# A Study on Investors' Preference towards State Bank of India (SBI) Mutual Funds in Madurai District

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*Abstract* - **Many of the financial instruments, mutual fund is one of the most attractive financial investment instruments that plays a vital role in the economy of India. The primary goal behind investment in mutual fund is to earn goods return with comparatively low risk. The main objective of this study was to identify the investors' preference towards State Bank of India (SBI) mutual funds in Madurai district. Also, we identify the predominant factors which influence the individual investors preference and to analyse the impact of different demographic variables on the attitude of investors towards SBI mutual funds. The primary research data was collected from 110 respondents using questionnaire. From this study, we found that the better returns to investors is the prime and major benefits for making investment in SBI mutual funds followed by tax savings and safety. We observed majority of the respondents preferred to invest in open-ended schemes because there is no restriction on investor's entry, exit and holding period. Majority of the respondents in Madurai district have a high level of satisfaction with the SBI mutual funds due to adequate infrastructure, customer service, performance and stratification. We found that the investor's educational qualification plays a little role to determine their knowledge about the mutual funds. Finally, we conclude that the study will be useful for the SBI mutual fund company for providing better service and policy schemes. Furthermore, this study will certainly help the SBI to take steps in increasing the awareness of SBI mutual fund schemes to the investors.**

*Index Terms* - **SBI mutual funds, schemes, investor's preference, satisfaction, Madurai.**

## INTRODUCTION

Mutual funds are basically investment vehicles that comprise the capital of different investors who share a mutual financial goal. A fund manager manages the pool of money that is collected from various investors and invests the money into a variety of investment options such as company stocks, bonds, and shares (Tripathy, 2004; Shah Prashant, 2006). The primary goal behind investment in mutual fund is to earn goods return with comparatively low risk. Thus, a mutual fund is the most suitable investment for the common man and the mutual funds offer several benefits to the investors like diversification, professional management, tax benefits, transparency, liquidity, flexibility, choice of schemes and low cost etc (Gupta 2001; Chan et al., 2002). 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. 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 (Nair & Ramanathan, 2002; Tripathy, 2004; Chander & Singh 2004).

The mutual fund industry in India started in the year 1963, with the formation of the Unit Trust of India (UTI), at the initiative of the Government of India and Reserve Bank of India. Unit Trust of India (UTI) was established on 1963 by an Act of Parliament (Association of Mutual Funds in India (AMFI), 2017). It was set up by the Reserve Bank of India and functioned under the Regulatory and administrative control of the Reserve Bank of India. SBI Mutual Fund was the first non-UTI Mutual Fund established in June 1987 (AMFI, 2017). SBI Mutual Fund is a joint venture of State Bank of India (SBI) with AMUNDI (France), one amongst the top fund management firms

in the world. Headquartered in Mumbai, it is managed by SBI Funds Management Pvt. Ltd. which has a track record of over 30 years of in fund management (BankBazaar.com 2021). The trustee company to the SBI Mutual Fund is the SBI Mutual Fund Trustee Company Private Limited. Accordingly, SBI currently holds 63 % stake in SBIFMPL and the 37 % stake is held by AMUNDI Asset Management through a wholly owned subsidiary, Amundi India Holding. SBI and AMUNDI Asset Management shall jointly develop the company as an asset management company of international repute by adopting global best practices and maintaining international standards (SBI Annual Report, 2021).

The SBI fund house has 165 branches across India. It has 57,004 Association of Mutual Funds in India (AMFI) certified agents. SBI Mutual Fund has more than 222 points of acceptance in the country and their main aim is the delivery of value and to replenish the trust of the investors (BankBazaar.com 2021). With a mammoth customer base of more than 5.4 million investors, the SBI Mutual Fund is one of the largest mutual, most reliable and fastest growing funds in India (Swain and Sahoo, 2011). The company is also a leading enterprise in terms of offshore fund management since 1988. It was the first AMC to come up with 'SBI Resurgent Asian nation Opportunities Fund and also the first one to launch a 'Contra' fund, called the SBI Contra Fund. SBI Funds Management Private Limited (SBIFMPL), the Asset Management Company of SBI Mutual Fund, is amongst the fastest growing AMCs with a growth of over 35% against the industry average of 18.8% in FY2021 (SBI Annual Report, 2021). In the last three years, SBIFMPL has achieved a CAGR of 32.3% against the industry average of around 11.7%. It posted a PAT of ₹860.40 crore during FY2021 as against ₹603.45 crore earned during FY2020. SBI Mutual Fund offers 61 schemes across the categories-equity, debt, hybrid, solution-oriented and index funds. This helps meet the investment objectives of different types of investors (SBI Annual Report, 2021).

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. SBI Mutual funds have begun to play an increasingly important role in financial markets, as they gained tremendous popularity, since inception. There are several schemes of SBI Mutual funds available to the investors. The SBI mutual fund performance evaluation studies is extensive but highly controversial. The investors' preference towards SBI mutual funds have not been studied extensively especially in Madurai district. Therefore, the present study on investors' preference towards SBI mutual funds in Madurai district was made.

## REVIEW OF LITERATURE

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

Ippolito (1992) found that fund/scheme selection by investors is based on past performance of the funds and money flows into winning funds more rapidly than they flow out of losing funds.

Gupta (2001) conducted an all-India survey of household investors for the Society for Capital Market Research and Development. 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.

Badrivishal (2013) in their research paper titled "A study on mutual funds with due reference to SBI mutual funds". In this study, the demographic profile most of the investors are willing to invest only 6 % in their annual personal income, highest number of investors comes from the salaried class, majority of the investors comes under the age group of 25-35 and mostly investors prefer monitoring their investment on monthly basis.

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. In this study investors are willing to

take moderate and low-level risk; most of the investors belong to moderate investment style.

Jeevanandham and Ananth (2013) studied the investors' Preference for SBI Mutual Funds in Dindigul District. This study explains that many investors prefer to invest in mutual fund in order have high return at low level of risk, safety liquidity. Mutual fund companies have to bring some awareness program about the benefits of investing in mutual funds.

Gangaiah (2015) studied the performance evaluation of SBI mutual funds. This study explains the reason for launching of large number of mutual fund products is the distributed pattern of investment behaviour of Indian small investor and the purchase decision of a mutual fund is largely dependent upon investor's level of savings, investment pattern and the risk profile.

Ranjith Kumar (2017) carried out a study on investor's perception and their satisfaction towards mutual fund Investment with reference to SBI-mutual funds, Mysuru District. The study reveals that it is the time of the largest public sector bank namely, SBI-Mutual funds to improve the quality of services by the way of finding the need of customers and help them to choose a right mutual funds product according to their specific conditions. Also, periodically they must check their progress not only with a quantitative figure but also with certain qualitative attributes driven from the marketing information system.

Palla Vasavi et al (2019) in their research paper entitled "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.

Kinchit Shah (2020) in their research paper entitled "A study of consumer activities towards SBI Mutual Funds Company with reference to Nadiad City. This study explains the mutual funds are good source of returns for majority of households and it is particularly useful for the people who are at the age of retirement. However, average investors are still restricting their choices to conventional options like gold and fixed deposits this is because of lack of information about how mutual funds work, which makes many investors hesitant towards mutual fund investments. The SBI Company and government has to take some measures to encourage people to invest in mutual funds.

Jessey Priscilla and Rathika (2021) in their research paper entitled "A study on investors' satisfaction towards SBI mutual funds Egmore Chennai". From this study the authors inferred that most of the respondents are highly satisfied with the Open-Ended Schemes with is offered by SBI mutual funds. Also, the foremost important parameter considered in mutual funds is low risk factor.

## SCOPE, STATEMENT, OBJECTIVES AND HYPOTHESIS OF THE STUDY

### Scope of the Study

The scope of this study is to analyse investors' preference and reason for investing in SBI mutual funds. The results of this study would help investors to know how to invest in the various schemes of SBI mutual funds by identifying factors or criteria that determine their performance in the market place. The primary data is collected from the SBI investors and the data gives the individual investor's perception will give a valuable insight regarding their expectation and satisfaction about an ideal funds and schemes. This study tries to get the investors preference towards SBI mutual funds in Madurai district.

### Statement of the Problem

Mutual funds today are emerging as a very popular and safe financial market instrument for a large number of retail investors. A variety of schemes are available in SBI mutual fund investments to cater the needs and expectations of all type of investors. 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 towards SBI mutual funds in Madurai district. Also, this study helps the investors to select the best SBI mutual fund schemes to invest their money.

### Objectives of the study

1. To study on investors preference of SBI mutual funds.
2. To study the factors that influences the preference of SBI mutual funds.
3. To analyse the satisfaction level of the respondents with reference to SBI mutual funds.
4. To analyse the awareness of SBI 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 education of the investors and the level of awareness regarding the SBI mutual funds.

### Hypothesis – II
Null Hypothesis: There is no significant difference between the SBI open and close-ended mutual fund schemes with regard to preference level of investors.

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

### Hypothesis - IV
Null Hypothesis: There is no significant difference between the SBI mutual fund schemes and the level of satisfaction regarding the mutual funds.

## 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 towards SBI mutual funds in Madurai district. The following statistical tools like Percentage Method, t-Test and ANOVA were used for data analysis.

Table 1: Demographic Profile of the Respondents

### Data Collection
In this study both primary and secondary data were used.
Primary Data: Collected by interview schedule among the SBI investors in Madurai district only. The detailed discussion with the subject experts of mutual fund investment officials of various mutual funds company and in particular of SBI mutual fund officers in Madurai district were supported to frame the questionnaire.
Sample Size: 110
Sampling Technique: Convenient
Sample Method: Survey
Questionnaire: Structured

Secondary data: From various sources of other documents like Journals, books, magazines, and websites etc.
### Area of the Study
The present study is restricted to Madurai district only. Madurai district was chosen to study the investors' preference towards SBI mutual funds.

### Period of the Study
To analyse this study, the data have been collected during June to September 2021.

### Limitation of the Study
The study is restricted to only SBI mutual funds Company and the primary data has been collected only from the policy holders of SBI mutual fund investors. Result of the study has been generalized with the sample size of only 110.

## DATA ANALYSIS AND INTERPRETATION

Analysis of Demographic Profile of the Respondents: The data 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 110 respondents who have invested in SBI mutual funds in Madurai district.

| S. No. | Demographics | Profile of the Respondents | No. of Respondents | Percent |
|---|---|---|---|---|
| 1. | Gender | Male | 74 | 67 |
| | | Female | 36 | 33 |
| | | Total | 110 | 100 |
| 2. | Age | Below 30 | 16 | 15 |
| | | 30-40 | 24 | 22 |
| | | 40-50 | 38 | 35 |
| | | Above 50 | 32 | 29 |
| | | Total | 110 | 100 |
| 3. | Educational Qualification | School level | 12 | 11 |
| | | Graduate | 24 | 22 |
| | | Post graduate | 36 | 33 |
| | | Professional degree | 18 | 16 |
| | | Others | 20 | 18 |
| | | Total | 110 | 100 |
| 4. | Marital Status | Married | 79 | 72 |
| | | Unmarried | 31 | 28 |
| | | Total | 110 | 100 |
| 5. | Family Size | Up to 3 | 65 | 59 |
| | | 4-5 | 30 | 27 |
| | | Above 5 | 15 | 14 |
| | | Total | 110 | 100 |
| 6. | Employment Status | Agriculturist | 10 | 9 |
| | | Business | 20 | 18 |
| | | Professional | 15 | 14 |
| | | Retired | 23 | 21 |
| | | Employed | 37 | 34 |
| | | Home maker | 5 | 5 |
| | | Total | 110 | 100 |
| 7. | Source of Income | Salary | 46 | 42 |
| | | House property | 10 | 9 |
| | | Capital gains | 12 | 11 |
| | | Business/profession | 36 | 33 |
| | | Others | 6 | 5 |
| | | Total | 110 | 100 |
| 8. | Monthly Income | Below 50,000 | 29 | 26 |
| | | 50,001-1,00,000 | 53 | 48 |
| | | 1,00,001-3,00,000 | 21 | 19 |
| | | Above 3,00,000 | 7 | 6 |
| | | Total | 110 | 100 |
| 9. | Source of information | Brokers and sub brokers | 10 | 9 |
| | | Friends and relatives | 19 | 17 |
| | | Financial advisors and professional | 24 | 22 |
| | | Newspaper and magazines | 36 | 33 |
| | | Television | 21 | 19 |
| | | Total | 110 | 100 |

Table 1. Gender: Shows that 67 percent of the respondents are males and only 33 percent of the respondents are females. It is observed that, majority of the respondents are males. Age: This shows that 15 percent of the respondents fall in the age group of below 30 years, 22 percent of the respondents belong to the age group of 30-40 years, 35 percent of the respondent belongs to the age group of 40-50 years and 29 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 11 percent of the respondents are School level, 22 percent of the respondents are Graduates, 33 percent of the respondents are Post Graduates, 16 percent of the respondents are professionally qualified and 18 percent of the respondents are others. The majority of the respondents are Post Graduates.

Marital Status: Shows that 72 percent of the respondents are married and 28 percent of the respondents are unmarried. It is observed that, majority of the respondents are married.

Family Size: Shows that 59 percent of the respondents have the family size of up to 3 members, 27 percent of the respondents have the family size of up to 4 to 5 and 14 percent of the investors are having the family size above 5 members. The majority of our investor belongs to the family size up to 3 members.

Employment Status: Shows that 9 percent of the respondents are agriculturist, 18 percent of the respondents belong to the category of business, 14 percent of the respondents belong to the category of professionals, 21 percent of the respondents are retired, 34 percent of the respondents are employed and 5 percent of the respondents are home makers. It is observed that majority of the respondents belongs to the employed category.

Income Source: Shows that 42 percent of the respondent's source of income is salary, 9 percent of the respondent's source of income is from house property, 11 percent of the respondent's source of income is from capital gain, 33 percent of the respondent's source of income is from Business and Profession and 5 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 salary.

Monthly Income: Shows that the 26 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, 19 percent of the respondents earn a monthly income between 1,00,001 to 3,00,000 and 6 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 9 percent of the respondents are getting the information about mutual funds through brokers and sub-brokers 17 percent of the respondents are getting information about mutual funds through friends and relatives, 22 percent of the respondents getting information about mutual funds through financial advisors and professional, 33 percent of the respondents getting information about the mutual funds through newspaper and magazine and 19 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 SBI Mutual Funds:

Table 2. Investor's Preference towards SBI Mutual Funds

| S. No | Variable | Category | No. of Respondents | Percent |
|---|---|---|---|---|
| 1. | Type of Mutual Funds | Open-ended        Close-ended | 78 32 | 71 29 |
| | | Total | 110 | 100 |
| 2. | Type of Schemes | Equity Schemes Debt Schemes Balanced Schemes Tax Saving Schemes Money Market Schemes Exchange Traded Funds | 32 11 10 36 12 9 | 29 10 9 33 11 8 |
| | | Total | 110 | 100 |
| 3. | Period of Investment | Less than 1 year Between 1 to 2 years Between 2 to 3 years More than 3 years | 37 45 16 12 | 34 41 15 11 |
| | | Total | 110 | 100 |
| 4. | Reasons for Investing in SBI Mutual Funds | Rate of return Safety Tax benefit Liquidity Flexibility Brand name | 34 19 25 10 7 15 | 31 17 23 9 6 14 |
| | | Total | 110 | 100 |

Table 2. Type of Mutual Funds: Shows that 71 percent of the respondents invest in open-ended mutual funds, while 29 percent of the respondents invested in close-ended mutual funds. The majority of the respondents invested in open-ended SBI mutual funds.

Type of Schemes: Shows that 29 percent of the respondents prefer to invest equity schemes, 10 percent of the respondents prefer to invest in debt schemes, 9 percent of the respondents prefer to invest in balanced schemes, 33 percent of the respondents prefer to invest in tax saving schemes, 11 percent of the respondents prefer to invest in money market schemes and 8 percent of the respondents prefer to invest in exchange traded funds. The Majority of the respondents prefer to invest in Tax saving SBI mutual fund schemes.

Period of Investment: Shows that 34 percent of the respondents prefer to invest for a period less than 1 year, 41 percent of the respondents prefer to invest for a period between 1 to 2 years, 15 percent of the respondents prefer to invest for a period between 2 to 3 years and 11 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 SBI mutual funds.

Reasons for Investing: Shows that 31 percent of the respondents are invested in mutual funds to get rate of returns, 17 percent of the respondents are invested in mutual funds for safety, 23 percent of respondents are invested in mutual funds for the purpose of tax benefits, 9 percent of the respondents are invested in mutual funds for liquidity, 6 percent of the respondents are invested for the flexibility and 14 percent of the respondents invested in mutual funds for its brand name. The majority of the respondents prefer to invest in mutual funds for rate of returns and followed by tax benefits and safety.

Satisfaction of Respondents towards Mutual Funds:

Table 3. Investor's Satisfaction towards SBI Mutual Funds

| S. No. | Variable | Response | No. of Respondents | Percent |
|---|---|---|---|---|
| 1. | Investor's Satisfaction Relating to Mutual Funds Schemes | Highly satisfied | 18 | 16 |
| | | Satisfied | 66 | 60 |
| | | Neutral | 19 | 17 |
| | | Dissatisfied | 5 | 5 |
| | | Highly dissatisfied | 2 | 2 |
| | | Total | 110 | 100 |
| 2. | Investor's Satisfaction Relating to Mutual Funds Service Providers | Highly satisfied | 25 | 23 |
| | | Satisfied | 49 | 45 |
| | | Neutral | 20 | 18 |
| | | Dissatisfied | 9 | 8 |
| | | Highly dissatisfied | 7 | 6 |
| | | Total | 110 | 100 |
| 3. | Investor's Satisfaction Relating to Mutual Funds Regulatory Framework | Yes | 84 | 76 |
| | | No | 26 | 24 |
| | | Total | 110 | 100 |

Investor's Satisfaction Relating to SBI Mutual Funds Schemes
Table 3. Shows that 16 percent of the respondents are highly satisfied with mutual fund schemes, 60 percent of the respondents are satisfied with tax saving mutual fund schemes, 17 percent of the respondents are neutral with mutual fund schemes, 5 percent of the respondents are dissatisfied with mutual fund schemes and 2 percent of the respondents are highly dissatisfied with SBI mutual fund schemes.

Investor's Satisfaction Relating to SBI Mutual Funds Service Providers
Table 3. Shows that 23 percent of the respondents are highly satisfied with mutual funds service, 45 percent of the respondents are satisfied with mutual funds service, 18 percent of the respondents are neutral with mutual funds service, 8 percent of the respondents are dissatisfied with mutual funds service and 6 percent of the respondents are highly dissatisfied with SBI mutual funds service providers.

Investor's Satisfaction Relating to SBI Mutual Funds Regulatory Framework
Table 3. Shows that 72 percent of the respondents are aware of mutual funds and its regulatory framework in India and 28 percent of the respondents are not aware of SBI mutual funds and its regulatory framework in India.

Testing of Hypothesis
Hypothesis – I

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

Table 4. T-Test Analysis to Determine the Difference between the Education of the Investors and the Level of Awareness Regarding the SBI Mutual Funds.

| Educational Qualification | Awareness Regarding the Mutual Funds | | Total |
|---|---|---|---|
| | Yes | No | |
| School level | 9 | 8 | 17 |
| Graduate | 18 | 6 | 24 |
| Post graduate | 24 | 5 | 29 |
| Diploma | 8 | 4 | 12 |
| Professional degree | 15 | 3 | 18 |
| Others | 5 | 5 | 10 |
| Total | 79 (72%) | 31 (28%) | 110 |

t-Test for Paired Comparison

| Awareness Regarding the Mutual Funds | Mean | Standard Deviation | t-Value | P-Value |
|---|---|---|---|---|
| Yes | 13.2 | 7.1 | 2.015 | 0.024* |
| No | 5.2 | 1.7 | | |

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 SBI 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 SBI mutual funds.

Table 4. Shows that 72 percent of the respondents are aware of the SBI mutual funds and schemes and 28 percent of the respondents are unaware of the SBI mutual funds and schemes. It can be clearly seen that their qualification plays a little role to determine their knowledge about SBI mutual funds. Therefore, it is inferred that there is a correlation between educational qualification and the level of awareness regarding the SBI mutual funds.

Hypothesis - II
Null Hypothesis: There is no significant difference between the SBI open and close-ended mutual fund schemes with regard to preference level of investors.

Table 5. T-Test Analysis to Determine the Difference between SBI Open and Close-ended Mutual Fund Schemes with Regard to Preference Level of Investors.

| Investors Preference of Mutual Fund Schemes | No. of Respondents | Percentage (%) |
|---|---|---|
| Open-ended: | | |
| SBI Contra Fund | 19 | 17 |
| SBI Magnum Mid Cap Fund | 29 | 26 |
| SBI Technology Opportunities Fund | 14 | 13 |
| SBI Small Cap Fund | 9 | 8 |
| SBI Magnum COMMA Fund | 7 | 6 |
| Total | 78 | 71 |
| Close-ended: | | |
| SBI Tax Advantage Fund | 13 | 12 |
| SBI Equity Opportunities Fund | 7 | 6 |
| SBI LT Advantage Fund-III | 6 | 5 |
| SBI LT Advantage Fund-IV | 3 | 3 |
| SBI DAF Fund | 3 | 3 |
| Total | 32 | 29 |

t-Test for Unpaired Comparison

| Type of Mutual Funds | Mean | Standard Deviation | t-Value | P-Value |
|---|---|---|---|---|
| Open-ended | 15.6 | 8.8 | 1.860 | 0.034* |
| Close-ended | 6.4 | 4.1 | | |

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 open and close-ended mutual fund schemes with regard to preference level of investors. Table 5. Shows that 71 percent of the respondents preferred the investment made in open-ended mutual funds and 29 percent of the respondents preferred by the investment made in close-ended mutual funds. Therefore, the majority of the respondents preferred the investment made in open-ended mutual funds because there is no restriction on investor's ENTRY and EXIT, the purchase and sale of its UNIT is done at the NAV of the mutual fund and the company can issue as many new units of mutual fund (UNIT) as it wants, there is no restriction on the number of units.

Hypothesis - III
Null Hypothesis ($H_0$): There is no significant difference between the factors and the level of satisfaction regarding the SBI mutual funds.

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

| Investors Satisfaction Factors | Highly Satisfied Rank 5 | Satisfied Rank 4 | Neutral Rank 3 | Dissatisfied Rank 2 | Highly Dissatisfied Rank 1 | Total |
|---|---|---|---|---|---|---|
| Rate of return | 5 | 23 | 6 | 0 | 0 | 34 |
| Safety | 4 | 9 | 5 | 1 | 0 | 19 |
| Tax benefit | 4 | 11 | 7 | 2 | 1 | 25 |
| Liquidity | 3 | 4 | 1 | 1 | 1 | 10 |
| Flexibility | 1 | 2 | 2 | 1 | 1 | 7 |
| Brand name | 5 | 8 | 2 | 0 | 0 | 15 |
| Total | 22 (20%) | 57 (52%) | 23 (21%) | 5 (5%) | 3 (3%) | 110 |

ANOVA Table

| Factor | Sum of Squares | DF | Mean Square | F | $P$-Value |
|---|---|---|---|---|---|
| Between Groups | 312.7 | 4 | 78.2 | 6.107 | 0.014* |
| Within Groups | 320.0 | 25 | 12.8 | | |
| Total | 632.7 | 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 SBI mutual funds. Table 6. Shows that 20 percent of the respondents are highly satisfied with mutual fund factors, 52 percent of the respondents are satisfied with mutual fund factors, 21 percent of the respondents are neutral with mutual fund factors, 5 percent of the respondents are dissatisfied with mutual fund factors and 3 percent of the respondents are highly dissatisfied with mutual fund factors. Therefore, the majority of the respondents are satisfied with SBI mutual fund factors.

Hypothesis - IV

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

Table 7. ANOVA Analysis to Determine the Difference between the Schemes and the Level of Satisfaction Regarding the SBI Mutual Funds.

| Investors Satisfaction Schemes | Highly Satisfied Rank 5 | Satisfied Rank 4 | Neutral Rank 3 | Dissatisfied Rank 2 | Highly Dissatisfied Rank 1 | Total |
|---|---|---|---|---|---|---|
| Equity | 5 | 16 | 8 | 2 | 1 | 32 |
| Debt | 2 | 6 | 2 | 1 | 0 | 11 |
| Balanced | 1 | 7 | 1 | 1 | 0 | 10 |
| Tax Saving | 6 | 24 | 6 | 0 | 0 | 36 |
| Money Market | 2 | 7 | 1 | 1 | 1 | 12 |
| Exchange Traded | 2 | 6 | 1 | 0 | 0 | 9 |
| Total | 18 (16%) | 66 (60%) | 19 (17%) | 5 (5%) | 2 (2%) | 110 |

ANOVA Table

| Factor | Sum of Squares | DF | Mean Square | F | $P$-Value |
|---|---|---|---|---|---|
| Between Groups | 441.7 | 4 | 110.4 | 7.955 | 0.028* |
| Within Groups | 347.0 | 25 | 13.9 | | |
| Total | 788.7 | 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 schemes and the level of satisfaction regarding the SBI mutual funds. Table 7. Shows that 16 percent of the respondents are highly satisfied with mutual fund schemes, 60 percent of the respondents are satisfied with mutual fund schemes, 17 percent of the respondents are neutral with mutual fund schemes, 5 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 SBI mutual fund schemes.

FINDINGS, SUGGESTIONS AND CONCLUSION OF THE STUDY

FINDINGS

- It is found from the analysis that 67 percent of our respondents are belonging to male category.
- It is noted from the analysis that the maximum 35 percent of the respondents are belongs to the age group of 40-50 years.
- It is observed from the analysis that 33 percent of the respondents are post graduates.
- It is noted from the analysis that 72 percent of the respondent are married.
- It is revealed from the analysis that 59 percent of the respondents have their family size up to 3 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 42 percent of the respondent's source of income is salary.
- 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 33 percent of the respondents are getting the information about SBI mutual funds through newspaper and magazines.
- It is revealed from the analysis that maximum 71 percent of the respondents have invested in open-ended SBI mutual fund schemes.
- It is evident from the analysis that the maximum 26 percent of the respondents prefer to invest in SBI Magnum Mid Cap Fund (open-ended) and 12 percent of the respondents prefer to invest in SBI Tax Advantage Fund (close-ended)
- It is revealed from the analysis that maximum 33 percent of the respondents prefer to invest in SBI tax saving schemes.
- It is observed from the analysis that maximum 41 percent of the respondent's period of investment is between 1 to 2 years.
- It is noted from the analysis that 31 percent of the respondents have invested in SBI mutual funds for the purpose of rate of return and followed by tax savings and safety
- It is inferred from the analysis that maximum 60 percent of the respondents are satisfied with tax saving SBI mutual fund schemes.
- It is inferred from the analysis that maximum 45 percent of the respondents are satisfied with SBI mutual fund services.
- It is revealed from the analysis that maximum 72 percent of the respondents are aware of the SBI mutual fund schemes.

SUGGESTIONS

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

1. The SBI mutual fund company 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.
2. The SBI mutual fund company must ensure adequate interpretation of the various schemes, being well-organized and by providing quick services to its investors to enhance the satisfaction level.
3. SBI Mutual fund industry should conduct investor awareness program frequently and concentrate on good investor relationship management.
4. SBI mutual fund should create trust worthiness about their scheme among investors and conduct financial literacy to the public.
5. The SBI mutual fund should create more awareness about various new schemes
6. Government should stress the SBI mutual fund industry to conduct investor guidance workshops about available avenues for investment.
7. To overcome the problem faced by the investors, adequate policy reforms in SBI mutual funds sector is needed.
8. Before entering into the mutual funds, the investors should have a complete knowledge about the SBI mutual funds.
9. Finally, the SBI mutual fund company 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. This is due to the lack of awareness about SBI 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 SBI mutual funds.

CONCLUSION

The SBI mutual funds industry plays a major part in the financial system of India. It has emerged as a main vehicle of investment and important source of return for small investors on their investments. 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 better returns to investors is the prime and major benefits for making investment in SBI mutual funds followed by tax savings and safety. We observed majority of the respondents preferred to invest in open-ended schemes owing to delivers value, retains the trust of the investors and minimizing risk associated with a capital market investment. Majority of the respondents in Madurai district have a high level of satisfaction with the SBI mutual funds due to adequate infrastructure, customer service, performance and stratification. We found that the investor's educational qualification plays a little role to determine their knowledge about the mutual funds.

This study will be useful for the SBI mutual fund company for providing better service and policy schemes. The new economic policy provides a new dimension to private players to identify the customer need and satisfy the rational investors within the short period. It is the time of the largest public sector bank namely, SBI mutual funds to improve the quality of services by the way of finding the need of customers and help them to choose a right mutual fund product according to their specific conditions. Finally, we conclude that SBI periodically check their progress not only with a quantitative figure but also with certain qualitative attributes driven from the marketing information system. Furthermore, this study will certainly help the SBI Company to take steps in increasing the awareness of SBI mutual fund schemes to the investors.

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