



# “A study of Mutual Fund Investors Satisfaction Towards SIP”

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## Abstract

Mutual fund is a good investment option for the investment. It is serving the investors since 1964 in the financial market of the country. There are many companies offering mutual funds products, under the aegis of mutual fund company and regulated by many laws. SIP is an extension of service for mutual fund investors, for getting more investment by satisfying needs of investors. In this study mutual fund investors satisfaction scaling is done to know effectiveness of SIP. Primary data is conducted during last two months of calendar year 2021. Appropriate statistical tools are adopted and analysis is done to draw out conclusion.

Key Words- Mutual Fund, investor satisfaction, SIP, t Test, two most populated cities of Chhattisgarh

## 1. Introduction

Mutual fund is one of the most popular means of the investment in India. At present there are 45 mutual fund products offering companies exist in the country having 3669597.84 Lakh INR assets to manage. These companies are known as Asset Management Companies. Mutual fund is a common fund of all investors, manage and run by their appointed expert people in indirect way to meet predetermine objectives, in form of trust. Mutual fund offers its investors, professional management, affordable portfolio diversification, economies of scale, Liquidity, tax benefits, convenient options, investment comfort etc., besides regulatory benefits.

Systematic investment plan (SIP) is an extension of “investment comfort” in which investors pay a target amount in various pre-defined time bound installments. Availability of money for investment, protection from fluctuation of NAV are the key benefits of investment by SIP.

Stakeholders of mutual fund always needs to know mutual fund investors perception towards various dimensions of the products of mutual fund. Liking of SIP among mutual fund investors can be studied and result can be generalized.

## 2. Review of Literature

Anich Uddin (2016) studied that SIP emerged as an alternative investment plan for a large number of investors who are interested in high returns with less risk and investments in installments not in lumpsum. Singhal,S. & Goel,M.(July, 2011) The result said that SIP Plans has done better than that of lumpsum investment. Shelly Singhal (2011) studied that SIP is among the most successful financial novelties grown in emerging economies. Juwairiya,P.P. (2014) said SIP is the best option planned for small investors who wish to invest small amounts monthly to get good returns over a long period of time. Joseph,G., Telma,M.& Romeo,A. ( 2015) observed that SIP will reduce risk when the market is volatile and SIP works more advantageously on bearish market.

## 3. Research Gap

There are several studies for awareness of mutual fund SIP, SIP investors grouping, return from SIP versus lumpsum investment, relationship of annual income and its association with amount of SIP investment, occupation of SIP investors. I could not find mutual fund investors view for satisfaction of SIP in cardinal way.

## 4. Objectives of the study

To know mutual fund investors liking of SIP.

## 5. Research Methodology

### 5.1. Universe and sample of the study

Universe of the study is taken as Chhattisgarh state. Top two populated cities are taken for sampling. Sample size is kept between 25-30 from each city (area for sampling).

### 5.2. Research Method

Cardinal scaling method is adopted to scale. Mutual fund investors are requested to express their opinion regarding benefits of SIP. Following benefits of SIP is scaled

- a) Time based installment payment
- b) Benefits of average return on investment
- c) No penalty on payment default
- d) Helpful to teach “stay invested during downsizing of market”
- e) Benefits of regular small amount investment.

Each benefit is scaled in cardinal way. Every Investor is asked to scale each uses out of 10. Only overall results are also converted in 10 and outcome are classified as

- Up to 6 - Average satisfaction
- Up to 8 - “OK” satisfaction
- Above 8 - “Very Much Satisfaction

### 5.3. Hypotheses and hypotheses testing

The hypothesis is set as “Investors are very much satisfied with SIP”.

It being sampling, there is need to statistically check that outcome of the study shall support opinion of investors between the cities. So, to test homogeneity; “t” test is done and hypothesis is made as there is no deviation of result between the cities.

#### 5.4. Statistical outcome of the study

| Cities      | Sample Size | Mean | Standard Deviation | Standard Error of mean |
|-------------|-------------|------|--------------------|------------------------|
| Raipur      | 27          | 8.07 | 0.96               | 0.18                   |
| Bhilai-Durg | 26          | 8.03 | 0.78               | 0.15                   |
| Both Cities | 53          | 8.05 |                    |                        |

Degree of freedom= 52

S (Universe Standard Deviation) =.89

t ("Student") calculation from outcome of study=0.051Standard "t" value at 5% significance level= 1.675

#### 6. Outcome of the study

- 6.1. Hypothesis "Investors are very much satisfied with SIP" is proved from the border line. The standard error of mean reflects that mean plus/minus SE value. So, it can be swing in the range accordingly.
- 6.2. "t" test confirms the homogeneity of sampling as Calculated value>Standard valueSo, it can be said that SIP is successful for its launching.

#### 7. Suggestions

- 7.1. More contents need to add for scaling satisfaction SIPs
- 7.2. Sampling areas can be change.
- 7.3. Different statistical tools can be used.

#### References

##### Website of

- Association of Mutual Funds in India
- Confederation of Indian Industry
- Government of Chhattisgarh
- Security and Exchange Board of India

Workbook for NISM-Series-V-A: Mutual Fund Distributors Certification Examination