

## **An Evaluation on CG Investor's Perception Towards Mutual Fund Decision in Chhattisgarh**

**By**

**Dr. Umesh Gupta**

Head- School of Business Study MATS University

**Ruchi Pandey**

Research scholar (Commerce) Raipur MATS University, Raipur

### **Abstract**

This study offers a path for mutual fund businesses in India with investor-centered strategies to grow their customer base. The study examines the sustainable marketing mix characteristics that stimulate innovation in product design and distribution for Indian mutual funds business based on 900 investors' reactions to a perception survey using discriminatory function analyses. The report argues that revising existing investor strategies that include less risky new products, stronger governance and regulation and rapid and effective complaint resolution and competence in investor services will give market dynamics to Indian mutual funds instruments. But behavioral paralysis post-investment, such as disposition, irrationality and flock behavior, is crucial in deciding the strategic outcomes. The report also attempts to determine the elements that impact client satisfaction with mutual fund businesses. In this research there is some references of Chhattisgarh. In order to determine the true impact and impression of investors, similar research must be carried out in several States.

**Keywords:** India, Mutual Fund, Loading of factor, Decision on investment, Chhattisgarh, etc.

### **Introduction**

The main topic of research for behavioural finance specialists is mutual fund investing. The variety of financial instruments with different characteristics makes investing selections nowadays more difficult. Professional fund managers with a master's degree in investment science are helping investors to exploit their financial market advancements and growth prospects globally. Investors who are the true beneficiaries, however, must comprehend the investment possibilities and the associated risk concerns. Mutual funds have an investor-focused strategy instead of the conventional product-centered focus in an increasingly competitive context. This requires the needs and preferences of investors and an excellent experience at every point of contact. Such information either helps to create a new scheme for the mutual fund or redesigns existing ones under current conditions in the economy's financial market. In addition, the study gives valid insights into the issues of mutual fund marketing in India, and the marketing mix strategies expectations of investors, which may be a blueprint for a successful delivery of fund services. There have been three periods in the Indian Mutual Fund. The first phase spanned from 1964 to 1987, and the lone player was the Indian unit Trust, which in late

1988 had a total of 6,700 rs. The second phase was establishing eight Funds between 1987 and 1993. (6 by banks and one each by LIC and GIC). Total managed assets at the end of 1994 reached 61,028 crores, with 167 schemes. The third phase started in the Mutual Fund business in 1993 with the entrance of private and international industries. The first fund to be

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founded by private sector in cooperation with a foreign fund was the Kothari Pioneer Mutual Fund. In mobilizing household savings for capital markets, mutual funds play a significant role.

## Literature Review

**Srivastava S and Malhotra S (2015)** in an article “A Paradigm Shift in Risk Measuring Tools of Mutual Fund Industry” from International Journal of Informative & Futuristic Research have mentioned that equity funds are performing better than debt funds. A strong linear relationship was found between risk and return. Fund managers can adopt Calmar ratio and safety first ratio to analyze the risk of selected funds. No fund is risk free and Investors should invest in equity and equity related instruments to diversify the risk. If clients are increasingly dependent on consumers, avoid very high risk funds. Funds. Customer may choose Equity, Hybrid and Debt Funds, which have smaller risks.

**Nair R K (2014)** in the article “Indian Mutual Fund Market – A tool to stabilize Indian Economy” from International Journal of Scientific and Research Publications has reiterated that a Mutual fund is a powerful tool to stabilize Indian economy. The products of mutual funds are playing a vital role in mobilizing scattered savings among investors and channelize these funds to infrastructural development of the country. The banks and Financial Institutions are also playing a crucial role by promoting mutual fund business in the country.

**Sehdev R and Ranjan P (2014)** in the article “A study on Investor’s perception towards mutual fund investment” from Scholars Journal of Economics, Business and Management have mentioned that mostly people are preferring balanced funds and debt funds. After that people look for Equity diversified and Sector funds. The factors responsible for investors’ preference for mutual funds as an investment option are benefits and transparency, returns, redemption period, Liquidity and Institutional Investor’s activity. For information on mutual funds people are mostly depending on internet rather than any other media channel.

**Cici G et al (2014)** in their Discussion Paper on “Market transparency and the marking precision of bond mutual fund managers” have stated that the transparency enhancing TRACE (Trade Reporting and Compliance Engine) system was associated with large and statistically decreases in cross fund bond mark dispersion. They also find some evidence that issuer initiations into Market’s CDS (Credit Default Swap) spread database also contributed to a decrease in bond mark dispersion, but only in pre –TRACE era. These results support the view about people “operating largely in the dark” applied to not just retail investors but also to professional fund managers.

### *Objective*

- 1] To find out the investors specific needs like Age, Salary, Risk, Appetite, Commitment to fulfil willingness regarding investing in mutual funds.
- 2] To study the investment mutual fund prospective features and mutual fund investment expectations in CG.

## Research Methodology

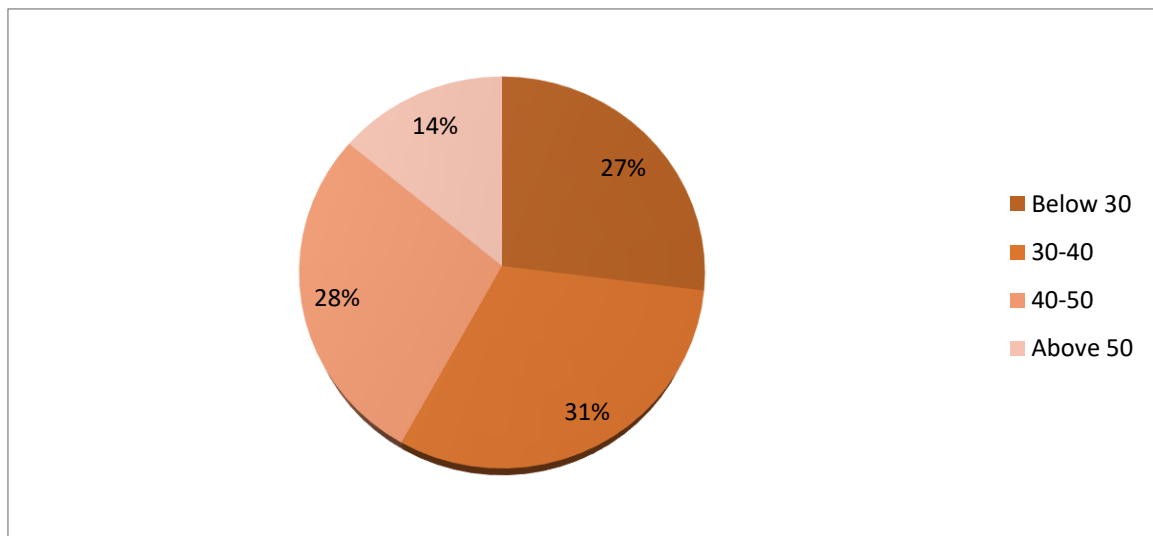
This will be descriptive research where in the source for the data will be both primary as well as secondary. Hence the study will explain the investment pattern among the

customers and also focus on the performance on mutual funds. This study will cover different stages of investors. This is a survey type of research with observation and secondary data through research papers of Nalini J (2015) Impact of Mutual Fund schemes in the deposit mobilization of commercial banks in Kerala, University of Kerala, Thiruvananthapuram and Palmer Adrian J (2015) Relationship marketing: a universal paradigm or management fad? The Learning organization, Vol 3, No.3, pp 18-25.

## Data Analysis And Interpretation

### 1. Age

Age group	No. of respondents	Percentage
Below 30	27	27%
30-40	31	31%
40-50	28	28%
Above 50	14	14%
Total	100	100%

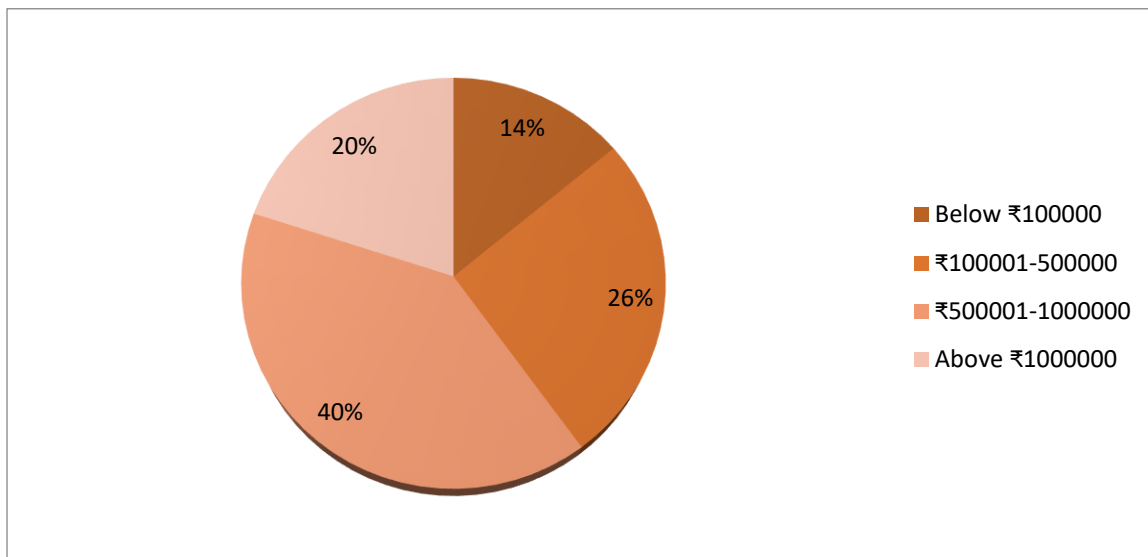


### Interpretation:

From the number of respondents taken as sample, 31% of the respondents were of the age between 30-40, 28% of the respondents of the age between 40-50, 27% of the respondents were of the age below 30 and 14% were of the age above 50.

### 2. Income

Income group	No. of respondents	Percentage
Below ₹100000	14	14%
₹100001-500000	26	26%
₹500001-1000000	40	40%
Above ₹1000000	20	20%
Total	100	100%

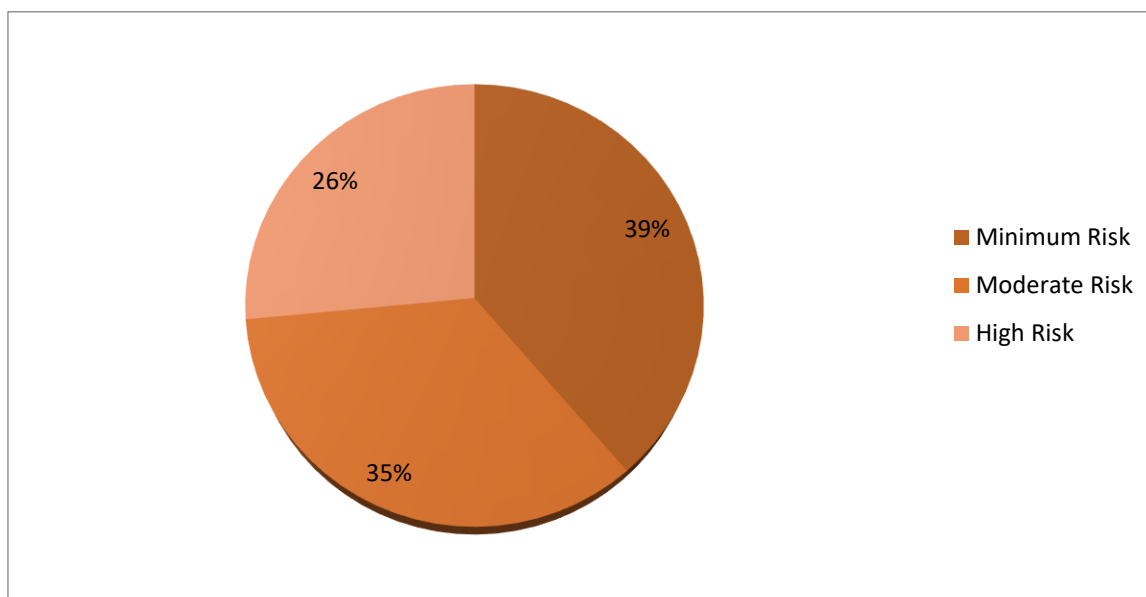


**Interpretation:**

From the number of respondents taken as sample, 14% of the respondents belonged to income group of below 100000, 26% of the respondents had income ranging between ₹100001 to ₹500000 and more than 50% of the respondents had income more than ₹500000.

**3. Risk**

Risk	No. of respondents	Percentage
Minimum Risk	38	38%
Moderate Risk	34	34%
High Risk	26	26%
Total	100	100%



**Interpretation:**

From the number of respondents taken as sample, 38% of the respondents considered mutual funds with minimum risk, 34% considered moderate risk and 26% respondents invested in mutual funds with high risk.

**Findings**

According to the objectives of the study, the following are to be taken as the findings of the study.

**1] Customers' specific needs:**



The mutual fund must explicitly invest the money of the client according to the requirements given by the client and should use scientifically accepted calculations to follow a trend and pattern of investment. The Fund is chosen according to the following parameters

**A] Age**

It is often said that equity investments should be 100 - the age of the consumer as a share of overall investment surplus. Thus consumers can invest a big percentage of their assets in equities if they are in the younger age group. If clients in the older age category, assets with significant risks should be reduced.

**B] Income**

Investing in a single fund is not recommended for every customer's money. Customers would be helped by a diverse portfolio in the long run. If the payroll is modest, funds with substantial risk should be avoided.



**C] Risk Appetite**

If the consumer is ready to risk, Equity might be the greatest choice and deliver outstanding returns for consumer money.





***D) Commitment to fulfill and Willingness to Help:***

The customer's promises are fulfilled, which means that accurate information about the services is provided to them and that they are not given any false commitments concerning the service that they cannot offer in any event in contact with the customer with mutual funds. One of the factors which has a significant impact on customer satisfaction within the mutual funds industry. The satisfaction of customers depends on how the customer's promises are met. The ability of the money managers in the mutual fund industry to provide customers' expertise, expertise and knowledge, in order to improve the customers' service experience and to maintain the quality of the service at all levels, starting from the entry to the exit of clients, this applies. The fund leaders are supposed to search for opportunities to assist consumers find it. Its simplicity is the greatest advantage of MFs. Furthermore, being transparent, properly regulated, tax efficient and diversified makes it excellent for investors. However, in view of the hundreds of schemes in which you may invest, it is simple to make the proper investment option.

***2) Investment mutual fund prospective features:***

The expectations that encourage an investor to favor mutual fund investing are the prospects of investing in mutual funds. In an exploratory factor framework, we investigate these traits. The factor analysis comprised the score of all 15 aspects that the investors gave. The final objective of the factor analysis is to find out the major elements that influence investment or fund selection chances.



***A) Investors' MF Investment Expectations:***

This section investigates investors' expectations about the many features of mutual investment funds. Information on the future aspects of the mutual fund investment is obtained by the respondents on a five-point basis from low expectations to high expectations. The average expectation score for each statement for the MFI and NMFI was calculated individually. A sample test is then used to identify the statistical significance of the variation in expectations of each investment group using an independent test.

The relevance of the variables involved in the future choice of mutual funds. The mean expectations of mutual fund investors are initially taken into account. Among the 15 found factors the MFI only covers four lower-range variables which include investment in the old safe return mutual funds, the facility for different payment methods, investment in long-term funds and the advice service to mutual funds in the local language.



**Conclusion**

This study examined the future characteristics of investments by mutual funds in a developing market environment based on the investor's expectations. The ultimate goal is to provide a road map on mutual fund markets that can lay down patterns for future growth in investor-centered strategies. The examination of exploratory factors managed to find 5 critical areas: the marketing of the fund, the role of intermediaries, mutual fund service, the performance of funds, and the quality of the fund. Active market for mutual fund instruments in India, as long as the rising capital-market circumstances continue in the future, may be discovered innovative solutions with less risk, rapid and effective grievance resolution coupled with professionalism of investor services. The marketing methods should be stronger enough to dispel the rural misunderstanding that mutual funds are for small and medium-sized enterprises alone. In order to determine the success of future developments in the field, it is precisely investment-oriented processes that priorities consumer demands and expectations. Further investigations are thus essential to understand and enhance the quality of Mutual Fund services in India; the results of the present study show that the tool is relevant to the services offered by Indian Mutual Fund firms. Few declarations showing difficulties of dependability need to be re-established or replaced with more relevant statements, and there can also be a special instrument for measuring the quality of services to the MF sector. While dimensions cover only a human component of service provision and a tangible aspect of the

service, the service quality concept does not only relate to these factors, but it also includes other critical factors: service product and core service, service delivery systematization and social responsibility. These important elements might thus be incorporated in future to assess the quality of the services in the mutual fund business.

## **References**

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