

A Study on Investment Patterns And Customer's Perception Towards Mutual Funds In Nagapattinam

B. Deepikaa Devi¹, Dr.M.K. Mishra², Dr.Jayadurga³

^{1,3} Asst Professor,

² Director R&D,

^{1,2} Edayathangudy G.S. Pillay Arts & Science College Nagapattinam,

³ Trivika College Thiruvarur

Abstract- This study revolves around a general awareness level and perception towards mutual funds. The survey would reveal results about the awareness of the various investment designs, about mutual funds and give the organization a clue or a lead to improve the marketing of mutual funds. This study on 'mutual funds' was important to Karvy consultants, Nagapattinam. The marketing and sales personnel wanted to know the level of awareness about various investment methods and awareness about 'Mutual funds' in particular. With the opening up of the capital markets in a big way to Foreign Institutional Investors (FII's), mutual funds are becoming an attractive avenue i.e. it needed an opinion study about various investment methods, mutual funds in particular. Hence the need for the research was justified to be under taken, to fill the gap in the marketing system. The main aim of this paper to study the perception of the people of Nagapattinam region towards mutual funds and their investment pattern, the level of awareness of various investment methods available, study the awareness level of mutual funds, and preference for various kinds of mutual fund schemes. Finally the suggestions to how to improve awareness about mutual funds.

I. METHODOLOGY

This study adopts Descriptive research design. Descriptive design is one which gives a snapshot of the prevailing environment. It is used to provide a summary of some aspects of the environment when certain aspects of the problem are speculative in nature.

II. QUESTIONNAIRE DESIGN

Proper care has been taken to ensure that the information needs match the objectives which in turn match the data collected through the questionnaire. The basic cardinal rules of Questionnaire design like using simple and clear words, the logical and sequential arrangement of questions has been taken care of.

2.1 Data Source:

Data was collected through both primary and secondary data.

2.2 Primary Data:

A primary data is a data, which is collected for the first time for a particular interest to have more information. The primary data with the help of questionnaire was collected from end users in Nagapattinam.

2.3 Secondary Data:

Secondary data was collected from company website, magazines and brochures.

2.4 Sampling Technique:

The sampling technique used convenience sampling. Salaried executives, Business Executives, Professionals and retired people were the target respondent group from which the data were collected. The primary data was collected at shopping malls and at other important places. The respondents are 60

III. DATA ANALYSIS AND INTERPRETATION

Table No.3.1 : Gender Level of The Respondents

Gender	No. of Respondents	Percentage
Male	49	81.7
Female	11	18.3
Total	60	100.0

Table No.3. 2: Age of The Respondents

Age	No. of Respondents	Percentage
Upto 30 years	14	23.3
30-40 years	18	30.0
Above 40 years	28	46.7
Total	60	100.0

Table No. 3.3 : Status Of The Respondents

Marital Status	No. of Respondents	Percentage
Unmarried	04	6.7
Married	56	93.3
Total	60	100.0

Table No.3. 4 :Nature of Employment of The Respondents

Nature	No. of Respondents	Percentage
Salaried	27	45.0
Business	12	20.0
Professional	07	11.7
Retired	14	23.3
Total	60	100.0

Table No.3. 5: Annual Income of The Respondents

Annual Income	No. of Respondents	Percentage
Rs. 50,000 – 1 lakh	11	18.3
Rs.1 lakh – 2 lakh	32	53.3
2 lakh – 3 lakh	08	13.3
Above 3 lakh	09	15.1
Total	60	100.0

Table No.3. 6: Reasons For Saving

Reasons	No. of Respondents	Percentage
Children's education	11	18.3
Tax benefit	14	23.3
Future needs	31	51.7
To earn high returns	04	6.7
Total	60	100.0

Table No. 3.7: Factors Influencing One to Go For An Investment

Influence Factor	No. of Respondents	Percentage
Friends	19	31.7
Consultants	09	15.0
Family members	16	26.7
Auditors	03	5.0
Advertisement	05	8.3
By self	08	13.3
Total	60	100.0

Table No. 3.8: Investment Period

Period	No. of Respondents	Percentage
Monthly	17	28.3
Quarterly	27	45.0
Yearly	12	20.0
Occasionally	04	6.7
Total	60	100.0

Table No.3. 9: Investment in Mutual Funds

Investment	No. of Respondents	Percentage
Invested	44	73.3
Not invested	16	26.7
Total	60	100.0

Table No. 3.10: Reasons For Not Investing In Mutual Funds

Reasons	No. of Respondents	Percentage
High risk	09	56.3
No assured return	05	31.3
Lack of awareness	02	12.4
Total	16	100.0

Table No. 3.11: Reasons for Investing In Mutual Funds

Reasons	No. of Respondents	Percentage
Best return when compared with other avenues	15	34.1
Professional management	04	9.1
Consistency of steady returns	07	15.9
Trade off between risk and return	03	6.8
Diversification	06	13.6
Liquidity	09	20.5
Total	44	100.0

Table No. 3.12: Investment In Various Sectors Of Mutual Funds

Sectors	No. of Respondents	Percentage
Public	11	25.0
Private	26	59.1
Both	07	15.9
Total	44	100.0

Table No. 3.13: Investment Schemes Of Mutual Fund

Investment Schemes	No. of Respondents	Percentage
Debt	13	29.5
Equity	27	61.4
Balanced	04	9.1
Total	44	100.0

Table No. 3.14: Performance Level of Mutual Funds

Performance Level	No. of Respondents	Percentage
Very Good	12	27.3
Good	21	47.7
Moderate	09	20.5
Poor	02	4.5
Total	44	100.0

IV. FINDINGS

The findings of the study are enlisted below.

- 81.7 % of the respondents were belonged to male category and the rest 18.3 % of the respondents were female category.
- 46.7 % of the respondents were the age above 40 years, 30.0 % of the respondents were the age group between 30-40 years and 23.3 per cent of the respondents were the age group of below 30 years.
- 3.93.3 % of the respondents was married and the remaining 6.7 % of the respondents were unmarried. % of the respondents was salaried persons, 23.3 % of the respondents were retired, 20.0 per cent of the respondents were businessmen and 11.7 % of the respondents were professionals.
- 53.3 % of the respondents were earned between Rs. 1 lakh-Rs.2 lakhs, 18.3 % of the respondents were earned between Rs.- 50,000-Rs.1 lakh, 15.1 % of the respondents were earned above Rs. 3 lakhs and only 6.7.03 lakhs and

only 13.3 % of the respondents were earned Rs. - 2 lakh-3 lakhs per year.

- 6.51.7 % of the respondents saving for future needs, 23.3% of the respondents invest for tax benefits, 18.3 % of the respondents were invest for their children's education and only 6.7 % of the respondents were invest in mutual funds to earn high returns.
- 31.7 % of the respondents were influenced by their friends, 26.7 % of the respondents influenced by their family members and 5.0 % of them have been influenced by auditors.
- 45.0 % of the respondents invest quarterly, 28.3 % of the respondents invest monthly, and 20.0 % of the respondents invest yearly and only 6.7 per cent of the respondents occasionally.
- 46.7 % of the respondents invested in insurance, 21.7 % of the respondents invested in bank, 15.0 % of the respondents invest in share market, 10.0 % of the respondents invested in post office and only 6.7 % of the respondents invested in bonds.
- 10.73.3 % of the respondents invests in mutual funds and 26.7% of the respondents were not invested in mutual funds.
- 56.3 % of the respondents didn't invest in mutual funds because they are feels high risk. 31.3 % of the respondents feel no assured return and 12.4 % of the respondents say lack of awareness.
- 34.1 % of the respondents feel best returns, 20.5 % of the respondents say liquidity, 15.9 % of the respondents says steady returns, 13.6 % of the respondents say diversification, 9.1 % of the respondents says proper management and only 6.8 % of the respondents says risk and return.
- 59.1 % of the respondents invest in private mutual funds, 25.0 % of the respondents invest in public mutual funds and only 15.9 % of the respondents invest both public as well as private mutual funds.
- 61.4 % of the respondents invest in equity schemes 29.5 % of the respondents invest in debt schemes and 9.1 % of the respondents invest balanced equities.
- 47.7 per cent of the respondent's opinion were good, 27.3 % of the respondent's opinion were very good, 20.5 % of the respondent's opinion were moderate and only 4.5 % of the respondent's opinion was poor.

V. SUGGESTIONS

From this study, found that those who have not invested in mutual fund perceive it to have a high degree of risk. Hence this fear must be eradicated. Regarding those who know about mutual fund, many perceive that mutual funds offer the best return. Diversification, Professional

management is not considered to be the important factors though they are critical to the success of mutual funds. Hence this could be given a focused promotion. The role of advertisement in influencing the decisions was very low.

People do not believe much in advertisements. Hence the strategy of advertising must be reviewed to attract and retain customer interest. The popularity of debt, balanced mutual funds is low. It can be enhanced by emphasizing the fact that the risk level is low.

VI. CONCLUSION

Every human saves one part of his income for some future needs. For this purpose, people are interested to save their income through bank, post office, chit funds, share market, mutual funds, and insurance. The study has concluded that 'Tax Benefits' are the motto of the salaried and retired people and 'Higher Returns' are the motto of the business people. 5-10 per cent of the income is the amount invested. Many do not perceive mutual funds as a diversification of risk or consistency of returns when mutual funds provide such benefits. This needs to be given a closer look. The feeling that mutual funds have a high degree of risk associated with it should be eradicated. The popularity of mutual funds' investments would be enhanced if all these factors are taken into account. The study revealed that mutual fund ranks as the most popular avenue for investment followed by life insurance and fixed deposits with regard to the risk appetite of the investors, it is found that the investors perceive that investments in mutual funds carry moderate risk. The study also reveals that a better and steady return is the main reason for investment in mutual fund. The study indicated that the majorities of the investors are satisfied with their investments in mutual fund. Investments in insurance and housing are found to be the popular avenues for saving tax in addition to mutual funds suggestions have been made to improve investments in mutual funds particular low risk schemes such as debt funds & get funds and also by highlighting the tax advantages in investors in mutual funds.