

A Study on Investors' Preference and Satisfaction Towards Mutual Funds in Madurai District

V. Rani¹ and Dr. S. Benita²

¹Ph.D. Research Scholar, ²Assistant Professor

PG and Research Department of Commerce, N.M.S.S. Vellaichamy Nadar College,
Madurai-625 019, India.

Abstract

Mutual funds today are emerging as a very popular and safe financial market instrument for a large number of investors. The investors have different mindset when they decide about investing in a particular avenue. However, the decision changes according to an individual and his risk-taking ability. The study was carried out to identify the predominant factors which influence the individual investor's preference and satisfaction. The primary research data was collected from 50 respondents using questionnaire. We found that majority of the investors made investment in mutual funds for tax savings and safety. We observed that the respondents mostly preferred to invest in private sector mutual funds and have a high level of satisfaction with the mutual fund factors and schemes. Finally, we conclude that the study will be useful for the mutual fund companies to take steps in increasing the awareness, providing better service and policy schemes to the investors.

Keywords: Mutual funds, schemes, investor's preference, level of satisfaction, Madurai

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I. Introduction

Mutual fund is a financial intermediary that pools the savings of the investors for collective investment in a diversified portfolio of securities. A fund is 'mutual' as all of its returns, minus its expenses, are shared by the fund's investors. Anybody with an investible surplus of as little as a few hundred rupees can invest in mutual funds (Chan, et al., 2002). These investors buy units of a particular mutual fund schemes that has a defined investment objective and strategy. The money thus collected is then invested by the fund manager in different types of securities. These could range from shares to debentures to money market instruments, depending upon the scheme's stated objectives (Nair and Ramanathan, 2002). The income earned through these investments and the capital appreciation realised by the scheme are shared by its unit 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 (Chander and Singh, 2004).

Mutual fund acts as a popular investment tool for middle and high-income group of individual investors as it offers a convenient and cost-effective way to invest in the financial markets. A mutual fund is a trust that pools the savings of number of investors who share a common financial goal and invest their savings in capital market and money market securities (Gupta, 2001; Nair and Ramanathan, 2002). It plays an important role in mobilising the household savings for deployment in capital market. Mutual funds also bring the benefit of diversification and money management to the individual investors by providing an opportunity for financial success that was once available only to a select few. It acts as a professional intermediary between the investors and the capital markets (Tripathy, 2004).

The mutual funds industry plays a significant role in the development of the economy as well. Its floating growth leads to lower intermediation costs, more efficient financial markets, and increased vibrancy of the capital markets and higher local ownership of financial assets (Gupta, 2001). If retail investment is directed through the mutual funds route it will lead to greater wealth creation in the long run. Thus, the industry can be one of the causative factors for a healthy economy (Chander and Singh, 2004).

In general, the mutual funds investment decisions depend on many factors namely the demographic profile of investors, awareness level, education qualification and preference towards the mutual fund schemes, risk and return and type of mutual funds etc (Tripathy, 2004). The studies reviewed concentrated either on preference of investors and their investment choice or their stratification and choice or attitude towards mutual funds. The combination of all the three factors, namely the investors preference, level of satisfaction and awareness about mutual funds have not been researched extensively especially in Madurai district. Therefore, the present study on investors' preference and satisfaction towards mutual funds in Madurai district was made.

II. Review of Literature

Review of literature has been collected from the various sources like, published research articles, previous studies related to the mutual funds. These literatures review provide the necessity of the present study by finding research gap and to gain a proper understanding of investors' preference and satisfaction towards mutual funds in Madurai district.

Mrkvicka Edward (1991) while describing the motives of a rational investor, concluded that the motivational variables associated with an investment are liquidity, stability, strength, hedge against inflation, mobility and less time and expenditure needed to manage the investment. He concluded that mutual funds investment gives liquidity, stability, strength, mobility and low management cost, which characterise an ideal investment.

Gupta (1994) conducted a household investor survey. The survey provided data on the investors' preference for mutual funds and other financial assets. The outcomes suggested the likely demand and expected supply of financial products for the future.

Ajay Shah and Susan Thomas (1994) studied the performance evaluation of 11 mutual fund schemes and concluded that except one scheme, other schemes earned inferior returns than the market in general.

Kim Chang-Soo (1994) in his work on investor tax trading opportunities and discount on closed - end mutual funds, developed a model that explains discounts 58 using Merton's Option Pricing Theorem in the case of close- ended fund. The impact of tax advantage also was included in the study.

Mathew Morgan Robert (1995) evaluated the performance of mutual funds in an imperfect securities market and the research findings suggested that mutual funds were unable to do significantly better than a large unmanaged portfolio. The impact of commission cost was examined while taking a decision to invest in mutual fund or investing in a small number of common stocks. The Single Index Model and Markowitz Model were used while arriving at a conclusion.

Sundararajan Sankar (1997) while making a comprehensive review of equity based mutual funds, concentrated on the effect of three important factors such as sales charges, operating expenses ratio and size of the fund on the performance of equity based mutual funds. In addition, this study concluded that operating expenses is 59 inversely related to mutual funds size and medium size funds perform better than larger and smaller fund.

Gupta (2001) conducted an all-India survey of household investors for the Society for Capital Market Research and Development during April - June 2001. The respondents were mostly middle-class household heads. The occupational distribution showed that 60 percent of the respondents were salaried persons, 25 percent were self-employed and 15 percent were retired persons. The total number of respondents was 542 distributed in 40 cities spread over 22 states and Union Territories. The survey revealed that majority of middle-class investors did not understand the concept of index fund and have no clear idea about long term returns from index funds. The study also reveals that the confidence in the market mechanism received a setback due to repeated market scams.

Shah Prashant (2006) concluded that mutual funds are the win - win option available to the investors who are not willing to take any exposure directly to the security markets as well as it helps the investors to build their wealth over a period of time. But the thing which must be remembered by the investors and the investment in mutual fund is subject to market risk.

Yee et al (2010) found that "service quality has a positive influence on customer satisfaction. The competitive power and survival of the bank lies in the degree of customer satisfaction.

Rathnamani (2013) explains that many investors are preferred to invest in mutual funds in order to have high return at low level of risk, safety liquidity. The world of investment has been changing day to day, so investor's preferences toward investment pattern also changed. In the demographic profile most of the investors are willing to invest only 10 % in their annual personal income, around 39 % of investors belongs to age range of 31 to 40 years. In this study investors are willing to take moderate and low-level risk; most of the investors belong to moderate investment style.

Agrawal and Jain (2013) analysed the speculation opportunity preferred by the investors of Chennai and the investor's first choice towards savings in mutual funds. The study reveals that the most important standard of the investors for the savings is the return on savings followed by protection in savings.

Palla Vasavi et al (2019) in their research paper titled "Andhra Pradesh Capital Region (Amaravathi) investors' preference towards mutual fund sectors and schemes – qualitative study", found that respondents' preference for the different sectors of mutual funds is not influenced by the age and gender.

Binayak Prasad Mishra and Susanta Kumar Mishra (2020) conducted a study to find out the investors' awareness and preference of mutual funds as compared to other investment options. From the analysis of the result, it emerges that mutual funds were preferred to other several investment options though Bank Deposit was the first choice. Bank Deposit as such is not always considered as an investment option.

III. Scope, Statement, Objectives and Hypothesis of the Study

Scope of the Study

The study is to find out the preference and satisfaction of the investors who have invested in mutual funds. The information considered for analysis and interpretation are confined to demographic factors, preference of the mutual funds, types of schemes preferred and so on. The primary data is collected from the investors. The collected data gives the individual investor's perception will give a valuable insight regarding their expectation and satisfaction about an ideal fund and schemes. This study tries to get the investors preference and satisfaction towards mutual funds in Madurai district.

Statement of the Problem

The preference of the investors is varied and the factors influencing their investments are many. Identify the predominant factors which influence the individual investor's preference and to study the relationship between the personal factors (viz. Age, Education, Income and influence on investment decision) and the investor's preference to identify the pattern of investment and to study the nature of response to determine the suitability of investment schemes for investors. Amidst this background, this study is an attempt to find out the investor's preference and satisfaction towards mutual funds in Madurai district.

Objectives of the Study

1. To find out the preference of mutual funds among the respondents.
2. To study the factors that influences the preference of mutual funds.
3. To study the satisfaction level of the respondents and
4. To analyse the awareness of mutual funds among the respondents.

Hypotheses of the Study

Based on the above objectives, the following null hypotheses were tested.

Hypothesis – I

Null Hypothesis: There is no significant difference between the public and private sector mutual fund with regard to preference level of investors.

Hypothesis - II

Null Hypothesis: There is no significant difference between the factors and the level of satisfaction regarding the mutual funds.

Hypothesis - III

Null Hypothesis: There is no significant difference between the schemes and the level of satisfaction regarding the mutual funds.

Hypothesis – IV

Null Hypothesis: There is no significant difference between the education of the investors and the level of awareness regarding the mutual funds.

IV. Research Methodology

Research Design

The research design of the study is descriptive in nature.

Tools for Analysis

In the present study, for analysing the level of investors' preference and satisfaction towards mutual funds in Madurai district. The following statistical tools like Percentage Method, ANOVA and t-Test were used for data analysis.

Data Collection

In this study both primary and secondary data were used.

Primary Data: Collected by interview schedule among the investors in Madurai district only.

Secondary data: From various sources of other documents like magazines, books, websites etc.

Sample Size: 50

Sampling Technique: Convenient

Sample Method: Survey

Questionnaire: Structured

Area of the Study

The present study is restricted to Madurai district only. Madurai district was chosen to study the investors' preference and satisfaction towards mutual funds.

Period of the Study

To analyse this study, the data have been collected during January to April 2021.

Limitation of the Study

Primary data has been collected only from the policy holders of mutual fund investors.

Result of the study has been generalized with the sample size of only 50.

V. Data Analysis and Interpretation

Analysis of Demographic Profile of the Respondents:

The data sources were comprised and presented in Table form across different gender, age groups, educational qualification, marital status, family size, employment status, source of income and monthly income and source of information. The study was conducted with a sample size of 50 respondents who have invested in mutual funds in Madurai district.

Table 1: Demographic Profile of the Respondents

S. No.	Demographics	Profile of the Respondents	No. of Respondents	Percent
1.	Gender	Male	43	86
		Female	7	14
		Total	50	100
2.	Age	Below 30	6	12
		30-40	8	16
		40-50	24	48
		Above 50	12	24
		Total	50	100
3.	Educational Qualification	School level	5	10
		Graduate	10	20
		Post graduate	17	34
		Professional degree	8	16
		Others	10	20
		Total	50	100

4.	Marital Status	Married	39	78
		Unmarried	11	22
		Total	50	100
5.	Family Size	Up to 3	15	30
		4-5	26	52
		Above 5	9	18
		Total	50	100
6.	Employment Status	Agriculturist	3	6
		Business	12	24
		Professional	8	16
		Retired	9	18
		Employed	17	34
		Home maker	1	2
		Total	50	100
7.	Source of Income	Salary	17	34
		House property	5	10
		Capital gains	7	14
		Business/profession	20	40
		Others	1	2
		Total	50	100
8.	Monthly Income	Below 50,000	11	22
		50,001-1,00,000	24	48
		1,00,001-3,00,000	13	26
		Above 3,00,000	2	4
		Total	50	100
9.	Source of information	Brokers and sub brokers	3	6
		Friends and relatives	4	8
		Financial advisors and professional	2	4
		Newspaper and magazines	24	48
		Television	17	34
		Total	50	100

Table 1. **Gender:** Shows that 86 percent of the respondents are males and only 14 percent of the respondents are females. It is observed that, majority of the respondents are males. **Age:** This shows that 12 percent of the respondents fall in the age group of below 30 years, 16 percent of the respondents belongs to the age group of 30-40 years, 48 percent of the respondent belongs to the age group of 40-50 years and 24 percent of the respondents are in the age group of 50 years and above. The majority of the respondent belongs to the age group of 40-50 years.

Educational Qualification: Shows that 10 percent of the respondents are School level, 20 percent of the respondents are Graduates, 34 percent of the respondents are Post Graduates, 16 percent of the respondents are professionally qualified and 20 percent of the respondents are others. The majority of the respondents are Post Graduates.

Marital Status: Shows that 78 percent of the respondents are married and 22 percent of the respondents are unmarried. It is observed that, majority of the respondents are married.

Family Size: Shows that 30 percent of the respondents have the family size of up to 3 members, 52 percent of the respondents have the family size of up to 4 to 5 and 18 percent of the investors are having the family size above 5 members. The majority of our investors belongs to the family size of 4 to 5 members.

Employment Status: Shows that 6 percent of the respondents are agriculturist, 24 percent of the respondents belongs to the category of business, 16 percent of the respondents belongs to the category of professionals, 18 percent of the respondents are retired, 34 percent of the respondents are employed and 2 percent of the respondents are home makers. It is observed that majority of the respondents belongs to the employed category.

Income Source: Shows that 34 percent of the respondent's source of income is salary, 10 percent of the respondent's source of income is from house property, 14 percent of the respondent's source of income is from capital gain, 40 percent of the respondent's source of income is from Business and Profession and 2 percent of the respondent's source of income is from others. It is observed that majority of the respondent's source of income is from Business and Profession.

Monthly Income: Shows that the 22 percent of the respondents earn a monthly income below 50,000, 48 percent of the respondents earn a monthly income between 50,001 to 1,00,000, 26 percent of the respondents earn a monthly income between 1,00,001 to 3,00,000 and 4 percent of the respondents earn a monthly income above 3,00,000. It is observed that majority of the respondents are under the income level of between 50,001 to 1,00,000.

Source of Information: Shows that 6 percent of the respondents are getting the information about mutual funds through brokers and sub-brokers 8 percent of the respondents are getting information about mutual funds through friends and relatives, 4 percent of the respondents getting information about mutual funds through financial advisors and professional, 48 percent of the respondents getting information about the mutual funds through newspaper and magazine and 34 percent of the respondents through television. Majority of the respondents are getting information about the mutual funds' investments through newspaper and magazines. It can be inferred that the Newspaper and Magazine is the most important source of information among the respondents.

Preference of Respondents towards Mutual Funds:

Table 2. Investor's Preference towards Mutual Funds

S. No.	Variable	Category	No. of Respondents	Percent
1.	Type of Sector	Public sector	16	32
		Private sector	34	68
		Total	50	100
2.	Type of Mutual Funds	Open-ended	23	46
		Close-ended	9	18
		Both	18	36
		Total	50	100
3.	Type of Schemes	Equity Schemes	10	20
		Debt Schemes	3	6
		Balanced Schemes	2	4
		Tax Saving Schemes	20	40
		Money Market Schemes	7	14
		Exchange Traded Funds	8	16
		Total	50	100
4.	Period of Investment	Less than 1 year	6	12
		Between 1 to 2 years	27	54
		Between 2 to 3 years	12	24
		More than 3 years	5	10
		Total	50	100
5.	Reasons for Investing	Safety	11	22
		Rate of return	8	16
		Liquidity	3	6
		Tax benefit	21	42
		Flexibility	2	4
		Brand name	5	10
		Total	50	100

Table 2. **The type of sector** shows that 22 percent of the respondents prefer to invest in public sector mutual funds, 44 percent of the respondents prefer to invest in private sector mutual funds and 34 percent of the respondents prefer to invest in both (public and private) sector mutual funds. It is observed that, majority of the respondents prefer to invest in private sector mutual funds.

Type of Mutual Funds: Shows that 46 percent of the respondents invest in open-ended mutual funds, while 18 percent of the respondents invested in close-ended mutual funds and rest of the 36 percent respondents invested in both types of mutual funds. The majority of the respondents invested in open-ended mutual funds.

Type of Schemes: Shows that 20 percent of the respondents prefer to invest equity schemes, 6 percent of the respondents prefer to invest in debt schemes, 4 percent of the respondents prefer to invest in balanced schemes, 40 percent of the respondents prefer to invest in tax saving schemes, 14 percent of the respondents prefer to invest in money market schemes and 16 percent of the respondents prefer to invest in exchange traded funds. The Majority of the respondents prefer to invest in Tax saving schemes.

Period of Investment: Shows that 12 percent of the respondents prefer to invest for a period less than 1 year, 54 percent of the respondents prefer to invest for a period between 1 to 2 years, 24 percent of the respondents prefer to invest for a period between 2 to 3 years and 10 percent of the respondents prefer to invest for a period more than 3 years. The majority of the respondents prefer to invest for a period between 1 to 2 years in mutual funds.

Reasons for Investing: Shows that 22 percent of the respondents are invested in mutual funds for safety, 16 percent of the respondents are invested in mutual funds to get rate of returns, 6 percent of the respondents are invested in mutual funds for liquidity, 42 percent of respondents are invested in mutual funds for the purpose of tax benefits, 4 percent of the respondents are invested for the flexibility and 10 percent of the respondents invested in mutual funds for its brand name. The majority of the respondents prefer to invest in mutual funds for tax benefits.

Satisfaction of Respondents towards Mutual Funds:

Table 3. Investor's Satisfaction towards Mutual Funds

S. No.	Variable	Reponse	No. of Respondents	Percent
1.	Investor's Satisfaction Relating to Mutual Funds Schemes	Highly satisfied	10	20
		Satisfied	31	62
		Neutral	6	12
		Dissatisfied	2	4
		Highly dissatisfied	1	2
		Total	50	100
2.	Investor's Satisfaction Relating to Mutual Funds Service Providers	Highly satisfied	7	14
		Satisfied	29	58
		Neutral	9	18
		Dissatisfied	3	6
		Highly dissatisfied	2	4
		Total	50	100
3.	Investor's Satisfaction Relating to Mutual Funds Regulatory Framework	Yes	32	64
		No	18	36
		Total	50	100

Investor's Satisfaction Relating to Mutual Funds Schemes

Table 3. Shows that 20 percent of the respondents are highly satisfied with mutual fund schemes, 62 percent of the respondents are satisfied with tax saving mutual fund schemes, 12 percent of the respondents are neutral with mutual fund schemes, 4 percent of the respondents are dissatisfied with mutual fund schemes and 2 percent of the respondents are highly dissatisfied with mutual fund schemes.

Investor's Satisfaction Relating to Mutual Funds Service Providers

Table 3. Shows that 14 percent of the respondents are highly satisfied with mutual funds service, 58 percent of the respondents are satisfied with mutual funds service, 18 percent of the respondents are neutral with mutual funds service, 6 percent of the respondents are dissatisfied with mutual funds service and 4 percent of the respondents are highly dissatisfied with mutual funds service providers.

Investor's Satisfaction Relating to Mutual Funds Regulatory Framework

Table 3. Shows that 64 percent of the respondents are aware of mutual funds and its regulatory framework in India and 36 percent of the respondents are not aware of mutual funds and its regulatory framework in India.

Testing of Hypothesis

Hypothesis - I

Null Hypothesis: There is no significant difference between the public and private sector mutual fund with regard to preference level of investors.

Table 4. T-Test Analysis to Determine the Difference between Public and Private Sector Mutual Funds with Regard to Preference Level of Investors.

Investors Preference of Mutual Funds	No. of Respondents	Percentage (%)
Public sector:		
UTI	3	6
SBI	12	24
Lie	0	0
GIC	0	0
Can Bank	1	2
Total	16	32
Private sector:		
Templeton	4	8
Prudential ICICI	17	34
HDFC	9	18
BIRLA	2	4
Sundaram	2	4
Total	34	68

t-Test for Unpaired Comparison

Type of Mutual Funds	Mean	Standard Deviation	t-Value	P-Value
Public sector	3.2	5.070	2.132	0.040*
Private sector	6.8	6.380		

Source: Primary Data

Note: *Denotes significant at 5 % level.

Since *P*-value is less than 0.05, the null hypothesis is rejected at 5 percent level of significance. Hence, there is significant difference between public and private sector mutual funds with regard to preference level of investors. Table 4. Shows that 32 percent of the respondents preferred the investment made in public sector mutual funds and 68 percent of the respondents preferred by the investment made in private sector mutual funds. Therefore, the majority of the respondents preferred the investment made in private sector mutual funds due to adequate infrastructure, customer service, performance and stratification of the mutual funds.

Hypothesis - II

Null Hypothesis (H₀): There is no significant difference between the factors and the level of satisfaction regarding the mutual funds.

Table 5. ANOVA Analysis to Determine the Difference between the Factors and the Level of Satisfaction Regarding the Mutual Funds.

Investors Satisfaction Factors	Highly Satisfied Rank 1	Satisfied Rank 2	Neutral Rank 3	Dissatisfied Rank 4	Highly Dissatisfied Rank 5	Total
Safety	2	6	2	1	0	11
Rate of return	2	3	1	1	1	8
Liquidity	1	1	1	0	0	3
Tax benefit	5	13	2	1	0	21
Flexibility	0	1	1	0	0	2
Brand name	1	3	1	0	0	5
Total	11 (22%)	27 (54%)	8 (16%)	3 (6%)	1 (2%)	50

ANOVA Table					
Factor	Sum of Squares	DF	Mean Square	F	P-Value
Between Groups	70.667	4	17.667	3.620	0.018*
Within Groups	122.000	25	4.880		
Total	192.667	29			

Source: Primary Data

Note: *Denotes significant at 5 % level.

Since *P*-value is less than 0.05, the null hypothesis is rejected at 5 percent level of significance. Hence, there is significant difference between the factors and the level of satisfaction regarding the mutual funds. Table 5. Shows that 22 percent of the respondents are highly satisfied with mutual fund factors, 54 percent of the respondents are satisfied with mutual fund factors, 16 percent of the respondents are neutral with mutual fund factors, 6 percent of the respondents are dissatisfied with mutual fund factors and 2 percent of the respondents are highly dissatisfied with mutual fund factors. Therefore, the majority of the respondents are satisfied with mutual fund factors.

Hypothesis - III

Null Hypothesis: There is no significant difference between the schemes and the level of satisfaction regarding the mutual funds.

Table 6. ANOVA Analysis to Determine the Difference between the Schemes and the Level of Satisfaction Regarding the Mutual Funds.

Investors Satisfaction Schemes	Highly Satisfied Rank 1	Satisfied Rank 2	Neutral Rank 3	Dissatisfied Rank 4	Highly Dissatisfied Rank 5	Total
Equity	1	6	1	1	1	10
Debt	1	1	1	0	0	3
Balanced	0	1	1	0	0	2
Tax Saving	4	14	2	0	0	20
Money Market	2	4	0	1	0	7
Exchange Traded	2	5	1	0	0	8
Total	10 (20%)	31 (62%)	6 (12%)	2 (4%)	1 (2%)	50

ANOVA Table					
Factor	Sum of Squares	DF	Mean Square	F	P-Value
Between Groups	100.333	4	25.083	4.886	0.0047**
Within Groups	128.333	25	5.133		
Total	228.667	29			

Source: Primary Data

Note: **Denotes significant at 1 % level.

Since *P*-value is less than 0.01, the null hypothesis is rejected at 5 percent level of significance. Hence, there is significant difference between the schemes and the level of satisfaction regarding the mutual funds. Table 6. Shows that 20 percent of the respondents are highly satisfied with mutual fund schemes, 62 percent of the respondents are satisfied with mutual fund schemes, 12 percent of the respondents are neutral with mutual fund schemes, 4 percent of the respondents are dissatisfied with mutual fund schemes and 2 percent of the respondents are highly dissatisfied with mutual fund schemes. Therefore, the majority of the respondents are satisfied with mutual fund schemes.

Hypothesis – IV

Null Hypothesis: There is no significant difference between the education of the investors and the level of awareness regarding the mutual funds.

Table 7. T-Test Analysis to Determine the Difference between the Education of the Investors and the Level of Awareness Regarding the Mutual Funds.

Educational Qualification	Awareness Regarding the Mutual Funds		Total
	Yes	No	
School level	3	2	5
Graduate	6	4	10
Post graduate	12	5	17
Diploma	4	3	7
Professional degree	5	3	8
Others	2	1	3
Total	32 (64%)	18 (36%)	50

t-Test for Paired Comparison

Awareness Regarding the Mutual Funds	Mean	Standard Deviation	t-Value	P-Value
Yes	5.3	3.559	2.445	0.029*
No	3.0	1.414		

Source: Primary Data

Note: *Denotes significant at 5 % level.

Since *P*-value is less than 0.05, the null hypothesis is rejected at 5 percent level of significance. Hence, there is significant difference between the education of the investors and the level of awareness regarding the mutual funds. Usually, it is referred that the qualification of an individual would also affect their knowledge about various avenues for investment. Therefore, we carried out t-test and to check whether the qualification of an individual really affects his knowledge for mutual funds.

Table 7. Shows that 64 percent of the respondents are aware of the mutual funds and schemes and 36 percent of the respondents are unaware of the mutual funds and schemes. It can be clearly seen that their qualification plays a little role to determine their knowledge about mutual funds. Therefore, it is inferred that there is a correlation between educational qualification and the level of awareness regarding the mutual funds.

VI. Findings

- It is found from the analysis that 86 percent of our respondents are belonging to male category.
- It is noted from the analysis that the maximum 48 percent of the respondents are belongs to the age group of 40-50 years.
- It is observed from the analysis that 34 percent of the respondents are post graduates.
- It is noted from the analysis that 78 percent of the respondent are married.
- It is revealed from the analysis that 52 percent of the respondent have their family size of 4 to 5 members.
- It is found from the analysis that the maximum 34 percent of the respondents are employed.
- It is known from the analysis that the maximum 40 percent of the respondent's source of income is business and profession.
- It is revealed from the analysis that the maximum 48 percent of the respondent's income level is between 50,001 to 1,00,000.

- It is observed from the analysis that the maximum 48 percent of the respondents are getting the information about mutual funds through newspaper and magazines.
- It is evident from the analysis that the maximum 68 percent of the respondents prefer to invest in private sector mutual funds.
- It is revealed from the analysis that maximum 46 percent of the respondents have invested in open-ended mutual fund schemes.
- It is evident from the analysis that the maximum 24 percent of the respondents prefer to invest in SBI public sector mutual funds and 34 percent of the respondents prefer to invest in ICICI private sector mutual funds.
- It is revealed from the analysis that maximum 40 percent of the respondents prefer to invest in tax saving schemes.
- It is observed from the analysis that maximum 54 percent of the respondent's period of investment is between 1 to 2 years.
- It is noted from the analysis that 42 percent of the respondents have invested in mutual funds for the purpose of tax benefits.
- It is inferred from the analysis that maximum 62 percent of the respondents are satisfied with tax saving mutual fund schemes.
- It is inferred from the analysis that maximum 58 percent of the respondents are satisfied with mutual fund services.
- It is revealed from the analysis that maximum 64 percent of the respondents are aware of the mutual fund schemes.

VII. Suggestions

Based on the above major findings of the study, the following suggestions are offered for greater level of preference and satisfaction of the investors for investment in mutual funds. The mutual funds investment is a good source of income while the people still have lack of awareness and information towards the mutual funds. Therefore, the following suggestions are made in order to increase the awareness among the people especially in Madurai district.

1. The public and private sector mutual fund companies must provide efficient customer care services to tap the potential investors.
2. The mutual fund companies must ensure proper connectivity with the investors through effective technical support and adopt simple methods of technology for the convenience of the investors especially the small investors.
3. The mutual fund companies both public and private sector must ensure adequate interpretation of the various schemes, being well-organized and by providing quick services to its investors to enhance the satisfaction level.
4. Mutual fund industry should conduct investor awareness program frequently.
5. SBI mutual fund should concentrate on good investor relationship management.
6. ICICI mutual fund should create trust worthiness about their scheme among investors.
7. The mutual fund industry must conduct financial literacy to the public.
8. The HDFC mutual fund should create more awareness about various new investment avenues.
9. Government should stress the mutual fund industry to conduct investor guidance workshops about available avenues for investment.
10. To overcome the problem faced by the investors, adequate policy reforms in mutual funds sector is needed.
11. Before entering into the mutual funds, the investors should have a complete knowledge about the mutual funds.
12. Finally, the mutual fund companies can increase the awareness among investors: Many investors are still restricting their choices to the non-governmental options like gold and fixed deposits even when the market is flooded with countless investment opportunities.

13. This is due to the lack of awareness about mutual funds which makes many investors restrict their choice to traditional options like gold and fixed deposits. So, awareness relating to mutual funds must be increased among the investors to encourage them to invest in mutual funds.

VIII. Conclusion

Mutual fund industry in today's financial scenario shows good progress due to Government support such as tax concessions and exemption and also by receiving preferential treatment in the hands of the government. The objective of the study was to find out the investors' preference and satisfaction towards mutual funds in Madurai district. From this study, we found that the high return potential is the prime and major benefits for making investment in mutual funds followed by tax savings and safety. In addition, this study is most useful to understand the level of satisfaction of investors towards mutual fund investments. We observed that the majority of the investors in Madurai district have a high level of satisfaction with the mutual fund investments. Most of the investors have exhibited a high degree of satisfaction towards the returns they earn from mutual fund investments and the liquidity factor available in mutual fund investments.

Therefore, the results of the study will be useful to the mutual fund industry to understand the investor's preference and satisfaction towards mutual fund investments and the study would also be informative to the investors. Finally, we conclude that the study can be useful for the mutual fund companies for providing better service and policy schemes. It will certainly help the mutual fund companies to take steps to increase the awareness of mutual funds among the investors. In the coming years the mutual funds will become a major investment option in the financial market.

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