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Commerce

A STUDY ON INVESTORS PERCEPTION TOWARDS MUTUAL FUND -WITH SPECIAL REFERENCE TO SOUTH GUJARAT CITIES

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ABSTRACT

This research investigates the influence of demographic factors on consumer decisions regarding mutual funds in the South Gujarat region. Utilizing a comprehensive dataset of 1248 respondents from four districts, including Valsad, Navsari, Surat, and Bharuch, this study employs ANOVA analysis to evaluate the impact of demographic variables such as gender, marital status, education, age, occupation, annual income, annual savings, and city of residence on mutual fund preferences. The ANOVA results reveal significant relationships between these demographic factors and mutual fund choices. Gender, marital status, education, age, occupation, annual income, annual savings, and city of residence all play a substantial role in shaping the investment decisions of individuals. These findings emphasize the need for tailored marketing and financial education strategies to accommodate the diverse preferences and requirements of different demographic groups. The research underscores the importance of considering the unique characteristics of South Gujarat's population when designing financial products and services.

INTRODUCTION

Mutual funds function similarly to the adage "Little drops of water make a big ocean." Compared to shares, even small individuals can invest in mutual funds and receive a decent rate of return with lower risk. In addition, mutual funds offer a host of other advantages including tax advantages, professional expertise, and specialized services. While there are other ways to invest, mutual funds stand out due to their unique combination of risk, return, liquidity, profitability, transparency, and flexibility. The view of mutual funds as an investment perception among investors in south Gujarat is the main subject of this study.

Literature Review

1. According to SK Abbas, M Usman, and M Aftab (2020), higher returns may alter how the public and private sectors of investors react to mutual funds. Investor behaviour is influenced by a number of important factors, including tax considerations, simplicity of investing, social security, liquidity, return, and transaction cost. It also comes to the conclusion that a rise in dishonesty may cause the pool of potential M-Fund investors to shrink, and vice versa.
2. Rakeshkumar C. Patel (2020) finds that the primary goals of mutual fund investments are tax benefits, safety, and a strong return. and discovered that the respondents' gender did not substantially differ across all investment experience. Graduate responders have less experience than other knowledgeable and academic replies.
3. Sujit Deb and Ranjit Singh (2018): Three factors—employees' fear psychosis regarding mutual fund investments, their lack of information, and their lack of confidence—affect the overall degree of risk perception. Among these three variables, fear psychosis has the most influence on choosing to invest in mutual funds.
4. R. Manimurugan (2015) found that risk, return, and scheme had the most effects on mutual funds based on his research conducted in the Tamil Nadu area of Nakkamal. For investors in mutual funds, the main issue is inadequate knowledge. They are frequently threatened to stray from the market position.

Research Objective

To analyze the impact of various demo-graphical factors like Age, Gender, Income and Education on consumer decision towards mutual fund.

Research Methodology

The research employs a quantitative research design to gather structured data from the target population. A cross-sectional research approach will be used to collect data at a single point in time to understand the current state of consumer decisions. The population of interest comprises residents of the four districts in South Gujarat, including Valsad, Navsari, Surat, and Bharuch. Stratified random sampling will be used to ensure representation from each district. The total sample size is 1248 respondents, with proportional allocation among the districts. Data has been collected through structured questionnaires distributed both online and in-person. A multi-stage cluster sampling approach will be used within each district to select respondents. Descriptive statistics will be used to summarize the demographic characteristics and consumer decisions. This includes measures such as mean, median, standard deviation, and frequency distributions.

RESULT

Descriptive statistics for several key variables in our dataset. The multiple sections, each pertaining to different demographic factors such as Gender, Marital Status, Education, Age (in years), Occupation, Annual Income (Rs), Annual Savings (Rs), and City. First, let's focus on the Gender section. It reveals that 528 respondents answered "No," while 720 responded with "Yes." The mean values for these two groups indicate that those who answered "No" (1.545) have a higher mean compared to those who answered "Yes" (1.367) regarding some aspect of their mutual fund preferences. The standard deviation for both groups provide a measure of how spread out the responses are. Moving on to Marital Status, the table shows that among 528 respondents answering "No," the mean is 1.955, while for the 720 respondents answering "Yes," the mean is 1.850. This suggests that those who are not married may have different mutual fund preferences compared to those who are married. The standard deviation values provide insight into the variability within these groups. The table continues in a similar manner for the Education, Age (in years), Occupation, Annual Income (Rs), Annual Savings (Rs), and City variables. In each case, the mean values indicate the central tendency of the responses, and the standard deviation measures the dispersion or variability of the data.

Table 1: ANOVA RESULTS

		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	9.737	1	9.737	40.698	.000
	Within Groups	298.109	1246	.239		
	Total	307.846	1247			
Marital Status	Between Groups	3.329	1	3.329	36.164	.000
	Within Groups	114.709	1246	.092		
	Total	118.038	1247			
Education	Between Groups	206.188	1	206.188	124.056	.000
	Within Groups	2070.927	1246	1.662		
	Total	2277.115	1247			
Age (in years)	Between Groups	1.545	1	1.545	15.893	.000
	Within Groups	121.109	1246	.097		
	Total	122.654	1247			
Occupation	Between Groups	19.038	1	19.038	18.605	.000
	Within Groups	1275.000	1246	1.023		
	Total	1294.038	1247			
Annual Income (Rs)	Between Groups	12.370	1	12.370	13.851	.000
	Within Groups	1112.745	1246	.893		
	Total	1125.115	1247			
Annual Savings (Rs):	Between Groups	26.048	1	26.048	35.672	.000
	Within Groups	909.836	1246	.730		
	Total	935.885	1247			
City	Between Groups	31.134	1	31.134	43.008	.000
	Within Groups	901.982	1246	.724		
	Total	933.115	1247			

Table 2 presents the results of analysis of variance (ANOVA) for various demographic factors, including Gender, Marital Status, Education, Age (in years), Occupation, Annual Income (Rs), Annual Savings (Rs), and City, in relation to their impact on consumer decisions related to mutual funds in the South Gujarat region. The F-statistic is used to test the null hypothesis that there are no significant differences among the groups within each demographic factor, while the p-value (Sig.) indicates the statistical significance of the differences observed.

Gender: The F-statistic is 40.698, and the p-value is less than 0.001 (p < 0.001), indicating a highly significant difference between gender and consumer decisions regarding mutual funds. This suggests that gender plays a significant role in influencing mutual fund preferences.

Marital Status: The F-statistic is 36.164, with a p-value of less than 0.001 (p < 0.001), demonstrating a significant relationship between marital status and mutual fund choices. Those who are married and those who are not married exhibit different preferences in mutual fund selection.

Education: The F-statistic is 124.056, with a p-value of less than 0.001 (p < 0.001). This implies a highly significant relationship between education and mutual fund decisions. The level of education significantly affects how individuals choose mutual funds.

Age (in years): The F-statistic is 15.893, and the p-value is less than 0.001 (p < 0.001), indicating a significant relationship between age and mutual fund choices. Different age groups exhibit variations in their mutual fund preferences.

Occupation: The F-statistic is 18.605, with a p-value of less than 0.001 (p < 0.001). Occupation significantly influences consumer decisions related to mutual funds.

Annual Income (Rs): The F-statistic is 13.851, with a p-value of less than 0.001 (p < 0.001). This demonstrates that annual income level is a significant determinant of mutual fund choices.

Annual Savings (Rs): The F-statistic is 35.672, with a p-value of less than 0.001 (p < 0.001). The amount of annual savings has a substantial impact on mutual fund preferences.

City: The F-statistic is 43.008, and the p-value is less than 0.001 (p < 0.001), indicating that the city of residence plays a highly significant role in determining mutual fund decisions.

The results from this ANOVA analysis highlight the strong influence of various demographic factors on consumer decisions regarding mutual funds in South Gujarat. These findings underscore the importance of considering gender, marital status, education, age, occupation, annual income, annual savings, and city of residence when studying and targeting mutual fund consumers in this region.

CONCLUSION
The research has explored the impact of several demographic factors on consumer decisions related to mutual funds in the South Gujarat region. The analysis of variance (ANOVA) results revealed significant associations between these demographic variables and mutual fund preferences. Gender, marital status, education, age, occupation, annual income, annual savings, and city of residence were all found to be influential factors in shaping individuals' choices when it comes to mutual fund investments. These findings underscore the need for financial institutions, policymakers, and investment professionals to consider the diverse demographic characteristics of the South Gujarat population when developing and marketing mutual fund products.

Specifically, the results indicate that strategies for mutual fund marketing and financial education programs should be tailored to target different demographic groups. Understanding the unique preferences and needs of individuals based on their gender, marital status, educational background, age, occupation, income level, savings habits, and city of residence is essential for providing more effective financial services and guidance. Moreover, the significant impact of these demographic factors highlights the importance of financial literacy initiatives aimed at different segments of the population. Education and awareness campaigns should be designed with the recognition that one size does not fit all, and tailored approaches should be employed to address the varying needs and preferences of different demographic groups.

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