

Analysis Consumer Behavior Towards Mutual Funds and Its Marketing Strategies

Ruhaan Javed Pathan

Abstract-

To investigate the rise of mutual fund industry due to financial literacy & education impact on layman of India. The data is derived from questions from people who has bank account and what factors are considered while choosing mutual fund.

Introduction-

Mutual Fund industry has been continuously rising India.

As per AMFI INDIA,

The AUM of the Indian MF Industry has RISEN from ₹ 7.93 trillion as on November 30, 2012 to ₹40.38 trillion as on November 30, 2022 .

Well, many bank and financial survives have entered in the market. Many agents and companies have targeting customers from digital marketing to print media.

But to find out which factors push the most, this study is conducted.

Research methodology-

Respondents were selected from various parts of Gujarat. The sample selected have been using financial services like insurance, etc. from last 5 years. Total 250 people were taken for survey and 186 people completed their form. Topography, economic condition and all other social factors were consider to maintain diversity.

Gender	Male	70%
	Female	30%
Age	20-25	40%
	25-35	35%
	35-45	25%
Occupation	Self-Employed	42%
	Job	58%
Area	Urban	83%
	Rural	17%

Measures –

Reliability and validity assessment

Cronbach's is a reliability coefficient that provides a method of *measuring internal consistency* of tests and measures. It is developed from questionnaire scale.

It is derived as 0.718 based on standardized items.

Exploratory Factor Analysis

KMO & Bartlett test of sphericity sign posted that the data was suitable for explanatory factor analysis. As the KMO measures the sampling adequacy that should be greater than 0.5 and that was 0.927.

KM0 and Bartlett's Test		
Kaiser–Meyer–Olkin test		0.718
Bartlett's test	Approx.Chi Sqaure	49.53
	Df	21
	Sig	0

The scores were subjected to principal component analysis to identify the underlying factors that affect consumer decision while choosing mutual fund.

Factor	Factor loads
Legacy or brand value of fund house	0.8
Image of agent or broker	0.09
Type of risk involved(small,mid,large cap)	0.3
Bond or G-sec bond	0.16
E-brokers or internet advisors	0.1
Sectoral funds	0.15
Small SIP	0.16

Discussion and conclusion

In this study we have found that name of fund house plays an important role in initial purchase. People found a trust in old legacy brand and government sector companies. As digitalization is new, people still prefer to work with traditional broker. As increase of financial awareness type of risk involves and other factors do affect decision .As people are having financial discipline so SIP plans or schemes doesn't have much impact.

For launch of new fund its better to work with old brand and people have less trust on broker having only online presence. Funds should be market in traditional ways rather than digital ways.

Literature review-

1. A STUDY OF FACTORS AFFECTING ONLINE BUYING BEHAVIOR: A CONCEPTUAL MODEL by Dr. Ujwala Dange Prof. Vinay Kumar
HOD, Deptt. Of Management, Assistant Professor
Priyadarshini Engineering College, S. B. Patil Institute of Management,
Nagpur Pune
2. Factors Affecting Consumer's Online Shopping Buying Behavior
Anurag Pandeya, Jitesh S. Parmar
a Ph.D. Scholar, UKA Tarsadia University, Bardoli, Surat, Gujarat
b Associate Professor, Shrimad Rajchandra Institute of Management and Computer Application,
Surat, Gujarat