consumer behaviour, individual perception, awareness

INTRODUCTION:

A mutual fund scheme is a sort of monetary tool that is made with the useful resource of pool of cash that's accumulated from numerous money buyers. The AMCs (Assets Management Company) invest in unique securities; employer's stocks, bonds, shares, money owed, and other property by mutual fund corporations. The AMCs contend with those open-ended investments and mutual fund corporations assign the fund in one-of-a-kind securities. This allows the investor to develop their wealth thru their funding.

If we define mutual fund that its nothing but collection of stocks or bonds. We assume a mutual fund as a enterprise that it's a brings organization of peoples collectively who's invest their cash in special services; bonds, stock and different securities. Every investor preserves very own shares which represent a portion of the holding of the fund.

In this paper an awareness of mutual fund among investors and satisfaction of investor based on their behaviour on mutual fund. In this paper take three companies (SBI Mutual Fund, ICICI Prudential Mutual Fund and HDFC Mutual Fund) for references of their investor having satisfaction in mutual fund schemes and awareness of mutual fund.

Every person has their own perception toward thing which shows in this paper. In this shows that investor investing in mutual fund for various benefit and thinking. Even they have fully or partial or no awareness about mutual fund. This paper describes that only 33.33% of all respondent have fully awareness about mutual fund, other investors are only investing in mutual fund only having partial awareness or on basis of advisor advice. This paper result showing that most of investors are not satisfied with mutual fund companies and among all the respondent most of male person are aware about mutual fund than female.

LITERATURE REVIEW:

1. **(Sulthana, 2010)** explore the recent development process in mutual funds in India. In this study shows that investors are aware of mutual funds. With the penetration levels at close to 7% great scope exists for the growth of mutual fund in India. A study shows that in financial year 2007-2008 have nearly 300% growth in mutual fund industry. Even the share prices were down, mutual funds have escaped without much loss. During 2007 around 40 NFO's were made. Almost 840 schemes were offered by the more than 32 companies up to Dec 2007 even with foreign collaborations.
2. **(Mishra, 2011)** made an attempt to understand the financial behaviour of mutual fund investors in connection with the preferences of Brand (AMC), Products, Channels etc. In this study shows that many peoples are not aware of mutual fund and terms. They have fear to invest in mutual fund because they think that invest in mutual fund is risk for money. "Brand" has important role in investment because people invest in mutual funds by having faith in companies or they are well known with them. For make people believe in mutual fund by providing knowledge about term and condition and schemes of mutual fund.
3. **(R., 2020-2021)** measure the awareness of mutual fund and its service. This study finds that among all the respondents 56% are aware about mutual fund 44% are not aware about mutual fund. Among all the aware respondents only 41% have invest in mutual fund. As there is lesser number of people investing in mutual fund in comparison of the other instruments of the investment like L.I.C, Postal Saving, Bank Deposit, Gold, etc. so there is chance of growing in mutual fund.
4. **(Tyagi, 2013)** find out about the preference of the investment for Asset Management of Company. Out of 100 investors 30% are investing in mutual fund. 60% of investors are prefer the high return and investing in. why people are investing in SBI MF is finding by this study. Most of investor investing in SBI mutual fund because of high return and name of company.
5. **(Narmadha, 2019)** study revealed that the investor has greatest preference for safety. The level of awareness of market regarding the investors is high, but not interested in investing because of high level of risk. This study is the investors perception and attitude towards mutual fund market. This study take sample of 200 investors and only study on people in Bangalore city only. Most of respondents of this study is 46-55 years and highest respondents are degree holders. 61% of the respondents have awareness about securities market. Out of 200 sample 88% of respondents not like to invest.

6. **(Bhandari, 2019)** study about various types of mutual fund schemes and most popular investment schemes among investors. Sample size of this study is 300 of retail investors and 50 of brokers and advisors. From the response by the agents regarding the types of schemes used by the investors it is that 54% investors select Equity based schemes and 46% investors selects Debt schemes for their investment.
7. **(Munivel, 2018)** study covers the customers awareness and perception toward mutual funds in Dharmapuri District. This research will initiate the customer perception with regard to mutual funds is the schemes they prefer, the plans they are opting, the reasons behind such selections and also this research dealt with different investment options, which people prefer along with and apart from mutual funds. The study also reveals that mutual fund is a trust that team up the savings of number of investors who share a common economic goal. They are investment vehicles and one can use them to invest in asset classes such as equities or fixed income. It provides risk diversification benefits of making investment in mutual fund are reduction of risk, liquidity, affordability, convenience flexibility and variety. Customer has to identify the best MF management companies and also the suitable scheme among the various schemes floated by the MFs.
8. **(Rana)** conducted survey with an objective of investment pattern of Indian investor and awareness level of investors regarding mutual funds. This study takes sample size near to 230 customers. According to study 85% of investors are aware of mutual fund. 75% of respondents are prefers to invest in other investment options like Saving Account, Fixed Deposits, Real Estate, Shares, Insurance etc. This shows that preference of respondents towards other investment alternatives is much more than in mutual funds. Most of investors are investing in mutual fund for higher return.
9. **(Islam, 2016)** research find out that consumer wants a quick grievance solving mechanism. Theydon't want to come to the office for solving the grievance. Most of consumer is fascinated toward the open-ended schemes.
10. **(Jani, 2012)** according to this study most of people have positive perception towards mutual funds. Age of respondents and their attitude towards mutual funds have significant difference. Male more likely prefer to purchase the mutual fund compared to female. Qualification of respondents and their perception have significant difference. Most of people are investing in mutual fund have income less than 50000 Rs.

RESEARCH OBJECTIVE:

1. To examine the awareness level of mutual fund investors
2. To find out the satisfaction level of investors of SBI MF, ICICI Prudential MF and HDFC MF

HYPOTHESIS FORMULATION:

❖ Awareness about mutual funds among respondents:

H0: There is no significant awareness about mutual fund as an investment options.

H1: There is a significant awareness about mutual fund as an investment options.

❖ Consumer preference/satisfaction on SBI MF, HDFC MF, ICICI Prudential MF companies.

H0: Consumer are not having great preference on SBI MF, HDFC MF, ICICI Prudential MF companies.

H1: Consumer are having great preference on SBI MF, HDFC MF, ICICI Prudential MF companies.

ANALYSIS:

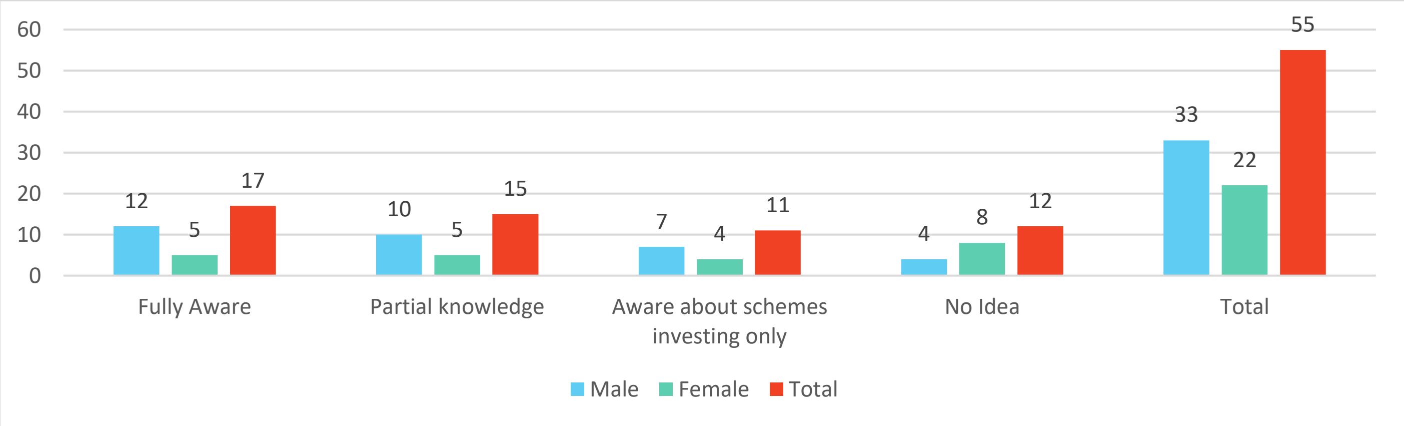
❖ Awareness about mutual funds among respondents:

H0: There is no significant awareness about mutual fund as an investment options.

H1: There is a significant awareness about mutual fund as an investment options.

Chi-square:

	Male	Female	Total
Fully Aware	12	5	**17**
Partial knowledge	10	5	**15**
Aware about schemes investing only	7	4	**11**
No Idea	4	8	**12**
Total	**33**	**22**	**55**



1.1.1.1 Interpretation:

In this study we have awareness about mutual funds according to gender. In this study 12 male are fully aware about mutual fund and only 5 females are fully aware about mutual fund. Among all the respondents 10 male have partial knowledge about mutual fund and only 5 females have partial knowledge about mutual fund. Among all the respondents 7 male are aware about schemes they investing in and only 4 females are aware about schemes they investing in. Among all the respondents 4 male don't have any idea about mutual fund and 8 females don't have any idea about mutual fund. Among all the respondents 5 respondents are not give any answer about it.

Observed Value			
	Male	**Female**	**Total**
Fully Aware	12	5	**17**
Partial knowledge	10	5	**15**
Aware about schemes investing only	7	4	**11**
No Idea	4	8	**12**
Total	**33**	**22**	**55**

Expected Value			
	Male	**Female**	**Total**
Fully Aware	10.2	6.8	**17**
Partial knowledge	9	6	**15**
Aware about schemes investing only	6.6	4.4	**11**
No Idea	7.2	4.8	**12**
Total	**33**	**22**	**55**

$(O-E)^2/E$		
	Male	**Female**
Fully Aware	0.32	0.48
Partial knowledge	0.11	0.17
Aware about schemes investing only	0.02	0.04
No Idea	1.42	2.13

Degree of freedom = (R-1) * (C-1)

= (4-1) * (2-1)

= 3 * 1

= 3

Significant difference = 5%

Calculated Value = 4.69

Table Value = 7.81

= Table value > Calculated value

= 7.81 > 4.69

In this test null hypothesis is fail to reject.

H0: There is no significant awareness about mutual fund as an investment options.

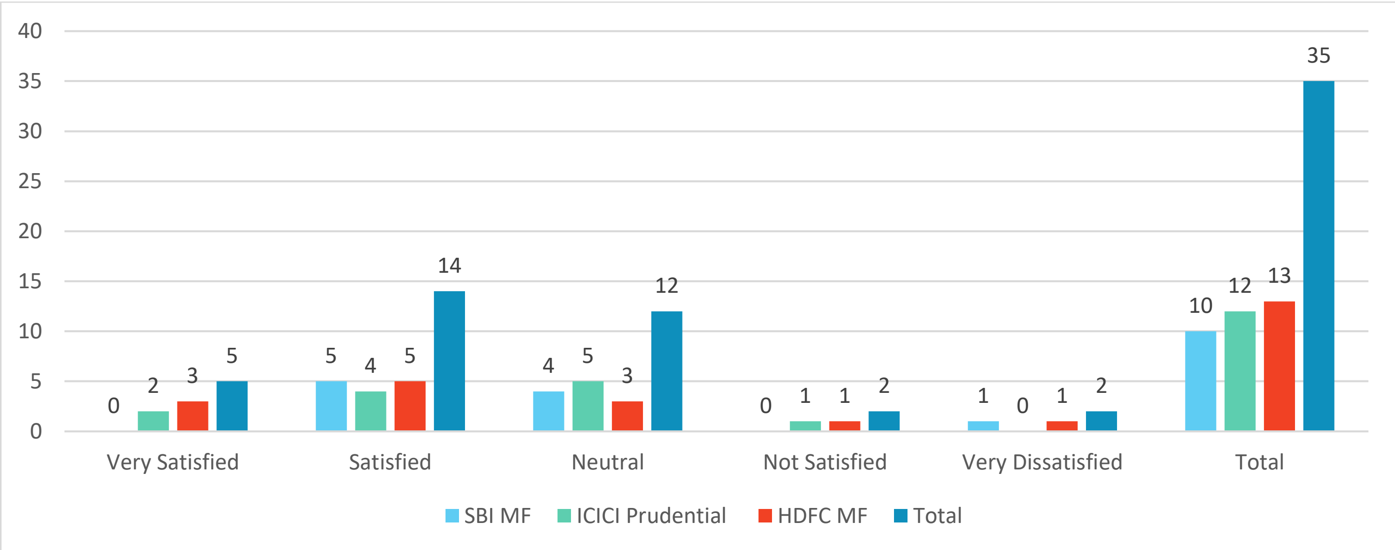
H1: There is a significant awareness about mutual fund as an investment options.

❖ Consumer preference/satisfaction on SBI MF, HDFC MF, ICICI Prudential MF companies.

H0: Consumer are not having great preference on SBI MF, HDFC MF, ICICI Prudential MF companies.

H1: Consumer are having great preference on SBI MF, HDFC MF, ICICI Prudential MF companies.

	SBI MF	ICICI Prudential	HDFC MF	Total
Very Satisfied	0	2	3	**5**
Satisfied	5	4	5	**14**
Neutral	4	5	3	**12**
Not Satisfied	0	1	1	**2**
Very Dissatisfied	1	0	1	**2**
Total	**10**	**12**	**13**	**35**



5.12.2.1 Interpretation:

In this study we have satisfaction or preference of respondents/consumer on SBI MF, HDFC MF and ICICI Prudential MF companies. Among all the respondents 25 respondents are not investing in this companies. Total 5 consumers are very satisfied to company among them 3 consumers are HDFC mutual fund, 2 consumers are ICICI Prudential Mutual and 0 consumer are SBI mutual fund companies.

Total 14 consumers are satisfied to company among them 5 consumers are HDFC mutual fund, 4 consumers are ICICI Prudential mutual fund and 5 consumers are SBI mutual fund companies. Total 12 consumers are neutral to company among them 3 consumers are HDFC mutual fund, 5 consumers are ICICI Prudential mutual fund and 4 consumers are HDFC mutual fund companies. Total 2 consumers are not satisfied to

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company among them 1 consumer is HDFC mutual fund, 1 consumer is ICICI Prudential mutual fund and 0 consumer is SBI mutual fund companies. Total 2 consumers are very dissatisfied to company among them 1 consumer is HDFC mutual fund, 0 consumer is ICICI Prudential mutual fund and 1 consumer is SBI mutual fund companies.

Observed value				
	SBI MF	**ICICI Prudential**	**HDFC MF**	**Total**
Very Satisfied	0	2	3	**5**
Satisfied	5	4	5	**14**
Neutral	4	5	3	**12**
Not Satisfied	0	1	1	**2**
Very Dissatisfied	1	0	1	**2**
Total	**10**	**12**	**13**	**35**

Expected Value				
	SBI MF	**ICICI Prudential**	**HDFC MF**	**Total**
Very Satisfied	1.43	1.71	1.86	**5**
Satisfied	4	4.8	5.2	**14**
Neutral	3.43	4.11	4.46	**12**
Not Satisfied	0.57	0.69	0.74	**2**
Very Dissatisfied	0.57	0.69	0.74	**2**
Total	**10**	**12**	**13**	**35**

$(O-E)^2/E$			
	SBI MF	**ICICI Prudential**	**HDFC MF**
Very Satisfied	1.43	0.05	0.70
Satisfied	0.25	0.13	0.01
Neutral	0.10	0.19	0.48
Not Satisfied	0.57	0.14	0.09
Very Dissatisfied	0.32	0.69	0.09

Degree of freedom = (R-1) * (C-1)

= (5-1) * (3-1)

= 4 * 2

= 12

Significant difference = 5%

Calculated Value = 5.23

Table Value =21.03

= Table value > Calculated value

= 21.03 > 5.23

In this test null hypothesis is fail to reject.

H0: Consumer are not having great preference on SBI MF, HDFC MF, ICICI Prudential MF companies.
H1: Consumer are having great preference on SBI MF, HDFC MF, ICICI Prudential MF companies.

FINDINGS :

This report finds that most of investors are male which is 58.62%. Mostly investors or respondents are only completed their high schools. Investors are investing in mutual fund is mostly salaried person. Most of respondents are invest in mutual fund is 20 years to 25 years age group. 1,00,000 to 3,00,000 annual income persons are most interested towards mutual fund.

93.33% of respondents have saving portion of their income. 49.55% of respondents saving 10% or less of their income. Most of people have saving objective like personal needs and uncertainty. 77.97% of respondents are investing in mutual fund. Most of respondents are like to investing in saving account, fixed deposit, insurance and mutual fund. Lack of guidance and without any reason people not want to take risk in investing mutual fund. 70% of respondents having intend to saving soon in mutual fund. 33.33% of respondents are fully aware about mutual fund.

Most of respondents are learn about mutual fund from internet. Investors are like to invest in mutual fund because of better return and safety. Investors are attracted to open-ended mutual fund type most for investing. Now a day investor like to managed their fund by them self. Most of investors like to investing in SBI Mutual Fund, HDFC Mutual Fund and ICICI Prudential Mutual Fund. Young investors mostly choose the SIP plan to invest. According to respondent mutual fund dive higher return.

Investors are select fund to invest for tax benefit and scheme return. Most of respondents think that mutual fund can give high return than other securities. Young investors say that mutual fund future is good. Most of respondents are capital gain & steady return risk taker. Investors think that mutual fund is safe. Investors are satisfied by mutual funds. Chi-square test apply for hypothesis testing. According to test null hypothesis are fail to rejected.

CONCLUSION / SUMMARY:

Mutual fund is growing industry in India. And young people are most likely investment in mutual fund. I study about mutual fund in this report. This study shows that respondents are from Morbi city. This study analysis the awareness and perception of mutual fund in respondent mind. Mutual fund company (AMC) are most likely advertisement in internet and its helps youngsters to reach towards mutual fund and AMC to reach towards investors. In the study representation that in which company respondents like to invest and what features are attracts respondents most about mutual funds. As per chi-square test there is no significant awareness about mutual fund as an investment options. As per chi-square test consumer are not having great preference on SBI MF, ICICI Prudential and HDFC MF.

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