Consumer Awareness, Attitude And Investing Behaviour Towards Mutual Funds In Coimbatore

Manigandan P[1], Mahendran K. S[2], Resmi K R[3]
[1, 2] Dept of MBA
[1, 2] Kct Business School Coimbatore

Abstract- *The financial market is becoming aggressive and the supply of various financial instruments needs to be in equilibrium to the demand perspectives of the investors. The prime drive of any investment is to get maximum return with a minimum risk and mutual funds provide the chance for the investors. The research provides an understanding into the types of risks which exist in a mutual fund scheme. The research focuses on the relationship between investment decision and factors like financial awareness, demography, risk factors, misconceptions, investment objective and preference. This study also aims at finding out the attitude of investors in Coimbatore city. The survey was conducted among 386 salaried employees in Coimbatore city.*

I. INTRODUCTION

A mutual fund is a corporation that collection money from various Customers and spends the money in bonds, stocks, short- term money-market instruments, other assets or securities, or some alliance of these investments. The collective holdings the mutual fund owns are known as its portfolio.

Eachsharesignifiesaninvestor'sproportionatepossession ofthefund'sholdingsandthe income those holdings generate. It is a financial agent that pools the savings of Customers for collective investment in a diversified portfolio of securities. And a fund is said to be 'mutual' as all of its returns, minus its expenses, are shared by the fund's Customers.

II. ABOUT THE STUDY

The Indian mutual fund investment is very low compared to   other nations. The mutual funds is one of the hopes for developing nations like India. Mutual fund converts the ideal savings of the money of India working capital. Hence this study is about the factor influence of investment decision for mutual funds

A well-structured interview schedule has been constructed for the data collection, the instrument has 5 dimensions awareness, risk factors, misconceptions, investment Behaviour and preference towards mutual funds.

IDENTIFY, RESEARCH ANDCOLLECT IDEA

For the purpose of this study, Coimbatore is taken as an area of study. All the professionals and self- employed people of Coimbatore who falls under income tax bracket according to the recent budget 2019 of India are considered as the population for this study. From the data collected from the 2011 survey of Coimbatore there are 1.5 lakh tax payers (total population) out of which the government employees, teachers, and entrepreneurs are taken as target respondents. On keeping the confidence level at 95% and, 386 people are taken as the sample size for this study. The sampling method deployed was convenient sampling. The primary data are collected from the target respondents through circulating questionnaire.

III. OBJECTIVES OF THESTUDY

1. To analyze the investment Behaviour of Coimbatore people.
2. To measure the perception and opinion of Coimbatore people about Mutual Funds.
3. To examine the factors influencing the risk on mutual funds on investment.

IV. SCOPE OF THE STUDY

The scope of the study is to tract the factors influencing investment decision and investors preference, priorities and their awareness towards mutual funds and stocks. From this study we can list out findings which includes the factor influencing the investment decision and financial literacy level of the people and awareness towards mutual funds among people.

V. DEMOGRAPHIC ANALYSIS

Age of respondents

AGE	Frequency	Percent	Valid Percent	Cumulative Percent
18-25	115	29.8	29.8	29.8
26-35	125	32.4	32.4	62.2
36-45	86	22.3	22.3	84.5
46-55	40	10.4	10.4	94.8
Above 55	20	5.2	5.2	100.0
Total	386	100.0	100.0	

Gender of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	260	67.4	67.4	67.4
	Female	126	32.6	32.6	100.0
	Total	386	100.0	100.0	

Interest in Mutual funds

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	210	54.4	54.4	54.4
	No	176	45.6	45.6	100.0
	Total	386	100.0	100.0	

PERIOD OF THE STUDY

The data is collected for 20 days (1/5/2020 to 20/5/2020).
During this period our team is able to circulate the forms through mail and social media and during this period our team is able to collect 386 responses

PRIMARY DATA

Primary data is collected through the well structured interview schedule from the professionals and self employed people residing in Coimbatore.

UNIVERSE

The samples is collected from the professionals and self-employed people and Working people in Coimbatore district.

TOOLS FOR DATA COLLECTION

A well-structured interview schedule has been constructed for the data collection, the instrument has 5 dimensions- awareness, risk factors, misconception, Investment behavior and preference towards mutual funds.

SAMPLING METHOD

From the data collected in the survey of coimbatore there are 1.5 lakhs tax players out which the government employees, teachers, IT professionals and business people are taken as respondents.

The sampling method was convenient sampling

RELIABILITY OF DATA

In order to test the reliability, Cronbach alpha of all items in the design are evaluated. The Cronbach alpha all the scales is 0.797. it shows the data is reliable.

MAJOR ANALYSIS

1. CHI TEST

Ho: There is no association between the gender and type of investment.

Ha: There is association between the gender and the type of investment.

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	13.849[a]	4	.008
Likelihood Ratio	14.313	4	.006
Linear-by-Linear Association	8.129	1	.004
N of Valid Cases	386		

INFERENCE

The significance with which the test shall be performed can be fixed at 5 %. Alpha = 0.05. From the Chi Square test the P value is less than 0.05, So we reject the Null hypothesis. So there is a significant association between Gender and the type of investment.

2. CORRELATION

INFERENCE FOR CORRELATION

Here among the four constricts in the factor of misconception and risk factor has the highest correlation at the value of 0.612. It shows the perfect positive correlation. So that misconception and risk factor are highly related in Mutual fund investments.

CONSTRUCT	Average of Awareness	Average of Misconception	Average of Risk factor	Average of Objectives
Average of Awareness	1.000			
Average of Misconception	-.018	1.000		
Average of Risk factor	.192	.612	1.000	
Average of Investor behaviour	.284	.189	.328	1

Where there is a negative correlation occurs between the average of awareness and misconception.

3. BIVARIATE ANALYSIS

Ho: There is no mean significant difference in knowledge about mutual funds between the male and female

Ha: There is mean significant difference in knowledge about mutual funds between the male and female
Level of significance of alpha is 0.05 or 5%.

	Gender	N	Mean	Std. Deviation	Std.error
	Male	260	3.53	1.109	.069
	Female	126	3.48	1.129	.101

INFERENCE:

The mean of mutual fund knowledge for male is 3.53 and 3.48 for female. And the p two tailed is 0.676 and 0.678 respectively. Since the two tailed is greater than 0.05 it failed to reject the null hypothesis.

	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	t	df	Sig. (2-tailed)
Equal variances assumed	.905	.342	.419	384	.676
Equal variances not assumed			.416	243.557	.678

So there is no mean significant difference between the knowledge and gender in mutual funds.

4. REGRESSION

The value of R is 0.665 is shows the multiple correlation with the dependent variable risk factor with the independent variable's investor behaviour, awareness and Misconception in mutual funds.

The value of R is 0.442 it shows the moderate correlation but it is moderately low.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.665a	0.442	.438	.51598

Dependent variable: Risk factors.

Independent variables: Awareness,

misconception and
investor behaviour

Ho: the investor behaviour, Awareness and misconception are not good predictors of risk involved in the mutual funds.

Ha: The investor behavior, Awareness and misconception are good predictors of risk involved in the mutual funds.

Model	t	Sig.
1 (Constant)	3.808	.000
Average of Awareness	3.842	.000
Average of Misconception	14.899	.000
Average of investor behavior	4.275	.000

Inference

The significant value p= 0.000 which is less than 0.05

Therefore, the model is fit.
We can reject null hypothesis. So the awareness of Mutual funds, misconception and risk factors are good predictors of risk factor involved in mutual funds.

The regression equation is written as

Risk involved in Mutual funds = (0.699) + (0.134) Awareness+ (0.538) Misconception+ (0.185) Investor Behaviour.

From the above equation we can infer that the misconception (0.538) is highly infecting the risk involved in the mutual funds followed by the investor behavior and awareness about mutual funds.

VI. FINDINGS

From the analysis people are highly contributing to the awareness about mutual funds. The people have good knowledge about mutual funds with the mean score of 3.51. From the bivariate analysis infer that there is no mean significant difference between the male and female who have knowledge about the mutual funds. People also believe that the mutual fund investments are risky

VII. SUGGESTIONS

- Conducting training camps about financial investment in major cities with high number of potential investors.
- Introducing basic knowledge of finance as a part of school and college curriculum to make youngster aware of all opportunities available to them.
- The financial regulatory bodies in India such as AMFI and SEBI should involve in creating awareness through ad campaigns.
- The regulatory bodies should try to clarify the misconception about mutual funds and other financial investment decisions.
- Every bank include a portalwhere information about the mutual funds are readily available to the investors.

VIII. SCOPE OF THE PROJECT

This is an interesting topic to do research and there is a lot of scope for this project since this involves growth of our nation. In future each employed and salaried persons can be questioned to know if there is any improvement in awareness about mutual funds. This also help us to know how people are investing their money.

IX. CONCLUSION

Mutual fund industry has still to struggle to gain more investors. Financial knowledge among youth will bring success to this industry. Adults who are already mutual fund investors should not pull themselves out from the same as they attain experience   In the field.

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