General Public Awareness And Customer Satisfaction Of Mutual Fund

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ABSTRACT

The decade of the nineties brought India to new era of liberalization and globalization .these has been a radical change in the economy policy in India, from a state controlled to market economy, centralized planning and state control which had outlived their utility in the wake of changes in the international economic environment, made way for structural adjustment programs and economic liberalization. The objective of the reforms here to remove the entry barriers for domestic private sector institutions and FIIs, increase transparency in operations of financial intermediaries and promote an environment of healthy competition. The market regulations have been empowered to play their role as watching and supervisory structures have been strengthened to prevent market failures and protect the interests of the investors

Keywords : Mutual Funds, Economy, Stock Market, Shares.

INTRODUCTION

The Indian citizen has a lot of avenues to invest his funds. a prudent investor can earn a high return by investing his funds in various areas like company deposits, debentures, shares, mutual funds etc. the Indian is looking at new avenues for earning decent return.
However the recent scandal has dampened investors' confidence. He is looking away from the equity, mutual funds etc., which is very evident from the ever lowering stock market prices and inconsistent performance mutual funds. The investors looking for more safe avenues like bank deposits and debentures to park his money.

To bring back investors confidence various regulatory bodies like SEBI ,RBI etc, has brought about sweeping reforms .it remains to be seen how much the measures would boost the confidence of the investor .

Indian capital and the money market will be needed to play a vital role towards integrating India with global economy. So it is absolutely essential that measures are taken to revive the financial market

MUTUAL FUNDS

Mechanism of pooling the resources by issuing the unit to investors and investing funds in securities. These investments are later spread across different industries and sectors thus reducing the risk. In accordance with portion of money invested by investors mutual fund issues units. Investors of mutual fund are known as unit holders. Finally the profit of loss will be shared among investor.

1964 – UTI Unit Trust of India started in view of entering in investment options etc. Till 1986 – monopoly in this field.From 1986 – 1993 SBI, can bank entered in the field of mutual funds investments followed by GIC, LIC, etc.,In 1992, the securities and exchange Board of India (SEBI) was format to prefect the investor funds Development

of mutual funds and to regulate the securities market.From one single player in the year 1985 it grew up to 8 in the year 1993.In 1993 private members were allowed to maintain funds, which result in entry of international players in this field thus JP. Morgan, Morgan Stanley etc. Companies came in to picture. Later the benefit in taxation leads to the enlargement of investments in mutual fund Business.

MUTUAL FUND COMPANIES JRG DEALS WITH

FranklinTempleton,ICICIprudential,HSBC, HDFC,CanBank,UTI,SBI,Reliance,Tata,Sahara,Fidelity,Birla sun life,ING Vysa

OBJECTIVES OF THE STUDY-- PRIMARY OBJECTIVE:

The study is aimed to find out the consumer awareness level of mutual funds.

SECONDARY OBJECTIVE:

1. To study about the investments level of respondents.

2. To find out the satisfactory level of mutual fund.

SCOPE OF THE STUDY

The study is confined to R.S Puram and Saibaba colony, Peelamedu ,Coimbatore areas only .the nature and scope of the study covering the investors perception and preferences regarding various mutual fund schemes available in India,including of public ,private ,NBFC,UTI sectors.

STATEMENT OF PROBLEM

Finance is the life blood of any business firm and also needed for the individuals .For getting smart returns ,the individuals are investing their valuable money in various investment avenues .for this ,the

individual investors are generally approaching the agents for investing their money in profitable investment avenues and also for getting other related services from them .Their investment is based on these awareness of the mutual funds and products so ,the present study concentrates on" General public awareness and customer satisfaction of mutual funds – in focus with integrated enterprises (India) limited Coimbatore"

RESEARCH METHODOLOGY

SOURCE OF DATA COLLECTION

This study is based on the primary as well as secondary data. The research adopted major techniques of data collection for eliciting data i.e., questionnaire, and schedule.

(A) PRIMARY DATA

Primary data regarding this study was collected through the direct and indirect methods of data collection. This is obtained directly from the peoples of thermally with the help of questionnaire.

(B) SECONDARY DATA

These are data's already exist in records secondary data was collected from various, journals, books and may a gins.

SAMPLING

The required data in personnel research may be obtained by sampling method. The study utilizes, which comes under non-probability sampling. A total sample size taken for this study is 300.

QUOTA SAMPLING

It is a special form of stratified sampling. The number to be selected from each stratum, which is known as quota, is selected in advance; here also the universe is divided in the strata on the basis of charms of population. The sample units are chosen so that each stomata is represented to be impotents in the population in quota sampling the units are choose on non-random manner while stratified sampling they are choose on random basis. Thus in the selection process each number by universe does not have a non – chances of being choose.

DATA PROCESSING AND ANALYZING INSTRUMENTS

After the information has been collected it needs to be interpreted. This is very difficult task and requires high degree of skill judgment and objectivity. In the absence of these, there is every lively-hood of the data being misused to prove things that are not at all true.

PERCENTAGE ANALYSIS

The data collected has been tabulated and the percentage of respondents for each factor has been calculated using tally mark operation data has been converted is to quantitative figure. The percentage of analysis has been done to draw the conclusion.Percentage refer is the special kind of ration. Percentages are used in making comparison between two or more series of data. Percentages can also used to compare the relative terms, the distribution of two or more series of data.The easy and simplicity of calculating the general understanding of its purpose and the universal applicability of the present static have made it most widely and standardized tool in researches.

Since the percentage reduced everything to a common base and there by allow meaning full comparison to be made with the data the percentage analysis is conducted by dividing the number of respondents with. Population of sample.

CHI-SQUARE TEST

The chi-square test is an important test amongst the several tests of significant developed by statisticians. Chi-square symbolically written as X^2. is a statistical measure used is the context of sampling analysis for comparing a variance to a theoretical variance. The test is in fact a technique through the use of which it is possible for all researchers to

1. Test the goodness of fit
2. Test the significance of association between two attributes
3. Test the homogeneity or the significant of population variance.

PERCENTAGE ANALYSIS FORMULA

$$\text{Percentage} = \frac{\text{Number of respondents}}{\text{Total Number Population}} \times 100$$

$$\text{RANK CORRELATION} = 1 - \frac{6 \sum D^2}{n(n^2 - 1)}$$

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$$\text{CHI-SQUARE} = \frac{(O - E)^2}{E}$$

Where,

O = Observed value   ,   E = Expected value

Table value of Chi-Square at 5% level of significant with 1 degree of freedom = 3.841

LIMITATIONS

❖ The study was limited to the Respondents of the respondents of Coimbatore. So the researcher could only accommodate with respondents furnished.

❖ The area of research was very wide and to lack of sufficient time and money, the time required to conduct a detailed research was limited

❖ Respondent's attitude may change while on collecting data.

❖ Sometimes the obtained data is not corrected from respondents.

CHI-SQUARE TEST:

The educational qualification and the pattern of investment

X^2 –test for income and pattern of investment

NULL HYPOTHESIS (H0)

The educational qualification and pattern of investment are not related

ALTERNATIVE HYPOTHESIS (H1)

X^2 –TEST FOR INCOME AND PATTERN OF INVESTMENT

S.no	0	E	(o-e)	(o-e)^2	$\dfrac{O - E^2}{E}$
1	200	190.61	9.4	88.36	0.46
2	121	130.38	-9.38	87.98	0.67
3	50	59.38	-9.38	87.98	1.48
4	50	40.61	9.39	88.17	2.17
					4.78

Calculated value of X^2 = 4.78
Level of significance = 5%
Degree of freedom   = (r-1) x (l-1)
                                      = 2-1 x 2-1 = 1 x 1   = 1
Table value of X^2 =   3.841
Calculated value of X^2 is greater than table value of X^2
Hence H1 is accepted and

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H0 is rejected

So there is a relation between educational qualification and pattern of investment.

THE PATTERN OF INVESTMENT

X^2 –test for income and pattern of investment

NULL HYPOTHESIS (H0)

The income and pattern of investment are not related

ALTERNATIVE HYPOTHESIS (H1)

The income and pattern of investment are related

X^2 –TEST FOR INCOME AND PATTERN OF INVESTMENT

S.no	O	E	(o-e)	(o-e)^2	$\dfrac{O - E^2}{E}$
1	120	133.95	-13.95	194.60	1.45
2	200	186.05	13.95	194.60	1.05
3	60	46.05	13.95	104.60	4.23
4	50	63.95	-13.95	194.60	3.05
					9.79

Calculated value of X^2 = 9.79

Level of significance   = 5%

Degree of freedom   = (r-1) x (l-1)

= 2-1 x 2-1

= 1 x 1 = 1

Table value of X^2 =   3.841

Calculated value of X^2 is greater than table value of X^2

Hence H1 is accepted and H0 is rejected-So there is a relation between income and pattern of investment.

THE AWARENESS LEVEL OF MUTUAL FUNDS AND THE PATTERN OF INVESTMENT

X^2 –test for income and pattern of investment

NULL HYPOTHESIS (H0)

The awareness level of mutual funds and pattern of investment are not related

ALTERNATIVE HYPOTHESIS (H1)

The awareness level of mutual funds and pattern of investment are related

X^2 –TEST FOR INCOME AND PATTERN OF INVESTMENT

S.no	O	E	(o-e)	(o-e)^2	$\dfrac{O - E^2}{E}$
1	210	223.63	-13.63	185.77	0.83

2	200	186.36	13.64	186.04	0.99
3	90	76.36	13.64	186.04	2.43
4	50	63.63	-13.63	185.77	2.91
					4.78

Calculated value of X^2 = 7.16
Level of significance = 5%
Degree of freedom = (r-1) x (l-1)
= 2-1 x 2-1 = 1 x 1 = 1
Table value of X^2 = 3.841
Calculated value of X^2 is greater than table value of X^2
Hence H1 is accepted and H0 is rejected
So there is a relation between awareness level of mutual funds and pattern of investment.

FINDINGS
❖ Majority of respondent have any investment
❖ 100% of respondents who are interested to invest the money.
❖ Majority of respondents are to invest their money is bank deposit.
❖ It is found that majority of the respondents pattern of investment is bank deposit.
❖ Majority of the respondent considering consultant and past performance for their investment.
❖ It is found that majority of respondents are not aware of mutual fund.
❖ The majority reason for non-awareness programme and more advertisement.
❖ The majority of respondent getting information from mutual fund from advertisement.
❖ Majority of the respondent assessing the performance on the basis of past performance.
❖ A good majority of respondents prefer equity fund.Prudential ICICI is the most choosable M.F.
❖ Majority of respondents are not satisfied with the present level returns from M.F.Majority of respondents selected the fund on the basis of safety.
❖ It is clear that majority of the respondent's select broking company for making investments.Majority of respondents are interested to know about stock market.

SUGGESTIONS

The broking firm should provide more service to the consumers for more investment,Conduct more awareness programme on different financial product. It is advisable to choose TV and outdoor Medias, since they are the most outstanding media for advertisement.Introduce new attractive schemes, Introduce more tax saving schemes, More dividends will attract more customers.

CONCLUSIONS
Majority of the respondents are not aware of mutual funds, so By conducting more consumer awareness creating programmes the company can give more information

about the mutual funds and the mutual funds company .This study will definitely help the company to improve their service and market share if they adopt the strategy which I suggested.

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