



Role of Digital Platforms in Promoting Mutual Fund Investment

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ABSTRACT:

The rise of digital platforms has revolutionized the way individuals approach mutual fund investments. Now-a-days it has become very easy to invest in mutual funds through digital platform. Keeping in view this aspect, in this paper we explore various aspects of mutual fund investments through digital platform such as convenience, accessibility, and challenges. The data for this research was collected through a structured questionnaire distributed to mutual fund investors using digital platforms. In total we collected data from 82 respondents. We find that digital platforms have transformed mutual fund investments, offering a more user-friendly and inclusive approach to investing.

Key Words: Mutual Fund, Digital Platform, Investment, Robo-advisors

Introduction :

The rise of digital platforms has revolutionized the way individuals approach mutual fund investments. With the growing popularity of mobile apps, websites, and robo-advisors, these platforms have made investing in mutual funds more accessible, user-friendly, and transparent. This research paper aims to explore how digital platforms have transformed mutual fund investments, making them easier to manage and more appealing to investors.

The findings from a recent survey highlight that digital platforms have made mutual fund investments significantly more accessible. Many users have reported increased participation in mutual fund investments after using these platforms, noting the convenience and ease of tracking investments in real-time. Features such as low transaction fees, easy portfolio management, and secure investment environments are key factors contributing to the popularity of digital platforms.

However, the research also identifies certain challenges users face. Difficulty navigating the platforms and limited customer support were common concerns among users. While security features were generally well-received, there is still room for improvement, particularly in terms of enhancing user experience and addressing technical issues. Additionally, the availability of educational resources, like articles and videos, plays an important role in helping users make informed investment decisions.

Despite these challenges, the majority of users would recommend digital platforms to others, indicating overall satisfaction with their investment experience. The ability to access information and make decisions more quickly than through traditional methods has been a significant factor in the positive reception of digital platforms. However, users have also expressed a desire for improvements such as lower fees, better integration with other financial services, and enhanced customer support.

In summary, digital platforms have significantly transformed the mutual fund investment process, making it more accessible and efficient. While there are areas for improvement, the overall impact of these platforms is positive, with many users increasingly relying on them for their investment needs. Addressing the highlighted issues could further enhance the user experience and drive even greater adoption of these platforms.

Objectives of the Study :

The primary objective of this study is to understand the role of digital platforms in transforming mutual fund investments. Specifically, the research aims to:

1. Assess how digital platforms have made mutual fund investments more accessible to a wider audience.
2. Identify the key features that influence users to invest through digital platforms, such as ease of use, low transaction fees, educational resources, and security.
3. Examine the impact of digital platforms on decision-making in mutual fund investments and how they have simplified the investment process for users.
4. Analyse the challenges and limitations users encounter while using these platforms, including issues related to navigation, customer support, and security.
5. Explore the overall satisfaction levels of users with digital platforms and the likelihood of recommending them to others.

The study aims to provide a comprehensive understanding of how digital platforms are reshaping the mutual fund investment experience and identify areas for improvement to enhance user satisfaction and platform adoption.

Literature Review :

The Rise of Digital Investment Platforms: Making Investing Accessible (Fintech Munch, 2023) This article explores how digital investment platforms have revolutionized the investment landscape by breaking down traditional barriers. It highlights how these platforms have democratized access to investing, empowering individuals, especially younger investors, to manage their portfolios more easily. The rise of these platforms has lowered entry costs and improved accessibility, making investing more inclusive.

Analyzing the Influence of Fintech & Digitalization on Investment Choice Decisions (International Journal of Research Publication and Reviews, 2024) This study investigates the impact of fintech and digitalization on investment choices, specifically focusing on mutual fund investors. It emphasizes how digital platforms influence investors' behavior, including their investment preferences and risk tolerance. The research also looks at the role of digitalization in enhancing transparency and streamlining the flow of information between mutual fund companies and investors.

Fintech Platforms and Mutual Fund Distribution (Claire Yurong, Hong Xiaomeng, and Lu Jun Pan, 2019) The authors discuss the significant effect fintech platforms have had on the mutual fund industry. Contrary to earlier beliefs, the study found that fintech platforms have not only attracted new investors but have also reshaped how investors make decisions, promoting smoother information flow between fund companies and clients. This work sheds light on how digital tools are enhancing the accessibility and efficiency of mutual fund investment.

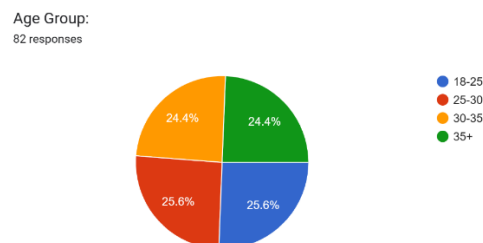
Fintech and the Digital Transformation of Financial Services (Erik Feyen et al., 2021) This paper examines how fintech is transforming the financial services sector, particularly in terms of market structure and public policy. It argues that digital innovations in finance are driving increased competition, which in turn improves efficiency and accessibility for investors. The study highlights how advances in digital platforms are reshaping investor behaviors, especially in areas like mutual funds.

Research Methodology :

The data for this research was collected through a structured questionnaire distributed to mutual fund investors using digital platforms. The survey was designed to capture insights on how digital platforms influence investment decisions, the features that attract users, and the challenges faced. Respondents were selected from various age groups, income levels, and investment experiences to ensure a diverse representation. The questionnaire included both multiple-choice and Likert scale questions, which helped gather quantitative and qualitative data. This approach allowed for the identification of trends and patterns in user behaviour, offering valuable insights into the role of digital platforms in transforming mutual fund investments.

1. Data Analysis

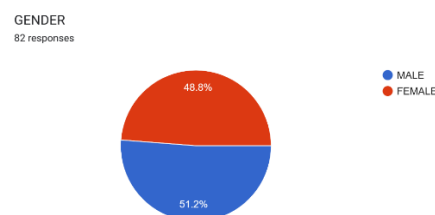
Fig.1



The age distribution is quite balanced across the different age groups, each representing approximately one-fourth of the respondents. This suggests that digital platforms for mutual fund investments are of interest across various age brackets, not limited to younger or older individuals. The even spread could indicate that the study's findings may be relevant and applicable across diverse age groups, which strengthens the generalizability of your research conclusions on digital platform features and ease of use.

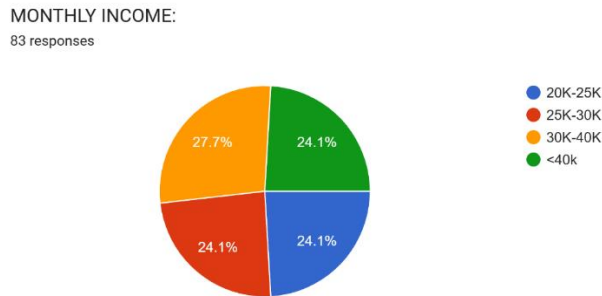
For your objective, this distribution allows you to explore whether certain features or ease of access resonate differently among age groups and how each group perceives the transformation brought about by digital platforms.

Fig.2



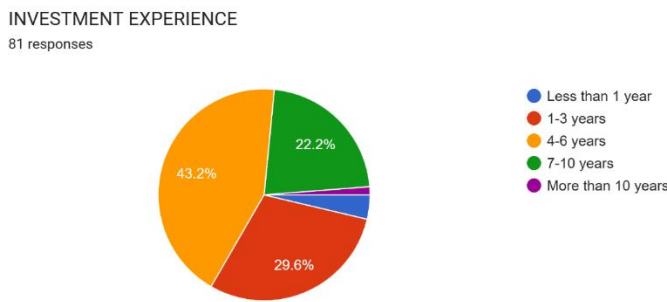
Male (48.8%) and Female (51.4%) responses are nearly equal, showing balanced gender representation. This suggests that both men and women actively participate in digital mutual fund investments, making digital platforms appealing and accessible across genders.

Fig.3



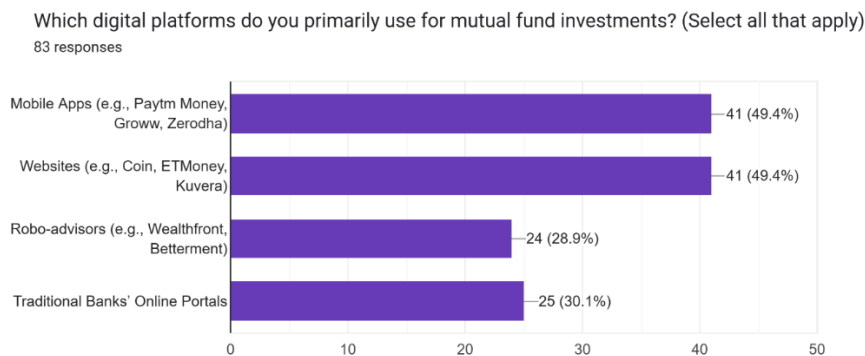
Respondents have relatively similar income ranges, with **24.1% in each of 20K-25K, 25K-30K, and above 40K**, and **27.7% in the 30K-40K range**. This range indicates a middle-income demographic, suggesting that digital platforms attract those with moderate disposable income who may seek accessible, user-friendly investment options.

Fig.4



Investment experience varies, with the majority having **1-3 years (29.6%) and 4-6 years (43.2%)** of experience, while a smaller percentage has **7-10 years (22.2%)**. Only a few respondents are very new to investing (**3.7% with less than 1 year**) or highly experienced (**1.2% with more than 10 years**).

Fig.5

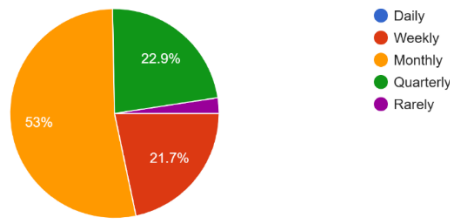


Platform Preferences

- **Mobile Apps and Websites (49.4% each):** The popularity of mobile apps and websites highlights their accessibility and flexibility, suggesting that users value platforms that can be accessed on-the-go (apps) or with comprehensive information (websites).
- **Robo-Advisors (28.9%) and Traditional Banks' Online Portals (30.1%):** While less popular, robo-advisors and banks' portals are still significant, likely attracting users interested in automated guidance (robo-advisors) or those who prefer the familiarity and security of traditional banks.

Fig.6

How often do you use digital platforms to manage your mutual fund investments? (going through the portfolio of the mutual fund company)
83 responses

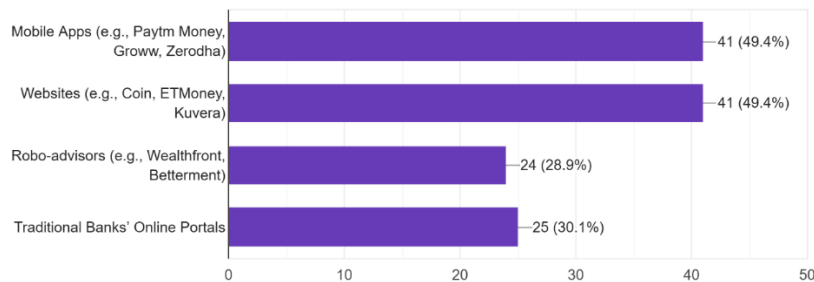


Frequency of Use

- **Monthly (53%) and Weekly (21.7%):** Most users check their investments monthly, likely aligning with personal finance routines. Weekly users suggest a more engaged approach, possibly for those actively managing portfolios.
- **Quarterly (22.9%) and Rarely (2.4%):** Quarterly users may take a more passive investment approach, while rare users may need features that provide updates or summaries without frequent login needs.

Fig.7

Which digital platforms do you primarily use for mutual fund investments? (Select all that apply)
83 responses

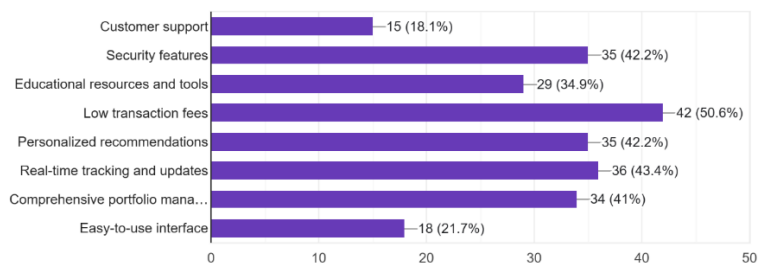


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Fig. 8

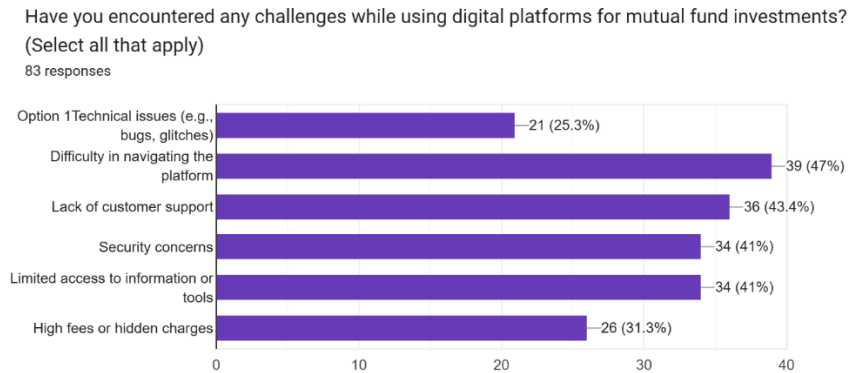
What features do you find most valuable in a digital platform for mutual fund investments? (Select up to three)
83 responses



Top Features:

- **Low Transaction Fees (50.6%):** Cost-effectiveness is the most valued feature, showing users appreciate platforms that minimize fees, making investment more accessible.
- **Real-Time Tracking and Updates (43.4%):** This feature is crucial for users who actively monitor their investments, highlighting the platform's role in enhancing user control and responsiveness.
- **Security (42.2%) and Personalized Recommendations (42.2%):** Users highly value both safety in transactions and customized insights, suggesting digital platforms are trusted for secure investing and that personalized advice improves the user experience.
- **Comprehensive Portfolio Management (41%):** This feature is essential for those looking to view and manage multiple investments in one place, indicating that holistic management options add significant value.

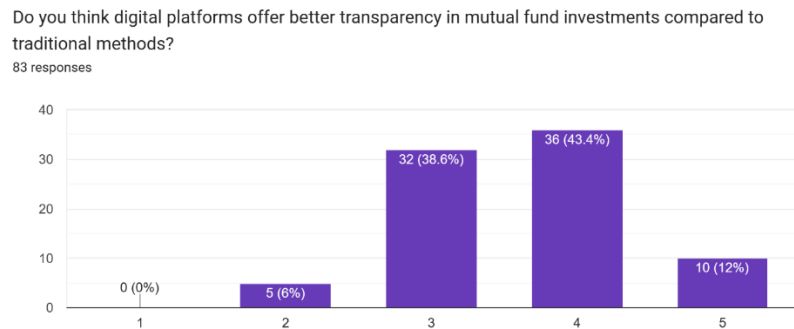
Fig.9



Identified Challenges

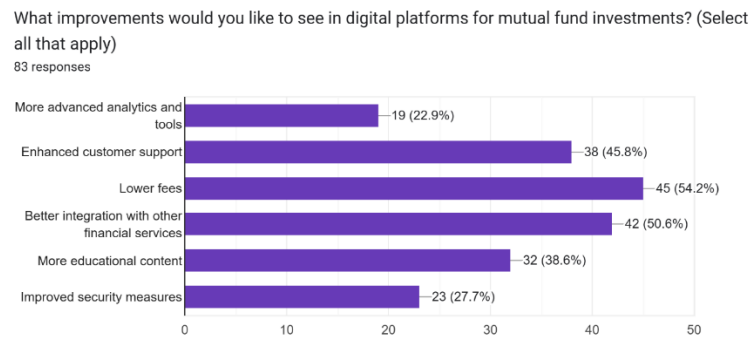
- **Difficulty in Navigating the Platform (47%):** Nearly half of the respondents find navigation challenging, suggesting that ease of use is an area needing attention. This is particularly relevant given the importance users place on an easy-to-use interface.
- **Lack of Customer Support (43.4%):** Customer support is another major challenge, highlighting a gap between user expectations and platform performance. This suggests that while digital platforms facilitate self-service, users still need reliable support for questions or issues.
- **Security Concerns (41%) and Limited Access to Information or Tools (41%):** These two issues are equally common. Security concerns may deter some users from fully trusting digital platforms, especially as security is also a highly valued feature. Limited access to information or tools suggests that users seek more comprehensive resources and data to make informed decisions.

Fig. 10



3 (38.6%) and 4 (43.4%) Ratings: The majority of respondents agree or somewhat agree that digital platforms offer better transparency than traditional methods. This supports the idea that digital platforms provide clearer insights into mutual fund investments compared to older, more opaque methods, aligning with your research on how these platforms transform the investment experience.

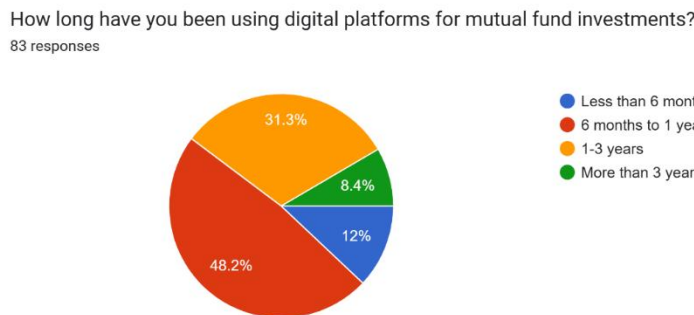
Fig. 11



Suggested Improvements

- **Lower Fees (54.2%):** The highest priority for improvements, indicating that cost remains a significant concern for users. Even though low fees were highlighted as a valuable feature earlier, over half the respondents feel there is still room for further reduction, which could increase the appeal of digital platforms.
- **Better Integration with Other Financial Services (50.6%):** Many users desire better integration between mutual fund platforms and other financial services, such as banking, insurance, and personal finance management. This could streamline the overall user experience and make managing finances easier by consolidating services in one place.
- **Enhanced Customer Support (45.8%):** While customer support was already identified as an area of dissatisfaction, nearly half the respondents expressed a need for improvement here. This suggests that users would feel more confident in using digital platforms if they had access to timely, helpful assistance when needed.

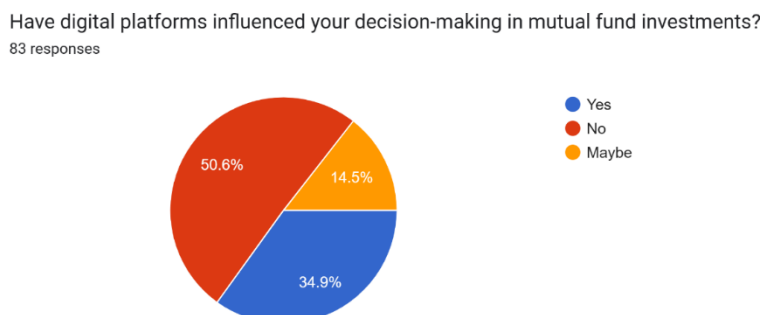
Fig.12



Duration of Use

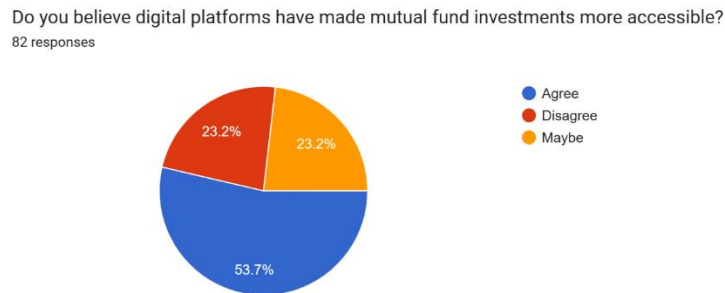
- **6 months to 1 year (48.2%) and 1-3 years (31.3%):** A significant portion has been using digital platforms for a relatively short period, showing rapid adoption, perhaps due to convenience or recent advancements in platform features.
- **Less than 6 months (12%) and More than 3 years (8.4%):** Newer users may indicate growing awareness or shifting trust towards digital platforms, while the smaller number of long-term users suggests potential room for platforms to improve retention.

Fig.13



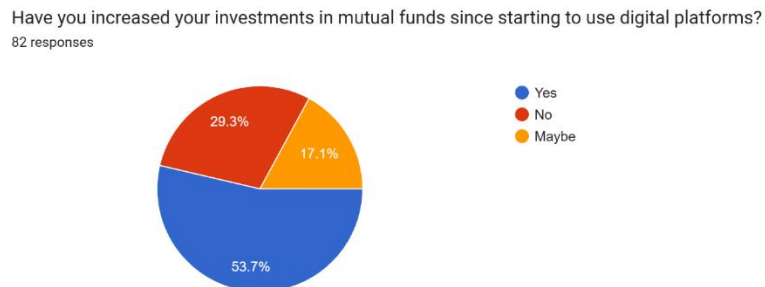
influenced their decision-making, a larger proportion (50.6%) state that they have not been influenced by these platforms. This suggests that while some users actively rely on digital platforms for decision-making, many still rely on traditional methods or personal research.

Fig.14



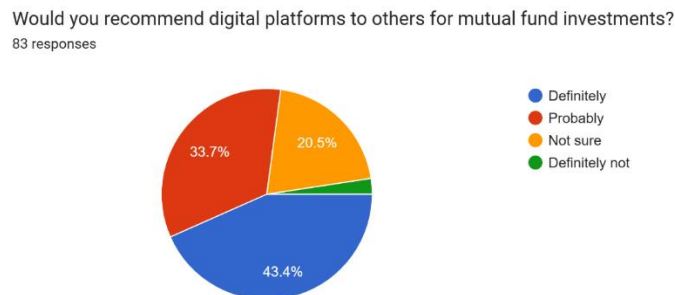
Agree (53.7%): A clear majority believes that digital platforms have made mutual fund investments more accessible, supporting the idea that digital platforms have democratized access to investments for a larger audience.

Fig.15



Yes (53.7%): More than half of respondents have increased their mutual fund investments since starting to use digital platforms, which shows that these platforms have likely made investing more convenient, trustworthy, and appealing.

Fig.16



- **Definitely (43.4%) and Probably (33.7%):** A large percentage of users (77.1%) would recommend digital platforms for mutual fund investments, reflecting general satisfaction and the perceived benefits these platforms offer. This also indicates a strong likelihood of growth in platform adoption, as satisfied users are willing to recommend them to others.
- **Not Sure (20.5%):** A small percentage is uncertain about recommending digital platforms, suggesting that some users still have reservations or are not fully convinced about the overall experience.
- **Definitely Not (2.4%):** Very few users have a negative perception to the point where they would discourage others from using these platforms, which indicates that even among the dissatisfied, the overall sentiment toward digital platforms is not extremely negative.

Findings :

The study highlights that digital platforms have significantly impacted mutual fund investment behaviour, with a substantial portion of investors leveraging these platforms for ease of access, transparency, and efficient portfolio management. The findings reveal that user satisfaction is generally high, though there are specific areas for improvement such as customer support and platform security. The results also suggest that digital platforms

have increased investment activity among users, making mutual funds more accessible to a broader audience. However, users still face challenges like navigation issues and security concerns.

Key findings:

- **Digital Platforms' Influence on Accessibility and Ease of Use**

Digital platforms have greatly enhanced accessibility to mutual fund investments, particularly by lowering the entry barriers and offering user-friendly interfaces. Investors from diverse age groups, income levels, and experience have adopted these platforms, indicating that digital investment tools are democratizing financial services. Monthly management of portfolios suggests that these platforms have integrated seamlessly into users' routines, making regular investment tracking more feasible than traditional methods.

- **Key Features Driving Investment Decisions**

Specific features such as real-time tracking, security measures, and low transaction fees were identified as critical factors for users. These features contribute to a more transparent and controlled investment experience, enabling investors to make informed decisions quickly. Notably, real-time tracking allows users to monitor investments closely, enhancing trust and confidence in digital platforms.

- **User Satisfaction with Digital Platforms**

The survey indicated high overall satisfaction, with most users rating their experience positively. However, users with longer platform use experience reported a desire for improvements in analytics and integration with other financial services. Security was rated relatively well, though there remains room for enhancement to fully meet user expectations. This feedback underscores the need for ongoing platform optimization to retain high satisfaction levels.

- **Challenges Encountered on Digital Platforms**

Despite the positive impact, users reported several challenges, primarily with navigation, customer support, and security concerns. Many respondents expressed difficulties in navigating the platform interfaces, pointing to a need for a more intuitive design. Additionally, the need for better customer support was highlighted, emphasizing that platform providers must address these gaps to enhance the overall user experience.

- **Increased Investment and Engagement Post-Digital Adoption**

The data suggests that a majority of users have increased their investment in mutual funds since adopting digital platforms. This trend indicates that digital tools are not only facilitating easier access but also encouraging more active engagement in the investment process. The availability of educational resources and personalized recommendations on these platforms further aids in educating and empowering investors.

Conclusion :

This study highlights how digital platforms are reshaping mutual fund investments by making them more accessible, transparent, and efficient. With features like real-time tracking, low fees, and personalized recommendations, these platforms have attracted a broad spectrum of users, from new investors to experienced ones. The data indicates that digital platforms play a significant role in influencing investment behaviors, simplifying portfolio management, and encouraging active engagement with investments. Additionally, increased investment activity post-digital adoption underscores the role of these tools in empowering users to make informed decisions easily.

While overall satisfaction with digital platforms is high, the study also reveals specific areas for improvement. Users expressed a need for better navigation, enhanced customer support, and stronger security measures. Addressing these concerns could further enhance user experiences, building even more trust in digital tools. Ultimately, the study affirms that digital platforms have transformed mutual fund investments, offering a more user-friendly and inclusive approach to investing. As digital tools continue to evolve, addressing the identified challenges will be crucial to sustaining growth and expanding accessibility in the mutual fund landscape.

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