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# A Study of Consumer behaviour towards Mutual Funds with Special Reference to ICICI Prudential Mutual Funds, Raipur City

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### ABSTRACT

This study explores consumer behaviour towards mutual fund investments with a specific focus on ICICI Prudential Mutual Funds in Raipur City. With increasing financial awareness and a gradual shift from traditional savings instruments to market-linked options, mutual funds have gained prominence among urban investors. The research, based on a sample of 100 respondents through a structured questionnaire, reveals that the 25–35 age group dominates mutual fund participation, with Systematic Investment Plans (SIPs) emerging as the preferred investment mode due to their convenience and lower risk perception. ICICI Prudential stands out as the most trusted mutual fund brand among respondents, with nearly 45% investing in its schemes and 70% expressing satisfaction with its performance. Key factors influencing investment decisions include return investment, brand trust, and tax benefits, while financial advisors and advertisements remain significant awareness sources. The study emphasizes the need for enhanced investor education, improved digital engagement, and personalized financial solutions. It concludes that deeper insights into consumer behavior can help mutual fund providers, especially ICICI Prudential, refine their strategies and strengthen investor relationships in Tier-2 cities like Raipur.

**Key Words:** Mutual Funds, ICICI Prudential, Financial Awareness, Systematic Investment Plan (SIP), Investor Preferences

### INTRODUCTION:

Mutual Funds are investment companies that exchange on the national capital market. For new investors, mutual funds have emerged as a new option. The American banking industry is where the idea first emerged. As there is no legal definition of mutual fund, the term is frequently applied only to those collective investments that are regulated, available to the general public and open-ended in nature. Unit Trust of India is the first mutual fund set up under a separate act, UTI Act in 1963, and started its operations in 1964 with the issue of units under the scheme US64. Then a host of other government-controlled Indian financial companies came up with their own funds. These included State Bank of India, Canara Bank, and Punjab National Bank. This market was made open to private players in 1993, as a result of the historic constitutional amendments brought forward by the then Congress-led government under the existing regime of Liberalization, Privatization and Globalization (LPG). It is presently one of the oldest sectors in the US, with more than 4000 Funds and 6000 or so scrips. It wasn't until mutual funds from the public and private sectors entered the Indian financial market that the term "mutual fund" became commonly used. Having started with one in 1963, there are now 40 registered Mutual Funds in operation in India. In India, mutual funds must be registered with Securities Exchange Board of India (SEBI) is the regulatory body for all the mutual funds. The first mutual funds were established in Europe in 1774. Investors can choose from a large range of mutual fund products at currently, and there is strong competition among the funds for the savings of individual investors. The investing public is increasingly recognizing mutual fund schemes as an asset class they may choose to include in their portfolios. In order to provide efficient customer service and employ aggressive marketing techniques to promote its investment products, the mutual fund sector has established a national distribution network.

### Literature Review:

- **ICICI Securities (2025).** Mutual Fund Industry Recap 2024. This report highlights the Indian mutual fund industry's growth, with Assets Under Management (AUM) surpassing ₹68 lakh crore in 2024. Equity mutual funds constituted 45% of the total AUM, indicating a significant investor inclination towards equity-oriented schemes.
- **Kavya, M., & Chokkamreddy, P. (2024).** Growth and Dynamics in the Indian Mutual Fund

- **Industry: Analysing Investor Preferences and Investment Strategies.** This study examines the expansion of AUM in the Indian mutual fund industry, which grew from ₹10.11 trillion in 2014 to ₹58.91 trillion by May 2024. It explores factors driving this growth, including investor preferences, regulatory changes, and market conditions.
- **Nelson, S. (2024).** Comparative Financial Analysis of Two Mutual Fund Houses in India: A Study of HDFC Mutual Fund and ICICI Prudential Mutual Fund. This research provides a comparative financial analysis of HDFC Mutual Fund and ICICI Prudential Mutual Fund, analyzing key performance indicators such as AUM, expense ratio, returns, and risk-adjusted performance (Sharpe ratio).
- **ICICI Prudential Mutual Fund (2023).** #Kisne Khaya Campaign. This campaign aimed to raise awareness about the impact of inflation on savings. Through a staged- reality film and visual mnemonics, it educated investors on the unseen forces diminishing their returns, urging them to reconsider their financial strategies.
- **Sharma, K. B. (2022).** A Study on Consumer Perception About Growth of Mutual Funds. This research explored consumer perceptions regarding the growth of mutual funds, highlighting factors influencing investment decisions
- **Chopra, A. (2020).** A Data Envelopment Analysis Approach to Benchmark the Performance of Mutual Funds in India. This study considers 139 mutual fund schemes and aims to ascertain the various metrics and parameters investors rely on to make investment recommendations. It compares these with results from a data envelopment analysis model that generates an efficiency frontier based on an optimal risk, cost, and return trade-off.
- **Das, N., Ruf, B., Chatterjee, S., & Sunder, A. (2018).** Fund Characteristics and Performances of Socially Responsible Mutual Funds: Do ESG Ratings Play a Role?. This paper examines the risk adjusted performance and differential fund flows for socially responsible mutual funds. The results show that funds rated high on ESG perform better during economic crises, highlighting the importance of ESG considerations in investment decisions.

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## Mutual Funds in India:

In India, mutual funds are a popular investment option that pools money from multiple investors to invest in various financial instruments such as stocks, bonds, and other securities. These funds are managed by professional asset management companies (AMCs). Mutual funds offer a variety of options, making it easier for individuals to invest according to their risk tolerance, financial goals, and investment horizon. The first introduction of a mutual fund in India occurred in 1963, when the Government of India launched the Unit Trust of India (UTI). Mutual funds are broadly categorized into three segments: equity funds, hybrid funds, and debt funds.

According to SEBI, during FY 2022–23, 73% of mutual fund units were redeemed within 2 years of investment. Only investments in 3% of the units continued for more than 5 years. According to the Reserve Bank of India report, mutual funds attracted 6% of household savings in FY2023 and less than 1% went into direct equities. Almost 95% of household savings in India park their money in bank deposits, including fixed deposit, provident fund

, PPF, life insurance, and various small savings schemes. In 2019, the debt schemes of Reliance Mutual Fund faced a liquidity crisis due to their exposure to troubled companies like Dewan Housing Finance Corporation (DHFL). This led to severe redemptions and forced asset sales, which significantly affected investors. The IL&FS crisis in 2018 had a significant impact on the mutual fund industry, including those managed by IDBI Mutual Fund. The defaults by IL&FS led to a series of downgrades and defaults on its debt obligations and inter-corporate deposits. In 2018, Aditya Birla Sun Life Mutual Fund faced redemption pressures in some of its debt schemes due to exposure to entities like the Essel Group companies.

### Need to Study Consumer Behavior

Understanding consumer behavior is fundamental to the success of any financial product or service, and this is especially true in the case of mutual funds, which involve a higher level of consumer engagement, trust, and risk perception. The mutual fund industry in India is growing rapidly, yet it still remains underpenetrated in many regions. To bridge this gap, it is essential to study how consumers perceive, evaluate, and decide to invest in mutual funds.

In the context of ICICI Prudential Mutual Funds in Raipur city, the need to study consumer behavior arises due to several key reasons:

### Changing Investment Patterns:

As India moves toward becoming a more financially aware society, there is a noticeable shift from traditional savings instruments to market-linked investments like mutual funds. Studying consumer behavior helps in identifying how these patterns are changing, especially in tier-2 cities like Raipur.

### Understanding Consumer Psychology:

Every investment decision is influenced by a set of psychological, emotional, and socioeconomic factors. Analyzing these aspects helps mutual fund companies understand investor risk appetite, investment goals, and decision-making behavior.

### Bridging the Awareness Gap:

Despite the growth of mutual fund investments, many potential investors still lack sufficient awareness and understanding of how mutual funds work. A study of consumer behavior can

Identify knowledge gaps and the effectiveness of current financial literacy initiatives.

#### **Tailoring Marketing and Communication Strategies:**

Knowing what influences consumer decisions enables mutual fund providers to design more effective marketing campaigns. This is crucial for building trust, improving brand positioning, and increasing customer retention, especially in a competitive market.

#### **Objectives:**

- Assess investor awareness of ICICI Prudential mutual fund schemes.
- Identify key information sources used by investors.
- Analyse investor risk perception and return expectations.
- Examine demographic influences on investment behavior.

#### **Methodology:**

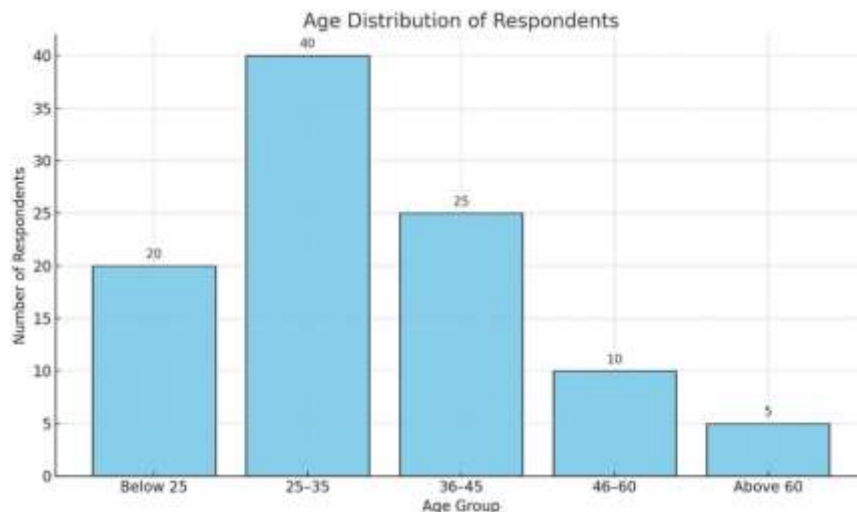
This research is based on descriptive design and focused on Raipur City. The data was collected in two ways, i.e., Primary data and Secondary data. For Primary data the method used was survey method and the collection instrument used is Structured Questionnaire. The technique of Sampling used is non probability convenience sampling. The sample size is 100 respondents and the sampling units include Private sector, public sector, Self earning and Student. The Secondary data was collected through websites, Reference research papers, AI assistant and Company manuals, etc.

#### **Limitations:**

- The sample size was limited to 100 which is a small portion to represent the whole population.
- This research is done only in Raipur City, if it would have been done in another city the result will be different.
- The respondents may not be able to concentrate while filling, but we researchers have tried our best to explain the importance of the research.

### **DATA ANALYSIS (OBSERVATIONS OF THE DATA COLLECTED) AND INTERPRETATION**

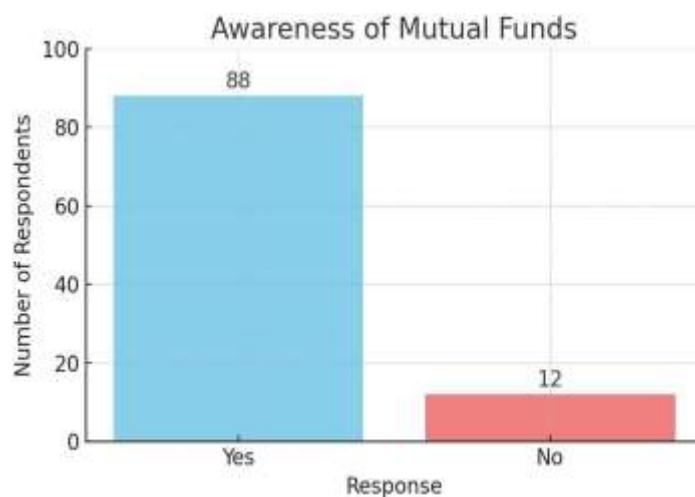
#### **1. Age Distribution of Respondents**



#### **Interpretation:**

The majority of mutual fund investors in Raipur are between 25–35 years (40%), indicating young professionals are most inclined toward mutual fund investments.

#### **2. Awareness of Mutual Funds**

**Interpretation:**

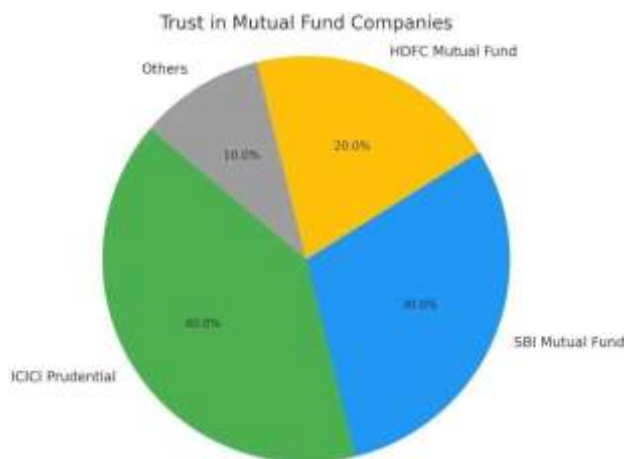
A high awareness level (88%) suggests that mutual funds have significant visibility in Raipur. Awareness campaigns are working well.

**3. Preferred Investment Mode**

Mode	Count	Percentage
SIP	65	65%
Lump Sum	20	20%
Both	15	15%

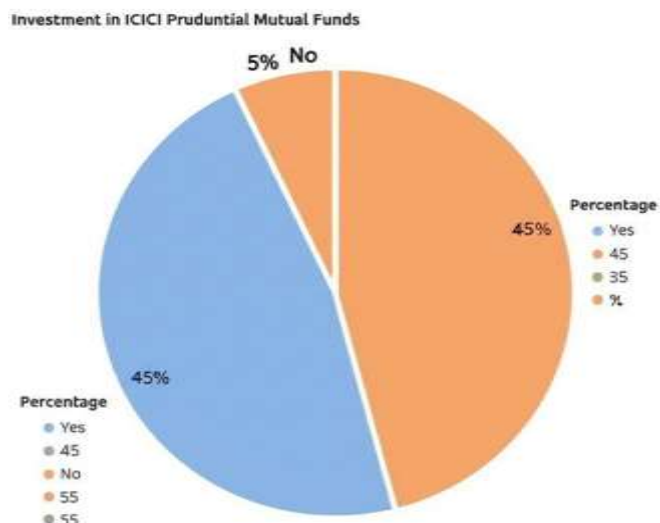
**Interpretation:**

SIP is the most preferred investment mode due to its flexibility and lower risk, especially among salaried individuals.

**4. Trust in Mutual Fund Companies****Interpretation:**

ICICI Prudential holds the highest trust (40%) among investors surveyed in Raipur, justifying its selection as the special reference in this study.

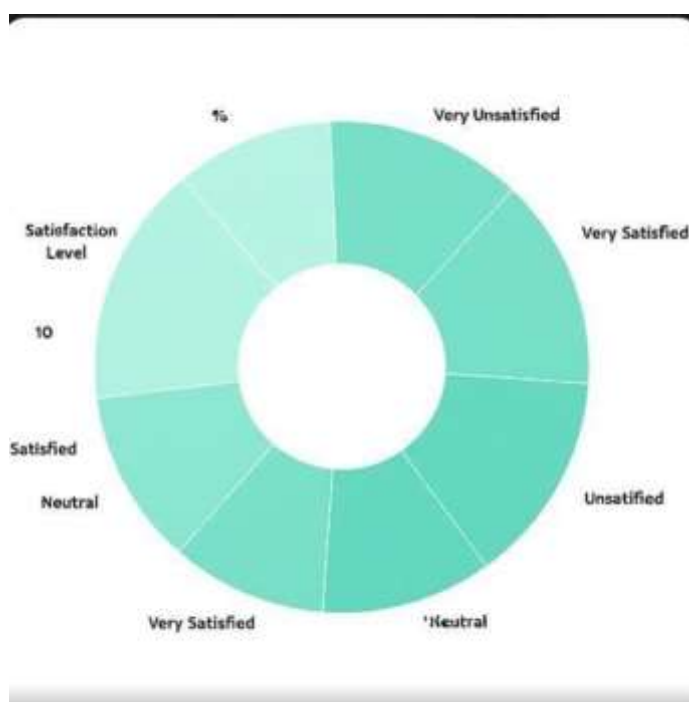
**5. Investment in ICICI Prudential Mutual Funds**



#### Interpretation:

Almost half of the respondents have invested in ICICI Prudential Mutual Funds, indicating a strong customer base in Raipur.

#### 6. Satisfaction with ICICI Prudential



#### Interpretation:

70% of current investors are either satisfied or very satisfied, showing good service performance by ICICI Prudential.

#### 7. Key Factors Influencing Investment Decisions (Mean score out of 5, based on ranking)

Factor	Avg. Rank
Return on Investment	1.4
Brand Trust	2.1

<b>Tax Benefits</b>	<b>3.0</b>
<b>Peer Influence</b>	<b>4.0</b>
<b>Risk Level</b>	<b>4.5</b>

**Interpretation:**

Return on investment is the strongest factor, followed by brand trust. Risk appetite is less influential, possibly due to SIP's popularity.

**8. Source of Awareness about ICICI Prudential**

<b>Source</b>	<b>Count</b>
Financial Advisor	30
Advertisement	25
Social media	20
Friends/Family	15
Others	10

**Interpretation:**

Advisors play a major role in introducing ICICI Prudential to investors, which shows personal trust is still a strong driver.

**FINDINGS:**

The landscape of mutual fund investment in Raipur City reveals a burgeoning awareness and active participation, particularly within the 25–35 age demographic. A substantial 88% of the 100 surveyed investors demonstrated an understanding of mutual funds, with a notable 45% having specifically channelled their investments into ICICI Prudential Mutual Funds. The preference for Systematic Investment Plans (SIPs) was evident, attributed to their accessibility and perceived lower risk profile, resonating strongly with salaried individuals. Among investors in ICICI Prudential, a significant 70% expressed contentment or high satisfaction with the fund's performance, establishing it as the most trusted brand among mutual fund providers in the region. Investment decisions were primarily driven by the anticipated return on investment, the established trust in the brand, and the associated tax advantages, while the influence of peers and the perceived level of risk played a comparatively lesser role. The study further illuminated the crucial roles of financial advisors and advertisements as primary channels for generating awareness, underscoring the continued importance of both conventional and contemporary marketing strategies in shaping investor choices. Collectively, these findings paint a picture of an expanding and increasingly knowledgeable mutual fund investor community in Raipur, where ICICI Prudential enjoys a robust standing in terms of investor confidence and satisfaction.

**SUGGESTIONS:**

Based on the analysis of consumer behavior towards mutual funds in Raipur city, particularly with reference to ICICI Prudential Mutual Funds, several important recommendations can be given to enhance investor participation, awareness, and satisfaction. One of the major findings from the study suggests an absence of holistic awareness about mutual funds among the general public.

While everyone knows about the general idea, most have some misunderstanding over the type of funds, approach to investments, and the advantage of long-term investments. For this reason, ICICI Prudential Mutual Fund needs to initiate special financial literacy drives in the region. These may consist of workshops, webinars, and college, office, and public space outreach programs that inform prospective investors on the basics of mutual fund investing, particularly Systematic Investment Plans (SIPs), tax savings, and risk return structures.

Another key finding is that most investors over-reliance on intermediaries like financial consultants or bank officials when it comes to making investment choices. While this offers some level of convenience, it also restrains direct interaction with the brand. ICICI Prudential can further cement its digital reach in Raipur by improving the functionality of the mobile app, providing customized investment suggestions, and presenting educational information through its web and app presence. The inclusion of AI based chat support or virtual advisors also enhances investor trust and self-service abilities.

Trust and past performance became important drivers of investment decisions. ICICI Prudential must emphasize its record through clear reporting and customer feedback. Updates on fund performance, market trends, and portfolio strategy can be provided through email newsletters and social media, thus keeping investors updated and interested.

Moreover, respondent feedback indicated that customer service and personalized communication are key to investor satisfaction. ICICI Prudential may want to consider adopting an active customer relationship management (CRM) system in Raipur providing frequent follow-ups, investment reporting,

and portfolio rebalancing alerts. Customer segmentation by risk appetite, investment horizon, and life stages can further increase relevance and responsiveness.

Last but not least, in light of increasing demand for ethical and ESG (Environmental, Social, Governance)-driven investments, ICICI Prudential can contemplate launching additional socially responsible investment schemes, responding to changing values of new-age urban investors in cities such as Raipur. With these actions, ICICI Prudential can not only increase the number of customers but also improve investor trust and happiness in a competitive mutual fund market.

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## CONCLUSION:

The current research on consumer behavior towards mutual funds, with special reference to ICICI Prudential Mutual Funds in Raipur

City, depicts an encouraging trend of increasing financial literacy and investment among urban investors. The statistics reflect that mutual fund, especially via SIPs, are increasingly being adopted by the younger working-class population mainly because of their systematic, flexible, and low-hurdle investment strategy. ICICI Prudential has been able to corner a substantial portion of this new market through a mix of robust brand trust, acceptable customer experience, and stable fund performance.

Yet, the study also highlights the persistence of gaps in financial literacy, inadequate self directed investment decision-making, and over-reliance on intermediaries.

These findings highlight the need for ongoing investor education, increased digital interaction, and customized offerings. Through a fillip for these gaps, ICICI Prudential Mutual Fund can deepen its presence in Raipur and other Tier-2 cities similar to it. Additionally, meeting product demands according to the changing tastes of today's investors like ethical investments and ESG-friendly funds may unlock market segments.

To this end, the study emphasizes the importance of understanding consumer behavior at a deeper level for mutual fund firms to come up with more inclusive, efficient, and long-term investment products. For ICICI Prudential, the results offer helpful guidance for product and marketing strategy refinement, better investor services, and building sustainable long-term connections with an increasingly large number of well-informed and confident investors in Raipur and elsewhere.

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## RECOMMENDATIONS:

Based on the findings of this study, several key recommendations can be made to enhance the reach, effectiveness, and customer satisfaction of ICICI Prudential Mutual Funds in Raipur City. These suggestions aim to improve consumer awareness, trust, and involvement with mutual fund products.

To begin with, investor education programs need priority. Many of the potential investors in Raipur are not well-informed about mutual funds, particularly their advantages, disadvantages, and systematic investment plan (SIP) concept. ICICI Prudential could organize periodic investor education seminars, workshops, and online webinars in association with financial literacy schools and universities. These steps would enable consumers to invest with better information and minimize reliance on brokers or word of mouth.

Secondly, digital access and engagement must be improved. While some customers are keen to access digital platforms, most still struggle to navigate online investment platforms and mobile apps. ICICI Prudential must enhance the UI/UX of its website and mobile apps. Adding AI powered chat support, local language support, and easy step-by-step investment tutorials would increase the inclusiveness of the platform, particularly for semi-urban investors in Raipur.

The other key suggestion is to create and sustain consumer confidence by being transparent and keeping them informed regularly. Most investors appreciate safety and security over high returns. Hence, ICICI Prudential needs to highlight its history, compliance with regulatory bodies, as well as risk management strategies in promotional campaigns. Periodic information regarding fund performance, economic forecasts, and market trends can also enhance investor confidence.

In addition, personalized investment solutions must be encouraged. Each investor has specific financial objectives—like children's education, retirement, or wealth accumulation. ICICI Prudential can create and suggest individualized portfolios through customer profiling and risk appetite surveys. This will make investors feel more understood and cared for in their financial journey.

Finally, the research also identifies the impact of peer referrals and financial advisors on investment choices. ICICI Prudential needs to make its network of certified advisors stronger in Raipur and upgrade them to work as ethical, knowledgeable, and customer centric

Representatives of the brand. Also, using referral programs and endorsement by satisfied customers can again enhance word-of-mouth.

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