

“A STUDY ON INVESTOR’S SATISFACTION WITH MUTUAL FUND INVESTMENT SERVICES PROVIDED BY SBI, ERODE DISTRICT” TAMILNADU.

By

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Abstract

- ❖ A mutual fund is a deposit from its account holders by the bank on their behalf. When you would like to invest in an equity fund, you could not invest directly in the share market. Accordingly, Equity Funds offers you another method of investing in shares instead of directly buying and selling them from the share market. It is the Fund Manager who decides the shares to buy and sell them. There is no commonly accepted or legal definition for Mutual fund. It is a loose term which embraces a wide variety of Investment companies. Broadly speaking, a mutual fund is an Investment company that invests generally in stock market. In fact, since 1993 Indian individual investors have got their first taste of stock market only through mutual Funds.

Key Words: Stock Market, Mutual Fund, Less Risk, Customer`s Satisfaction.

INTRODUCTION

A mutual fund is a scheme in which several people invest their money for a common financial cause. Mutual Fund is the safest to invest the money in share market as it carries less risk and has promising returns. The advantages of mutual fund are **professional management**,

diversification, simplicity and liquidity. The disadvantages of mutual fund are high costs, over-diversification, tax consequences and the inability of management to guarantee a higher return. SBI mutual funding is considered to be most reliable mutual funds than others in India.

OBJECTIVES OF THE STUDY:

- To know the performance of mutual fund
- To know kinds of mutual fund in SBI
- To know the customer satisfaction on mutual fund investment and ROI
- To know the services and support of SBI to the customer's on mutual fund
- To analyse the awareness of SBI mutual funds among the respondents

SCOPE OF THE STUDY:

The scope of this study is to analyses investors' preference and satisfaction 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. This study focuses on individual investor's perception and ideal funds and become investment savings.

RESEARCH METHODOLOGY

Research methodology is a systematic way to solve a problem. To define any research problem & giving a suitable solution for any research, a sound research plan is adopted. The purpose of the study is to design the research procedure. This includes the overall design, the sampling procedure, the collection method and analysis and interpretation procedure.

TYPES OF DATA

For this study both primary and secondary data.

SAMPLE SIZE

Sample size refers to the number of respondents a researcher has selected for the survey and the total number of respondents selected for this study is 100 out of 1000+ respondents.

SAMPLING TECHNIQUE

Probability Sampling:

Probability sampling is that sampling procedure in which elements in the population have a known chance of being chosen as subjects in the sample. Sampling procedure used in the study is disproportionate stratified random sampling. The methodology used in this project is a probability sampling.

Simple Random Sampling:

Simple random sampling is a randomly selected sample from a larger sample or population, giving all the individuals in the sample an equal chance to be chosen. In a simple random sampling, individuals are chosen at random and not more than once to prevent a bias that would negatively affect the validity of the result of the experiment. Simple random sampling is the most widely used probability sampling method, probably because it is easy to implement. An important benefit of simple random sampling is that it allows researchers to use statistical methods to analyze sample results.

SAMPLING TOOLS

The statistical tool used in this method include

- ✓ Simple percentage method
- ✓ Chi-square test
- ✓ One way ANOVA

A) SIMPLE PERCENTAGE METHOD:

In this method, based on the opinion of the respondents, percentage is calculated for the respective scales of each factor.

Formula:

$$\text{Simple average method} = \frac{\text{Actual respondent}}{\text{Total respondents}} * 100$$

B) CHI-SQUARE TEST:

Formula:

$$\chi^2 = \sum (O_i - E_i)^2 / E_i$$

Where as

- ❖ Null Hypothesis (H_0): There is no difference in attributes
- ❖ Alternate Hypothesis (H_1): There is a difference in attributes
- ❖ Level of significance $\alpha = 0.05$
- ❖ Degrees of freedom = $(r-1)(c-1)$
- ❖ Expected frequency = $R.T \times C.T / G$. T:

ONE WAY ANOVA ANALYSIS:

Calculating F:

$$F = \frac{\text{Variance between the categories}}{\text{Variance within the categories}}$$

The one-way analysis of variance (ANOVA) is used to determine whether there are any significant differences between the means of three or more independent groups, also called treatments. ANOVA compares the means between the groups and determines whether any of the means are significantly different from each other.

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TABLE NO: 1**TABLE SHOWS THE EDUCATION QUALIFICATION OF THE RESPONDENTS**

Education qualification	No.of respondents	Percentage
Higher Secondary	20	20
Under Graduate	35	35
Post Graduate	32	32
DIPLOMA HOLDERS	9	9
OTHER	4	4
Total	100	100

*Source:Primary Data***INTERPRETATION**

It is observed from the above table that 35 percent of the respondents are under graduate, 32 percent of the them are post graduates , 20 percent of the them Higher Secondary 9 percent of the them are diploma holders and 4 percent of the respondents are in others.

TABLE NO: 2**TABLE SHOWS THE INVESTMENT PREFERENCES OF THE RESPONDENTS**

Preferences to investment	No.of respondents	Percentage
Equity	31	31
Debt	28	28
Hybrid	22	22
Solution oriented	13	13
Index (fund of funds)	6	6
Total	100	100

*Source:Primary Data***INTERPRETATION**

It is observed from the above table that 31 percent of respondents are equity, 28 percentage of the them debt, 22 percentage of the them hybrid, 13 percentage of them solution oriented and 6 percent of the index. Hence the majority i.e.31 percent of the respondents are equity.

TABLE NO: 3

TABLE SHOWS THE REASONS FOR MUTUAL FUND INVESTMENT BY THE RESPONDENTS

Particular	No.of respondents	Percentage
Safety and security	34	34
High return	26	26
Liquidity	24	24
Tax benefit	14	14
Other	2	2
Total	100	100

Source:Primary Data

INTERPRETATION

It is observed from the above table that 34 percent of respondents are safety and security, 26 percentage of the them high return, 24 percentage of them liquidity, 14 percentage of them tax benefit and 2 percent of the them others. Hence the majority i.e 34 percent of the respondents are safety and security.

TABLE NO: 4

**TABLE SHOWS AMOUNT INVESTED PER ANNUM BY THE RESPONDENTS IN
MUTUAL FUND**

[Rupees per annum]

Particular	No.of respondents	Percentage
Below Rs. 50000	49	49
Rs.50000 to 100000	29	29
Rs. 100000 to 300000	20	20
Other above Rs. 300000	2	2
Total	100	100

Source:Primary Data

INTERPRETATION

It is observed from the above table that 49 percent of respondents are below Rs. 50000 per annum, 29 percentage of the them between Rs.50000 and Rs. 100000 per annum 20 percentage of them from Rs.100000 to Rs.300000 per annum and 2 percentage of the them others . Hence the majority i.e 49 percent of the respondents are below 50000.

TABLE NO: 5**TABLE SHOWS THE MFI SECTOR PREFERENCE BY THE RESPONDENTS**

Particular	No.of respondents	Percentage
Oil and petroleum	16	16
Gold fund	24	24
Diversified equity fund	11	11
Power sector	20	20
Debt fund	9	9
Banking fund	14	14
Real estate fund	6	6
Total	100	100

*Source:Primary Data***INTERPRETATION**

It is observed from the above table that there were 24 percent of respondents are gold fund, 20 percentage of the them power sector, 16 percentage of them oil and petroleum, 14 percentage of the them banking fund, 11 percent of them diversified equity fund , 9 percentage of them debt fund and 6 percentage of them real estate fund. Hance the majority ie; 24 percent of the respondents and gold fund.

CHI-SQUARE TESTS FOR MFI SECTOR PREFERENCE AND CUSTOMERS SATISFACTION.

Null hypothesis (H1): There is no significance difference between mutual fund sector and SBI mutual fund satisfied

Alternate hypothesis (Ha1): There is significance difference between mutual fund sector and SBI mutual fund satisfied.

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Mutual fund sector * SBI mutual fund satisfied	100	100.0%	0	0.0%	100	100.0%

Mutual fund Sector * SBI mutual fund satisfied Crosstabulation							
Count							
		SBI mutual fund satisfied					Total
		Considerably satisfied	Highly satisfied	highly Unsatisfied	Reasonably satisfied	Unsatisfied	
Mutual fund sector	Banking fund	3	6	1	3	1	14
	Debt fund	2	1	1	5	0	9
	Diversified equity fund	6	2	0	3	0	11
	Gold fund	4	7	1	10	2	24
	Oil and petroleum	4	1	1	9	1	16

	Power sector	3	4	1	10	2	20
	Real estate fund	2	2	0	1	1	6
Total		24	23	5	41	7	100

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
PeaRson Chi-Square	20.250 ^a	24	.682
Likelihood Ratio	21.874	24	.587
N of Valid Cases	100		
a. 29 cells (82.9%) have expected count less than 5. The minimum expected count is .30.			

Symmetric Measures			
		Value	Approximate Significance
Nominal by Nominal	Phi	.450	.682
	Cramer's V	.225	.682
N of Valid Cases		100	

Inference:

Since P value is lesser than 0.05 reject null hypothesis. Hence it is considered that there is no significance difference between mutual fund sector and SBI mutual fund satisfied