

MUTUAL FUND'S INVESTORS BEHAVIOUR - A STUDY OF DEMOGRAPHIC DIFFERENCES

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Abstract

Mutual fund is a pool of money of investors who, based on the trust they have in investment advisors or firms, invest their savings into different market securities such as shares, debentures, bonds, foreign markets with an aim to achieve a common goal like, capital appreciation and dividend earning. The objective of this papers is to find the factors that influence the behavior of mutual fund investors while investing in mutual funds including the factors that stops the investors to invest in mutual funds and to study the impact of demographics like age, gender, marital status, occupation, income & educational qualification on the behavior of mutual fund investors. This paper examines the behavior of mutual fund investors for which survey has conducted in Delhi among 140 respondents through a structured Questionnaire which resulted in the identification of 6 factors governing investor behavior namely investment through SIP, high management cost, company's portfolio, company's return policies, Training & Development Programs and Customer Care Services. The study found out that Training & development Programs and Customer Care Services have a significance difference across different age groups of customers. Also, the middle income group respondents prefer mutual fund as a prior source of investment because by investing in mutual funds they are enable to earn a better rate of return with lesser risk.

Keywords: Mutual Funds, Investors Behavior, Companies Return Policies, Security Market.

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INTRODUCTION

Indian Mutual Fund industry is growing at a faster rate. People start investing their money in variety of investment avenues so as to earn profit. (P. Maheswari,2015). They prefer to invest in shares, Bond, debentures, equity, real estate, stock market, gold, fixed deposits, mutual funds and many more. (Sweta Goel,2013). Mutual fund is a type of investment in which money is invested by the investors and this money is used to purchase securities, shares and debentures. Mutual funds are a way to invest in shares and bonds. The investor will either gain or lose money in mutual funds. (Debalina Roy,2011). These are generally long term investment options. There are different types of Mutual Funds. But most common are open ended or close ended. An investor can buy open ended mutual funds at any time and can sell back to the fund as and when he wants. Whereas, close ended funds are available for a limited period and the investor cannot sell them back to the fund. Instead, an investor has to sell them to another investor. (P.Geetha,2012). The value of the mutual funds is determined as Net Asset Value (NAV). NAV is calculated at total amount of Mutual Funds, by dividing it with number of shares issued and outstanding shares on daily basis. (Muralidhar Dunna,2012). The companies that invest its clients' pooled fund into securities that match its declared financial objectives are called AMC (Asset Management Company). AMC works on the directions of SEBI. (Simran Saini,2011). Security and Exchange Board of India (SEBI), is a government organization that set the objectives and regulates the working of different organizations related to bonds, shares, stock market, mutual funds. Investment in mutual fund can be done through two ways, i.e. LIP and SIP. LIP is a plan in which user has to invest the whole amount in one go called Lump Sum Investment Planning and SIP is the plan of investing the same amount of money every month over an extended period of time regardless of whether the market is up or down is known as Systematic Investment Plan

(SIP). Mutual Fund gives us four good reasons for investing through SIP. (George Joseph, Maria Telma, Amrudha Romeo, Feb 2015).

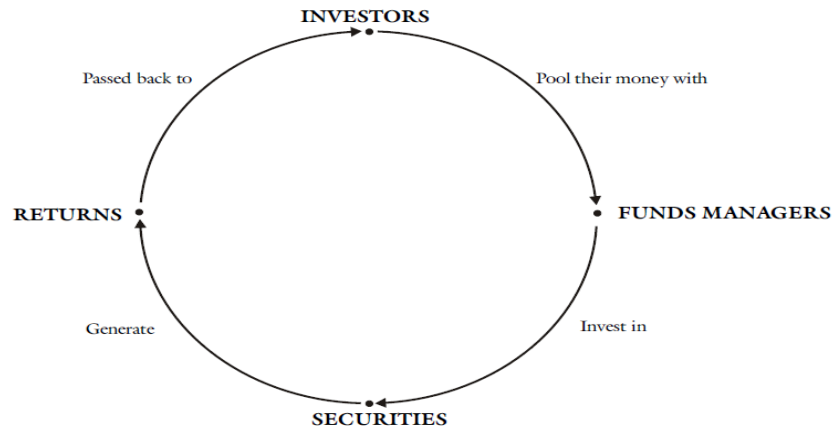


Fig: Mutual Fund operation flow chart

REVIEW OF LITERATURE

The investors want to have their money in safer hands and want to get regular profit (interest) from it. So, many of them invest their money in Mutual funds as Mutual Funds provide greater return at high risk (Madhusudan V. Jambodekar, 1996). Many of the investors are satisfied by the service provided by Mutual Fund Companies (Manju G., 2012). But, Mutual Fund Schemes are selected on the basis of past performance and the money outflow i.e; return on investment (Ippolito, 1992). Agents and AMC are the chief source of spreading knowledge about Mutual Funds (Syama Sunder, 1998). But, the investors first came to know about Mutual Funds from Newspapers and Magazines (Madhusudan V. Jambodekar, 1996). Time & Risk are the two attributes of investment. At present, people are investing in Mutual Funds (SIP's & LIP's) to get higher rate of return (Goal and Jain, 2010). But, while investing their money in Mutual Funds, the investor does not do the analysis and interpretation. Instead, they only gets attracted towards the future return and doesn't see the loop holes of the schemes (Robert J. Shiller, 1993). So, they

make common mistakes while investing their money in Mutual Funds. These are self deception, heuristic simplification and disposition effect. All these occur because of the greed of people, lack of knowledge, over confidence and limited attention towards the scheme (Hirshleifer, 2001). SEBI-NCAER did a survey in 2000 to check the preference of equity and other schemes. This survey revealed that about 60% of the people do not have the knowledge of share market. So, maximum people invest their money in Banks. Only High Class people invest their money in Mutual Funds. The study also says that the investment, in Mutual Funds, from House Hold will increase in coming 2 years. Many financial institutions and financial bodies were set up in India in past few years to handle the needs of investors and their return on investment (Ravi Shankar, 2002). The RBI and Government of India issued some guidelines for investment companies and for the investors. The investors have to make their investment according to those guidelines only and the companies have to work according to the guideline issued by RBI and Government of India (Bhole, 1997). Investors perception and expectations helps the Mutual Fund Market to grow at a large scale (Syriopoulos, 2002). Shanmgham (2000) research on individual investors to study the information source does investors depends, founded 3 factors economical, sociological and psychological that control investors decisions. Madhusudhan (1996) survey to find out what all factors to be undertaken that influence the behaviour of investors in mutual funds. The study result in open mind scheme were more preferred over the closed ended and growth scheme. Newspaper and advertisement are widely spread sources of information about mutual fund. Shivanighalot (1998) found that load fee and expense ratio is one of the major cause in mutual fund scheme for inefficient and inactive of investors hence companies must reduce it to make better investment scheme. Syama sunder (1998) conducted a survey resulting in lack of awareness in small cities, town and also prime factors are brand image and high return for

investment. Singh and chander (2004) found some causes for not investing in mutual fund like poor regulation and control, inefficient management and lack of performance. Desigan et al. (2006) concluded that women investors are not very much interested in mutual funds. Murthi (1997) proposed problem related with measuring performance as identifying the appropriate benchmark, not focusing on accounting for the transaction cost. In India, chander (2000) found the outperform while singh and single (2000) found the funds underperform their benchmark. Sujitsikidar&Amrit Pal Singh (1996) proposed a survey of north eastern region measuring the behavioural pattern of equity and mutual fund investment. The survey founded that mutual fund are preferred by salaried and self-employed individual due to the tax benefits. Syama sunder (1998) conducted a research with identifying the indepth view into the operation of private sector mutual fund with special reference to Kothari Pioneer. The survey found that in Visakhapatnam like small cities, the knowledge about mutual fund is not satisfactory, but somewho open ended mutual fund are more preferable than any other schemes and agents can help to create mutual fund culture, asset management companies brand is core to be considered to invest in mutual fund. Harsh Rungta (2000) concerned with ascertaining the brand competence of asset management companies. Shankar (1996) discussed the work & steer of consumer product distribution model which penetrate mutual fund culture in society asset management. Raja Rajan (1997) found that increasing popularity of mutual fund are underlined segment of investors of mutual fund. Markowitz (1952) & Tobin (1958) conducted a survey resulting in the 'risk' is the one of the important factor of variability of returns. Treynon (1965), Sharpe (1966) & Jenson (1968) compared professionally portfolio returns with some standard benchmark. Rahul Malik (1997) underlined that there is a need for awareness of mutual fund amongs the general public as liquidity is perceived as high & tax benefits & procedural understanding are low for investment

purpose. Investment in Mutual Funds is in great demand now days. Many research papers have been published on mutual funds. A study carried out by Shankar (1996) revealed that consumer distribution model helps in bringing Indian Investors to invest in Mutual funds on a large scale. Raghav (2001) conducted a study in South India and he found that people invest in Mutual Funds because Mutual Funds provide regular returns and saves taxes. According to Keli (2005); past performance and fund investment are the two main factors that help the investors to select the right scheme for them so that they can invest their valuable money in the best scheme. Women are the one who never invest in Mutual Funds. This is because of the lack of awareness about Mutual Funds, long procedures, complex structures etc. This was revealed by Desigan et al. (2006) in his study over women investors in India. Rathnamani (2002) conducted a survey in Kerala. He found that investors invest in Mutual Funds because of high return in future and it saves tax. Singh & Singh (2000) found out that investors invest in only those schemes which give high return and a regular return. They invest in these schemes through brokers. Warren Bailey Alok Kumar and David Ng (July2010) concluded that people with higher education, higher income level and greater investment experience has a hold on investing in mutual fund schemes to enjoy the higher returns with less risk factor. On the other hand, Jay Talat & Riddhi Sanghvi (2011) had a research specifically in Gujarat about the preference of investors in different kinds of securities, found that people prefer to invest in fixed deposits of nationalize banks or government securities focusing on to safeguard their money with less return and also investors generally prefer to check the past performance of the funds for investing their money rather than consulting with the financiers in the market as to cut down the cost to be paid in the form of consultancy charges. Ms. Pooja Chaturvedi Sharma & Dr. Anoop Pandey (March 2014) underlined the big part of investors behavior having a vague perception about mutual funds

investment plans are confused to invest in mutual funds or other type of securities, not able to make a attitude towards this particular form of investment due to the lack awareness about various functions of mutual funds. Gender, income, age, and level of education have also a significant affect influencing the investor's behavior towards mutual funds.

OBJECTIVE OF STUDY:

1. To find the factors that influence the behavior of mutual fund investors while investing in mutual funds including the factors that stops the investors to invest in mutual funds.
2. To identify the attributes that attracts the investors of mutual funds.
3. To find the motivational factors of investors to be considered by the mutual fund companies.
4. To study the impact of demographics like age, gender, marital status, occupation, income & educational qualification on the behavior of mutual fund investors.

HYPOTHESIS:

H01: There is no significant difference between the mean scores of various identified factors of MF investor's behavior for different age groups.

H02: There is no significant difference between the mean scores of various identified factors of MF investor's behavior for different occupation.

H03: There is no significant difference between the mean scores of various identified factors of MF investor's behavior for different education qualification.

H04: There is no significant difference between the mean scores of various identified factors of MF investor's behavior for different income groups.

H05: There is no significant difference between the mean scores of various identified factors of MF investor's behavior for gender.

H06: There is no significant difference between the mean scores of various identified factors of MF investor's behavior for marital status.

Sample and data collection

This is a descriptive research conducted in Delhi among the mutual fund investors to analysis their behavior towards investment in mutual funds. A structured questionnaire is used to get the input from 140 Respondents comprising of different demographic factors. Questionnaire is used to collect the Primary data. Secondary data is collected through Internet, magazines and mutual fund companies' online reports. For reliability, Cronbach's Alpha value was checked which came out to be 0.798.

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.798	35

Instrument Used

The scale is adapted from G. Sweta (2013). The original scale was modified as per the requirement of the subject. Five point likert scale is used (5= 'strongly agree' and 1= 'strongly disagree'). Factor Analysis, One-Way Anova Test and Independent T-Test are used for the

analysis of data. To check the reliability of the scale cronbach alpha test was conducted. The analyses was performed at 95% confidence level which is generally accepted level of confidence in social sciences research.

Data Analysis

Objective 1: To find the factors that influence the behavior of mutual fund investors while investing in mutual funds.

Factor analysis is an effective way to identify latent or essential factors from an array of outwardly important variables. In a more general way, factor analysis is a set of techniques, which analyze correlations between variables, reduces the number of statements into fewer factors, which explain much of the innovative data, more cost-effectively. (Nargundkar, 2005).

- A study of Kaiser-Meyer-Olkin's Measure of Sampling Adequacy (MSA) found enough correlation for all the variables with score of 0.931 indicated that the sample size is adequate for factor analysis.
- Barlett test of sphericity is used to test the overall significance of correlation matrices which is $.000 < 0.05$ and it also provided support for the validity of the factor analysis.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.931
Bartlett's Test of Sphericity	Approx. Chi-Square	2028.225
	Df	28
	Sig.	.000

Principal components analysis method was used to determine the underlying factor relationship between the variables. Total Variable Explained Table shows that there is only one factor having Eigen value more than 1 i.e. 7.294. Thus one factor is extracted which accounts for 91.175% of the total variance while 8.825% of information has been lost.

Table 3: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.294	91.175	91.175	7.294	91.175	91.175

Component Matrix Table is used to name the identified factor. The matrix shows only 1 component which means that all the statements are equally important for the investors therefore, the factor is named as **Investment through SIP**.

Table 4: Component Matrix

	Component
	1
Investment in Mutual Funds through SIP helps in regular savings.	.963
Investment in Mutual Funds helps to save tax.	.962
Mutual Fund investments are diversified.	.958
Mutual Funds provide higher return.	.955
Investment in Mutual Fund is more liquid than investment in Fixed Deposits.	.954
Investment in Mutual Funds through SIP reduces Risk/Uncertainty.	.954
Investments in Mutual Funds provide regular income.	.946
Investments in Mutual Funds provide more safety than other investment opportunities.	.945

Objective 1: To find the factors that stops the investors to invest in mutual funds.

Measure of Sampling Adequacy shows KMO value 0.921 and Bartlett's test of Sphercity significant value is .000 provided supports for the application of the factor analysis.

Table 5: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.921
Bartlett's Test of Sphericity	Approx. Chi-Square	1199.356
	Df	15
	Sig.	.000

Total Variable Explained Table depicts only 1 factor with Eigen value 5.345 exceeding to 1 which records for 89.090% of the cumulative variance with 10.91% of lost information.

Table 6: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.345	89.090	89.090	5.345	89.090	89.090

Table 7 Component Matrix Table is used for better decision. The matrix shows only 1 component which is highly considered by the investors ranging from .930 to .956 as load values.

The factor is named as **High management cost.**

Table 7: Component Matrix

	Component
	1
High management cost is involved in Mutual Funds.	.956
Comparing with stock market, Mutual Funds provide less return to investors.	.948
Lack of procedural clarity is also a factor of dissatisfaction.	.947
Mutual Funds involve 'High Risk' factor due to continuous fluctuation in the capital market.	.946
Switching off from Mutual Funds is due to lack of awareness.	.937
Investors in Mutual Funds have no control over portfolio.	.930

Objective 2: To identify the attributes that attracts the investors of mutual funds.

Measure of Sampling Adequacy shows KMO value is moderately correlated between the variables with score of 0.797 and Barlett Test of Sphericity sig. value is .000 which hold up the strength of the factor analysis.

Table 8: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.797
Bartlett's Test of Sphericity	Approx. Chi-Square	158.044
	Df	15
	Sig.	.000

Total Variable Explained Table finds two factors with Eigen values 2.484 and 1.027 which accounts for 58.518% of the cumulative variance while 41.482% of information has been lost.

Table 9: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.484	41.401	41.401	2.484	41.401	41.401	1.922	32.027	32.027
2	1.027	17.117	58.518	1.027	17.117	58.518	1.589	26.491	58.518

The Rotated Component Matrix Table explains the association between the statements. The matrix extracts 2 components which are well thought by the investors. **Company's Portfolio, Company's Return Policies** are the two identified factors.

Table 10: Rotated Component Matrix

	Component	
	1	2
Before investment, investor sees the past performance of the company.	.846	
The investors look towards the portfolio of the company being investing.	.763	
The investors look towards the stability return of his investment.	.699	
The investors consult the fund managers about the schemes during investment.		.714
Investors got attracted towards the Entry/Exit Loads (i.e.; fixed return after specific time period) of investment.		.691
The investor sees the past dividend method of the company.		.639

Objective 3: To find the motivational factors of investors to be considered by the mutual fund companies.

Measure of Sampling Adequacy originates moderate correlation for all the variables with score of 0.764 and Barlett Test of Sphericity sig. value .000 is sufficient for factor analysis.

Table 11: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.764
Bartlett's Test of Sphericity	Approx. Chi-Square	140.172
	Df	15
	Sig.	.000

Total Variable Explained Table signifies two factors which accounts for 56.052% of the variance of the relationship between variables while 43.948% of data has been lost with Eigen values 2.361 and 1.002.

Table 12: Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.361	39.345	39.345	2.361	39.345	39.345	1.807	30.111	30.111
2	1.002	16.708	56.052	1.002	16.708	56.052	1.556	25.941	56.052

The Rotated Component Matrix Table highlights 2 components showing the motivational spirit among the investors. **Training & Development Programs, Customer Care Services** are the two identified factors.

Table 13: Rotated Component Matrix

	Component	
	1	2
Mutual fund companies require training programs for their employees for future growth.	.848	
Mutual Fund companies need expert advice to modify their practices and policies.	.818	
Companies should provide strong grievance handling mechanism to boosts its investment.		.702
Companies need to provide current information about government regulations.		.677
Up-to-date information about government rules and regulations is essential for Mutual Fund Companies.		.570
Companies need strong regulation for monitoring its investors.		.495

Objective 4: To study the impact of demographics like age, gender, marital status, occupation, income & educational qualification on the behavior of mutual fund investors.

EFFECT OF AGE GROUPS ON VARIOUS VARIABLES OF BEHAVIOR OF INVESTORS TOWARDS MUTUAL FUNDS

H01: There is no significant difference between the mean scores of various identified factors of MF investor's behavior for different age groups.

Table 14: One Way ANOVA of Age on various factors

	Levene Statistic	Sig.	F	Sig.	Welch	Sig.
Investment through SIP	1.321	.275	1.023	.366	1.533	.229
High management cost	.338	.714	.413	.663	.370	.693
Company's portfolio	.341	.712	1.590	.208	1.533	.222
Company's return policy	.335	.716	1.463	.235	1.411	.250
T&D programs	.511	.601	.220	.002	.174	.041
Customer care services	1.065	.347	.600	.040	.601	.051

One Way ANOVA Table 14 shows that implies sig. value of F is significantly different for T & D Program (.002) and Customer Care Services (.040) with the different age groups. Hence our

hypothesis stands REJECTED for T & D Program and Customer Care Services. For further analysis Post hoc test was conducted. Tukey HSD was used for both the factors having significant differences.

Table 15: Descriptive Statistics of T&D

		N	Mean
T&D Programs	21-30 Years	60	3.7500
	31-40 Years	47	3.5447
	41 & above	33	3.0364
	Total	140	3.4437

Table 16: Post HOC table of T&D

Tukey HSD					
			Mean Difference (I-J)	Std. Error	Sig.
T & D Programs	21-30 Years	31-40 Years	.20530	.16418	.049
		41 & above	.71360	.18266	.031
	31-40 Years	21-30 Years	-.20530	.16418	.049
		41 & above	.50830	.19142	.838
	41 & above	21-30 Years	-.71360	.18266	.031
		31-40 Years	-.50830	.19142	.838

Post Hoc Analysis Table 16 shows that there is a significant difference between the respondent of the age group 21-30 years from respondents between 31-40 years (M=3.5447) and 41 years & above (M=3.0364) for T & D Programs. The respondents in the age group of 21-30 years (M=3.7500) wants the employees to undergo training and development programs so as to pass the updated information. Though this age group requires a strong interaction as compared with 31-40 years and 41 years & above.

Table 17: Descriptive Statistics of Customer Care Services

		N	Mean
Customer Care Services	21-30 Years	60	3.9417
	31-40 Years	47	3.6404
	41 & above	33	3.1748
	Total	140	3.5856

Table 18: Post Hoc table of Customer Care Services

Tukey HSD					
			Mean Difference (I-J)	Std. Error	Sig.
Customer Care Services	21-30 Years	31-40 Years	.30130	.12112	.048
		41 & above	.76690	.13476	.034
	31-40 Years	21-30 Years	-.30130	.12112	.048
		41 & above	.46560	.14121	.564
	41 & above	21-30 Years	-.76690	.13476	.034
		31-40 Years	-.46560	.14121	.564

Post Hoc Analysis Table 18 for Customer Care Services shows the significant difference between the investors of age group 21-30 years (M=3.9417) from 31-40 years (M=3.6404) and 41 & above (M=3.1748) as respondents of 21-30 years requires the detailed description about the portfolio backed by facts and figures as compared to other age group. Therefore, they are in need to satisfy their queries supported by after sales services.

EFFECT OF OCCUPATION ON VARIOUS VARIABLES OF BEHAVIOR OF INVESTORS TOWARDS MUTUAL FUNDS

H02: There is no significant difference between the mean scores of various identified factors of MF investor's behavior for different occupation.

Table 19: One Way ANOVA of Profession on various factors

	Levene Statistic	Sig.	F	Sig.	Welch	Sig.
Investment through SIP	2.594	.046	0.149	.963	0.216	.927
High management cost	2.949	.026	2.372	.060	2.933	.051
Company's portfolio	3.275	.013	0.787	.028	1.134	.019
Company's return policy	2.195	.073	0.227	.047	0.221	.048
T&D programs	1.053	.383	1.071	.373	1.786	.145
Customer care services	1.148	.337	1.743	.144	1.822	.138

One Way ANOVA Table 19 fetches 2 factors showing the sig. difference for Company's Portfolio (.019) and Company's Return Policies (.047) for the different occupation. Hence our hypothesis stands REJECTED for Company's Portfolio and Company's Return Policies. For further analysis Post hoc test was conducted. Games Howells was used for Company's Portfolio and Tukey HSD was used for Company's Return Policies.

Table 20: Descriptive Statistics of Company's Portfolio

		N	Mean
Company's Portfolio	Business	36	3.5515
	Service	37	3.3786
	Professional	12	3.9722
	Housewife	19	3.8649
	Student	36	3.6315
	Total	140	3.6797

Table 21: Post Hoc Test of Company's Portfolio

Games-Howell					
			Mean	Std.	Sig.
			Difference (I-J)	Error	
Company's portfolio	Business	Service	.08283	.17915	.990
		Professional	-.42070	.20485	.031
		Housewife	-.23343	.17068	.651
		Student	.00000	.19320	1.000
	Service	Business	-.08283	.17915	.990
		Professional	-.59360	.21342	.026
		Housewife	-.31626	.18088	.414
		Student	-.08283	.20227	.994

	Professional	Business	.42070	.20485	.031
		Service	.59360	.21342	.026
		Housewife	.10730	.20636	.049
		Student	.34070	.22534	.037
	Housewife	Business	.23343	.17068	.651
		Service	.31626	.18088	.414
		Professional	-.10730	.20636	.049
		Student	.23343	.19480	.752
	Student	Business	.00000	.19320	1.000
		Service	.08283	.20227	.994
		Professional	-.34070	.22534	.037
		Housewife	-.23343	.19480	.752

Post Hoc Analysis Table 21 highlights the significant difference between the professional with others type of occupation. The Professional (M=3.9722) seems to be more focused and concern about their money being invested so they want regular and up to date information related to their portfolio followed by the Housewife (M=3.8649), Students (M=3.6315), Business (M=3.5515), Services (M=3.3786).

Table 22: Descriptive Statistics of Company's return policy

		N	Mean
Company's return policy	Business	36	3.8574
	Service	37	3.7176
	Professional	12	3.8944
	Housewife	19	3.8044
	Student	36	3.7496
	Total	140	3.8047

Table 23: Post Hoc Test of Company's return policy

Tukey HSD					
			Mean Difference (I-J)	Std. Error	Sig.
Company's Return Policy	Business	Service	.08984	.17213	.985
		Professional	-.03700	.24509	.049
		Housewife	-.09698	.20850	.990
		Student	.02778	.17331	1.000
	Service	Business	-.08984	.17213	.985
		Professional	-.17680	.24426	.044
		Housewife	-.18682	.20752	.896
		Student	-.06206	.17213	.996

	Professional	Business	.03700	.24509	.049
		Service	.17680	.24426	.044
		Housewife	.09000	.27112	.048
		Student	.14480	.24509	.046
	Housewife	Business	.09698	.20850	.990
		Service	.18682	.20752	.896
		Professional	-.09000	.27112	.048
		Student	.12476	.20850	.975
	Student	Business	-.02778	.17331	1.000
		Service	.06206	.17213	.996
		Professional	-.14480	.24509	.046
		Housewife	-.12476	.20850	.975

Post Hoc Analysis Table 23 for Company's Return Policies shows mean difference between the Professional investors (M=3.8944) from Business (M=3.8574), Services (M=3.7176), Housewife (M=3.8044) and Student (M=3.7496). They want to know more about Company's Return Policies and they can relate their investment schemes more efficiently as their behavior reflects the autocratic decisions.

EFFECT OF EDUCATIONAL QUALIFICATION ON BEHAVIOR OF INVESTORS TOWARDS MUTUAL FUNDS

H03: There is no significant difference between the mean scores of various identified factors of MF investor's behavior for different education qualification.

Table 24: One Way ANOVA of Education on various factors

	Levene Statistic	Sig.	F	Sig.	Welch	Sig.
Investment through SIP	1.321	.276	0.519	.671	0.777	.517
High management cost	.362	.780	1.442	.023	1.007	.041
Company's portfolio	.723	.540	0.207	.892	0.229	.876
Company's return policy	.695	.557	0.114	.952	0.124	.946
T&D programs	2.510	.061	1.340	.264	2.224	.097
Customer care services	3.380	.020	1.797	.151	2.029	.122

One Way ANOVA Table 24 shows sig. difference in High Management Cost (.023) for the different Educational Qualification. Hence our hypothesis stands REJECTED for High Management Cost. For further analysis Post hoc test was conducted and Tukey HSD was used.

Table 25: Descriptives Statistics of High management Cost

		N	Mean
High management cost	10+2	6	3.1189
	Graduation	39	3.2256
	Post Graduation	24	3.6583
	Professional Qualification	10	3.8833
	Total	79	3.4715

Table 26: Post Hoc Test of High management Cost

Tukey HSD					
			Mean		
			Difference (I-	Std.	
			J)	Error	Sig.
High management cost	10+2	Graduation	.11325	.22286	.957
		Post Graduation	.18056	.23196	.864
		Professional Qualification	.76440	.26243	.024
	Graduation	10+2	-.11325	.22286	.957
		Post Graduation	.06731	.13184	.956
		Professional Qualification	.65770	.18013	.032
	Post Graduation	10+2	-.18056	.23196	.864
		Graduation	-.06731	.13184	.956
		Professional Qualification	.22500	.19128	.048
	Professional Qualification	10+2	.76440	.26243	.024
		Graduation	.65770	.18013	.032
		Post Graduation	.22500	.19128	.048

Post Hoc Analysis Table 26 shows that ‘High Management Cost’ is considered by the Professionals (Doctors, Lawyers) as they are Risk Averse. Therefore they prefer more of Bank Savings and Fixed Deposits rather than investing money in shares & bonds.

EFFECT OF INCOME ON BEHAVIOR OF INVESTORS TOWARDS MUTUAL FUNDS

H04: There is no significant difference between the mean scores of various identified factors of MF investor’s behavior for different income groups.

Table 27: One Way ANOVA of Income on various factors

Income	Levene Statistic	Sig.	F	Sig.	Welch	Sig.
Investment through SIP	3.293	.027	1.130	.044	0.591	.031
High management cost	3.452	.021	1.006	.395	.963	.422
Company's portfolio	2.750	.045	1.041	.377	0.800	.498
Company's return policy	1.002	.394	1.318	.271	1.297	.282
T&D programs	.163	.921	1.308	.274	1.360	.262
Customer care services	0.998	.396	.476	.699	.493	.688

One Way ANOVA Table 27 shows sig. difference between Investment through SIP (.031) for different income groups. Therefore; our NULL HYPOTHESIS stands rejected for Investment through SIP. For further analysis Post hoc test was conducted and Games Howells was used.

Table 28: Descriptive statistics of Investment through SIP

		N	Mean
Investment through SIP	Less than 3 Lakhs	13	3.2642
	3-5 Lakhs	15	3.5400
	6-9 Lakhs	15	3.6483
	10 Lakhs & above	18	3.6111
	Total	61	3.5159

Table 29: Post Hoc Test of Investment through SIP

Games-Howell					
			Mean	Std.	Sig.
			Difference (I-J)	Error	
Investment through SIP	Less than 3 Lakhs	3-5 Lakhs	.34423	.26854	.583
		6-9 Lakhs	-.38410	.18365	.030
		10 Lakhs & above	.03312	.17374	.997
	3-5 Lakhs	Less than 3 Lakhs	-.34423	.26854	.583
		6-9 Lakhs	-.10830	.25345	.037
		10 Lakhs & above	-.31111	.24636	.596
	6-9 Lakhs	Less than 3 Lakhs	.38410	.18365	.030
		3-5 Lakhs	.10830	.25345	.037

	10 Lakhs & above	.03720	.14937	.049
10 Lakhs & above	Less than 3 Lakhs	-.03312	.17374	.997
	3-5 Lakhs	.31111	.24636	.596
	6-9 Lakhs	-.03720	.14937	.049

Post Hoc Analysis Table 29 concludes that ‘Investment through SIP’ is the only a factor taken into consideration by the middle class income investors (taking the middle income from 3-9 lakhs per annum). Out of the 61 investors, 30 are middle income category investors. Mutual fund seems to be a mode of saving and high return for middle Income Investors. So these investors are attracted towards the SIP plans. Whereas the higher class income category investors prefer to invest more in securities like Debenture, Gold Reserves and Real Estates etc.

EFFECT OF GENDER ON BEHAVIOR OF INVESTORS TOWARDS MUTUAL FUNDS

H05: There is no significant difference between the mean scores of various identified factors of MF investor’s behavior for males and females.

Table 30: Independent Sample T-Test of Gender

	Levene's Test for Equality of Variances	T-test for Equality of Means
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		F	Sig.	T	df	Sig. (2-tailed)
Investing through SIP	Equal variances assumed	.032	.859	-.140	59	.889
	Equal variances not assumed			-.127	29.518	.900
High management cost	Equal variances assumed	.983	.325	.264	77	.792
	Equal variances not assumed			.271	76.414	.787
company's portfolio	Equal variances assumed	.057	.812	1.128	138	.261
	Equal variances not assumed			1.129	118.094	.261
Company's return policy	Equal variances assumed	.589	.444	1.591	138	.114
	Equal variances not assumed			1.558	109.441	.122
T&D programs	Equal variances assumed	.269	.605	1.531	138	.128
	Equal variances not assumed			1.525	116.620	.130

Customer care services	Equal variances assumed	3.974	.058	2.598	138	.210
	Equal variances not assumed			2.524	106.029	.053

Independent Sample T-Test table 30 reveals that there is no significant difference in mutual fund's investor behavior with respect to gender. Therefore, our NULL HYPOTHESIS stands accepted for Investing through SIP, High management cost, Company's portfolio, Company's return policy, T&D programs and Customer care services.

**EFFECT OF MARITAL STATUS ON BEHAVIOR OF INVESTORS TOWARDS
MUTUAL FUNDS**

H06: There is no significant difference between the mean scores of various identified factors of MF investor's behavior for married and unmarried.

Table 31: Independent Sample T-Test of Marital Status

Table 33: T- table

		Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	df	Sig. (2-tailed)
Investing through SIP	Equal variances assumed	3.287	.075	.838	59	.405
	Equal variances not assumed			.772	36.523	.445
High management cost	Equal variances assumed	1.197	.277	1.255	77	.213
	Equal variances not assumed			1.261	69.193	.212
company's portfolio	Equal variances assumed	4.111	.045	-.126	138	.900
	Equal variances not assumed			-.124	123.554	.901
Company's return policy	Equal variances assumed	.689	.408	.966	138	.335
	Equal variances not assumed			.970	135.632	.334
T&D programs	Equal variances assumed	2.510	.115	1.458	138	.147
	Equal variances not assumed			1.441	126.416	.152

	not assumed					
Customer care services	Equal variances assumed	.662	.417	1.580	138	.116
	Equal variances not assumed			1.575	132.048	.118

Independent Sample T-Test table 31 shows that there is no significant difference in mutual fund's investor behavior with respect to marital status. Therefore, our NULL HYPOTHESIS stands accepted for Investing through SIP, High management cost, Company's portfolio, Company's return policy, T&D programs and Customer care services.

FINDINGS AND DISCUSSIONS

Today a lots of investment opportunity are available to the investors in financial markets. Investors can invest in bonds, debentures, share market and portfolio etc. This research concludes that tax saving, regular income, higher return and more liquidity are the important elements of the factor Investment through SIP considered by the investors in Delhi as it helps the people to make their disposable income more efficient in terms of investment in securities to

earn a healthy return. Behavior of the mutual funds investors influenced by many factors and also demographic elements comprises of age, gender, income etc. affect their lifestyle and autonomous consumption power. The aim of investors is to earn high return and safeguard the interest of investing with less risk. The most important factors considered by the people of Delhi is Investment Through SIP which attracts the people and lack of awareness and high management cost are the factors that stop the people not to invest in mutual funds comparing with other type of securities like stock market, real estates, bonds and debentures etc. Therefore this paper provides a concept of behavior and perception influenced by many factors of the mutual funds investors that upgrade the knowledge of the investors of Delhi. Also this paper concludes that the middle class income people (3-9 lakhs) prefer mutual fund as a prior source of investment as by investing in mutual funds they are enable to earn marginal income through provided by diversified schemes and high rate of return. This research also finds out that the youth with age group of 21-30 years are keen interested in investing in mutual funds as starting their journey with a job or business it is the right time to invest in long term securities to get high return over the required period. In relation to youth interest, companies are required to have strong customer care services to motivate the investors and to sustain for long. The mutual fund companies can take advantage of our research for judging the behavior of investors of Delhi. The other researchers can have a glance over the behavior and perception pattern of the mutual funds investors by this paper in more reliable and authentic manner. As this paper has focused on quality work that is supported by facts and figures. According to the paper, they can make relevant changes in their mutual funds and in their organization so that they can attract the investors. Also the mutual funds co. can change their marketing strategies accordingly. Our study reveals that middle class income investors invest more in mutual funds as it provides them tax

free investment and they can make the easy and regular returns. This paper identified many factors that can bring the changes in the behavior of the investors resulting to which companies can grab the opportunity to make best out of it and also to have preventive measures to safeguard the company's objectives from outside available threats.

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