



Perception And Satisfaction of Savings Pattern in Mutual Funds-Special Reference To Coimbatore City

KEYWORDS

Customers, Satisfaction, Perception, Expectation, Wealth.

Ms.S.Punithavathi

Research Scholar, PG & Research Department of Commerce CA, Hindusthan College of Arts & Science, Coimbatore - 28.

Dr.P.Arumugasamy

Research Guide, Associate Professor, PG & Research Department of Commerce CA, Hindusthan College of Arts & Science, Coimbatore - 28.

ABSTRACT *The study focuses and attention towards the possibilities of measuring the expectations and satisfaction level of more mutual fund products. It also aims to suggest techniques to improve the present level of perception. The study will help the firm in understanding the expectations, future needs and requirements and complaints of the consumers. Mutual fund is the pool of the money, based on the trust who invests the savings of a number of investors who shares a common financial goal, like the capital appreciation and dividend earning. The money thus collect is then invested in capital market instruments such as shares, debenture, and foreign market. Investors invest money and get the units as per the unit value which we called as NAV (Net Assets Value).*

Introduction and Growth of Mutual Funds in India

Mutual fund is the most suitable investment for the common man as it offers an opportunity to invest in diversified portfolio management, good research team, professionally managed Indian stock as well as the foreign market. Mutual fund industry has seen a lot of changes in the past few years with multinational companies coming into the country; bring in their professional expertise in managing funds worldwide. The 1970's saw a new kind of fund innovation; Funds with no sales commissions called "no load funds". The largest and most successful no load family of funds is the forefront Funds, created by John Bogle in 1977. In the series of new product, the First Money Market Mutual Fund (MMMMF) i.e., the "Reserve Fund" was started in 1971. This new concept signal a dramatic change in Mutual Fund Industry.

Scope of the Study

The study is to find out the preference of the investors who have been invested in mutual funds. The information considered for analysis and interpretation are confined to demographic factors, preference of the mutual funds, types of schemes preferred and so on. The primary data is collected from the investors. The collected data gives the individual investor's perception will give a valuable insight regarding their expectation about an ideal fund and schemes. This study tries to get the preferences, inference of the respondents.

Need for the Study

For retail investor who does not have the time and skill to analyze and invest in stocks and bonds, mutual funds offer a possible investment alternative. This is because mutual funds provide the benefit of cheap access to expensive stocks. Mutual funds diversify the risk of the investor by investing in a basket of assets. A team of professional fund managers manages them within-depth research inputs from investment analysts. Being institutions with good bargaining power in markets, mutual funds have access to essential corporate information which individual investors cannot access.

Limitations

Though the study is based on the data collected from vari-

ous direct sources and direct personal interviews, still it is not free from limitations like:

- Limited information access because of lack of informed investors.
- Short span of time.
- Reluctance to share information regarding, investments and future plans etc.
- Insufficient data.

Objectives of the Study

- To study the perception of customers towards various types of mutual funds.
- To evaluate the awareness of customers towards various mutual funds.
- To determine the expected return and risk involved in investing in mutual funds.
- To under the customers' investing power and their interest in financial product.

Methodology

Primary data

Primary data are first-hand information collected through various methods such as observation, interviewing, mailing etc. during the project

Secondary data

This is collected through book periodical, bibliographies and annual reports.

Data Collection

For data collection instrument structured questionnaire was used. They consist of open ended questions and close ended question.

Statistical Tools used

Statistical tools such as frequency analysis, Chi-square

Review of Literature

Lewis (1993) the services quality is important to build the

customer's faith and expectation. The investment of the funds and services has to give the returns to the customers by building the trust and faith. Zeithaml and Bitner (1996) service quality in financial transaction is the judgment of a customer about the overall excellence or superiority of a product or service. Mishra,(2002) measured mutual fund performance using lower partial moment. In this paper, measures of evaluating portfolio performance based on lower partial moment are developed. Risk from the lower partial moment is measured by taking into account only those states in which return is below a pre-specified "target rate" like risk-free rate. Niamey (2008) the mutual funds are the biggest financial assets for many investors and are important in today's investing world. The investors can achieve their investment goals with the help of well-established mechanics of mutual funds portfolio.

Analysis and Interpretation

Table – 1 Simple Percentage Analysis

Age	Frequency	Percentage
20-30 yrs	68	45
31-40 yrs	33	22
41-50 yrs	24	16
51-60 yrs	25	17
Gender		
Male	66	44
Female	84	56
Awareness		
Yes	141	94
No	9	6
Investment Amount		
Yes	135	90
No	15	10
Investment Money		
Liquidity	43	29
Low Risk	62	41
High Return	45	30
Feel Risk		
Yes	96	64
No	54	36
Time and Duration		
0-1 Yrs	36	24
2-4 Yrs	60	40
5-6 Yrs	46	31
More than 6Yrs	8	5
Norms, Documentation and Forms		
Highly satisfied	50	33
Satisfied	83	55
Dissatisfied	17	12
Purpose of Mutual Fund		
Safety	42	28
Flexibility	52	35
Tax Benefits	22	15
Good Return	27	18
Others	7	4

Source: Primary Data

As per above Table reveals that, 45% of the respondents age group between 20 to 30 years of investing in mutual fund, 56% of respondents belongs Female, 41% of respondents thinking that investment in mutual fund is Low risk, 52% of respondents that is 78 respondents out of 150, investment in mutual fund for Educational purpose, above 40% is investing in 2-4 years of periods and 35% of respondents are Flexibility in purpose of mutual fund.

Chi Square Analysis

Table 2 Relationship between Investment Income and Savings

Investment In- come	Savings				Total
	Less than Rs.30,000	Rs.31,000 – 50,000	Rs.51000 – 75,000	Above Rs.75,000	
Yes	39	60	33	6	138
No	3	9	0	0	12
Total	42	69	33	6	150

Source: Primary Data

Value =5.818, DF = 3, Significant Value (2-sided) =0.121

H₀: There is no relationship between the investment income and savings.

The Pearson Chi-Square value is 5.818with the DF - 3, P value 0.121. Hence it is clear that it is statistically not significant at 5% level. Hence there is a no relationship between the investment income and savings.

Table 3 Relationship between Savings and Occupation

Occupation	SAVINGS					Total
	Chit Funds	Bank Depos- its	Shares, Bonds and Mutual Fund	Gold/ Silver	Others	
Gov- ernment Em- ployee	6	12	0	3	3	24
Private	3	18	6	6	9	42
Profes- sional	15	21	9	0	0	45
Others	18	18	0	3	0	39
Total	42	69	15	12	12	150

Source: Primary Data

Value = 46.481, DF = 12 , Significant Value (2-Sided) =.000

H₀: There is no relationship between the savings and occupation.

The Pearson Chi-Square value is 46.481with the DF - 12, P value 0.000. Hence it is clear that it is statistically significant at 5% level. Hence there is a relationship between the savings and occupation.

Table 4 Relationship between Annual Income and Investment

Annual Income	Investment				Total
	10-25%	30-50%	55-80%	85-100%	
Upto- 1lakh	45	12	0	0	57
2-4 lakhs	18	24	15	0	57
5-6 lakhs	0	12	12	3	27
6 lakhs above	0	6	0	0	6
Total	63	54	27	3	147

Source: Primary Data

Value = 81.257, DF = 9, Significant Value (2-Sided) =.000

H₀: There is no relationship between the annual income and investment.

The Pearson Chi-Square value is 81.257 with the DF - 9, P value = 0.000. Hence it is clear that it is statistically significant at 5% level. Hence there is a relationship between the annual income and investment.

Findings

1. 45% of the respondent's age group between 20 to 30 years.
2. 56% of respondents belongs Female
3. 41% of respondents are thinking Low Risk
4. 40% is investing in 2-4 yrs periods
5. 35% of respondents are Flexibility in purpose of mutual fund.
6. 64% of respondents are more Feel risk in mutual fund.
7. 55% of the respondents are more satisfied in Norms, Documentation and Forms.
8. 90% of the respondents are more invest in mutual fund.

Suggestions

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. So Mutual fund companies should provide complete information of various products to their investors. Customers i.e., investors fees should be reduced thereby increasing the number of investors towards invest. The mutual fund companies can increase their market size by way of opening more distribution centers at the various urban and semi-urban markets. If the company improves the categories of investment, customer will show the interest to invest more.

Conclusion

A mutual fund is answer to these entire situation it appoints professionally qualified and experienced staff manages each of these functions on a full time basis. Mutual fund provides varieties of schemes for different kind of customer to suit their goals. Mutual fund have open-ended and close-ended schemes, children's plan, diversified equity fund, balanced fund, liquid plan, income fund, short term fund, sector fund and pension plan. So the future of mutual fund in India is bright, because it meets investor's confidence.

Reference

1. Avadhani.V.A. (1992), "Investment and Securities Market in India", Himalaya Publishing House, New Delhi.
2. Avadhani.V.A. (1996), "SEBI Guidelines and Listing of Companies", Himalaya Publishing House, Mumbai.
3. Singh Jaspal (2000), "Investment Performance of Indian Mutual Funds; An Empirical Study", Finance India, Vol. 14, No.3, pp. 833-866.
4. Balu.V.(2005), "Financial Markets and Services", Sri Venkateswara Publications, Chennai.