
Factors Influencing Investor's Perception Towards Mutual Funds In Tamil Nadu: A Study

Dr. S.C.B. SAMUEL ANBU SELVAN¹, Mr RAMRAJ G²

¹Associate Professor and Research supervisor Department of Commerce, The American College (Autonomous), Madurai.

²Assistant Professor and Research scholar, Department of Commerce (CA), VHNSN College (Autonomous), Virudhunagar.

Email: ramraj.g@vhnsnc.edu.in

Abstract: In India, retail investors generally depend on the information that provides neither inflation hedges nor positive absolute returns. Millions of investors have acquired new insights thanks to mutual funds, which have taken investment to their doorstep. A mutual fund is an investment vehicle that pools money from several different investors and invests it in stocks, shares, short-term money market instruments, other securities or properties, or a combination of these. The primary motivation for investing in mutual funds is to earn a decent return with low risk. As a result, mutual fund success is largely the result of skilled fund managers' combined efforts and diligent investors. It is critical to understand mutual fund investors' needs and their preferences for mutual fund schemes, and their performance assessment in the current environment. This research aims to examine how investors in Tamil Nadu perceive mutual funds as an investment choice. A survey of over a hundred professional Tamilnadu investors is currently underway. A structured questionnaire was used to collect data, and descriptive statistical methods such as demographic analysis with simple percentages, rotation component matrix, and ANOVA test were used to analyze it. According to the results, age and marital status have no impact on investors' perceptions of mutual funds. Furthermore, factors such as benefits, Convenience, and reputation influence investors' purchasing behaviour. The research would benefit academics, market researchers, institutional investors, traders, distributors, and other potential investors.

Keywords: Mutual Fund, Investment Options, Investors' perception, Investment Factors

INTRODUCTION

In this era of globalization and competition, stocks' productivity is currently calculated by the industry's performance. Investors also like to invest only in the stock of companies from which maximum gains can be made. The growth of mutual funds has been prolonged since it began in emerging economies such as India, and progress towards the new mutual funds has taken a long time. The idea has been developed over the years, and investors have acquired an ever-increasing number of investment options through mutual funds. In the 18th century, mutual funds began initially as an investment avenue in the Netherlands, then in Switzerland, Scotland, and then in the United States in the 19th century. The idea of mutual funds came into being in India in 1960. The pioneer of Indian mutual funds is UTI.

Mutual Fund is considered a good investment option because it lets investors save and diversify their investments to a moderately priced stock portfolio. The core idea behind mutual funds is the need for a diversified investment solution and risk. Besides, small amounts of money can also be invested in the portfolio. It is continually evolving into a superior future that brings new opportunities to small investors. Any person with surplus money may invest in different mutual funds after their regular expenses have been met.

Investors had no investment opportunities in the early years of the growth of mutual funds. But modern stock market growth has provided investors with several options to invest their funds as needed. Various investors have different MFI objectives, and other types of MFIs have been developed. Investing in mutual funds is one of those networks. Over time, several new mutual funds have emerged. This, too, has changed the strategies and methods of selling these funds over time. However, the growth of the mutual fund has not stopped. Mutual funds have expanded exponentially in recent years. This research paper seeks to examine various factors influencing the perception of Tamilnadu investors.

NEED FOR THE STUDY

This research work was proposed to analyze and recognize key investor behavioural influences in selecting mutual funds. In previous research, there were several ways to study and interpret recent changes in investor behaviour and perception concerning demographics, investment targets, initial investment, etc., in terms of