



A STUDY ON CUSTOMER ATTITUDE TOWARDS MUTUAL FUND INVESTMENT

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ABSTRACT:

Mutual funds have emerged as a widely preferred investment option, offering diversification and professional management to investors. This study examines customer attitudes toward mutual fund investments, focusing on key factors that influence investment decisions and perceptions of mutual fund products. Employing a descriptive, quantitative research design, structured surveys were used to collect data from individuals across various demographics, including age, income, education level, and investment experience. The study identifies critical determinants of investment behavior, such as financial knowledge, risk tolerance, trust in fund managers, and perceived benefits and risks of mutual funds. Findings reveal that customer attitudes are significantly shaped by financial literacy, risk perception, and the perceived role of mutual funds in achieving long-term financial goals. Additionally, demographic differences influence investment preferences, with younger investors inclined toward high-risk funds, whereas older investors prioritize stability and income generation. The study underscores the importance of trust and transparency in fund management for fostering positive investor sentiment. These insights provide valuable guidance for financial institutions in designing targeted marketing strategies and customized investment solutions to enhance investor confidence, satisfaction, and engagement in the mutual fund sector.

KEYWORDS:

MUTUAL FUNDS, INVESTMENT DECISIONS, RISK PERCEPTION, FINANCIAL KNOWLEDGE, INVESTOR ATTITUDES, TRUST IN FUND MANAGEMENT.

1.1 INTRODUCTION

A mutual fund is a form of collective investment. It is a trust that pools the savings of a number of investors who share a common financial. It collect the savings from the small investors, invest them in government and other corporate securities and earn income through interest and dividends, besides capital gains. Mutual fund is a collective savings scheme. It plays an important role in mobilizing the savings of the small investors and channelling the same for productive ventures in the Indian economy. Each fund is divided into equal portions or unit. Units are allotted to the person in proportion of his investment in mutual fund. Each fund is a pool of diversified securities. A mutual fund is nothing more than a collective of stocks and or bonds. A Mutual fund is a professionally managed type of collective investment scheme that pools money from many investors to buy stocks, bonds, short-term money market instrument, and other securities. It is made up of money that is financial intermediary. Savings of investor are collected and these funds are fund are invested in a large and well diversified portfolio of securities such as money

market instrument, corporate and government bonds and equity share of joint stock companies. In other word in mutual fund is just the connecting bridge are a financial intermediary that allows a group of investors to pool their money together with a predetermined investment objective. The Mutual fund will have a fund manager whose is responsible for investing the gathered money into specific securities. When we invest in mutual fund, we are buying unit or portions of the mutual fund and thus on investing becomes a shareholder on unit holder of the fund. Mutual fund emerged as professional financial intermediaries bridging and skill constraint. They have a who identify the right stocks and debt instruments and construct a portfolio that promises to deliver the best possible "constrained" returns at them minimum possible cost. It involves outsourcing the management of money

1.2 STATEMENT OF THE PROBLEM:

While marketing an investment an investor considering investment in securities is facing with the problem of

choosing an investment from a large number of securities and how to allocate his fund over this group of securities. The investors are confused of various kinds of securities, his excess of wealth and rise of various investment schemes, variation in financial instrument, tax policy of government, different investment strategies, lack of awareness and knowledge among the investors, emotional attachment to money, lack of financial inclusion, traditional thinking, fear of loss and risk and return characteristics of scheme. The investors try to get maximum returns with minimum risk by choosing a better investment scheme.

As in case of an investor while making an investment, faces a problem in relation with selection of appropriate scheme of investment. That means there exists a problem of selecting a better scheme that make better return and safety for the investor. An investor needs to make investment in a scheme which maximizes the return and minimizes the risk. So, this study focused on the "mobilization of savings through mutual fund" and the study makes an attempt to analyses the problem of investors in relation with the management of their individual securities.

1.3 OBJECTIVES OF THE STUDY:

- To study the role of mutual fund in the mobilization of savings.
- To analysis the awareness level of mutual funds.
- To examine the structure and growth pattern of mutual fund industry.
- To analysis the attitude of mutual fund investors towards the factors like safety, liquidity, tax, benefits, returns and savings.

1.4 RESEARCH METHODOLOGY

1.4.1 RESEARCH DESIGN

This study adopts a descriptive research design to systematically analyze customer attitude towards and emerging the mutual fund investment within Madurai city. Descriptive research is chosen because it allows for the accurate portrayal of the characteristics, behaviors, and attitudes of mutual fund users. This design is particularly effective for understanding the current state of mutual fund adoption, identifying customer preferences, and evaluating the factors influencing their mutual fund investment. By focusing on descriptive analysis, the study aims to provide a comprehensive overview of the mutual fund landscape in Madurai, offering insights into how customers perceive the mutual fund investment in their decisions.

1.4.2 SAMPLING METHOD

The study employs a simple random sampling technique to select respondents. This method ensures that every Mutual fund user in Madurai has an equal chance of being included in the sample, thereby minimizing bias and enhancing the representativeness of the findings. Simple

random sampling is chosen for its simplicity and effectiveness in generating unbiased results, which are crucial for drawing reliable conclusions about customer attitude. By randomly selecting participants, the study aims to capture a diverse range of perspectives, reflecting the varied demographics and preferences of mutual fund users in the city.

1.4.3 PRIMARY DATA AND SECONDARY DATA

Primary data are those data which are collected for the first time. They are original in character and are collected by the researcher. The primary data has been collected with the help of questionnaire which is distributed and collected from thenrespondents of area. Those investors having systematic investment plan has been selected for data collection. Secondary data are those data which have been already collected, tabulated and presented in some form by someone else forsome specific purpose. Secondary data are collected from various websites, SEBI bulletins, various mutual fund websites, general discussion with brokers of BSE, NSE etc...

1.4.4 SAMPLE SIZE

A sample size of 50 respondents, who are active mutual fund users in Madurai, will be surveyed.

1.4.5 AREA OF THE STUDY:

The research concentrated in MADURAI district.

**TABLE: 1
 RESPONDENTS OF GENDER WISE CLASSIFICATION**

Gender	No. of respondents	Percentage of respondents
Male	45	60
Female	30	40
Total	75	100

Source: Primary data

INTERPRETATION:

The above table indicates the gender-wise classification of respondents in the study. Out of 75 respondents, 60% are male, while 40% are female. This distribution suggests a relatively higher participation of male respondents in the survey.

**DIAGRAM: 1
 RESPONDENTS OF GENDER WISE CLASSIFICATION**

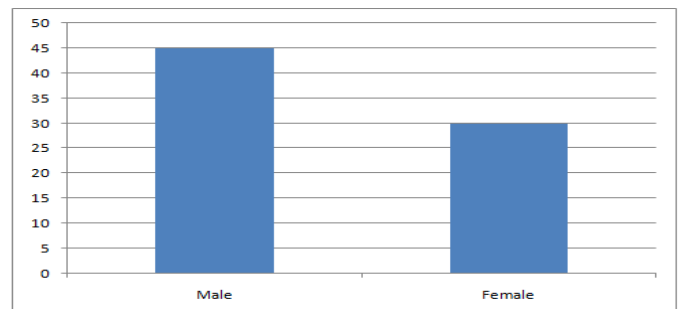


TABLE 2

CLASSIFICATION OF SATISFACTION WITH MUTUAL FUNDS OF THE RESPONDENTS.

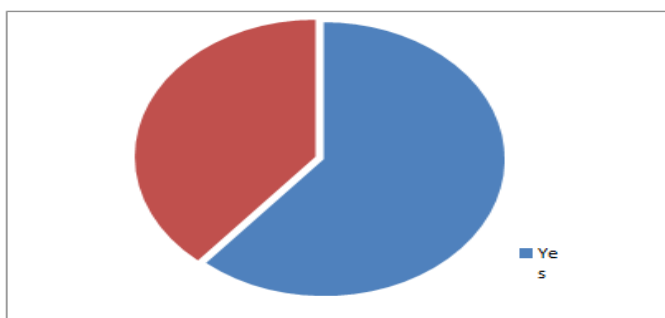
S. NO	Satisfied	No. of respondents	Percentage of respondents
1.	Yes	46	61
2.	No	29	39
	TOTAL	75	100

INTERPRETATION:

From the above table it is inferred that 61% of respondents satisfied with Mutual funds and 39% of respondents is not satisfied with Mutual funds.

CHART: 2

CLASSIFICATION OF SATISFACTION WITH MUTUAL FUNDS OF THE RESPONDENTS.



FINDINGS:

1. Gender Distribution: 60% of the respondents are male, while 40% are female.
2. Educational Qualification: 20% of the respondents hold a postgraduate qualification.
3. Occupation: 67% of the respondents are students.
4. Annual Income: 62% of the respondents have an annual income between 1-3 lakh.
5. Investment Interest: 69% of the respondents are interested in investments.
6. Investment Preference: 53.3% of the respondents prefer savings, while 60% prioritize education-related investments.
7. Mutual Fund Expectations: 17% of the respondents expect a current income from mutual funds.
8. Knowledge about Mutual Funds: 41% of the respondents have some knowledge about mutual funds.
9. Source of Awareness: 49% of the respondents became aware of mutual funds through advertisements.
10. Mutual Fund Selection: 48% of the respondents prefer investing in SBI Mutual Funds.

SUGGESTIONS:

1. Mutual funds should improve its market intelligence system. Mutual funds should increase their advertising budget 10 get the benefits of good advertising. So that the Investors may be aware of their existing services as well.
2. Mutual funds should increase their number of branches every area the ease of public.
3. The customer should be fully satisfied and delighted so that they can go a long way.
4. The public and private sector Mutual fund companies must provide efficient customer services to tap its potential customers.
5. The Mutual fund companies must ensure proper connectivity with the investors through effective technical support and adopt simple methods of technology for the convenience of the investors especially the small investors.
6. The public and private sector Mutual fund primarily work towards achieving ILLE concept of social Mutual funds.

CONCLUSION:

Investment is important to achieve individual goals, Investment Incans we have money, then we need to make an analysis to invest the money, and expect to get a return in future. If the investment is run early, then we will make lot or profit if the investment well, if not we will loss all of the investment needed to start from earlier. A part from that, first thing first we must set an investment plan to make the investment run well. From that, we can know what we will face in future, what the risk needs counter, what economy is going and many more. As we also know, there are also specific places investment to be done. It will involve the capital market, Bursa Malaysia, equity market, debt market and many more. So, we need to know where we should invest our money whether to invest in a very risk market or lower risk market to gain return in future. Usually, high return will be associated with high risk. A mutual fund is a company that brings together money from many people and invests it in stocks, bonds or other assets.

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