ORIGINAL RESEARCH PAPER

Commerce

A STUDY ON CUSTOMER PERCEPTION TOWARDS SELECTED MUTUAL FUND IN PATAN CITY, GUJARAT

KEY WORDS: Indian Securities Market, Mutual Fund Industry, Customer Perception

Meenaben R. Hirvaniya

Prof., Assistant Professor, Smt. T.S.R College of Commerce, Patan- 384265

ABSTRACT

The Indian securities market gained greater importance with the establishment of SEBI in April 1992 to protect the interests of the investors in securities market and to promote the development of, and to regulate, the securities market. In the year 1993, the first set of SEBI Mutual Fund Regulations came into being for all mutual funds, except UTI. The erstwhile Kothari Pioneer (now merged with Franklin Templeton MF) was the first private sector MF registered in July 1993. With the entry of private sector funds in 1993, a new era began in the Indian MF industry, giving the Indian investors a wider choice of MF products. This research Paper focusing on Customer Perception for selected mutual fund Industry among Investment perspectives.

1. INTRODUCTION

A strong financial market with broad participation is essential for a developed economy. With this broad objective India's first mutual fund was establishment in 1963, namely, Unit Trust of India (UTI), at the initiative of the Government of India and Reserve Bank of India 'with a view to encouraging saving and investment and participation in the income, profits and gains accruing to the Corporation from the acquisition, holding, management and disposal of securities'.

1.2. What is a Mutual fund?

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. 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, the main aim of the fund manager is to taking the scrip that have under value and future will rising, then fund manager sell out the stock. India's mutual fund (MF) sector witnessed an incredible journey in 2017. The sector, crowded with more than 40 players, added as many assets in a single year as it could manage during the first two decades of its existence.

1.3 TYPES OF MUTUAL FUNDS

Wide variety of Mutual Fund Schemes exists to cater to the needs such as financial position, risk tolerance and return expectations etc. The table below gives an overview into the existing types of schemes in the Industry.

- **By Structure**
- Open Ended Funds
- Close Ended Funds
- Interval Funds
- **By Investment Objectives**
- Growth Funds
- Income Funds
- Balanced Funds
- Money Market Funds
- **Other Schemes**
- Tax Saving Funds
- Special Funds
- Index Funds
- Sector Specific Funds

1.4 Major Players

- ICICI Prudential Mutual Fund
- HDFC Mutual Fund
- Birla Sun Life Mutual Fund
- SBI Mutual Fund
- Kotak Mahindra Mutual Fund

2. Literature Review

Ramakrishna Mishra (2015):- This study aims to investigate perception of investor towards mutual funds with an objective to explore the important aspects of Mutual Funds affecting the perception of investors and also. Data for the study were collected form 136 sample respondents residing in Bhubaneswar City of Odisha using a structured questionnaire and analysed by exploratory factor analysis and t-test. As a result of factor analysis three factor namely investment, return and future were explored and through t-test it was proved that there is a difference of perception among the small and large investors with respect to 'return' and 'future' aspects of mutual fund.

GauriPrabhu, M. Vechalekar (2014) :-Mutual Funds provide a platform for a common investor to participate in the Indian capital market with professional fund management irrespective of the amount invested. The Indian mutual fund industry is growing rapidly and this is reflected in the increase in Assets under management of various fund houses. Mutual fund investment is less risky than directly investing in stocks and is therefore a safer option for risk averse investors. Monthly Income Plan funds offer monthly returns and invest majorly in debt oriented instruments with little exposure to equity. The findings will help mutual fund companies to identify the areas required for improvement in order to create greater awareness among investors regarding investment in mutual funds.

3. Theoretical Background

Perception is a process by which an individual select, organize and Interpret stimuli in a meaningful picture of the world. Also, we can describe as "how we see the world around us". Perception is the process of selecting, organizing and interpreting or attaching meaning to events happening in environment. Our perception is an approximation of reality. Our brain attempts to make sense out of the stimuli to which we are exposed. This works well when we are about to perceive familiar facts. Using his sensory receptors and being influenced by external factors, the person receives information, accepts and adapts it, forms his personal attitude, aptitude, opinion, and motive, which can be defined as factors that will influence his further activity and behaviour. Perception within this context is considered as one of the principal personal factors, conditioning the nature and direction of remaining variables.

4. Research Methodology

The data needed for the study is collected from the customer, through questionnaire. Analysis and interpretation has been done by using the statistical tools and data presented through tables and charts.

4.1 Research Objectives

- To find out the awareness level of investors regarding mutual funds.
- To study the investment pattern of individuals.
- To find out reasons for investing in Mutual Funds.
- To study the factor influencing the investors in selecting mutual fund schemes.
- To find out which steps can be taken to boost mutual fund industry.

4.2 Hypothesis

H0: There is no significant difference in the risk, return preferences of the investors.

4.3 Research Design:

Descriptive research design would be used. Study would be based on survey method. The aim of the study is to know the customer perception towards selected mutual funds.

4.4 Sampling Frame:

The sampling frame for the research would be the investors who have invested in mutual fund through different mutual funds companies.

4.5 Data Collection

4.5.1 Primary Data:

The proposed research study will be mainly based on primary sources of information. Primary data is information which we collect specifically for the purpose of this research. Primary data is the population sample from which we collect the data. The first step in the process is determining your target population

4.5.2 Secondary Data:

The secondary data collected from various books, journals, magazines, pamphlets, newspaper, websites etc.

4.6 Sample Size:

The sample of 60 respondents would be taken to know the perception of the customer.

4.7 Sampling Method:

Random sampling method is used. Because Random sampling is the purest form of probability sampling. Each member of the population has an equal and known chance of being selected and it is difficult or impossible to identify every member of the population.

4.8 Research Instrument:

Structure Questionnaire will be used as research instrument to get information about customer perception towards mutual funds.

4.9 Analysis of Data:

Data will be analysed by pie chart, column chart, bar chart and with help of Microsoft Excel. Some analysis would also be done by SPSS software.

4.10 Limitations of Study

- The study is limited to Patan only.
- There would be a bias in answering by respondents as the questions are concerned with their personal financial matters.
- Time for the study is limited to month of July, 2018.

5. Data Analysis and Interpretation

5.1 In which Mutual Fund you have invested?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1=SBI funds	14	23.3	23.3	23.3
	2=ICICI Prudential	7	11.7	11.7	35.0
	3=Kotak Mahindra	6	10.0	10.0	45.0
	4=Birla Sun Life	15	25.0	25.0	70.0
	5=Axis	6	10.0	10.0	80.0
	6=HDFC	12	20.0	20.0	100.0
	Total	60	100.0	100.0	

Interpretation: As per data 23.3% respondents have invested in SBI funds, 25% have invested in Birla Sun Life Mutual Funds, 20% respondents invested in HDFC Funds while 10% and 10% respondents have invested bin Kotak and Axis while 11.7% have invested in ICICI Prudential funds.

5.2 Hypothesis Testing

ANOVA

Gender					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	.146	4	.036	.558	.694
Within Groups	3.588	55	.065		
Total	3.733	59			

This is the table that shows the output of the ANOVA analysis and whether there is a statistically significance difference between our group means. We can see that the significance value is 0.694 which is more than 0.05 so we accept null hypothesis.

Findings

- Most of respondents are investing in mutual funds because its higher return factor than bank deposits and the stock market.
- The most of people are investing in mutual funds because they referred to invest in by their friends and relatives but they have not enough knowledge regarding mutual funds.
- Investors believe that the more risk is associated with the mutual funds.
- The new concept of SIP is widely accepted because of its low investment amount.
- The investors are considering themselves having partial knowledge of mutual funds and some of them has knowledge of the few schemes in which they have invested their money.

Suggestions

- As investors are thinking that there is high risk associated with mutual funds the mutual fund companies need to introduce new investment plan which has low risk to attract the investors.
- As investors belief regarding connection of mutual fund and stock market the companies need to have efficient fund managers who can attract and assure more investors.
- As female investors and higher income group had not covered by mutual funds companies the Fund manager has to take some steps to attract the female investors and higher income group.

CONCLUSION

Mutual Funds have emerged as an important segment of financial markets and it have delivered value to the investors. The objective which is set to study the investors view towards mutual fund as per the sample size and test which is applied to the study found that the investors are not feeling confident in investing in mutual fund because they think that mutual fund is risky than other investment option. As investors are only attracted for high return factor. The study reveals that investors have less confidence in service of mutual fund because it is directly linked with share market. There are more fluctuations in share market.

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