



A STUDY ON CUSTOMER PERCEPTION REGARDING MUTUAL FUNDS SERVICES BY RELIGARE SECURITIES LTD

Brijal Patel

B.V. Patel Institute of Management, UKA Tarsadia University.

ABSTRACT

A Mutual Fund is a collective investment vehicle formed with the specific objectives of raising money for many of individuals and investing it according to a pre-specified objective, with the benefits accrued to be shared among the investor on a pro-rate basis in proportion to their investment. This research conducted the customer perception with regard to mutual funds that is the schemes they prefer, the services they are opting, the reasons behind such selections and this research dealt with different investment options where people prefer along with and apart from mutual funds are postal saving schemes, recurring deposits, bonds, and shares. This study it is can conclude that mutual fund have become one of the most attractive ways for the average person to invest his or her money. Most of the investors are investing in balanced fund and tax saving fund with the main purpose of the liquidity, return potential and low cost. Most of the investors are known about mutual fund.

KEYWORDS : Mutual funds, Investors, Customer Perception.

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 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 into a diversified portfolio, professionally managed security at a relatively low cost. It is a pool of assets invested on behalf of investors. It 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 investment objectives of the investors. 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. A mutual fund has different types of schemes where 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 OBJECTIVES

1. To find out the customer perception regarding mutual funds services.
2. To find out factor affecting to investing in mutual fund schemes.
3. To know what are the general sources for mutual funds schemes.

III. RESEARCH METHODOLOGY

Research Design selected for this research is descriptive design and at Bardoli. Data was collected on primary data. The data collection method used was survey method and the data collection instrument used is structured questionnaire. The sampling technique used is non probability convince sampling. Sampling size is 100 respondents. The tools used in this study are One-Sample Kolmogorov-Smirnov Test Two hypotheses were made in this study and hypothesis testing was done using One-Sample Kolmogorov-Smirnov using IBM SPSS software. Both hypotheses were tested with 95% confidence level i.e. at 5% significant level.

LIMITATION OF STUDY:

- The Mutual fund industries are unpredictable and keeps on changing from time to time it is difficult to collect accurate data.
- Some respondents were willing to divulge personal information which can affect the validity of all responses.
- Some respondents were uneducated due to semi-urban and villages areas.

IV. LITERATURE REVIEW

Prof Gauri Prabhu, Dr N.M. Vechalekar conducted a research on

“Perception of Indian Investor towards investment in mutual funds with special reference to MIP Funds”. The objective of the study was to identify the factors considered to be important by the investors before investing in any mutual fund. The study used 150 respondents for the sample and used pre-tested questionnaire method. The study concluded that most of the investors are aware of various schemes of mutual funds. Most of the investors are aware about the MIP Funds and the preferred reason for investing in MIP fund is consistent returns given by these funds.

Priti Mane (2016) conducted a research on “a Study of Investors Perception towards Mutual Funds in the City of Aurangabad”. The objective of the study was to know the preference of people for investment. The study used 13 investors of Aurangabad city for the sample and used Chi Square Test Method. The study concluded that the aware about the level of mutual fund among the investors are very low because of only having the partial knowledge about the mutual fund which prevents them to invest in mutual fund to avoid risk bearing factor and fear of losing money.

Ramakrishna Mishra conducted a research on “perceptions of Investors towards Mutual Funds: An Analytical Study in Odisha”. The objectives of the study were to investigate perception of investor towards mutual funds with an objective to explore the important aspects of Mutual Funds affecting the perception of investors. The study used 136 respondents in the sample size and used T test in the tools. The study concluded that mutual funds are looked upon as a transparent and low cost investment vehicle, which attracts a fair share of investor attention helping spur the growth of the industry. In study it regards the investor's perception about important aspects in mutual fund as factor analysis is used.

Arathy B, Aswathy A Nair, Anju Sai P, Pravitha NR (2015) on conducted a research on “A Study on Factors Affecting Investment on Mutual Funds and Its Preference of Retail Investors”. The objective of the study was to analyze the factors influencing investments decisions of retail investors in Mutual funds. The study used 200 investors in the sample size. The study used Personal interview through a structured questionnaire method. The study concluded that the mutual funds have emerged as one of the most important class of financial intermediaries which cater to the needs of the retail investors. Thus the major factors are influencing the investment decision of retail investors are tax benefits, high return, and price and capital appreciation.

Dr. Binod Kumar Singh on conducted a research on “A study on investors' attitude towards mutual funds as an investment option”. The objective of the study was to study and analyze the impact of various demographic factors on investor's attitude towards mutual fund. The study used 250 investor in the sample size and used Hypothesis, Chi-square test, Rank, Weighted score and Scaling methods. The study concluded that most of the respondents are not

aware about the various function of mutual funds. The benefits provided are concerned, return potential and liquidity has been perceived to be most attractive by the investors' followed by flexibility, transparency and affordability.

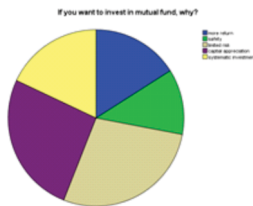
V. DATA ANALYSIS AND INTERPRETATION

Do you know about mutual fund?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	100	100.0	100.0	100.0

INTERPRETATION:

The above graph shows that the all respondents are aware about the mutual funds and their services because most investors are likely to invest in mutual funds.

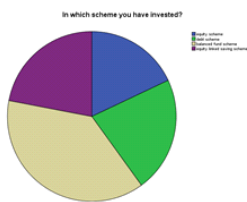
If you want to invest in mutual fund, why?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	more return	16	16.0	16.0	16.0
	Safety	12	12.0	12.0	28.0
	limited risk	28	28.0	28.0	56.0
	capital appreciation	26	26.0	26.0	82.0
	systematic investment	18	18.0	18.0	100.0
	Total	100	100.0	100.0	



INTERPRETATION:

The above graph shows that the respondents are which investment like to prefer first. The majority of 30% respondents are like to invest in Insurance and 20% respondents are like to invest in Mutual Funds. Other 15% respondents investing in debenture, 11% respondent are investing in stock market, 9% respondents are investing in bank deposit and bonds, 6% respondents are investing in derivatives. So, we can interpret that investor would likely to invest in insurance because of safety.

If you want to invest in mutual fund, why?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	more return	16	16.0	16.0	16.0
	Safety	12	12.0	12.0	28.0
	limited risk	28	28.0	28.0	56.0
	capital appreciation	26	26.0	26.0	82.0
	systematic investment	18	18.0	18.0	100.0
	Total	100	100.0	100.0	

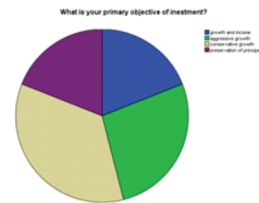


INTERPRETATION:

From the above graph, the primary objective of majority investors i.e. 35% of investor's goal is conservation Growth of fund and 27% of investors' goal is aggressive growth, 19% of investors' goal is growth & income and preservation of principal. We can observe that investors a primary objective is to in conservation growth which means investor want to earn more through mutual funds.

PARTICULAR	N	Kolmogorov - Smirnov Z	Asymp. Sig. (2-tailed)
Liquidity	100	2.783	.000
Higher Returns	100	2.582	.000
Lower Risk	100	1.646	.009
Expertise	100	1.929	.001
Diversification	100	2.054	.000
Safety of Money	100	1.915	.001
Tax Benefits	100	1.840	.002
Past Performance	100	1.793	.003
Regular Income	100	1.995	.001
Company Reputation	100	1.710	.006

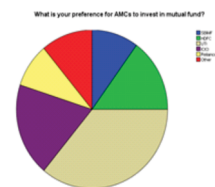
What is your primary objective of investment?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	growth and income	19	19.0	19.0	19.0
	aggressive growth	27	27.0	27.0	46.0
	conservative growth	35	35.0	35.0	81.0
	preservation of principal	19	19.0	19.0	100.0
	Total	100	100.0	100.0	



INTERPRETATION:

The p-value of liquidity, high return, lower risk, expertise, diversification and tax benefit, safety of money, past performance, regular income and company reputation is less than the 0.05. It can be concluded that null hypothesis is rejected because this factor are least important for making investment in mutual fund.

What is your preference for AMCs to invest in mutual fund?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SBIMF	10	10.0	10.0	10.0
	HDFC	15	15.0	15.0	25.0
	UTI	36	36.0	36.0	61.0
	ICICI	19	19.0	19.0	80.0
	Reliance	9	9.0	9.0	89.0
	Other	11	11.0	11.0	100.0
	Total	100	100.0	100.0	

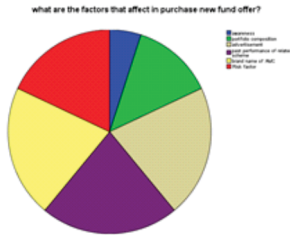


INTERPRETATION:

From the above table, it can be seen that most of the investors i.e. 36% of investors prefer UTI as a AMC to invest in mutual fund and 19% of investors prefer ICICI as a AMC for investment, 15% of investors prefer HDFC for investment, 11% of investors prefer other as a AMC for investment, 10% of investors prefer SBIMF as a AMC, 9% of investors prefer reliance AMC. So, all the investors have different preference for the investment.

What are the factors that affect in purchase new fund offer?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Awareness	5	5.0	5.0	5.0

portfolio composition	13	13.0	13.0	18.0
Advertisement	21	21.0	21.0	39.0
past performance of related scheme	22	22.0	22.0	61.0
brand name of AMC	21	21.0	21.0	82.0
Risk factor	18	18.0	18.0	100.0
Total	100	100.0	100.0	



INTERPRETATION:

The above graph shows the factors that affect in purchase new fund offer. From the above graph, it can be seen that past performance of related schemes has a major influence on purchase of new fund offer. The brand name of AMCs & advertisement also has a more influence on purchasing new fund offer. Risk factor, portfolio composition, awareness have less influence on purchase of new fund offer in comparison from above three factors.

VI.CONCLUSION

Finally, I would like to conclude my study by saying that the customer perception regarding Mutual Funds has become one of the most attractive ways for the person to invest his money. It is said that Insurance investment is the first priority of people to invest their saving and the second place is for investment in Mutual Funds and other avenues. A Mutual Fund pools resource from thousands of investor and then diversifies its investment into many different holdings such as stocks, bonds, or Government securities in order to provide high relative safety and returns. It generates leads of the prospective investors in Mutual Funds for the Asset Management Company. There are many improvements pending in the field and it has to happen as soon as to call the Mutual Funds industry as an Organized and well developed sector. Investors are very much aware about mutual fund. Insurance is most preferable fund. Advertisement is one of the ways to explore mutual fund. AMC should be more focuses on fund performance. The tax benefits on mutual funds made a turning point to its investors. Company should reduce the initial amount of mutual fund schemes so, it covers lot of customers.

Banks is most preferable investment on the basis of safety.

VII.REFERENCE

1. Prabhhu, G., & Vechalekar, N. M. (2014). Perception of Indian Investor towards investment in mutual funds with special reference to MIP Funds. In IOSR Journal of Economics and Finance (IOSR-JEF). Proceedings of 7th International Business Research Conference, Indian Education Society's Management College and Research Centre (pp.66-74).
2. Mane, P. (2016). A Study of Investors Perception towards Mutual funds in the city of Aurangabad. The SJJ Transactions on Industrial, Financial and Business Management, 4, 30-38.
3. Mishra, R. (2015). Perceptions of investors towards mutual funds: an analytical study in Odisha. International journal on recent and innovation trends in computing and communication, 3(7), 4889-4892.
4. Arathy, B., Nair, A. A., Sai, A., & Pravitha, N. R. (2015). A Study on factors affecting investment on mutual funds and its preference of retail investors. International Journal of Scientific and Research Publication, 5(8), 1-4.
5. Singh, B. K. (2011). A study on investors' attitude towards mutual funds as an investment option. Journal of Asian Business Strategy, 1(2), 8.