

A STUDY ON INVESTOR'S PERCEPTION TOWARDS MUTUAL FUND ICICI

¹ PERIKA DEEPAK, ² K. SRUJITHA

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

ABSTRACT

A mutual fund is one of the most preferred investment avenues for individual investors because it offers diversification, professional management, liquidity, and the potential for wealth creation. The present study examines investors' perception towards mutual fund investments with special reference to ICICI Bank. The study aims to understand the factors influencing investment decisions, identify the level of investor satisfaction, and analyze the problems faced by investors while investing in mutual funds. A descriptive research design was adopted to achieve the objectives of the study. Primary data were collected from 105 respondents through a structured questionnaire, while secondary data were gathered from journals, books, websites, and company reports. Convenience sampling was used for selecting respondents. The analysis reveals that the majority of respondents belong to the age group of 30–40 years and are actively involved in mutual fund investments. Most investors became aware of mutual funds through internet-based platforms, highlighting the growing importance of digital financial literacy. Factors such as high returns, tax-saving benefits, liquidity, safety, security, and regular income significantly influence investment decisions. The findings also indicate that investors are generally satisfied with mutual fund investments, particularly with regard to safety, security, and liquidity. Furthermore, a significant proportion of investors prefer direct purchase methods rather than investing through brokers. Statistical tools such as percentage analysis, Chi-square tests, and ANOVA were employed to examine relationships among demographic and investment-related variables. The study concludes that mutual funds have emerged as an attractive investment option for both salaried and business-class investors. Increasing awareness, investor education, transparency, and technological advancements can further enhance participation in mutual fund investments. Asset management companies and financial institutions should focus on investor-centric strategies to improve trust and long-term investment behavior.

Keywords: Mutual Funds, Investor Perception, ICICI Bank, Investment Behaviour, Financial Literacy, Risk and Return, SIP, Investor Satisfaction.

I. INTRODUCTION

Mutual funds have emerged as one of the most effective financial instruments for mobilizing savings and channeling them into productive investment opportunities. They provide investors with professional fund management, diversification, liquidity, affordability, and transparency, making them suitable for both experienced and novice investors [1]. The Indian mutual fund industry has witnessed remarkable growth due to economic liberalization, technological advancements, and increased investor awareness [2]. Mutual funds enable investors

to participate in capital markets without requiring extensive financial knowledge [3]. The concept of pooling resources from multiple investors and investing them in diversified securities has significantly reduced investment risk [4]. Mutual funds offer various schemes including equity, debt, hybrid, and sectoral funds to cater to different risk appetites [5]. Systematic Investment Plans (SIPs) have further enhanced accessibility and disciplined investing practices [6]. Investor confidence in mutual funds has increased due to SEBI regulations and enhanced transparency [7]. Financial literacy initiatives have encouraged retail participation in mutual fund investments [8]. Investors increasingly prefer mutual funds because of tax-saving benefits and long-term wealth creation opportunities [9]. The growing adoption of digital platforms has simplified investment procedures [10]. Mutual funds contribute significantly to capital market development and economic growth [11]. The role of asset management companies has become crucial in managing investor wealth efficiently [12]. Portfolio diversification remains a major advantage of mutual fund investments [13]. Risk-adjusted returns attract investors seeking stable and consistent performance [14]. Mutual funds also support financial inclusion by enabling small investors to access professional investment management [15].

Investor perception plays a critical role in determining the success of mutual fund schemes and the overall growth of the industry [16]. Investment decisions are influenced by demographic, psychological, and economic factors [17]. Awareness, income, education, age, and occupation significantly affect investment preferences [18]. Investors evaluate mutual funds based on risk, return, liquidity, and fund performance [19]. Financial advisors and digital media often influence investor decisions [20]. Perceived safety and transparency enhance investor confidence [21]. The increasing availability of online investment platforms has transformed investor behavior [22]. Mutual fund companies continuously innovate products to meet evolving investor expectations [23]. Behavioral finance theories explain how emotions and biases influence investment decisions [24]. Risk perception remains an important determinant of mutual fund participation [25]. Investor satisfaction depends on fund performance and service quality [26]. Effective communication and investor education can improve participation rates [27]. Understanding investor perception helps fund houses design suitable products and marketing strategies [28]. Therefore, examining investor perception towards mutual funds with reference to ICICI Bank provides valuable insights into investment behavior and market opportunities [29][30].

II. LITERATURE REVIEW

Previous studies have extensively examined investor perception and behavior towards mutual fund investments. Sharma (2012) reported that mutual fund investments are influenced by fund attributes, monetary benefits, and sponsor-related factors [1]. Saini and Anjum (2011) found that investor awareness and advisor recommendations significantly affect investment decisions [2]. Arathy et al. (2015) observed that mutual funds are preferred because of professional management and reduced investment risk [3]. Kumar and Bansal (2014) highlighted that investors prioritize SIP investments and equity-oriented schemes [4]. Kaur and Kaushik (2016) emphasized that awareness and socioeconomic characteristics strongly influence mutual fund participation [5]. Sharma and Parihar (2013) identified diversification and professional management as key advantages of mutual funds [6]. Velmurugan et al. (2015) reported that investors compare mutual funds with alternative investment avenues before investing [7]. Sridevi (2019) concluded that investor behavior is significantly associated with risk-return expectations [8]. Mysa

(2020) found that many investors remain hesitant due to insufficient knowledge about mutual funds [9]. Sasikumar and Krishnamurthy (2020) emphasized the importance of regulatory measures in enhancing investor confidence [10]. Raman and Selvarohin (2020) identified return expectations and risk management as major determinants of investment decisions [11]. Meena (2016) highlighted the role of marketing strategies in attracting rural investors [12]. Bindal et al. (2019) reported that investor awareness programs improve participation levels [13]. Nimalathasan and Gandhi (2012) evaluated mutual fund performance and its impact on investor preferences [14]. Several studies confirmed that investor education positively influences mutual fund adoption [15].

Recent literature indicates a growing preference for mutual funds due to digital transformation and improved financial literacy [16]. Researchers have reported that internet-based platforms and mobile applications significantly enhance investment accessibility [17]. Studies reveal that younger investors are more inclined toward equity-oriented mutual funds because of higher return expectations [18]. Financial awareness campaigns conducted by AMFI have positively impacted investor participation [19]. Risk perception continues to influence investment choices despite growing awareness [20]. Investors prefer schemes that provide liquidity, transparency, and tax benefits [21]. The emergence of fintech platforms has simplified investment procedures and enhanced convenience [22]. Behavioral finance research suggests that emotions and cognitive biases affect investment decisions [23]. Trust in fund managers and asset management companies significantly contributes to investor confidence [24]. Market volatility often influences investor attitudes toward mutual funds [25]. Diversification remains one of the strongest motivations for investment [26]. Studies also reveal that investor satisfaction is linked to service quality and fund performance [27]. Effective communication strategies improve customer retention and loyalty [28]. The literature consistently demonstrates the importance of awareness, trust, and risk-return considerations in shaping investor perception towards mutual fund investments [29][30].

III. RESEARCH METHODOLOGY

The present study adopts a descriptive research design to analyze investor perception towards mutual fund investments with special reference to ICICI Bank. The research aims to understand investor awareness, investment preferences, motivating factors, satisfaction levels, and challenges faced while investing in mutual funds. Both primary and secondary data sources were utilized. Primary data were collected through a structured questionnaire administered to investors, while secondary information was obtained from journals, books, websites, reports, and previous research studies. The study area was limited to Hyderabad, and convenience sampling was employed for selecting respondents. A total sample size of 105 respondents was considered for analysis.

The collected data were coded, classified, and analyzed using statistical tools. Percentage analysis was used to understand demographic characteristics and investment preferences of respondents. Chi-square tests were applied to determine the association between categorical variables such as investor problems and investment decisions. ANOVA was employed to identify significant differences among demographic groups and investment-related variables. Data analysis was performed using SPSS software to ensure accuracy and reliability of results. The findings were interpreted to identify patterns in investor behavior, awareness levels, satisfaction, and motivating factors. The methodology provides a systematic framework for understanding investor perception and offers

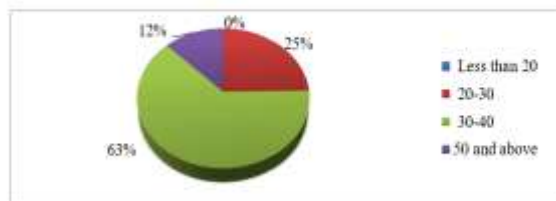
practical insights for mutual fund companies, policymakers, and financial advisors to improve investor participation and satisfaction.

IV. RESULTS & DISCUSSION

The analysis of demographic characteristics indicates that the majority of respondents (63%) belong to the age group of 30–40 years, suggesting that middle-aged individuals are the most active participants in mutual fund investments. Male respondents accounted for 70% of the sample, while business professionals constituted the largest occupational category. Most respondents reported monthly incomes below ₹50,000 and annual savings below ₹50,000, indicating that mutual funds are increasingly attracting middle-income investors. The internet emerged as the primary source of awareness regarding mutual funds, followed by relatives and friends. This finding highlights the growing role of digital platforms in financial education and investment promotion. The results further reveal that investors are influenced by factors such as high returns, tax-saving benefits, liquidity, safety, and regular income while selecting mutual fund schemes.

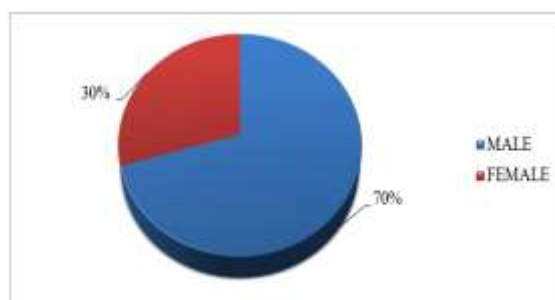
Age Group	No. of Respondents	Percentage
Less than 20	0	0%
20-30	26	25%
30-40	66	63%
50 and above	13	12%
Total	105	100%

Source: Primary data.



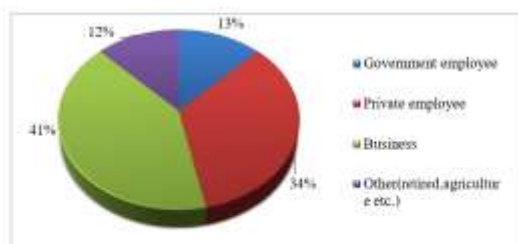
Gender	No. of Respondents	Percentage
Male	74	70%
Female	31	30%
Total	105	100

Source: Primary data.



Occupation	No. of Respondents	Percentage
Government employee	13	13%
Private employee	36	34%
Business	43	41%
Other (retired, agriculture etc.)	13	12%
Total	105	100

Source: Primary data.

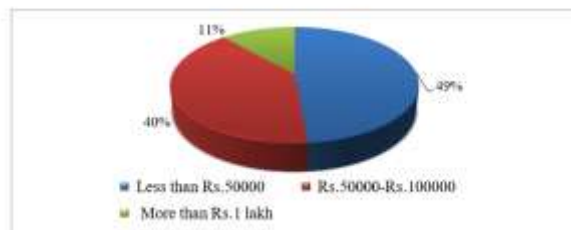


The satisfaction analysis shows that safety and security, liquidity, and tax-saving benefits are the most influential factors contributing to positive investor experiences. A majority of respondents preferred purchasing mutual fund units directly rather than through brokers, indicating increasing investor confidence and digital accessibility. Statistical analysis using Chi-square and ANOVA revealed significant associations among demographic variables and investment behavior. Investors demonstrated awareness of the risks involved in mutual fund investments, reflecting improved financial literacy. However, concerns regarding market fluctuations and return uncertainty continue to influence investment decisions. The findings suggest that mutual fund companies should strengthen investor education programs, improve transparency, and enhance digital service delivery to attract and retain

investors. Overall, the results confirm that mutual funds are perceived as a reliable and effective investment avenue capable of balancing risk and return while supporting long-term financial goals.

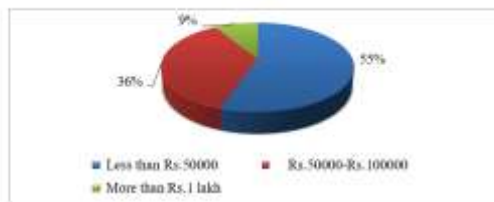
Monthly Income	No. of Respondents	Percentage
Less than Rs.50000	51	49%
Rs.50000-Rs.100000	42	40%
More than Rs.1 lakh	12	11%
Total	105	100

Source: Primary data.



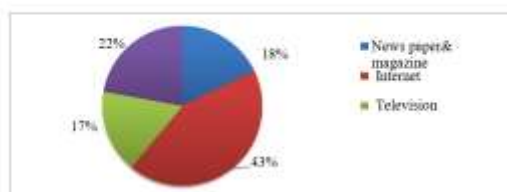
Annual Savings	No. of Respondents	Percentage
Less than Rs.50000	58	55%
Rs.50000-Rs.100000	36	36%
More than Rs.1 lakh	09	9%
Total	105	100

Source: Primary data.



Source of Awareness	No. of Respondents	Percentage
News paper& magazine	17	18%
Internet	41	43%
Television	16	17%
Relatives and friend	21	22%
Total	105	100

Source: Primary data.



Finance factor	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	Total
High risk	24	36	38	7	4	105
Tax saving	26	48	25	2	2	105
liquidity of fund	33	39	25	6	2	105
flexy and security	37	35	23	7	8	105
Regular income	23	42	33	7	9	105
Regular saving	17	48	27	4	9	105
Risk involved	17	45	38	4	1	105
simplicity in	15	36	46	4	4	105
Easy payment	17	42	39	6	1	105

V. CONCLUSION

The study concludes that mutual funds have become an important investment avenue for individual investors due to their ability to provide diversification, professional management, liquidity, and attractive returns. The findings reveal that investor perception is significantly influenced by factors such as safety, security, tax-saving benefits, liquidity, risk-return expectations, and ease of investment. The majority of respondents demonstrated a positive attitude toward mutual fund investments and considered them suitable for achieving long-term financial objectives. The increasing use of digital platforms and internet-based information sources has enhanced investor awareness and facilitated easier access to mutual fund products. The study also highlights that middle-income investors form a substantial portion of mutual fund participants, indicating the growing acceptance of mutual funds among retail investors. Statistical analysis confirms the existence of relationships between demographic characteristics and investment behavior, emphasizing the importance of investor profiling in product design and marketing strategies. Although investors are aware of the risks associated with mutual funds, they continue to prefer these instruments because of their diversification benefits and professional management. To further

strengthen investor confidence, mutual fund companies should focus on financial literacy initiatives, transparent communication, and customer-centric service delivery. Regulators and asset management companies should continue promoting awareness campaigns to educate investors about the advantages and risks of mutual fund investments. Overall, the study demonstrates that mutual funds play a vital role in mobilizing household savings and contributing to financial market development, making them an effective and sustainable investment option for wealth creation.

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