



INVESTOR'S PERCEPTION AND BEHAVIOUR TOWARDS MUTUAL FUNDS WITH REFERENCE OF KARVY FINANCE

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ABSTRACT

This research explores the awareness, preferences, and behavioral patterns of retail investors toward mutual fund investments, with a focus on services provided by Karvy Finance. In the context of a rapidly evolving financial ecosystem in India, mutual funds have emerged as a preferred investment avenue due to their diversification, professional management, and accessibility. Karvy, a major financial intermediary, offers a range of mutual fund services and has significantly influenced investor participation through its advisory, distribution, and digital

platforms. Using primary data collected from 50 investors through structured questionnaires, the study analyzes factors such as investor awareness, risk appetite, investment preferences, and the perceived value of Karvy's services. Statistical tools and comparative insights are used to draw conclusions. The findings reveal that although awareness about mutual funds is increasing,

investor education and simplified investment processes are critical for broader participation.

The study recommends enhancing transparency, digital access, and personalized advisory to strengthen trust and engagement with mutual fund products.

Introduction

Mutual funds have collective finances have come a popular investment option in India due to their professional operation, diversification, and liquidity. This report investigates the awareness, perception, and behavior of investors toward mutual funds, with a specific focus on Karvy Finance—an organization that plays a significant role in financial distribution and advisory services in India. The objective is to explore how Karvy facilitates mutual fund investments and how investors respond to its offerings.

Literature Review

Previous studies have examined mutual funds from different perspectives:

Sivkumar & Aravind (2015): Investors are shifting from traditional instruments to mutual funds due to better returns and professional management.

S. Sondhi & Harvinder Singh (2006): Highlighted the need for awareness and transparency to increase retail participation.

Mittal & Dhade (2007): Concluded that investor's decision is highly influenced by return expectations and trust in fund houses.

Most studies converge on the notion that investor awareness and satisfaction play a crucial role in investment decisions.

Research Gap

While several studies address investor behavior towards mutual funds, limited research is available on how specific financial intermediaries like Karvy Finance influence investor behavior through their services, technology, and outreach. There is also limited country-specific comparison on mutual fund investment behavior.

Research Hypothesis

- H₀ (Null Hypothesis): There is no significant relationship between investor awareness of Karvy's services and their investment behavior in mutual funds.
- H₁ (Alternative Hypothesis): There is a significant relationship between investor awareness of Karvy's services and their investment behavior in mutual funds.

Research Questions

- What's the position of mindfulness among investors regarding collective finances?
- How do Karvy's services impact investor preferences?
- What are the primary barriers to mutual fund investment?
- Which mutual fund types and lock-in periods do investors prefer?
- Is there a significant correlation between risk appetite and investment amount?

Research Objectives

- To dissect the investment patterns and preferences of collective fund investors. To study investor mindfulness about Karvy's collective fund services.
- To determine the factors responsible for low mutual fund investment.
- To assess the influence of Karvy's advisory and support services.
- To understand the preferred lock-in periods, risk levels, and intermediary choices of investors.

Research Methodology

type of Research: Descriptive and Analytical Sample Size: 50 Investors

Sampling Area: Greater Noida Data Type:

Primary: Structured questionnaire

Secondary: Karvy's reports, financial journals, AMFI, SEBI publications

Data Analysis Tools: Percentage analysis, bar charts, comparative analysis

Country Comparison (India vs. Global Trends)

Aspect	India (ICICI direct)	Global (E*TRADE, Fidelity, Robinhood)
Platform Type	Web + App + Software trading	App-centric, AI-enhanced platforms
Customer Support	In-person and digital (chat/call center)	Fully automated AI and 24x7 live chat
Trading Products	Equity, MF, Derivatives, IPO, Insurance	Wider, including cryptocurrencies, ETFs, robo-advisory
Onboarding	KYC-heavy (physical/digital hybrid)	Fully digital onboarding with facial/biometric ID
Cost/Fees	Moderate to high for 3-in-1 accounts	Mostly zero-commission (subscription model or spread)
E-marketing Tools	Email/SMS, in-app updates, webinars	In-app notifications, behavioral nudges, gamification
Aspect	India (ICICI direct)	Global (E*TRADE, Fidelity, Robinhood)
Loyalty Programs	Limited (account upgrades, research tools)	Loyalty tiers, referral bonuses, educational incentives

Results and Hypothesis Testing

Key Findings:

- 64% of investors preferred equity mutual funds.

- 52% were aware of Karvy's services; these investors had higher investment volumes.
- The most preferred lock-in period was 1–3 years.
- Risk-averse investors invested in debt and hybrid funds.
- Only 28% invested more than ₹50,000, citing lack of guidance and risk.

Hypothesis Testing:

Chi-Square Test conducted between "Awareness of Karvy Services" and "Investment Amount" yielded a p-value < 0.05.

Result: Null hypothesis rejected; there is a statistically significant relationship between investor awareness and investment behavior.

Conclusion

This research confirms that investor perception and behavior toward mutual funds are significantly influenced by the services offered by intermediaries like Karvy. Karvy's broad range of advisory and investment options—when effectively communicated—can drive greater participation in mutual fund markets. While awareness is improving, more efforts in financial literacy, transparency, and personalized advisory are needed to build trust and long-term investor commitment.

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