

A STUDY ON INVESTOR AWARENESS ABOUT INVESTMENT OF MUTUAL FUND: HDFC

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ABSTRACT

Mutual funds have emerged as one of the most preferred investment avenues for individual investors due to their professional management, diversification benefits, liquidity, and potential for wealth creation. However, the success of mutual fund investments largely depends on the awareness and understanding of investors regarding various mutual fund schemes and their associated risks and returns. The present study aims to analyze the level of investor awareness toward mutual fund investments, with special reference to HDFC Mutual Fund. The study investigates investors' knowledge, investment preferences, sources of information, and factors influencing their investment decisions. A descriptive research design was adopted for the study. Primary data were collected through a structured questionnaire administered to 150 respondents, while secondary data were obtained from journals, reports, books, websites, and publications related to mutual funds. Statistical tools such as percentage analysis and descriptive measures were employed to analyze the collected data. The findings reveal that although a significant proportion of respondents are aware of mutual funds, many possess only partial knowledge regarding investment procedures, risk management, and scheme selection. Internet platforms, distributors, and referrals were identified as major sources of awareness. The study further indicates that factors such as safety, returns, liquidity, tax benefits, and brand reputation significantly influence investors' investment decisions. The research highlights the need for enhanced investor education programs and financial literacy initiatives to improve awareness levels and encourage informed investment behavior. HDFC Mutual Fund can strengthen its investor outreach strategies through digital marketing, investor workshops, and personalized financial advisory services. The study concludes that increasing awareness and financial knowledge among investors can significantly contribute to the growth of mutual fund investments and the overall development of the financial market. Effective awareness campaigns and investor-friendly policies will help build investor confidence and promote long-term participation in mutual fund schemes.

Keywords: Mutual Funds, Investor Awareness, HDFC Mutual Fund, Investment Behaviour, Financial Literacy, Investment Decision, Risk and Return, Investor Perception.

I. INTRODUCTION

Mutual funds have become an integral component of modern financial markets by providing investors with diversified investment opportunities and professional fund management. They enable individuals with limited financial knowledge and resources to participate in capital markets efficiently [1]. The rapid expansion of the

Indian mutual fund industry has been driven by financial sector reforms, technological advancements, increasing disposable income, and growing investor participation [2]. Mutual funds offer several advantages including diversification, liquidity, affordability, transparency, and risk reduction [3]. They play a vital role in mobilizing household savings and channeling them into productive investments [4]. The increasing complexity of financial products has made investor awareness a critical factor in investment decision-making [5]. Investor awareness refers to the understanding of investment products, associated risks, expected returns, and investment procedures [6]. Financial literacy significantly influences investors' confidence and participation in mutual fund schemes [7]. Well-informed investors are more likely to make rational investment decisions [8]. The Securities and Exchange Board of India (SEBI) and the Association of Mutual Funds in India (AMFI) have undertaken various initiatives to promote investor education [9]. Digital transformation has further enhanced accessibility to investment products and financial information [10]. The popularity of Systematic Investment Plans (SIPs) has increased retail participation in mutual funds [11]. Investors increasingly view mutual funds as a suitable alternative to traditional savings instruments [12]. The growth of asset management companies has contributed to the diversification of investment choices available to investors [13]. However, lack of awareness continues to hinder mutual fund penetration in several regions [14]. Studies indicate that demographic factors such as age, education, occupation, and income influence investment behaviour [15].



Investor awareness has emerged as a significant determinant of mutual fund adoption and investment performance [16]. Previous studies have shown that informed investors demonstrate higher participation rates and better portfolio diversification [17]. Awareness regarding risk-return trade-offs helps investors select appropriate schemes based on their financial goals [18]. Research indicates that financial literacy positively impacts investment confidence and long-term wealth creation [19]. Mutual fund awareness is influenced by information sources such as advertisements, distributors, financial advisors, social media, and online platforms [20]. Investor perception towards mutual funds is also shaped by fund performance, reputation, transparency, and service quality [21]. HDFC Mutual Fund has established a strong market presence through innovative investment products and investor-centric services [22]. The company's extensive distribution network and digital platforms contribute significantly to investor outreach [23]. Understanding investor awareness is essential for developing effective marketing and educational strategies [24]. Enhanced awareness can improve investment participation and financial inclusion [25]. Mutual funds support economic growth by facilitating efficient capital allocation [26]. Investor education initiatives can reduce misconceptions and investment anxiety [27]. Greater awareness

encourages disciplined investment behaviour and long-term financial planning [28]. Therefore, assessing investor awareness toward HDFC Mutual Fund is important for identifying knowledge gaps and improving investor engagement [29]. The present study aims to evaluate investor awareness, preferences, and perceptions regarding mutual fund investments and provide recommendations for enhancing investor participation [30].



Figure 1.4

II. LITERATURE REVIEW

Several researchers have examined investor awareness, mutual fund performance, and investment behaviour across different market environments. Sambath Kumar (2024) reported that the Indian mutual fund industry has experienced significant growth due to increased transparency and investor protection measures [1]. Sridevi (2018) analyzed selected mutual fund schemes and found considerable variations in performance among different categories of funds [2]. Saranya and Parthiban Thangavel (2018) concluded that mutual funds represent a relatively safe and diversified investment option for retail investors [3]. Agarwal and Mishra (2017) observed that a majority of mutual fund schemes outperformed benchmark returns during the study period [4]. Rajpara (2017) highlighted the growing preference of investors toward debt mutual funds because of their stability and lower risk profile [5]. Poonam Devi (2017) emphasized that investors are attracted to mutual funds due to tax benefits and wealth creation opportunities [6]. Bhayani (2017) identified financial literacy as a key determinant of mutual fund investment decisions [7]. Singh and Kaur (2016) found that lack of awareness and fear of financial loss discourage participation in financial markets [8]. Bhagyasree (2016) reported positive risk-adjusted returns for several mutual fund schemes [9]. Gupta (2015) demonstrated that sectoral mutual funds delivered varying performance levels depending on market conditions [10]. Perumal (2016) emphasized the significance of statistical tools in evaluating mutual fund performance [11]. Ramanujam and Bhubaneswari (2015) documented substantial growth in assets under management and scheme offerings [12]. Parmar (2015) highlighted the importance of portfolio diversification in investment planning [13]. Soni et al. (2015) compared mutual fund schemes and observed differences in fund management efficiency [14]. Nair (2014) described mutual funds as an effective mechanism for mobilizing household savings [15].

Subsequent studies have further explored the relationship between investor awareness and mutual fund adoption. Financial literacy has been recognized as a critical factor influencing investment confidence and participation [16]. Investors with greater knowledge tend to evaluate risk and return more effectively [17]. Awareness programs have been found to improve investor decision-making capabilities [18]. Demographic characteristics significantly affect investment preferences and risk tolerance [19]. Educational background positively influences mutual fund awareness [20]. Income level has been identified as a major determinant of investment behaviour [21]. Technological advancements have transformed the dissemination of financial information [22]. Digital investment platforms have improved investor accessibility and convenience [23]. Social media and internet-based resources increasingly influence investment decisions [24]. Transparency and disclosure practices enhance investor trust [25]. Effective investor communication improves mutual fund acceptance [26]. Professional fund management remains a key attraction for retail investors [27]. Systematic Investment Plans encourage disciplined investing habits [28]. Investor awareness contributes to financial inclusion and capital market development [29]. Therefore, continuous investor education and awareness initiatives remain essential for expanding mutual fund participation and strengthening long-term investment culture in India [30].

III. RESEARCH METHODOLOGY

A descriptive research design was adopted to assess investor awareness regarding HDFC Mutual Fund investments. The study utilized both primary and secondary sources of data. Primary data were collected through a structured questionnaire administered to investors and potential investors. The questionnaire consisted of demographic questions and items related to awareness, investment preferences, information sources, and perceptions toward mutual fund investments. Secondary data were collected from journals, books, research articles, SEBI reports, AMFI publications, annual reports, websites, and other relevant literature. The target population comprised investors residing in the study area, and a sample size of 150 respondents was selected using convenience sampling techniques.

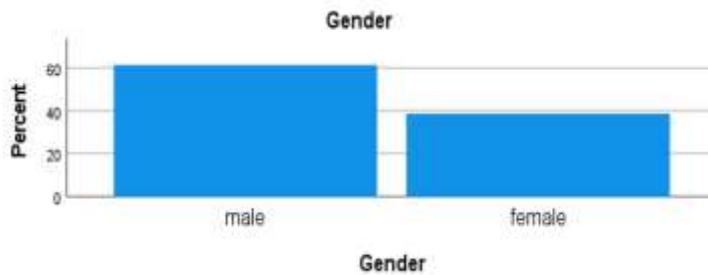
The collected data were coded, tabulated, and analyzed using statistical tools such as frequency distribution, percentage analysis, mean values, and graphical representations. Descriptive statistics were used to summarize respondent characteristics and awareness levels. The study examined the influence of demographic variables such as age, gender, education, occupation, and income on investor awareness. Findings were interpreted to identify key factors affecting investment decisions and awareness levels. The methodology ensured systematic collection and analysis of data, enabling reliable conclusions regarding investor awareness and perceptions toward HDFC Mutual Fund investments. The results provide useful insights for policymakers, fund managers, and financial institutions in designing effective investor education and awareness programs.

IV. RESULTS & DISCUSSION

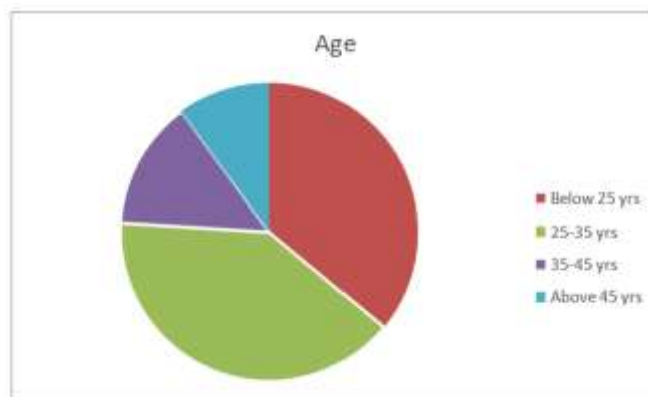
The analysis revealed that male respondents constituted a majority of the sample, while the largest proportion of respondents belonged to the 25–35 age group. Most participants possessed graduate-level education and were employed in the private sector. A considerable number of respondents reported monthly incomes below ₹25,000, indicating the growing interest of middle-income individuals in financial investments. The findings further

showed that although a majority of respondents had heard about mutual funds, awareness levels varied significantly. Many respondents possessed only partial knowledge of mutual fund schemes, risk factors, and investment procedures. Internet sources emerged as the most influential medium for obtaining information about mutual funds, followed by distributors and personal referrals.

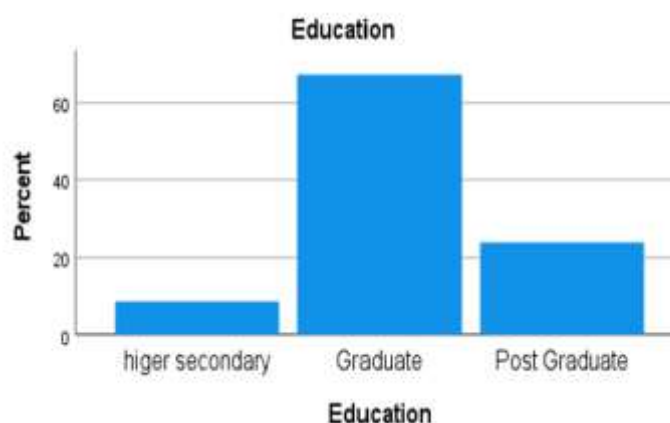
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------|--------|-----------|---------|---------------|--------------------|
| Valid | Male | 92 | 61.3 | 61.3 | 61.3 |
| | Female | 58 | 38.7 | 38.7 | 100.0 |
| | Total | 150 | 100.0 | 100.0 | |



| Age | | | | | |
|-------|--------------|-----------|---------|---------------|--------------------|
| | | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid | Below 25 yrs | 54 | 36.0 | 36.0 | 36.0 |
| | 25-35 yrs | 60 | 40.0 | 40.0 | 76.0 |
| | 35-45 yrs | 21 | 14.0 | 14.0 | 90.0 |
| | Above 45 yrs | 15 | 10.0 | 10.0 | 100.0 |
| | Total | 150 | 100.0 | 100.0 | |



| Education | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-----------|------------------|-----------|---------|---------------|--------------------|
| Valid | higher secondary | 13 | 8.7 | 8.7 | 8.7 |
| | Graduate | 101 | 67.3 | 67.3 | 76.0 |
| | Post Graduate | 36 | 24.0 | 24.0 | 100.0 |
| | Total | 150 | 100.0 | 100.0 | |



The study also found that only a limited proportion of respondents actively invested in mutual funds despite demonstrating basic awareness. Safety, returns, liquidity, tax benefits, and professional fund management were identified as the primary factors influencing investment decisions. Investors preferred equity-oriented schemes due to their potential for higher returns, while risk-averse investors favored debt-oriented funds. The results suggest that awareness alone does not necessarily translate into investment participation. Lack of comprehensive financial knowledge, perceived risk, and uncertainty regarding scheme selection remain significant barriers. The findings indicate the need for targeted investor education initiatives to bridge knowledge gaps and improve investment confidence. HDFC Mutual Fund can enhance investor participation by providing simplified financial information, conducting awareness programs, and leveraging digital platforms for investor engagement. Improved financial literacy and transparent communication can significantly strengthen investor trust and encourage long-term participation in mutual fund investments.

| How do you know about mutual funds? | | Frequency | Percent | Valid Percent | Cumulative Percent |
|-------------------------------------|---------------------------|-----------|---------|---------------|--------------------|
| Valid | Advertisements | 16 | 10.7 | 16.5 | 16.5 |
| | Distributors | 28 | 18.7 | 28.9 | 45.4 |
| | Friend referrals/employee | 21 | 14.0 | 21.6 | 67.0 |
| | Internet | 32 | 21.3 | 33.0 | 100.0 |
| | Total | 97 | 64.7 | 100.0 | |
| Missing | System | 53 | 35.3 | | |
| Total | | 150 | 100.0 | | |

So the majority of the respondents know through internet about mutual fund.

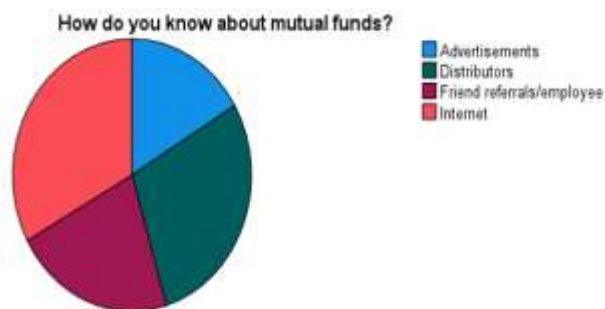
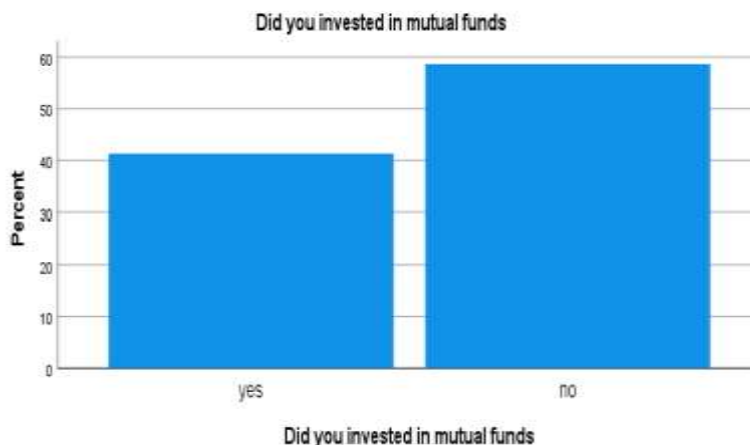


Figure 4.9



| If (YES), In which type of funds you have invested in mutual funds? | | | | | |
|---|-------------|-----------|---------|---------------|-------------------|
| | | Frequency | Percent | Valid Percent | mlulative Percent |
| Valid | equity fund | 40 | 26.7 | 63.5 | 3.5 |
| | Debt fund | 17 | 11.3 | 27.0 | 0.5 |
| | hybrid fund | 6 | 4.0 | 9.5 | 00.0 |
| | Total | 63 | 42.0 | 100.0 | |
| Missing | System | 87 | 58.0 | | |
| Total | | 150 | 100.0 | | |

Source: Primary data ANALYSIS:-



What are the objectives of your investment?

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---------|---------------------------|-----------|---------|---------------|--------------------|
| Valid | To provide for retirement | 19 | 12.7 | 30.6 | 30.6 |
| | To avail tax benefit | 10 | 6.7 | 16.1 | 46.8 |
| | For children education | 7 | 4.7 | 11.3 | 58.1 |
| | For purchase of assets | 8 | 5.3 | 12.9 | 71.0 |
| | Savings | 18 | 12.0 | 29.0 | 100.0 |
| | Total | 62 | 41.3 | 100.0 | |
| Missing | System | 88 | 58.7 | | |
| Total | | 150 | 100.0 | | |

V. CONCLUSION

The study examined investor awareness regarding mutual fund investments with special reference to HDFC Mutual Fund. The findings reveal that although mutual funds have gained considerable popularity as an investment avenue, significant gaps still exist in investor knowledge and understanding. A substantial proportion of respondents were aware of mutual funds; however, many possessed only partial information regarding investment procedures, risk-return characteristics, and scheme selection. Demographic factors such as age, education, occupation, and income were found to influence awareness levels and investment preferences. The study further identified safety, returns, liquidity, tax benefits, and professional fund management as the major factors affecting investment decisions. Internet-based information sources played a crucial role in shaping investor awareness and perceptions. Despite increasing awareness, actual participation in mutual fund investments remains limited due to inadequate financial literacy and perceived investment risks. Therefore, mutual fund companies, regulatory authorities, and financial institutions should focus on strengthening investor education programs and awareness campaigns. HDFC Mutual Fund can improve investor confidence through transparent communication, digital engagement, and personalized advisory services. Enhancing financial literacy among investors will not only increase mutual fund participation but also contribute to broader financial inclusion and economic

development. The study concludes that investor awareness is a fundamental prerequisite for informed investment decisions and long-term wealth creation. Continuous efforts to educate investors and simplify investment processes will support the sustainable growth of the mutual fund industry and help investors achieve their financial objectives effectively.

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