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# A Study on Investors Level of Satisfaction Towards Mutual Fund Investments with Special Reference to Tirupur District

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**Abstract:** Mutual funds today are emerging as a very popular and safe financial market instrument for a large number of investors. Preference for a particular investments avenue/ financial instruments among the investors is determined by the level of satisfaction they derive from such investments. This paper aimed to access the satisfaction level of mutual fund investors. The study was conducted in Tirupur District with a sample size of 50 respondents. The study found that most of the investors in Tirupur district exhibit a high degree of satisfied with the return on mutual fund investments.

**Key words:** Mutual funds, expectation, risk minimisation, level of satisfaction.

## I. INTRODUCTION

Mutual fund is a financial product designed for the retail investor who does not have an adequate knowledge on the financial market operations and financial market instruments. Financial experts have revealed that investors generally prefer to get maximum return on their investments with a minimum risk. Mutual funds pool money from various retail investors and the so collected money are professionally managed by the fund managers who ensure a consistent return on investments and safety of the money invested by the investors. Fund managers are experts in the financial markets and have a complete knowledge about financial market operations. Mutual fund investments minimises the risks attached to the financial market. Mutual funds provide a variety of opportunity for investors with a bundle of schemes to earn a maximum return on their investments with a minimum risk. Suitable fund selection is the major threat that appears before the investors while making investments in mutual fund investments. A number of brokers and Independent Financial Advisors are ready to guide the investors to choose appropriate schemes suitable for their expectations and risk taking ability in Mutual funds. Fund selection of the investors depends on their perception and level of satisfaction with the available Mutual fund schemes. Selection of appropriate schemes, period of investments and type of risk associated with the selected scheme will also determine the investor's level of satisfaction. In this competitive financial market it is essential for an Asset Management Company to retain their investors by ensuring a higher level of satisfaction to them. Hence it is essential for the policy makers and regulatory authorities to gain complete knowledge on the investor's perception, preference and their concerns in the market.

### A. Statement of The Problem

Mutual funds today are emerging as a very popular and safe financial market instrument for a large number of retail investors. A variety of schemes are available in mutual fund investments to cater the needs and expectations of all type of investors. Investor's preference towards Mutual funds investments have increased subsequently in recent years because of the various reasons like; Mutual funds are professionally managed and ensure a safety return on investments and principal amount. This study aims to study the level of satisfaction of investors towards mutual fund investments in Tirupur District.

### B. Objectives of The Study

The study aimed to analyse the level of satisfaction of the investors towards the Mutual funds investments in Tirupur District.

### C Research Methodology

1) *Research design:* The research design of this study is descriptive in nature.

2) *Tools for Analysis:* For analysing the level of satisfaction of the investors towards mutual fund investments in Tirupur District, 50 Mutual fund investors have been selected. The statistical tools like frequency distribution, weighted average mean and Likert’s summated scale were used to analyse the data collected from the respondents.

3) *Source of Data:* Both primary and secondary data has been used for this study. For collecting the primary data a well structured questionnaire has been framed and the respondents were interviewed with the help of the questionnaire. The secondary data were collected from the journals, books and websites.

### II. REVIEW OF LITERATURE

Investor’s level of satisfaction with an investment avenue is the major determinant for their behaviour in the market. Number of research has been conducted to analyse the level of satisfaction of investors towards Mutual fund investments. Few of these reviews have been presented in this section of the study. Gurusamy (2011) made an attempt to study the preference of investors in Salem city towards mutual fund investments. The study observed that the investors exhibit a high degree of satisfaction towards Mutual fund investments. Kumar & Geol (2014) analysed the factors affecting the investors towards the mutual fund investments. The study identified that most of the investors are satisfied with the performance of their funds and they wish to park their money in private mutual funds. They observed that the private mutual funds have a bright future in the financial markets. Research work of Anil & Kumar (2018) analysed the service quality attributes of mutual funds. The study observed that the mutual fund investment companies’ credibility is the major factor which determines the satisfaction level of the mutual fund investors.

### III. DATA ANALYSIS AND DISCUSSION

Table 1

Frequency distribution of Investors on the basis of Level Satisfaction towards Mutual Fund Investments

Factors		Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
Return on Mutual fund Investments	No	20	11	9	6	4	50
	%	40	22	18	12	8	100
Communication of Market Information	No	10	20	8	9	4	50
	%	20	40	16	18	8	100
Safety of Investments in mutual funds	No	11	19	11	5	4	50
	%	22	38	22	10	8	100
Service Quality of mutual funds	No	11	20	9	4	5	50
	%	22	40	18	8	10	100
Liquidity of mutual fund Investments	No	14	20	7	6	3	50
	%	28	40	14	12	6	100
Cost of Expenses involved in mutual fund investments	No	10	19	10	5	4	50
	%	20	38	20	10	8	100
Tax Benefits available in mutual fund investments	No	13	19	9	6	3	50
	%	26	38	18	12	6	100
Overall Performance of the Mutual funds	No	9	23	11	4	3	50
	%	18	46	22	8	6	100

Source: Primary Data

Table 2 Weighted average mean score of Investors Level of Satisfaction towards mutual fund investments

Factors	Sum	Mean	Rank
Return on Mutual fund Investments	186	3.72	1
Communication of Market Information	176	3.52	6
Safety of Investments in mutual funds	178	3.56	5
Service Quality of mutual funds	175	3.5	7
Liquidity of mutual fund Investments	185	3.7	2
Cost of Expenses involved in mutual fund investments	170	3.4	8
Tax Benefits of mutual funds	182	3.64	3
Overall Performance of the Mutual funds	180	3.6	4

Source: Primary Data

The above table clearly depicts the level of satisfaction of the investors towards mutual fund investments. It has been understood that the investors are highly satisfied with the return on mutual fund investment as they ranked it in the first place. The investors ranked the liquidity of the mutual fund investments in the second place. The investors were also satisfied with the Tax benefits available in mutual fund investments and it is ranked in the third place. The respondents are satisfied with the overall performance of the mutual fund investments and they ranked it in the fourth place. Safety of investments, communication of up to date information, service quality, and cost of expense involved in mutual fund investments are ranked as five, six, seven and eight. It is concluded from the above table that the investors exhibit a high degree of satisfaction towards the return on their investments in mutual funds.

#### IV. MAJOR FINDINGS OF THE STUDY

The study found that the investors are satisfied with the return and liquidity factors of mutual fund investments. The study further observed that the investor's level of satisfaction towards the available market information on mutual fund investments is low. The study highlights that the investors are expecting a better service quality from mutual fund investment companies.

#### V. CONCLUSION

Today's investors are most concerned with their investments and they want to earn maximum return on their investments with a minimum risk. Understanding the investor's psychology is essential for every investment company to cater the needs and expectations of them. This study is most useful to understand the level of satisfaction of investors towards Mutual fund investments. From the study conducted to analyse the investors level of satisfaction towards mutual fund investments in Tirupur District, it is concluded that majority of the investors in Tirupur District have a high level of satisfaction with the mutual fund investments. Most of the investors have exhibited a high degree of satisfied towards the returns they earn from mutual fund investments and the liquidity factor available in mutual fund investments.

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