

A Study on Investor Satisfaction Regarding Birla Sun Life Mutual Fund with Special Reference to Krishangiri District

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Abstract

India is one of the fastest growing countries in world many people to investment mutual funds companies. Mutual funds have come, as a much needed help to these investors. It is a special type of institutional device or an investment vehicle through which the investors pool their savings which are to be invested under the guidance of a team of experts in a wide variety of portfolios of corporate securities in such a way as to minimize risk, while ensuring safety and steady return on investment. The mutual funds are presented with a very challenging task ahead of them in trying to attract the Indian investors who traditionally look for three main aspects, - yield, liquidity and safety in investments. From the investors' point of view the mutual funds are expected to offer higher returns than the other available investment alternatives. In addition, mutual funds offer safety and liquidity. Therefore knowledge about risk-return characteristics of various mutual

fund schemes would enable the prospective investors in their investment decisions. The main reason that prompted the study on the beneficiaries of the Birla sun life mutual fund company is a need to examine whether the mutual funds are an alternative investment avenue for the small and middle income group investors. The present research paper use both primary and secondary data. In this way this research paper analyzed with beneficiaries of Birla sun life mutual fund Company in India.

Keywords: Mutual Fund, Investment, Investors, Risk, Savings, Safety and Liquidity

Introduction

Birla Sun Life Mutual Fund is one of India's leading mutual funds with assets of over Rs.17,098 crore under management as of Aug 2006. Birla Sun Life Asset Management Company Limited, the investment manager of Birla Sun life Mutual

Fund, is a joint venture between the Aditya Birla Group and Sun Life Financial Services, leading international financial services organization. Established in 1994, Birla Sun life AMC provides investors a range of 18 investment options, which include diversified and sector specific equity schemes, a wide range of debt and treasury products, and two offshore funds. Both the sponsors have equal stakes in the AMC. In recognition to its high quality investment products, Birla Sun Life AMC became India's first asset management company to be awarded the coveted ISO 9001:2000 certification by DNV Netherlands.

Statement of the problem

In recent times the Indian capital market has witnessed new trends, one of them being the spectacular growth of mutual funds. There are more than 100 mutual funds companies operated in India. The mutual funds offer different investment objectives such as growth, income and tax planning. The rapid growth of mutual funds indicates the need for a deeper look into the performance of mutual funds, taking into account the expectations from the investors and the capital market. In the globalization era, small investors are now peripheral players in the game, with institutions and

funds emerging as the major players. In this regards, this research analyzed with beneficiaries of Birla sun life mutual fund companies in Krishnagiri District (Tamil Nadu).

Objectives of the Study

1. To know the overview of Birla sun life mutual fund companies in India.
2. To analysis the investor's perception and satisfaction of Birla sun life mutual fund companies in Krishnagiri District.
3. To offer findings, suggestions and conclusions.

Review of Literature

Any research work needs background information which helps to understand the nature of the problems associated with the particular topic and its significance in the future studies. In this aspect review of literature part has been framed to study various literatures relating to the particular problem and identified the gap. In this way this research finds out investors satisfaction regarding Birla Sun Life mutual fund companies in Krishnagiri District, Tamil Nadu.

Shivangi Agarwal, Nawazish Mirza (2017) focused that mutual funds are higher than that of debt fund which shows

that even though the equity funds have higher potential for returns but on the other hand, the downside risk is also comparatively higher. It is important for an investor to not only identify the category of fund for his investment but also pick-up the best fund in that category.

Sarat Borah (2015) explains that customer perception is dynamic and it is affected by various factors. Perception of customers has also changed about the service quality, various products, offering etc. Service industry particularly private insurance companies want to know the perception of their customers so that they can fulfil the demand of the customers. Perception is the process by which an individual selects, organizes and interprets information to create a meaningful picture of the world. Customers' perception is a marketing concept that encompasses customers' impression, awareness and consciousness about a company/product and its offering. Psychology plays an important role in understanding the behaviour of customers and their perception.

Khurshid Ahmad Bhat and Ruchi Singh Maurya (2014) observed that mutual fund is a trust that pools the savings of a number of investors who share a common

financial goal. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities. The income earned through these investments and the capital appreciations realized are shared by its unit holders in proportion to the number of units owned by them. Thus a Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost.

Research Methodology

a) Type of Research

The proposed research study is descriptive in nature with using both primary and secondary data.

b) Sources of Data

Primary data will be collected with the help of structured interview schedule and secondary data will be collected from various published and unpublished sources.

c) Sampling Techniques

Study area is restricted to Krishnagiri District in Tamil Nadu. Stratified random sampling method will be applied to find out the sample respondents. The sample size has been 50 respondents. Study area will be only one districts of Tamil Nadu, divided into urban and rural part. Proposed study will

consider rural and urban areas like there are four aspects awareness aspects, benefits aspects, sources of knowledge aspects and satisfaction aspects.

Scope of Research Work

The present research work is one of fact finding with respect to the perception and its beneficiaries of the Birla Sun Life Mutual Fund companies in the study area Krishnagiri District. This study is restricted to the Birla Sun Life Mutual Fund companies and its beneficiaries in the Krishnagiri District (Tamil Nadu). Operational performance of Birla Sun Life Mutual Fund Company and satisfaction with investors are analysed with the help of structure interview schedules distributed to collect the data. This study is restricted to the investor's opinion towards the Birla Sun Life Mutual Fund companies and did not consider the financial institution aspects.

Data analysis and Interpretation

Limitation of the study

The researcher has selected only 50 samples from the total number of Birla Sun Life Mutual Fund Company in Krishnagiri District, Tamil Nadu. This study mainly focuses on Krishnagiri district, Birla Sun Life Mutual Fund beneficiaries only. Most of the primary data required for the study have been collected from sample respondents. Research on Birla Sun Life Mutual Fund is one of the emerging aspects in the recent days. The researcher found it difficult to gather the data on Birla Sun Life Mutual Fund in India as well as in Tamil Nadu. Hence, the limited sources of data have been applied in the study. Since there are a large number of mutual fund companies in our country, only that Birla Sun Life Mutual Fund who are contributing something to the satisfaction and status of the investors are considered for the study.

Table No.: 1

Number of respondents making investment from Birla sun life mutual fund

Investment	No. of. Respondents	Percent
Yes	36	72
No	14	28

Total	50	100
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Source: primary data

Table No. 1 explains that Number of respondents making investment from Birla sun life mutual fund, 72 per cent of the respondent's investments in Birla sun life mutual fund and 28 per cent of respondents using other mutual fund.

Table No. 2

Benefits of Investor from Birla sun life mutual fund

Benefits of Investor	No. of. Respondents	Percent
For Tax Benefits	20	40
For Savings Habits	15	30
For Rate of Returns	12	24
For Liquidity	3	6
Total	50	100

Source: primary data

From the above table no. 2 benefits of Birla sun life mutual fund, of which 40 per cent of the respondents investment for the benefits of tax, 30 per cent of the respondents for earning savings habits, 24 per cent of the respondents for earning returns and 6 per cent of the respondents liquidity.

Table No. 3

Awareness of Birla sun life mutual fund

Awareness	No. of. Respondents	Percent
Yes	42	84
No	8	16
Total	50	100

Source: primary data

From the above table no. 3 Awareness of Birla sun life mutual fund shows that 84 per cent of the respondents have awareness about Birla sun Life mutual funds and 16 per cent of respondents did not awareness about Birla sun Life mutual fund.

Table No. 4

Reasons for making investment Birla sun Life Mutual Fund

Reasons of Investment	No. of. Respondents	Percent
For Savings	15	30
For Returns	12	24
For Expenses	13	26
For Future	10	20
Total	50	100

Source: primary data

From the above table no. 4 Reasons for making investment Birla sun Life Mutual Fund shows that 30 per cent of the respondents reasons for making investment savings purpose, 24 per cent of the respondents reasons for making investment

return purpose, 26 per cent of the respondents reasons for making investment expenses purpose and 20 per cent of the respondents reasons for making investment future purpose.

Table No. 5

Satisfaction of Investors from Birla sun life Mutual Fund

Satisfaction	No. of. Respondents	Percent
Yes	44	88
No	6	12
Total	50	100

Source: primary data

From the table no. 5 reveals that satisfaction of investors Birla sun life Mutual Fund, maximum 88 per cent of the respondents have satisfaction about Birla

sun life Mutual Fund and minimum 12 per cent of the respondents did not satisfied about Birla sun life Mutual Fund.

Table No. 6

Investors to maintain investments settlement period in Birla sun life mutual fund

Years	No. of. Respondents	Percent
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Up to 2 years	12	24
2-3 years	13	26
3-4 years	10	20
Above – 4 years	15	30
Total	50	100

Source: primary data

The table no. 6 Investors to maintain investments settlement period in Birla sun life mutual fund, explain that 24 per cent of the respondents up to 2 years maintains Birla sun life mutual fund, 26 per cent of the respondents 2-3 years maintains Birla sun

life mutual fund, 20 per cent of the respondents 3-4 years maintains Birla sun life mutual fund and 30 per cent of the respondents above 4 years maintains Birla sun life mutual fund.

Table No. 7

Sources of knowledge about Birla sun life mutual fund

Source of Knowledge	No. of. Respondents	Percent
Friends	13	26
Relatives	6	12
Neighbors	8	16
Agent	23	46
Total	50	100

Source: primary data

From the table no. 7 shows that sources of knowledge about Birla sun life mutual fund, 26 per cent of the respondents friends informed about Birla sun life mutual fund, 12 per cent of the respondents relatives

informed about Birla sun life mutual fund, 16 per cent of the respondents neighbors informed about Birla sun life mutual fund and 46 per cent of the respondents agent informed about Birla sun life mutual fund,

Table No. 8

Claims ratio of Birla Sun Life Insurance Company

Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Claims ratio	89.12	89.09	94.66	90.94	82.55	87.76	95.3	88.45

Source: <https://www.policybazaar.com/insurance-companies/birla-sun-life-insurance/>

The Table No.8 Claims ratio of Birla Sun Life Insurance Company shows that minimum claims ratio (82.55) in the year of 2012-13 and maximum claims ratio (95.3) in the year 2014-15.

Table No. 9

Market share of Birla Sun Life Insurance Company

Year	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Market share	3.2	2.7	1.6	1.7	1.7	1.4	1.7	1.6

Source: <https://www.policybazaar.com/insurance-companies/birla-sun-life-insurance/>

The Table No.9 Market share of Birla Sun Life Insurance Company shows that minimum market share (1.4) in the year of 2013-14 and maximum market share (3.2) in the year 2008-09.

The installment amount is calculated as follows:

$$\text{Installment amount} = \frac{((1-x\%) \times \text{Death Benefits}) \times \text{installment factor}}{\text{Installment Period}}$$

Table No. 10

Installment Amount Calculated

Installment period (years)	1	2	3	4	5	6	7	8	9	10
Installment factor	1.06	1.09	1.12	1.15	1.18	1.22	1.25	1.28	1.32	1.35

Source: <https://lifeinsurance.adityabirlacapital.com>

In case the nominee would like to get a lump sum instead of the regular payouts, a discounted value of the outstanding regular installments shall be paid as lump sum. The lump sum will be at least equal to death benefit less onetime payment of x% of death benefit less installments already paid. The discounted value shall be calculated using

the pricing rate of interest of 6.00% per annum. This rate of interest is not guaranteed and will be revised by ABSLI (subject to prior approval from IRDAI) from time to time, taking into account the expected future economic environment.

Findings

1. 72 per cent of the respondent's investments in Birla sun life mutual fund and 28 per cent of respondents using other mutual fund.

2. Benefits of Birla sun life mutual fund, of which 40 per cent of the respondents investment for the benefits of tax, 30 per cent of the respondents for earning savings habits, 24 per cent of the respondents for earning returns and 6 per cent of the respondents liquidity.

3. Awareness of Birla sun life mutual fund shows that 84 per cent of the respondents have awareness about Birla sun Life mutual funds and 16 per cent of respondents did not awareness about Birla sun Life mutual fund.

4. Reasons for making investment Birla sun Life Mutual Fund shows that 30 per cent of the respondents reasons for making investment savings purpose, 24 per cent of the respondents reasons for making investment return purpose, 26 per cent of the

respondents reasons for making investment expenses purpose and 20 per cent of the respondents reasons for making investment future purpose.

5. Satisfaction of investors Birla sun life Mutual Fund, maximum 88 per cent of the respondents have satisfaction about Birla sun life Mutual Fund and minimum 12 per cent of the respondents did not satisfied about Birla sun life Mutual Fund.

Conclusion

In this regards, it is a most difficult task for any mutual fund company to create a positive aspects with investor's perception and satisfaction towards their investment company. Birla sun life Mutual Fund as a private sector mutual fund company to create positive perception and satisfy their investor's to retain them and also to attract new investors for not only to grow up and also survival for long time. In this aspect Birla sun life Mutual Fund Company must be offered quality products and services to comfortable small and middle level income investors. In addition that Birla sun life Mutual Fund companies more care about investor's problems and expectation. These are leads to Birla sun life Mutual Fund Company's goodwill and investor's satisfaction time to time.



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