

A STUDY ON INVESTOR'S PERCEPTION TOWARDS MUTUAL FUNDS THROUGH SIP: KOTAK BANK

¹ VAKADOTHA SRIKANTH, ²K. LALITHA

¹Student, ²Assistant Professor, Department of MBA, TEEGALA KRISHNA REDDY ENGINEERING COLLEGE, MEDBOWLI, MEERPET, BALAPUR, HYDERABAD, TELANGANA-500097

ABSTRACT

Mutual funds have emerged as one of the most preferred investment avenues among retail investors due to their ability to provide diversification, professional fund management, liquidity, and attractive returns. The Systematic Investment Plan (SIP) has further enhanced the popularity of mutual funds by enabling investors to invest small amounts regularly while minimizing market timing risk. The present study examines investors' perceptions towards mutual fund investments through SIPs with special reference to Kotak Mutual Funds Ltd. The study aims to analyze investor awareness, investment objectives, risk tolerance, return expectations, and factors influencing investment decisions in mutual funds through SIPs. A descriptive research design was adopted for the study. Primary data were collected through a structured questionnaire from 130 respondents. Secondary data were obtained from journals, books, reports, and websites. The collected data were analyzed using percentage analysis and statistical interpretation techniques. The findings reveal that most investors possess adequate awareness regarding SIP investments and consider mutual funds a reliable investment option. Better returns, safety, diversification, and risk reduction were identified as major factors influencing investment decisions. The study also indicates that investors prefer SIPs due to convenience, affordability, and long-term wealth creation benefits. Furthermore, investors expressed satisfaction with the performance and returns generated through SIP investments. The study concludes that SIPs play a significant role in encouraging disciplined investment behavior and enhancing financial inclusion among retail investors. Kotak Mutual Funds has successfully attracted investors through diversified investment schemes and customer-oriented services. However, investor education and awareness programs should be strengthened to improve participation among potential investors. The research contributes to understanding investor behavior and provides valuable insights for fund managers, financial advisors, and policymakers to formulate effective strategies for increasing mutual fund penetration and investor confidence.

Keywords: Mutual Funds, Systematic Investment Plan (SIP), Investor Perception, Kotak Mutual Funds, Investment Behaviour, Risk and Return, Financial Inclusion.

I. INTRODUCTION

Mutual funds have become an integral component of the modern financial system by providing investors with professionally managed investment opportunities that combine diversification, liquidity, and risk management [1]. The increasing complexity of financial markets has encouraged investors to seek collective investment schemes that reduce investment risk and improve return potential [2]. Mutual funds pool resources from multiple investors

and allocate them across diversified portfolios of equities, debt instruments, money market securities, and hybrid assets [3]. The growth of the mutual fund industry has significantly contributed to capital market development and household financial savings mobilization [4]. Investors increasingly prefer mutual funds because of their affordability, transparency, and professional fund management services [5]. Regulatory support from financial authorities has enhanced investor confidence in mutual fund investments [6]. Among various investment avenues, mutual funds are considered suitable for both conservative and aggressive investors due to the availability of diversified schemes [7]. Technological advancements have improved accessibility and convenience in mutual fund investing [8]. Financial literacy initiatives have also played a crucial role in increasing mutual fund awareness [9]. The rise of digital platforms has facilitated seamless investment transactions and portfolio monitoring [10]. Mutual funds provide opportunities for long-term wealth creation while maintaining an appropriate balance between risk and return [11]. Investors increasingly recognize mutual funds as efficient tools for achieving financial goals such as retirement planning, education funding, and wealth accumulation [12]. The growth of systematic investing has transformed investment behaviour across demographic groups [13]. The mutual fund industry continues to witness substantial expansion due to changing investor preferences and financial innovation [14]. Consequently, investor perception has become an important determinant of mutual fund adoption and success [15].

Systematic Investment Plans (SIPs) have emerged as one of the most popular modes of investing in mutual funds because they encourage disciplined and regular investments [16]. SIPs allow investors to invest small amounts periodically, thereby reducing the burden of lump-sum investments [17]. The concept of rupee cost averaging helps investors mitigate market volatility and reduce timing risks [18]. SIPs promote financial discipline and long-term wealth creation [19]. Investors are increasingly attracted to SIPs due to flexibility and convenience [20]. Previous studies have reported that awareness, risk tolerance, expected returns, and tax benefits significantly influence SIP investment decisions [21]. Portfolio diversification remains a major factor motivating investors toward SIP investments [22]. Professional management services further enhance investor confidence in mutual fund schemes [23]. Investor satisfaction largely depends on fund performance and transparency [24]. Financial advisors and digital media play significant roles in influencing investor decisions [25]. Demographic variables such as age, income, education, and occupation affect investment preferences [26]. Increasing financial literacy has contributed to greater participation in SIP-based investments [27]. Mutual fund companies continuously develop innovative products to meet investor expectations [28]. Understanding investor perception is therefore essential for designing effective investment strategies and improving customer satisfaction [29]. Hence, the present study investigates investor perception towards mutual funds through SIPs with special reference to Kotak Mutual Funds Ltd. [30].

II. LITERATURE REVIEW

Several researchers have examined investor perception and behaviour towards mutual fund investments. Senthil and Maruthamuthu (2025) reported that investor awareness significantly influences mutual fund investment decisions [1]. Ramesh and Geetha (2022) observed that investor perception determines the sustainability of mutual fund growth [2]. Sharma et al. (2012) identified service quality as an important determinant of customer

satisfaction in mutual fund investments [3]. Subbalakshmi and Balachandar (2017) found that increasing financial awareness encourages investors to prefer mutual funds over traditional investment avenues [4]. Kumar and Bansal (2018) highlighted the role of investor knowledge in mutual fund participation [5]. Sridevi (2019) reported rapid growth in the Indian mutual fund industry due to changing investor attitudes [6]. Jayalakshmi and Saraswathy (2019) emphasized the positive perception of investors towards SIP investments [7]. Gupta and Jain (2020) observed that diversification benefits significantly motivate investors to invest in mutual funds [8]. Sharma and Gupta (2021) found that risk-return considerations influence fund selection decisions [9]. Singh (2022) reported that mutual funds are increasingly preferred for long-term wealth creation [10]. Mehta (2021) identified transparency and trust as important drivers of investor confidence [11]. Kapoor (2020) highlighted the impact of financial literacy on investment behaviour [12]. Verma and Arora (2019) concluded that demographic variables significantly affect mutual fund preferences [13]. Rao (2021) found that younger investors exhibit higher risk tolerance than older investors [14]. Patel and Shah (2022) emphasized the role of technology in enhancing investment accessibility [15].

Recent studies have focused specifically on SIP investments and investor satisfaction. Chandra and Kumar (2023) reported that SIPs encourage disciplined investing and improve financial planning [16]. Mishra (2021) identified convenience as a major factor influencing SIP adoption [17]. Agarwal and Gupta (2020) highlighted the significance of rupee cost averaging in reducing investment risk [18]. Nair (2022) found that tax benefits positively affect SIP participation [19]. Joshi and Desai (2021) observed that professional fund management improves investor confidence [20]. Sharma and Singh (2023) reported a strong relationship between investor awareness and SIP investment frequency [21]. Das (2022) emphasized the importance of digital platforms in promoting SIP investments [22]. Kumar (2021) found that investors prefer SIPs for achieving long-term financial goals [23]. Bhatia and Mehra (2020) highlighted portfolio diversification as a key investment motive [24]. Reddy (2023) observed increasing participation among young investors in SIP schemes [25]. Prakash (2022) reported that investor education programs enhance SIP awareness [26]. Arora (2021) found that risk perception significantly influences investment decisions [27]. Kaur (2023) emphasized the importance of customer service quality in mutual fund companies [28]. Malhotra (2022) highlighted satisfaction with returns as a determinant of investment continuation [29]. Overall, existing literature indicates that awareness, returns, risk management, diversification, and convenience are major factors shaping investor perception towards mutual funds through SIPs [30].

III. RESEARCH METHODOLOGY

The present study adopts a descriptive research design to examine investor perception towards mutual funds through Systematic Investment Plans (SIPs) with special reference to Kotak Mutual Funds Ltd. The descriptive approach was selected because it facilitates a comprehensive understanding of investor awareness, preferences, investment objectives, satisfaction levels, and behavioural patterns. The study is primarily based on primary data collected through a structured questionnaire designed to capture demographic information, investment behaviour, awareness regarding SIPs, factors influencing investment decisions, and investor satisfaction. Secondary data were collected from research journals, books, annual reports, websites, magazines, and relevant financial publications to support the theoretical framework of the study.

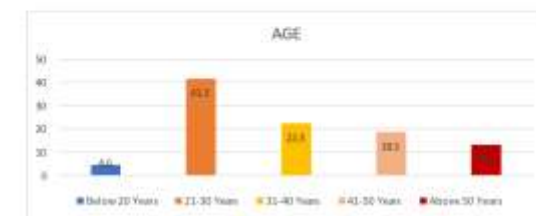
The target population consists of mutual fund investors investing through SIPs. A convenience sampling technique was employed to select respondents due to accessibility and time constraints. A total sample size of 130 respondents was considered for the study. The collected data were coded, classified, and analyzed using percentage analysis and descriptive statistical tools. Variables such as age, gender, occupation, income, awareness level, investment objectives, investment amount, preferred schemes, and satisfaction with returns were examined. Data interpretation was performed through tables, charts, and statistical summaries to identify investor preferences and behavioural trends. The research methodology provides a systematic framework for understanding investor perception and evaluating the effectiveness of SIPs as an investment avenue. The findings derived from the analysis offer valuable insights for mutual fund companies, financial advisors, and policymakers in developing strategies to enhance investor participation and satisfaction.

IV. RESULTS & DISCUSSION

The analysis of the survey responses reveals significant insights into investor perception towards mutual funds through SIPs. The majority of respondents belong to the age group of 21–30 years, indicating strong participation among young investors. Most respondents possess undergraduate or postgraduate qualifications, suggesting that educational attainment positively influences investment awareness. A substantial proportion of investors are employed in the private sector and earn annual incomes ranging between ₹2.5 lakh and ₹5 lakh. The findings indicate that a majority of respondents are aware of SIPs and perceive them as effective tools for disciplined investing. Better returns and safety emerged as the most important investment objectives, followed by risk reduction and regular income generation. These findings demonstrate that investors seek a balanced combination of growth and security while selecting mutual fund schemes.

PARTICULARS	NO OF RESPONDENTS	PERCENTAGE RESPONDENTS
Below 20 Years	06	4.6
21-30 Years	54	41.5
31-40 Years	29	22.3
41-50 Years	24	18.5
Above 50 Years	17	13.1
TOTAL	130	100

Source: Primary data



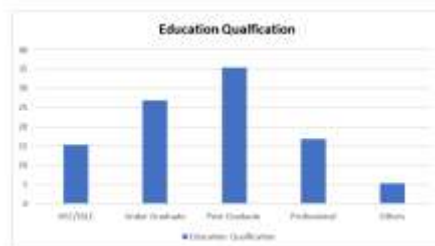
PARTICULARS	NO OF RESPONDEN	PERCENTAGE
	RESPONDENTS	
MALE	72	55.4
FEMALE	58	44.6
TOTAL	130	100

Source: Primary data



PARTICULARS	NO OF RESPONDEN	PERCENTAGE
	RESPONDENTS	
BSC/SSLC	20	15.4
Under Graduate	37	28.9
Post Graduate	46	35.4
Professional	22	16.9
Others	07	5.4
TOTAL	130	100

Source: Primary data



PARTICULARS	NO OF RESPONDEN	PERCENTAGE
	RESPONDENTS	
Government employe	30	23.1
Private employe	53	40.8
Business	25	19.2
Self-employed	12	9.2
Professional		
Others	10	7.7
TOTAL	130	100

Source: Primary data

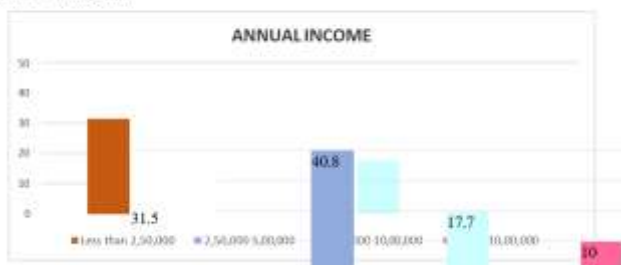


The study further reveals that debt-oriented and income-oriented mutual fund schemes are preferred by a considerable proportion of investors due to their perceived stability and lower risk. Most respondents invest amounts ranging between ₹10,000 and ₹25,000 through SIPs, reflecting the affordability and accessibility of systematic investing. Friends, media, and relatives were identified as major sources influencing investment decisions. A large majority of investors agreed that SIPs help maximize returns and support long-term wealth

creation. Easy investment procedures, portfolio diversification, professional management services, and monthly affordability were recognized as key reasons for investing through SIPs. Overall, the results indicate a positive perception towards mutual fund investments through SIPs. Investor satisfaction with returns, flexibility, and risk management benefits demonstrates the growing acceptance of SIPs as a preferred investment vehicle. These findings support previous studies highlighting the importance of awareness, diversification, and disciplined investing in shaping investor behaviour.

PARTICULARS	NO OF RESPONDENT	PERCENTAGE RESPONDENTS
Less than 2,50,000	41	31.5
2,50,000-5,00,000	53	40.8
5,00,000-10,00,00	23	17.7
Above 10,00,000	13	10
TOTAL	130	100

Source: Primary data



PARTICULARS	NO OF RESPONDENT	PERCENTAGE RESPONDENTS
Less than 2000	31	23.8
2,001-5,000	48	36.9
5,001-10,000	34	26.5
10,001-20,000	17	13.1
Above 20,001	10	7.7
TOTAL	130	100

Source: Primary data



PARTICULARS	NO OF RESPONDENTS	PERCENTAGE RESPONDENTS
Diversification	12	9.2
Better return & safety	46	35.4
Reduction in risk and cost	30	23.1
Regular income	27	20.8
Tax benefit	15	11.5
TOTAL	130	100

Source: Primary data



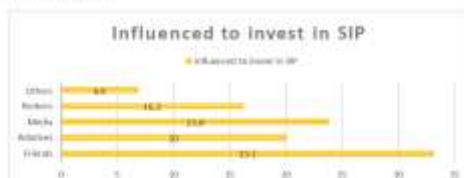
PARTICULARS	NO OF RESPONDENTS	PERCENTAGE RESPONDENTS
Equity	36	27.7
Income fund	40	30.7
Gilt fund	31	23.8
Balanced fund	14	10.8
TOTAL	130	100

Source: Primary data



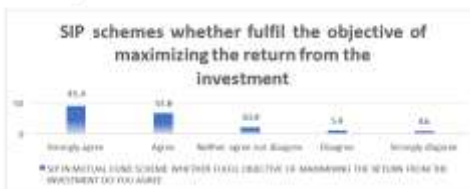
PARTICULARS	NO OF RESPONDENTS	PERCENTAGE RESPONDENTS
Friends	43	33.1
Relative	26	20
Media	31	23.8
Brokers	21	16.2
Others	09	6.9
TOTAL	130	100

Source: Primary Data



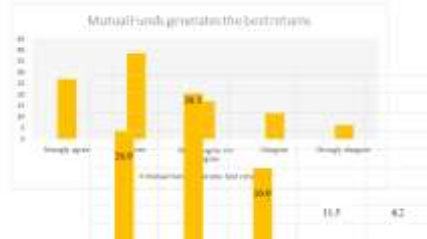
PARTICULARS	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Strongly agree	79	45.4
Agree	44	33.8
Neither agree nor disagree	14	10.8
Disagree	07	5.4
Strongly disagree	06	4.6
TOTAL	130	100

Source: Primary data



PARTICULARS	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Strongly agree	35	26.9
Agree	79	61.5
Neither agree nor disagree	12	9.2
Disagree	15	11.5
Strongly disagree	09	6.9
TOTAL	130	100

Source: Primary data



PARTICULARS	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Strongly agree	30	30
Agree	40	35.4
Neither agree nor disagree	29	22.3
Disagree	10	7.7
Strongly disagree	06	4.6
TOTAL	130	100

Source: Primary data



PARTICULARS	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Strongly agree	10	9.0
Agree	51	59.2
Neither agree nor disagree	21	16.2
Disagree	10	7.7
Strongly disagree	00	0.0
TOTAL	130	100

Source: Primary data



PARTICULARS	NO OF RESPONDENTS	PERCENTAGE OF RESPONDENTS
Highly satisfied	28	21.5
Satisfied	43	33.1
Neutral	32	24.6
Dissatisfied	17	13.1
Highly dissatisfied	10	7.7
TOTAL	130	100

Source: Primary data



V. CONCLUSION

The study concludes that mutual funds have become a popular investment avenue among retail investors due to their ability to provide diversification, professional management, liquidity, and attractive return opportunities. Systematic Investment Plans (SIPs) have further enhanced investor participation by enabling regular investments with minimal financial burden and reduced market timing risk. The findings indicate that investors possess a positive perception towards SIP investments and consider them effective tools for achieving long-term financial objectives. Factors such as better returns, safety, diversification, tax benefits, convenience, and professional fund management significantly influence investment decisions. The study also reveals that investor awareness plays a crucial role in determining participation levels and investment preferences. Young and educated investors demonstrate greater acceptance of SIP-based investments due to their understanding of financial planning and wealth creation. Furthermore, the majority of respondents expressed satisfaction with the performance of mutual fund schemes offered through SIPs. The research highlights the importance of investor education programs, financial literacy initiatives, and transparent communication by mutual fund companies to attract new investors and strengthen investor confidence. Kotak Mutual Funds Ltd. has successfully positioned itself as a trusted investment platform by offering diversified schemes that cater to varying investor needs and risk profiles. The study suggests that mutual fund companies should continue enhancing digital services, customer support, and

awareness campaigns to improve investor engagement. Overall, SIPs represent an effective investment mechanism that promotes disciplined saving, financial inclusion, and long-term wealth accumulation, thereby contributing significantly to the growth of the mutual fund industry and the financial well-being of investors.

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