



“A Study on Investor Perception regarding Mutual Funds Services by Religare Securities Ltd”

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KEYWORD:

Abstract: A mutual fund is a pool of assets invested on behalf of investors. Mutual funds invest in a diversified portfolio of securities, which can include equity securities, debt securities and other financial instruments issued by corporations and governments, according to the stated investment objectives of the funds. The objective was to find out the investor perception regarding mutual funds services, to find out the investor awareness towards mutual funds, to find out factor affecting to investing in mutual fund schemes, to know what are the general sources for mutual funds schemes. Various respondents were not aware of the mutual fund products and the type of mutual fund schemes and the risk associated with mutual Fund products. To provide some kind of curriculum at the school/college level to create awareness regarding Mutual Fund.

I. INTRODUCTION

A Mutual Fund is a trust that pools the savings of a number of investor who share a common financial goal. The money collected from investor for capital market instruments such as shares, debentures and other securities. The income earns by these investments and the capital appreciations realized are shared by its investor in proportion to the number of units owned by them. Thus it is the most suitable investment for the people as it offers an opportunity to invest in a diversified, professionally managed security at a relatively low cost. The main advantages of the mutual funds is that professional management which you buy in to a mutual fund, you are handing your money to an investment professional that has experience in making investment decisions, it also diversify the risks and get higher returns. Mutual funds are having different types of schemes to investors with different needs and risk appetites and it offers an opportunity to an investor to invest sums across a variety of schemes.

II. RESEARCH OBJECTIVE

- To find out the customer perception regarding mutual funds services.
- To find out the consumer awareness towards mutual funds
- To find out factor affecting to investing in mutual fund schemes

III. RESEARCH METHODOLOGY

Research Design selected for this research is descriptive design. Data were collected on the bases of primary data. The data collection method used was survey method and the data collection instrument on the bases of structured questionnaire. The sampling technique used is non probability convince sampling. Sampling size is 150 respondents. The tools used in this study are Chi-Square using IBM SPSS software. Both hypotheses were tested with 95% confidence level i.e. at 5% significant level.

IV. LITERATURE REVIEW

Dr. Neha Parashar conducted research on “Factors affecting perception of investors towards Mutual Funds”. The objective of the study is to identify the age wise variations in the factors affecting perception of investors towards Mutual Funds. The study used 300 respondents in the sample size. The study used Kaiser-Meyer-Olkin and Bartlett’s test method. The study concluded that an average Indian investor is like ignorant child when it comes to financial markets, the cause may be lack of knowledge and conceptual understanding or the influence of a fixed income orientation in the Indian culture. Their expectation and articulate investor’s own situation and risk preference and then apply to an investment strategy.

Dr. Geeta Kesavaraj conducted research “A study on customer perception towards various types of mutual fund in Chennai”. The objective of the study focuses its attention towards the possibilities of measuring the expectations and satisfaction level of more mutual fund products and to improve the present level of perception. The study used 204 respondents in the sample size. The study used Simple Percentage Analysis, Chi- Square Test, Karl Pearson's Correlation and One-way ANOVAs method. The study concluded that Mutual Fund Company collect money from millions of investors, they achieve economies of scale. The cost of running a mutual fund is divided between larger pools of money and hence mutual funds are able to offer the investor a lower cost alternative of managing their funds.

Priti mane conducted a study of investor’s perception towards mutual funds in the city of Aurangabad. The objective of the study was to know the awareness level of people for mutual fund as an investment option. The study was based on primary data. The sample size was 30 investors who want to invest in mutual fund. The sample technique which was used hypothesis testing using chi square for association using IBMSPSS software. The finding of the study was that people was not feeling confident enough to invest in mutual fund because they think that investing in mutual fund is risky affair. The awareness level of mutual fund among the investors was very low because of only having partial knowledge about the mutual fund which makes them reluctant to invest in mutual fund to avoid risk bearing factor and fear of losing money. Apart from that investors are facing problem in selecting mutual fund as an investment option because of share market uncertainties’ and risk associated with it so investors avoid investing in the mutual fund. The researcher suggests for better invest for long time keeping in mind the Level of risk involve and saving pattern investors first look over the risk factor because They are investing for maximum return. Once they invested in mutual fund, they need return and if it is not giving proper returns to them again it is affecting the interest of the investors to invest in mutual fund.

Dr. Nishi Sharma conducted research on “Indian Investors Perception towards Mutual Fund”. The objectives of the study are to analyze investors perspective towards investment in mutual fund and to understand the desirable characteristics of mutual fund schemes. The study used 250 respondents in the sample size. The study used Kaiser-Meyer-Olkin, Bartlett’s Test method. The study concluded that in order to secure the patronage of Indian investor mutual fund companies are expected to ensure full disclosure and regular updates of the relevant information along with the assurance of safety and monetary benefits.

V. DATA ANALYSIS AND INTERPRETATION

Give your preference for schemes. Which scheme you prefer to invest? Please give rank.

Scheme objective	Mean	Rank
Growth	1.9867	2
Income	2.0400	3
Balanced	1.9667	1
ELSS	3.5733	11
money market	3.5067	9
gilt-edged	3.4667	5
Diversified	3.5400	10
Index	3.5000	8
ETF	3.4867	6
Contra	3.3533	4
Global	3.4867	6
sector based	3.6400	12

From the above table it can be said that first preference of investor to invest is balanced scheme. Second preference of investor to invest is growth scheme. Third preference of investor to invest is income scheme. Forth preference of investor to invest is contra scheme. Fifth preference of investor to invest is gilt- edged scheme. Six preference of investor to invest is ETF and global scheme. Eight preference of investor to invest is index scheme. Nine preference of investor to invest is money market scheme. Ten preference of investor to invest is diversified scheme. Eleven preference of investor to invest is ELSS scheme. Twelve preference of investor to invest is sector based scheme.

Analyze the factors influence behind investing in mutual funds.

H_0 : There is no significance relation between gender and factors affecting to investment decision of investor towards mutual fund.

H_1 : There is a significance relation between gender and factors affecting to investment decision of investor towards mutual fund.

Factors	Gender	SA	A	N	DA	SDA	P - Value	Decision
Professional management	Male	29	22	24	0	0	0.657	Accept
	Female	31	25	19	0	0		
Diversification of risk	Male	21	27	27	0	0	0.982	Accept
	Female	21	26	28	0	0		
High return	Male	24	29	22	0	0	0.331	Accept
	Female	23	22	30	0	0		
Low cost	Male	16	19	19	0	0	0.556	Accept
	Female	16	24	21	0	0		
Liquidity	Male	19	16	15	0	0	0.457	Accept
	Female	13	14	22	0	0		
Transparency	Male	14	26	14	0	0	0.416	Accept
	Female	19	22	19	0	0		
Flexibility	Male	21	28	13	0	0	0.134	Accept
	Female	26	15	18	0	0		
Well regulated	Male	22	13	20	20	0	0.274	Accept
	Female	17	23	19	16	0		
Safety	Male	22	18	14	21	0	0.407	Accept
	Female	17	26	16	16	0		
Tax exemption	Male	15	14	23	23	0	0.617	Accept
	Female	19	18	20	18	0		
Choice of scheme	Male	15	17	24	19	0	0.492	Accept
	Female	23	16	19	17	0		
Prompt services	Male	15	20	21	19	0	0.798	Accept
	Female	18	23	17	17	0		
Convenient	Male	19	19	16	21	0	0.813	Accept
	Female	20	22	17	16	0		
Repurchase facility	Male	20	18	16	21	0	0.620	Accept

	Female	15	15	19	26	0		
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Interpretation:

The relationship between gender of the respondents and factors affecting to their investment decision regarding mutual fund.

P value is greater than 0.05 in all the cases. So null hypothesis is failed to reject in all the cases. Further it can be said that there is no relationship between gender and factors that influence behind the investing in mutual fund.

H₀: There is no significance relation between age and factors affecting to investment decision of investor towards mutual fund.

H₁: There is a significance relation between age and factors affecting to investment decision of investor towards mutual fund.

Factors	Age	SA	A	N	DA	SDA	P - Value	Decision
Professional management	Below 20	1	2	2	0	0	0.438	Accept
	21-30	23	14	12	0	0		
	31-40	17	18	16	0	0		
	41-50	15	6	6	0	0		
	Above 50	4	7	7	0	0		
Diversification of risk	Below 20	0	3	2	0	0	0.119	Accept
	21-30	14	13	22	0	0		
	31-40	16	20	15	0	0		
	41-50	4	14	9	0	0		
	Above 50	8	3	7	0	0		
High return	Below 20	2	1	2	0	0	0.552	Accept
	21-30	17	14	18	0	0		
	31-40	15	19	17	0	0		

	41-50	8	7	12	0	0		
	Above 50	5	10	3	0	0		
Low cost	Below 20	0	1	3	1	0	0.894	Accept
	21-30	11	15	12	11	0		
	31-40	14	15	12	10	0		
	41-50	4	7	8	8	0		
	Above 50	3	5	5	5	0		
Liquidity	Below 20	2	1	1	1	0	0.854	Accept
	21-30	11	7	14	17	0		
	31-40	9	12	10	20	0		
	41-50	8	6	7	6	0		
	Above 50	2	4	5	7	0		
Transparency	Below 20	3	1	0	1	0	0.414	Rejected
	21-30	11	13	14	11	0		
	31-40	12	14	12	13	0		
	41-50	4	14	3	6	0		
	Above 50	3	6	4	5	0		
Flexibility	Below 20	1	3	0	1	0	0.133	Accept
	21-30	15	16	9	9	0		
	31-40	18	7	13	13	0		
	41-50	10	7	7	3	0		
	Above 50	3	10	2	3	0		
Well regulated	Below 20	0	1	1	3	0	0.333	Accept

	21-30	10	10	16	13	0		
	31-40	12	17	11	11	0		
	41-50	9	5	6	7	0		
	Above 50	8	3	5	2	0		
Safety	Below 20	2	1	0	2	0	0.710	Accept
	21-30	14	10	12	13	0		
	31-40	13	20	9	9	0		
	41-50	6	8	4	9	0		
	Above 50	4	5	5	4	0		
Tax exemption	Below 20	1	3	1	0	0	0.587	Accept
	21-30	11	9	15	14	0		
	31-40	13	13	11	14	0		
	41-50	7	4	8	8	0		
	Above 50	2	3	8	5	0		
Choice of scheme	Below 20	1	2	0	2	0	0.416	Rejected
	21-30	12	13	10	14	0		
	31-40	18	8	15	10	0		
	41-50	5	6	10	6	0		
	Above 50	2	4	8	4	0		
Prompt services	Below 20	2	0	2	1	0	0.748	Accept
	21-30	9	18	10	12	0		
	31-40	12	13	13	13	0		
	41-50	6	7	10	4	0		
	Above 50	4	5	3	6	0		

Convenient	Below 20	1	1	2	1	0	0.987	Accept
	21-30	12	16	8	13	0		
	31-40	13	13	11	14	0		
	41-50	8	7	7	5	0		
	Above 50	5	4	5	4	0		
Repurchase facility	Below 20	2	2	1	0	0	0.890	Accept
	21-30	12	11	13	13	0		
	31-40	10	11	12	18	0		
	41-50	5	5	6	11	0		
	Above 50	6	4	3	5	0		

Interpretation:

The relationship between age of the respondents and factors affecting to their investment decision regarding mutual fund.

In the above table it can be seen that P value is greater than 0.05 in all the cases. So null hypothesis is failed to reject in all the cases. Further it can be said that there is no relationship between age and factors that influence behind the investing in mutual fund.

H_0 : There is no significance relation between education qualification and factors affecting to investment decision of investor towards mutual fund.

H_1 : There is a significance relation between education qualification and factors affecting to investment decision of investor towards mutual fund.

Factors	Education qualification	SA	A	N	DA	SDA	P Value	Decision
Professional management	Primary	10	6	8	0	0	0.757	Accept
	Secondary	22	22	18	0	0		
	Graduate	14	6	7	0	0		
	Post graduate	6	8	7	0	0		
	Professional degree	8	5	3	0	0		
Diversification of risk	Primary	7	10	7	0	0	0.630	Accept
	Secondary	15	21	26	0	0		
	Graduate	12	7	8	0	0		
	Post graduate	4	9	8	0	0		
	Professional degree	4	6	6	0	0		
High return	Primary	6	10	8	0	0	0.813	Accept
	Secondary	22	18	22	0	0		
	Graduate	8	7	12	0	0		
	Post graduate	6	9	6	0	0		
	Professional degree	5	7	4	0	0		
Low cost	Primary	6	6	8	4	0	0.549	Accept
	Secondary	16	20	12	14	0		
	Graduate	4	8	10	5	0		
	Post graduate	5	4	4	8	0		
	Professional degree	1	5	6	4	0		
Liquidity	Primary	7	4	5	8	0	0.739	Accept
	Secondary	11	12	14	25	0		
	Graduate	6	4	8	9	0		
	Post graduate	6	7	5	3	0		
	Professional degree	2	3	5	6	0		

Transparency	Primary	10	8	3	3	0	0.046	Rejected
	Secondary	12	16	17	17	0		
	Graduate	6	10	7	4	0		
	Post graduate	0	9	6	6	0		
	Professional degree	5	5	0	6	0		
Flexibility	Primary	7	9	5	3	0	0.529	Accept
	Secondary	20	16	16	10	0		
	Graduate	12	6	3	6	0		
	Post graduate	5	8	2	6	0		
	Professional degree	3	4	5	4	0		
Well regulated	Primary	5	7	7	5	0	0.699	Accept
	Secondary	16	18	14	14	0		
	Graduate	4	7	8	8	0		
	Post graduate	7	2	6	6	0		
	Professional degree	7	2	4	3	0		
Safety	Primary	12	3	3	6	0	0.048	Rejected
	Secondary	11	28	12	11	0		
	Graduate	7	5	6	9	0		
	Post graduate	5	5	6	5	0		
	Professional degree	4	3	3	6	0		
Tax exemption	Primary	4	4	8	8	0	0.693	Accept
	Secondary	18	14	13	17	0		
	Graduate	4	9	9	5	0		
	Post graduate	4	3	8	8	0		
	Professional degree	4	2	5	5	0		
Choice of scheme	Primary	7	2	6	9	0	0.489	Accept
	Secondary	18	14	15	15	0		
	Graduate	6	7	10	4	0		

	Post graduate	4	4	9	4	0		
	Professional degree	3	6	3	4	0		
Prompt services	Primary	5	9	3	7	0	0.867	Accept
	Secondary	15	16	17	14	0		
	Graduate	7	5	9	6	0		
	Post graduate	4	8	5	4	0		
	Professional degree	2	5	4	5	0		
Convenient	Primary	7	8	6	3	0	0.395	Accept
	Secondary	13	19	15	15	0		
	Graduate	4	8	5	10	0		
	Post graduate	8	5	4	4	0		
	Professional degree	7	1	3	5	0		
Repurchase facility	Primary	7	6	5	6	0	0.384	Accept
	Secondary	12	13	15	22	0		
	Graduate	9	5	5	8	0		
	Post graduate	4	5	9	3	0		
	Professional degree	3	4	1	8	0		

Interpretation:

The relationship between education qualification of the respondents and factors affecting to their investment decision regarding mutual fund.

P value of education qualification and factor that influence investing in stock market like, Professional management, Diversification of risk, High return, Low cost, Liquidity, Flexibility, well regulated, Tax exemption, Choice of scheme, Prompt services, Convenient, Repurchase facility. So null hypothesis is failed to reject in this case. Further it can be said that there is no relationship.

P value of education qualification and factor that influence investing in stock market like Transparency, Safety. So, null hypothesis is rejected in this case. Further it can be said that there is a significant relationship.

H₀: There is no significance relation between annual income and factors affecting to investment decision of investor towards mutual fund.

H₁: There is a significance relation between annual income and factors affecting to investment decision of investor towards mutual fund.

Factors	Annual income	SA	A	N	DA	SDA	P – Value	Decision
Professional management	UP to Rs.1,00,000	26	18	17	0	0	0.427	Accept
	Rs.1,00,001–Rs.3,00,000	17	15	14	0	0		
	Rs.3,00,001-Rs.5,00,000	8	7	1	0	0		
	Above Rs.5,00,00	9	7	10	0	0		
Diversification of risk	UP to Rs.1,00,000	20	19	22	0	0	0.149	Accept
	Rs.1,00,001–Rs.3,00,000	11	21	14	0	0		
	Rs.3,00,001-Rs.5,00,000	7	3	6	0	0		
	Above Rs.5,00,00	3	10	13	0	0		
High return	UP to Rs.1,00,000	22	18	21	0	0	0.363	Accept
	Rs.1,00,001–Rs.3,00,000	11	17	18	0	0		
	Rs.3,00,001-Rs.5,00,000	2	8	6	0	0		
	Above Rs.5,00,00	11	8	7	0	0		
Low cost	UP to Rs.1,00,000	15	20	14	12	0	0.404	Accept
	Rs.1,00,001–Rs.3,00,000	10	15	13	8	0		
	Rs.3,00,001-Rs.5,00,000	2	2	5	7	0		
	Above Rs.5,00,00	4	6	8	8	0		
Liquidity	UP to Rs.1,00,000	13	10	15	23	0	0.725	Accept
	Rs.1,00,001–Rs.3,00,000	11	9	12	14	0		
	Rs.3,00,001-Rs.5,00,000	4	5	4	3	0		
	Above Rs.5,00,00	3	6	6	11	0		
Transparency	UP to Rs.1,00,000	15	16	15	15	0	0.691	Accept
	Rs.1,00,001–Rs.3,00,000	9	17	12	8	0		
	Rs.3,00,001-Rs.5,00,000	2	5	4	5	0		
	Above Rs.5,00,00	7	9	2	8	0		
Flexibility	UP to Rs.1,00,000	23	12	16	10	0	0.355	Accept
	Rs.1,00,001–Rs.3,00,000	10	16	8	12	0		
	Rs.3,00,001-Rs.5,00,000	6	5	1	4	0		

	Above Rs.5,00,00	7	10	6	3	0		
Well regulated	UP to Rs.1,00,000	12	22	14	13	0	0.072	Rejected
	Rs.1,00,001–Rs.3,00,000	10	10	13	13	0		
	Rs.3,00,001-Rs.5,00,000	8	3	2	3	0		
	Above Rs.5,00,00	9	1	9	7	0		
Safety	UP to Rs.1,00,000	14	21	14	12	0	0.865	Accept
	Rs.1,00,001–Rs.3,00,000	13	11	8	14	0		
	Rs.3,00,001-Rs.5,00,000	4	4	4	4	0		
	Above Rs.5,00,00	8	8	4	6	0		
Tax exemption	UP to Rs.1,00,000	14	15	14	18	0	0.696	Accept
	Rs.1,00,001–Rs.3,00,000	11	8	13	14	0		
	Rs.3,00,001-Rs.5,00,000	2	4	8	2	0		
	Above Rs.5,00,00	7	5	7	7	0		
Choice of scheme	UP to Rs.1,00,000	18	12	17	14	0	0.363	Accept
	Rs.1,00,001–Rs.3,00,000	11	12	9	14	0		
	Rs.3,00,001-Rs.5,00,000	4	1	8	3	0		
	Above Rs.5,00,00	4	8	9	5	0		
Prompt services	UP to Rs.1,00,000	9	20	18	14	0	0.394	Accept
	Rs.1,00,001–Rs.3,00,000	11	14	10	11	0		
	Rs.3,00,001-Rs.5,00,000	3	3	3	7	0		
	Above Rs.5,00,00	9	6	7	4	0		
Convenient	UP to Rs.1,00,000	15	19	14	13	0	0.683	Accept
	Rs.1,00,001–Rs.3,00,000	11	12	8	15	0		
	Rs.3,00,001-Rs.5,00,000	4	4	6	2	0		
	Above Rs.5,00,00	9	6	5	6	0		
Repurchase facility	UP to Rs.1,00,000	10	13	16	22	0	0.473	Accept
	Rs.1,00,001–Rs.3,00,000	17	8	9	12	0		
	Rs.3,00,001-Rs.5,00,000	3	5	5	3	0		
	Above Rs.5,00,00	5	7	5	9	0		

Interpretation:

The relationship between annual income of the respondents and Factors affecting to their investment decision regarding mutual fund.

P value of annual income and factor that influence investing in stock market like Professional management, Diversification of risk, High return, Low cost, transparency, Flexibility, Safety, Tax exemption, Choice of scheme, Prompt services, Convenient, Repurchase facility. So, null hypothesis is failed to reject in this case. Further it can be said that there is no relationship.

P value of annual income and factor that influence investing in stock market like, well regulated. So, null hypothesis is rejected in this case. Further it can be said that there is a significant relationship.

VI. CONCLUSION

Investors opinion and perceptions has been studied relating to various issues like type of mutual fund scheme, main objective behind investing in mutual fund scheme, level of satisfaction, role of financial advisors and brokers, investors opinion relating to factors that attract them to invest in mutual funds, sources of information, deficiencies in the services provided by the mutual fund managers, challenges before the Indian mutual fund industry etc. The present study is very important in order to judge the investors behavior in a market like India, where the competition increases day by day due to the entry of a large number of players with different financial strengths and strategies. In the study it was observed that investors generally preferred more to invest in equity and tax saving fund. Today the main task before mutual fund industry is to convert the potential investors into the investors. New and more innovative schemes should be launched from time to time so that investor's confidence should be maintained. All this will lead to the overall growth and development of the mutual fund industry in India.

VII. REFERENCE

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