



A Study on Investors Awareness Towards Mutual Funds with Special Reference to ICICI Bank Limited, Tiruppur

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Abstract:

In the Indian capital market, the expansion and development of diverse mutual fund products has proven to be one of the most catalytic vehicles in creating significant investment growth. Close monitoring and evaluation of mutual funds has become critical in this scenario. With a focus on increasing domestic savings and improving investment deployment through markets, the demand for and breadth of mutual fund operations has skyrocketed. As a result, the importance of mutual funds in the restructuring of the Indian economy has increased.

The survey aims to determine investor knowledge of such a developing financial asset and provide advice / proposals that can be used to determine investor preferences and make mutual fund investment popular with ICICI bank investors. Investors are increasingly well-informed and make investing decisions after considering all factors. The current study also aims to look at the factors that investors consider when investing in mutual funds, which can assist mutual fund businesses in establishing new schemes. This has the ability to convert potential investors in the ICICI bank, Tiruppur into investors and channel savings into mutual fund investments.

Introduction

The term "investment" refers to the use of money with the goal of generating extra revenue or increasing the worth of something. A commitment of capital in real or financial assets is referred to as an investment. Depending on one's tastes, there are a variety of investing options. Depending on the risk and return characteristics of the individual, investments are made in various asset types. Physical and financial assets are both viable investment options. Physical assets, such as gold, commodities, and real estate, have a physical shape. Securities, which are certificates that represent a financial contract between parties, are financial assets. Financial assets include bonds, equity shares, deposits, and insurance policies, to name a few. Investors only have documentation of their investments in the form of a certificate or account when it comes to financial assets. These items are generally liquid, transportable, and stored electronically in the majority of situations.

Investing entails both risk and reward. Exploring investing options is extremely important in today's changing global world. Experience and the effort done to arrive at conclusions have a significant impact on investment skills built through time. The capacity of investors to invest the correct amount, in the right sort of investment, at the right time is critical to the success of any investing activity. Individual investors have a variety of financial assets to pick from, each with various committing benefits.

Although all financial investments are dangerous, the degree of risk and return varies. An investor must use judgement, which is a skill that can only be learned via practise. A good investor must have a fundamental understanding of financial investment and the skill of managing it. Apart from risk and return on investment, the liquidity of a successful investor is also a requirement.

Industry Profile

The number of mutual fund houses continue to grow, with many overseas mutual funds establishing funds in India, as well as various mergers and acquisitions in the business. There were 33 mutual funds with a total asset value of Rs. 1,21,805 crores at the end of January 2003. While the Indian mutual fund industry has seen a six-fold increase in assets under management (AUM) over the last decade, it has yet to establish itself as the preferred investment option for Indian retail investors. Since UTI's initial sale in July 1964, more than 50 years have passed, and we anticipate that in the coming years, the industry will return to its original mission of encouraging and mobilising modest investor savings.

The industry's ability to widen and deepen its reach among retail investors will be aided by the convergence of developing technologies and enabling policy. The evaluation of e-commerce platforms for selling mutual funds is presently underway, and a positive outcome will allow India's 400 million Internet users and 1 billion mobile phone users unlock their purchasing power. The JAM number trinity (Jan Dhan, Aadhar, and Mobile) has boosted

financial inclusion, with 192 million Jan Dhan accounts opened in 15 months and a deposit base of Rs 27,000 crore. More clarity on E-KYC and its subsequent adoption will boost penetration among the hitherto un-served group; The recently licenced payment banks, with permission to sell third-party mutual fund products, are likely to improve the reach.

Research Problem

A mutual fund is an investment vehicle that pools funds from a variety of participants in order to invest in stocks, bonds, money market instruments, and other similar assets. Every type of investment requires the safety of the main amount, as well as consistent returns and growth possibilities. Mutual funds have created a variety of financial instruments depending on investor preferences, changes in their profile, and even stock market fluctuations. Mutual funds are a relatively new concept. Some people have profited from it, while others are completely unaware of it. With their limited knowledge of this mode, some investors participate in it expecting larger returns than those offered by time deposits in commercial banks; however, when the projected yield does not materialise and instead backfires, they exit the mode, discouraging new investors from entering. The purpose of this study is to determine the extent to which investors are aware of mutual funds and to determine their mutual fund

Objectives of the Study

To study the awareness level regarding mutual fund

- To find the factors Influencing to invest in mutual funds
- To study the investor preference of mutual funds
- To study about the investors satisfaction level in Mutual fund
- To suggest the improvements measures to the Mutual Funds organisation

Scope of the Study

The purpose of the research is to learn about the preferences of mutual fund investors. The data used for analysis and interpretation is limited to demographic characteristics, mutual fund awareness, and investor preference for mutual funds. The original data is gathered from ICICI Bank Limited Mutual Funds investors. The information gathered gives the individual investor's perspective on numerous mutual fund schemes and provides a significant insight into their expectations. This research was conducted using the company's database, with simply a reference to their relevance. This research is limited to ICICI Bank Limited, Tirupur mutual fund investors.

LIMITATIONS OF THE STUDY

- The research is based on the opinions offered by people based on their own experiences and impressions.
- Based on the responses gathered by mail/personal encounters, the sample size for the primary research is limited.
- Because of time and budget constraints, all cities could not be visited, hence the research was limited to ICICI Bank Limited, Tirupur.
- The primary data gathered through the sample survey contains bias and mistakes.
- As a result, data processing for analysis is prone to inaccuracies, particularly because respondents may lack perceptual clarity about the major issues at hand, as well as natural inhibitions to convey accurate information.

RESEARCH METHODOLOGY

Research Methodology is a systematic way to solve a research problem; It includes various steps that are generally adopted by a researcher in studying the problem along with the logic behind them. The present study was conducted with the investors of Mutual Funds in ICICI Bank Limited, Tirupur

RESEARCH DESIGN

A Research Design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with the economy in procedure. The research design adopted for the studies is descriptive design. The researcher has to describe the present situation in order to know the opinion of the employees Hence descriptive research study is used. Descriptive research can only report what has happened and what is happening.

DATA COLLECTION TECHNIQUES

The study is conducted on the basis of primary data collected from the investors of ICICI Bank Limited, Tirupur. Secondary data is also a part of study. Direct personal questionnaire method and interview was adopted to collect information from the investors.

Two sources of data's are mainly used for the study. They are,

- Primary data
- Secondary data

Primary data

This data is gathered from firsthand information sources and it includes data's from consumers by administrating the questionnaire having face to face interaction with employees. In this study the primary data was collected through questionnaire.

Secondary data

This data are those data which have already been collected, tabulated and presenting in some forms by someone else for some other purpose .In this study internet, journals, magazines, etc. were used for collecting data.

Data analysis & Interpretation**Table no 1 Age of the Respondents**

Age	No. of Respondents	Percentage
Below 30	29	29.0
30-35	38	38.0
36-40	17	17.0
41-45	9	9.0
Above 45	7	7.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 29% of the respondents age is below 30, 38% of the respondents age is 30-40, 17% of the respondents age is 36-40, 9% of the respondents age is 41-45 and 7% of the respondents age is above 45.

Thus the majority of the respondents age is 30-40.

Table no. 2 Educational Qualification of The Respondents

Educational qualification	No. of Respondents	Percentage
SSLC	26	26.0
Higher Secondary	27	27.0
Graduate	30	30.0
Post-graduate	12	12.0
Othes	5	5.0
Total	100	100.0

Source: Primary Data Interpretation

The above table shows that 26% of the respondents have completed SSLC, 27% of the respondents have completed higher secondary, 30% of the respondents have completed graduate, 12% of the respondents have completed post – graduate and 5% of the respondents have completed other Educational qualification.

Thus the majority of the respondents have completed graduate.

Table no.3 Income of The Respondents

Income	No. of Respondents	Percentage
Below Rs. 20,000	22	22.0
Rs. 20,001 - 30,000	24	24.0
Rs. 30,001 - 40,000	35	35.0
Rs. 40,000 - 50,000	10	10.0
Above Rs. 50,000	9	9.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 22% of the respondents have below Rs. 20,000, 24% of the respondents have Rs. 20,001-30,000, 35% of the respondents have Rs. 30,001-40,000, 10% of the respondents have Rs. 40,000-50,000 and 9% of the respondents have above Rs. 50,000 as their income level. Thus the majority of the respondents have Rs. 30,001-40,000 as their income level.

Table no. 4 Occupation of The Respondents

Occupation	No. of Respondents	Percentage
Business	13	13.0
Govt. Employees	34	34.0
Professionals	30	30.0
Retired people	16	16.0
Private employees	7	7.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 13% of the respondents are business people, 34% of the respondents are Govt. Employees, 30% of the respondents are professionals, 16% of the respondents are retired people and 7% of the respondents are private employees. Thus the majority of the respondents are Govt. Employees.

Table no. 5 Purpose of Investment

Particulars	No. of Respondents	Percentage
Regular return	34	34.0
Safety	24	24.0
Principal	23	23.0
Lumpsum gain	10	10.0
Maturity	9	9.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 34% of the respondents said that regular return, 24% of the respondents said that safety, 23% of the respondents said that principle, 10% of the respondents said that lumpsum gain and 9% of the respondents said that maturity is the purpose of investment in Mutual Funds. Thus the majority of the respondents the respondents said that regular return is the purpose of investment in Mutual Funds.

Table no. 6 Opinion About the Mutual Funds Investment

Particulars	No. of Respondents	Percentage
Strongly agree	30	30.0
Agree	18	18.0
Neither agree nor disagree	10	10.0
Disagree	12	12.0
Strongly disagree	30	30.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 30% of the respondents said that strongly agree, 18% of the respondents said that agree, 10% of the respondents said that neither agree nor disagree, 12% of the respondents said that disagree, and 30% of the respondents said that strongly disagree towards Mutual funds are benefit one. Thus, the majority of the respondents of the respondents said that strongly agree towards Mutual funds are benefit one.

Table no. 7 Opinion About The Risks In Mutual Fund Investment

Particulars	No. of Respondents	Percentage
Strongly agree	29	29.0
Agree	22	22.0
Neither agree nor disagree	31	31.0
Disagree	10	10.0
Strongly disagree	8	8.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 29% of the respondents said that strongly agree, 22% of the respondents said that agree, 31% of the respondents said that neither agree nor disagree, 10% of the respondents said that disagree, and 8% of the respondents said that strongly disagree towards risk in Mutual funds. Thus the majority of the respondents of the respondents said that neither agree nor disagree towards risk in Mutual funds.

Table no. 8 Professional Guidance Rendered to The Investors

Particulars	No. of Respondents	Percentage
Strongly agree	23	23.0
Agree	35	35.0
Neither agree nor disagree	27	27.0
Disagree	10	10.0
Strongly disagree	5	5.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 23% of the respondents said that strongly agree, 35% of the respondents said that agree, 27% of the respondents said that neither agree nor disagree, 10% of the respondents said that disagree, and 5% of the respondents said that strongly disagree towards professional management influence to invest in Mutual Funds. Thus the majority of the respondents of the respondents said that agree professional management influence to invest in Mutual Funds.

Table no. 9 Opinion about The Influence By Regulations on Investors

Particulars	No. of Respondents	Percentage
Strongly agree	34	34.0
Agree	23	23.0
Neither agree not disagree	16	16.0
Disagree	22	22.0
Strongly disagree	5	5.0
Total	100	100.0

Source: Primary Data Interpretation

The above table shows that 34% of the respondents said that strongly agree, 23% of the respondents said that agree, 16% of the respondents said that neither agree nor disagree, 22% of the respondents said that disagree, and 5% of the respondents said that strongly disagree towards Mutual Funds regulation influence to invest in Mutual Funds. Thus, the majority of the respondents of the respondents said that strongly agree Mutual Funds regulation influence to invest in Mutual Funds.

Table no. 10 Types of Schemes Influencing the Investors

Particulars	No. of Respondents	Percentage
Strongly agree	10	10.0
Agree	26	26.0
Neither agree nor disagree	8	8.0
Disagree	46	46.0
Strongly disagree	10	10.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 10% of the respondents said that strongly agree, 26% of the respondents said that agree, 8% of the respondents said that neither agree nor disagree, 46% of the respondents said that disagree, and 10% of the respondents said that strongly disagree towards choice of schemes influence to invest in Mutual Funds. Thus the majority of the respondents of the respondents said that disagree choice of schemes influence to invest in Mutual Funds.

Table no. 11 Mode of Fund Transfer of Mutual Funds Influencing Investors

Particulars	No. of Respondents	Percentage
Strongly agree	16	16.0
Agree	24	24.0
Neither agree nor disagree	30	30.0
Disagree	25	25.0
Strongly disagree	5	5.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 16% of the respondents said that strongly agree, 24% of the respondents said that agree, 30% of the respondents said that neither agree nor disagree, 25% of the respondents said that disagree, and 5% of the respondents said that strongly disagree towards easy transferability in Mutual Funds influence to invest in Mutual Funds. Thus the majority of the respondents of the respondents said that neither agree nor disagree easy transferability in Mutual Funds influence to invest in Mutual Funds.

Table no. 12 Tax Benefits Influence to Invest

Particulars	No. of Respondents	Percentage
Strongly agree	19	19.0
Agree	15	15.0
Neither agree nor disagree	39	39.0
Disagree	25	25.0
Strongly disagree	2	2.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 19% of the respondents said that strongly agree, 15% of the respondents said that agree, 39% of the respondents said that neither agree nor disagree, 25% of the respondents said that disagree, and 2% of the respondents said that strongly disagree towards tax benefits influence to invest in Mutual Funds. Thus the majority of the respondents of the respondents said that neither agree nor disagree tax benefits influence to invest in Mutual Funds.

Table no. 13 Investment In Mutual Funds Based on Rate of Return

Particulars	No. of Respondents	Percentage
Strongly agree	34	34.0
Agree	24	24.0
Neither agree nor disagree	23	23.0
Disagree	10	10.0
Strongly disagree	9	9.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 34% of the respondents said that strongly agree, 24% of the respondents said that agree, 23% of the respondents said that neither agree nor disagree, 10% of the respondents said that disagree, and 9% of the respondents said that strongly disagree towards preferring Mutual Funds for its rate of return.

Thus the majority of the respondents of the respondents said that agree preferring Mutual Funds for its rate of return.

Table no. 14 Level of Satisfaction About Stable Income

Particulars	No. of Respondents	Percentage
Highly satisfied	28	28.0
Satisfied	26	26.0
Neither satisfied nor dissatisfied	29	29.0
Dissatisfied	8	8.0
Highly dissatisfied	9	9.0
Total	100	100.0

Source: Primary Data

Interpretation

The above table shows that 28% of the respondents said that highly satisfied, 26% of the respondents said that satisfied, 29% of the respondents said that neither satisfied nor disagree, 8% of the respondents said that dissatisfied, and 9% of the respondents said that highly dissatisfied towards level of satisfaction in stable income. Thus the majority of the respondents of the respondents said that neither satisfied nor disagree level of satisfaction in stable income.

Findings

- 38% of the respondents age is 30-40.
- There is no significance difference between the educational qualification of the respondents and professional management influences to invest in Mutual Funds
- There is no significant difference between the age of the respondents and level of respondents in Mutual Funds.
- 30% of the respondents have completed graduate.
- Rs. 30,001-40,000 as their income level.
- 34% of the respondents are Govt. Employees
- 34% of the respondents said that regular return is the purpose of investment in Mutual Funds.
- 30% of the respondents said that strongly agree towards Mutual funds are benefit one.
- 31% of the respondents said that neither agree nor disagree towards risk in Mutual funds.
- 66% of the respondents said that partly aware in Mutual Funds.
- 35% of the respondents said that agree professional management influence to invest in Mutual Funds.
- 34% of the respondents said that strongly agree Mutual Funds regulation influence to invest in Mutual Funds.
- 46% of the respondents said that disagree choice of schemes influence to invest in Mutual Funds.
- 30% of the respondents said that neither agree nor disagree easy transferability in Mutual Funds influence to invest in Mutual Funds.
- 39% of the respondents said that neither agree nor disagree tax benefits influence to invest in Mutual Funds.
- 32% of the respondents said that agree preferring Mutual Funds for its various sizes to invest.
- 24% of the respondents said that agree preferring Mutual Funds for its rate of return.
- 35% of the respondents said that strongly agree preferring Mutual Funds for its low transaction cost.
- 27% of the respondents said that neither satisfied nor disagree level of satisfaction in easy liquidity.
- 29% of the respondents said that neither satisfied nor disagree level of satisfaction in stable income.

SUGGESTIONS

- Investors put their money into mutual funds with the sole intention of making a profit. Mutual funds must be designed in accordance with investor expectations.
- Since investors are investing for the purpose of receiving benefits, mutual funds must ensure that they receive those benefits.
- The risk has to be on a moderate scale. The Mutual Fund organisation must assist investors in selecting the appropriate scheme depending on their risk tolerance.
- Before investing in Mutual Funds, investors need have a clear understanding and knowledge of the various schemes available.
- The Mutual Fund Association must raise awareness of the fact that Mutual Funds are managed by professionals.
- Mutual Fund laws must be stringent and transparent. They should raise awareness that mauling is not permitted in mutual funds.
- The organisation must inform its investors that Mutual Funds offer a variety of programmes in which to invest.
- The organisation must spread the word that the Mutual Funds in which they invest are easily transferable to others.
- Because there are so many different types of investors, there must be a variety of investment sizes.
- The organisation must raise knowledge about mutual fund investments and the fact that they provide tax benefits to their investors.
- The organisation must spread the word that Mutual Funds have different rates of return depending on the investment plans they use.
- It must ensure that it is liquid in nature. In addition, the organisation must assist them in selecting the appropriate scheme in order for them to have a consistent source of income.

Conclusion

In today's financial markets, investors have a plethora of investing choices. Corporate bonds, debentures, bank deposits, post office schemes, and other investment options are available to investors. However, today's investors prefer to have portfolio managers invest their money on their behalf. These portfolio managers are stock market specialists who invest money in such a way that investors receive guaranteed minimum returns. Many institutions are currently engaged in offering wealth management services to investors. However, these services are prohibitively expensive. As a result, mutual funds give a protective shelter to both small and large investors in order to assist them. As a result, before investing, investors should have a thorough understanding of Mutual Funds. They should also be familiar with the various Mutual Fund strategies.

Mutual Funds, although being a very profitable type of investment with fewer risks than shares and debentures, have struggled to attract potential investors to participate in favourable returns. To make mutual funds more familiar, service providers should take steps such as awareness campaigns, innovative financial instruments, and advertisements, among other things, to help spur the growth of this mode of finance sector, which can then help promote the country's individual, institutional, and economic goals.

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LINKS

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