A STUDY ON INVESTOR'S SATISFACTION TOWARDS MUTUAL FUNDS

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Abstract

The study shows that investment goals vary from person to person. While somebody wants security and others wants more returns alone. Each and every person has different investment plans. Mutual fund is one of the investments gaining popularity day by day. The mutual fund is pool of money managed by a professional money manager. The money such collected has invested in capital market instruments such as shares, debentures, and other securities. The income earned through these investments and the capital appreciation has been shared by its unit's proportion to the numbers of units owned by them. Therefore, it is the most suitable investment for novice investors as it offers an opportunity to invest diversified professionally managed securities relatively at low cost.
Keywords: Mutual fund, satisfaction, investment, investment schemes, Money management, savings, investor, investor satisfaction

1. INTRODUCTION

A mutual fund is a type a financial vehicle made up of a pool of money collected from many investors which is further invested in securities like stocks, money market instruments, bonds and other assets. Mutual funds are managed by professional money managers, who allocate these funds and attempt to produce capital gains. Mutual fund gives individual investors access to professionally managed portfolios of bonds, equities and other securities. Therefore mutual funds are invested in vast number of securities and performance is tracked as the change in the total market capital of the fund derived by the aggregating performance of the underlying investments.

2. REVIEW OF PAST STUDIES

(Fernando Muñoz, 2021) The research done by Fernando Munoz on the exposure of socially responsible mutual funds to black industries (i.e. carbon intensive sectors: fossil fuels, utilities and metals) and its effect on financial performance. The study given by him analyse the portfolio allocation of a sample of 136 actively managed socially responsible mutual funds. He observes that the average weight of black industries in this portfolio is 9.51% falling over time. Another thing that he finds is that great exposure in industry of fossil fuels and metals negatively impacts the financial performance. Finally he observe that socially responsible funds market under low carbon labels live up in their name and are less exposed to fossil fuels and metal industries than other types socially responsible mutual funds.

(Manjare Sagar O., 2021) Mutual funds offer a platform for a investor to engage in the Indian stock market through experienced fund managers. This industry in India is steadily expanding day by day. Mutual funds are less expensive than buying the stocks directly. The research aims to discover

the variables that influence mutual fund investment decisions and their priority over the institutional investors. The results would aid mutual fund firms identifying areas in which they should develop. It will assist mutual fund firms in developing creative products based on customer preference.

(Kandi DV and K. Anil Kumar, 2020) Mutual funds are key investors avenue for retail investors. The study identifies different factors influencing the investors' perception while investing in mutual funds. The study assists the Asset management requirements of investors. The retail investors are unique and are an extremely heterogeneous group. Hence investors mutual fund selection also chiefly differs. The fund houses need to understand the selection behaviour of the investors to develop useful funds which meets the changing financial requirements of the retail investors.

(Kumar Rakesh and Goel Nitin, 2014) Identified the factors affecting perception investors towards mutual funds in India. The investigation reveals that, the benefits offered by the mutual funds the investors perceived liquidity regarding return on savings, modification and protection provided through brochure/Newsletters as a source of information. The role of brokers and sub-brokers are the major factor that affects the perception of investors towards mutual fund in India.

(Sharma et al., 2012) The given study studied the customers perception and satisfaction towards the mutual funds industries. The paper identifies the factors safety and liquidity which influence the satisfaction level of customers with respect to mutual fund companies.

(Saini S. et. al., 2011) The study analysed the investors attitude and perception relating to various issues which incorporate the type of mutual fund scheme, main objective following investing in mutual fund scheme, functions of financial advisors and brokers, investors attitude relating to factors with a purpose to attract them towards mutual funds, inadequacy in the service provided by the mutual fund manager etc. The study showed that important factors for investment in mutual fund are income tax benefits followed by high returns and security of the scheme. To maintain consistency the investors must be provided with timely information relating to altered trends in the mutual fund business.

3. OBJECTIVE OF STUDY:

Based on the past studies it is found that there is a need to analyse the investors purview towards mutual funds. The study concerning Mutual fund has been covered by various researchers in various dimensions but still there is a scope to conduct the study with respect to investor's perspective. Therefore, following objectives have framed:

1. To study the significance of demographic variables with the factors affecting satisfaction of Investors towards Mutual funds.
2. To study the effect of satisfaction related factors with overall satisfaction towards investment in Mutual funds by Investors.

4. DATA ANALYSIS AND INTERPRETATION

Questionnaire concerning satisfaction related factors have been framed using 5 point likert scale and distributed to those only who have already investments in Mutual Funds. The factors considered for questionnaire has been taken from past studies and also considering factors which are mentioned by the researchers (Gupta N and Sharma A, 2016).

The questionnaire was distributed to 157 individuals but with almost 50% of response rate

respondents filled the questionnaire. The research design of the study is primarily exploratory and descriptive. To analyse Objectives of study Independent T test and One-way Anova has been performed using Python Jupyter Notebook. Data Cleaning has been performed as one of the initial steps for analysing the responses. The dataset attains sufficiency of assumptions required to perform One-way Anova. The test has been applied after checking and validating the assumptions required for implementing One-way Anova. The method has been applied on the responses received against the questionnaire in Python using Jupyter Notebook. The demographics and respondents percentage is shown in Table 1.

Table 1 Demographic details

Age		
1	62	81%
2	9	12%
3	4	5%
4	2	3%
Occupation		
1	9	12%
2	20	26%
3	12	16%
4	36	47%
Annual Income		
1	45	58%
2	18	23%
3	4	5%
4	10	13%

First of all, the response sheet in .xlsx format has been uploaded on the Jupyter Notebook and thereafter to perform One-way Anova, scipy.stats library has been loaded. To apply One-way Anova following Hypothesis has been created and validated by checking probability value with 95% of confidence interval.

H0: There is no significant difference between Age and satisfaction of Investors investing in Mutual Funds.

H1: There is no significant difference between Annual Income and satisfaction of Investors investing in Mutual Funds.

H2: There is no significant difference between Occupation and satisfaction of Investors investing in Mutual Funds.

H3: There is no significant difference between Overall satisfaction of Investors and satisfaction related factors towards investing in Mutual Funds.

H0-H2 has been framed considering Objective 1 and H3 has been framed considering Objective 2. The results corresponding to Hypotheses are shown in in tables below.

- Age and Satisfaction of Investors investing in Mutual Funds

H0: There is no significant difference between Age and satisfaction of Investors investing in Mutual Funds.

Table 2 Results of Hypothesis testing using One-way Anova for H0

Satisfaction Related factors	p-value	H0 Status
Perceived Usefulness	4.3 e-41	Cannot be accepted
Perceived ease of use	2.4 e-41	
Enjoyment	1.01 e-38	
Design Feature	6.7 e-33	
Self-efficacy	2.2 e-36	
Investor Readiness	1.5 e-34	
Quality of Information	6.2 e-34	
Accessibility	1.8 e-40	
Knowledge about new services	4.07 e-11	

Since p-value calculated to check the significant difference of Age on Investor with respect to all satisfaction related factors is less than 0.05, therefore H0 cannot be accepted.

- Annual Income and Satisfaction of Investors investing in Mutual Funds

H1: There is no significant difference between Annual Income and satisfaction of Investors investing in Mutual Funds.

Table 3 Results of Hypothesis testing using One-way Anova for H1

S. No.	Satisfaction Related factors	p-value	H1 Status
1.	Perceived Usefulness	5.9e-26	Cannot be accepted
2.	Perceived ease of use	2.09e-25	
3.	Enjoyment	1.5e-24	
4.	Design Feature	6.7e-20	
5.	Self-efficacy	7.09e-23	
6.	Investor Readiness	8.2e-21	
7.	Quality of Information	3.8e-20	
8.	Accessibility	5.4e-26	
9.	Knowledge about new services	8.9e-06	

Since p-value calculated to check the significant difference of Annual Income on Investor with respect to all satisfaction related factors is less than 0.05, therefore H1 cannot be accepted.

- Occupation and Satisfaction of Investors investing in Mutual Funds

H2: There is no significant difference between Occupation and satisfaction of Investors investing in Mutual Funds.

Table 4 Results of Hypothesis testing using One-way Anova for H2

S. No.	Satisfaction Related factors	p-value	H2 Status
	Perceived Usefulness	2.05e-06	Cannot be accepted
	Perceived ease of use	1.2e-05	
	Enjoyment	7.1e-06	
	Design Feature	0.002	
	Self-efficacy	4.6e-05	
	Investor Readiness	0.001	
	Quality of Information	0.003	
	Accessibility	8.5e-07	
	Knowledge about new services	0.33	Accepted

Since p-value calculated except the factors 'Knowledge about new services', to check the significant difference between Occupation of Investor with respect to all satisfaction related factors is less than 0.05, therefore H2 cannot be accepted for factors 1 to 8 mentioned in table 4. For factor 9 the p-value is greater than 0.05 therefore for this factor only, hypothesis H2 is accepted.

- Overall satisfaction of Investors and satisfaction related factors towards investing in Mutual Funds

H3: There is no significant difference between Overall satisfaction of Investors and satisfaction related factors towards investing in Mutual Funds.

Table 5 Results of Hypothesis testing using One-way Anova for H3

S. No.	Satisfaction Related factors	p-value	H3 Status
	Perceived Usefulness	0.73	Accepted
	Perceived ease of use	0.79	
	Enjoyment	0.86	
	Design Feature	0.16	
	Self-efficacy	0.80	
	Investor Readiness	0.18	
	Quality of Information	0.09	
	Accessibility	0.50	
	Knowledge about new services	1.00e-05	Cannot be accepted

Since p-value calculated except the factors 'Knowledge about new services', to check the significant difference between Overall satisfaction of Investors with respect to all satisfaction related factors is greater than 0.05, therefore H3 can be accepted for factors 1 to 8 mentioned in table 5. For factor 9 the p-value is less than 0.05 therefore for this factor only, hypothesis H3 is accepted.

5. CONCLUSION:

Out of a number of options to invest money, many people invest in Mutual funds scheme, though they are well aware that these schemes are subject to market risks. Therefore, the current study aims at identifying satisfaction level of Investors towards Mutual fund investment. To conduct the study satisfaction related factors have been identified from past studies and survey has been conducted on those individuals who have investments in Mutual Funds. The results of study shown that there is a significant difference between Age and satisfaction related factors and with Annual Income also. For Occupation and satisfaction related factors, except the factor 'Knowledge about new services', there is a significant difference. While checking for overall satisfaction of investors with individual satisfaction related factors it is found that except 'Knowledge about new services', there is no significant difference. Therefore, satisafaction related factors show a significant difference with respect to Age, Annual Income and Occupation. But for 'Knowledge about new services' the case is different w.r.t. Occupation. Additionally, the result of overall satisfaction shows no significant difference w.r.t. to all the satisfaction factors except 'Knowledge about new services'.

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