



## **A STUDY ON CUSTOMER PREFERENCE TOWARDS ADITYA BIRLA MUTUAL FUNDS**

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### **Abstract**

*The study has been at Aditya Birla Sun Life Mutual Funds, Bangalore entitled with "Customer preference towards Aditya Birla mutual funds". The main objective of this study is to analyse the preference of ABSLMF amongst the customers.*

*In the current economy situation interest rates are falling and share market are fluctuating which has put the investor in confusion. The study mainly focuses on the preference of the customer towards Aditya Birla mutual funds and it is measured with the help of questionnaires and surveys etc, and also the perception of individual respondents investing in mutual funds.*

*The study was conducted for 6 week period. Main focus was given to the preference of ABSLMF amongst the customers the study also focuses on to understand the risk and return of selected Mutual Funds a sample of 40 respondents have been taken to understand the perception.*

*The data collected was mainly from the questionnaires and surveys. It was found from the study that majority of the investor are from income ranging between 50000-100000 majority of the investors invested in ABSLMF are for brand image and capital appreciation.*

**Key Words:** *Customer Satisfaction, mutual funds, investors, risk and return, SEBI, Etc.*

### **Introduction of Mutual Funds**

Mutual funds in India is firstly introduced in 1963, when the government of India introduced Unit Trust Of India(UTI), till 1987, UTI enjoyed monopoly in the Indian mutual funds market. Then other government controlled Indian financial companies came up with their funds. That included State Bank Of India, Canara Bank, and Punjab National Bank. Then the whole market was made open for private players in 1993, as a result of the constitutional amendments brought forward by then congress led government under the effect of Liberalization, Privatization and Globalization (LPG). The private sector fund to firstly operate in India was kothari pioneer, which later merged with Franklin Templeton.

Individual investors from time they have developed keen interest in the capital market, achieving higher returns and capital gains along with financial concessions. Since small investors in general do not have enough time, knowledge, experience and resources to approach directly to the capital market, they have to depend on an intermediary which provides them informed investment decisions and provides the benefits of professional expertise too. This is what a mutual fund mainly does. Investors achieve important benefits from mutual funds such as expert professional management, reduction of risk, diversiness in portfolios, liquidity of investments, tax benefits and economies of scale. The interests of the investors are being protected by SEBI and is governed by SEBI only.

## Concept of Mutual Funds

Mutual fund is that common pool of money in which the investors make their contribution that are to be invested in accordance with a stated objective. The ownership of the fund can be joint or “mutual”; the fund belongs to all of the investors. A single investor’s ownership of the fund is in the same proportion as the amount of the contribution made by him or her bears to the total amount of the fund. Mutual funds are trust, which accepts savings from investors and invest the same in diversified financial instruments in terms of the objectives of the trusts deed with the aim to minimise the risk and to maximize the income and capital admiration for distribution to the members. A Mutual Fund is a corporation and is managed by fund manager’s, the fund manager interest’s is to professionally manage the funds provided by the investors and provide a return on them after deducting reasonable management fees.

## Objectives of the Study

1. To study the factors influencing the investor to invest in Aditya Birla Mutual Fund Schemes.
2. To analyse the saving potential of investors for investment in Aditya Birla Mutual Fund Schemes.
3. To study the reason for investing in Aditya Birla Mutual Fund Schemes.
4. To study the satisfactory level of investors for investing in Aditya Birla Mutual Fund Schemes.

## Scope of The Study

This study was conducted over a six week period, and the main focus was to track the mutual fund customers of Aditya Birla Sun Life and why they are preferring aditya birla over others and if not why so, and also to study the saving potential of investors in mutual fund and also to suggest the various finding of the study to the company and the give them the various measures to improve.

## Research Methodology

### 1. Research Design

The research design refers to that overall strategy that we choose to integrate the various components of the study in a logical and coherent way, thereby making it sure that the research problem is effectively addressed; it gives the blueprint for the measurement, collection, and analysis of data.

### 2. Descriptive Research

Descriptive research is defined as that method of research which describes the various characteristics of the population or the phenomenon which is studied. This methodology mainly focuses more on the “what” of the research subject more than the “why” of the subject of the research. This method mainly focuses on describing the nature of a segment of demography. In other words, it tells about the subject of the research, without covering “why” it happened.

## Data Collection

### The data is collected mainly of two methods

- **Primary Data Collection**

Primary data also refers to the data which is collected in first hand that is through field surveys, and responses of the customers.

- ★ Questionnaire.

- **Secondary Data Collection**

### Secondary data for this research is collected from the industry’s database.

- ★ Previous researches, reports, statistics etc.

- ★ Company’s annual reports.

- **Sample Design**

Sample design is that proper plan for getting a sample from the crowd on which the study has been held. Convenience sampling method is used in this study.

- **Convenience sampling:**

This method is used for convenience of both the researcher and availability of the respondents and resources and the sample size is 40.

**Limitations of The Study**

- The study is just limited to the period of 6 weeks.
- The limited information in secondary data is the fundamental obstacle in finding out the real consequences of investing in mutual funds.

**Danalysis and Interpretation**

Table 1: The age group of the respondents

Age Group	No of Respondents	Percentage
18-30	19	47.5%
31-40	15	37.5%
41-50	4	10%
Above 50	2	5%
Total	40	100%

**Inference**

From the above table it is inferred that majority of the respondents are from the age group of 18-30 age group, i.e 47.5%. The second highest group is the group of 31-40 age group i.e 37.5%. The third age group is 41-50, i.e 10%, and the fourth age group is above 50, i.e with only 2 respondents which is the minimum.

**Table 2: No of dependents on investors.**

No of dependents	No of respondents	Percentage
<2	23	57.5%
3-5	14	35%
More than 5	3	7.5%
Total	40	100%

**Inference**

As from the given above table it can be seen that the number of dependents on the investor is mostly less than 2, i.e 57.5% of the data, and the second most number of dependents on investors are 3-5 dependents, i.e 35%, and it is hard to find investors who have more than 5 number of dependents on them.

**Table No 3: Occupation of the respondents.**

Occupation	No of respondents	Percentage
Salaried	18	45%
Self employed	14	35%
Others	8	20%
Total	40	100%

### Inference

From the above given table it can be seen that most of the respondents are from the salaried class, i.e 45%, and after salaried class the second category of the occupation is the Self employed class, i.e with 35% followed by the third category with 20%.

**Table No 4: Educational qualifications of the respondents.**

<b>Educational qualification</b>	<b>No of respondents</b>	<b>Percentage</b>
Schooling	-	-
UG	14	35.9%
PG	14	35.9%
Professional	11	28.2%
Total	39	100%

### Inference

As from the given table the educational qualification of the respondents comparing to the UG and PG are same that is of 35.9% and the professionals with 28.2%.

**Table No 5: Income of the respondents.**

<b>Income</b>	<b>No of respondents</b>	<b>Percentage</b>
<25000/-	4	10%
25001-50000/-	10	25%
50001-100000/-	21	52.5%
Above 100000/-	5	12.5%
Total	40	100%

### Inference

As from the above given table it can be seen that the highest investors are from the income range of 50001-100000/-, i.e 52.5%, and the second category of the income is 25001-50000, with 25%, followed by above 1 lakh category with 12.5%, and the least with less than 25000 p.m with only 10%.

**Table No 6: Awareness about Aditya Birla mutual fund schemes.**

<b>Particulars</b>	<b>No of respondents</b>	<b>Percentage</b>
Agents/Brokers	9	22.5%
Friends & Relatives	12	30%
Advertisements	14	35%
Others	5	12.5%
Total	40	100%

### Inference

As per the above given table it can be seen that the highest respondents responded to advertisement i.e with 35%, and after that Friends and relatives with 30%, following up by agents and brokers with 22.5% and other sources with 12.5%.

**Table No 7: Reasons for investing in Aditya Birla Mutual Fund schemes.**

Particulars	No of respondents	Percentage
Less risk	10	25%
High return	8	20%
Brand image	11	27.5%
Capital appreciation	11	27.5%
Total	40	100%

**Inference**

From the above table the highest number of respondents responded to the brand image and capital appreciation factor of Aditya Birla with the percentage of 27.5% and 25% respondents responded to less risk and following up the high return factor with 20%.

**Table No 8:- Types of Scheme, the investors likes to invest in Aditya Birla mutual funds.**

Funds	No of respondents	Percentage
Debt funds	13	32.5%
Equity funds	8	20%
Hybrid Funds	8	20%
Others	11	27.5%
Total	40	100%

**Inference**

From the above table it can be seen that debt fund has the highest percentage of 32.5%, whereas other funds has 27.5% of preference following up by debt and equity fund of 20%.

**Table No 9: Savings the investor wants to invest in Aditya Birla mutual funds.**

Savings	No of respondents	Percentage
<10000/-	6	15%
10001-25000/-	15	37.5%
25001-50000/-	12	30%
Above 50000	7	17.5%
Total	40	100%

**Inference**

From the given above table it can be seen that the highest percentage of the savings investor wants to invest is between 10001-25000 with 37.5%, and 25001-50000 with 30%, following up by above 50000 with 17.5%, and the least with 10000/- with 15%.

**Table no 10: The duration/maturity period of the funds in which the investors have invested.**

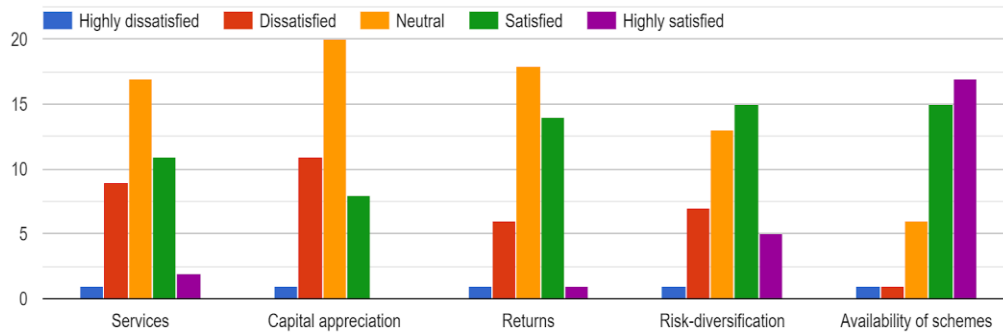
Duration/maturity	No of respondents	Percentage
<2 years	11	27.5%
3-5 years	11	27.5%
6-10 years	12	30%
Above 10 years	6	15%
Total	40	100%

## Analysis

As per the above given table it can be seen that the majority duration of funds is <2 and between 3-5 years with 27.5%, and the highest percentage of duration of funds is 30% which is of 6-10 years, with the lowest percentage of 15% in above 10 years duration.

**Table No 11: Satisfaction level of investors towards aditya birla mutual funds.**

Give your opinion on the following



## Analysis and Interpretation

As per the above given data it can be seen that in the terms of services the respondents has given their vote to be neutral, and in terms of capital appreciation in this also they are neutral about the vote, in the return factor the investor wants to remain neutral here, and in the risk diversification factor the investors seems to be satisfied and found highly satisfied in the terms of availability of schemes.

## Findings

1. Most of the investors are from the young age group ranging between 18-30.
2. Mostly of the respondents are male.
3. The survey tells about the perception of the investors that why they are hesitant towards mutual funds.
4. The survey gives a brief about the condition of the mutual fund sector from the investor point of view.
5. In diversified mutual funds Kotak Opportunitues Fund Regular (G) is giving outstanding performance.
6. Most investors are from the mid level income range between 50001-100000/- p.m.
7. The mostly preferred fund by investors are the debt funds offered by ABSLMF.
8. The main reasons of investors investing in ABSLMF are the brand image and capital appreciation.
9. Mainly investors come to know about ABSLMF funds rae from the advertisements.
10. Mostly investors are from the educational qualification of under and post graduates.
11. The highest number of the investors investuing are from the salaried class.
12. It is being founded in the study from the survey that the investors are mostly proned to invest in bajaj finserv and icici mutual funds as in substitute of ABSLMF.
13. From the survey done it is being found out that the investors are mostly satisfied with the various services and schemes offered by ABSLMF.

### **Suggestions**

1. Aditya Birla Group have to look for the future opportunities
2. There should be enough branches in bangalore for the ease of investors to reach out.
3. Aditya birla mutual funds should introduce much more new plans.
4. Awareness should be created in investors for the upcoming and the current plans and schemes of the aditya birla mutual fund schemes.
5. As the organisation have to set the targets to met them in the short term and also in the long term and it also can improve in factors like advertising and the various other approaching factors to the investors.
6. Aditya birla group has also to be aware of the competitiveness in the market, as the current and the upcoming days can be much more competitive for aditya birla mutual fund schemes and also for their various plans.
7. Introduction of new plans should be done on a large manner as the investors keeps on looking for the various new opportunities to invest and also to make the profit.
8. With the help of digital approach investors can be educated about the various information of the certain plans as with the help of social media, and e-mail marketing investors can be educated about the plans.
9. More focus should be given on the various return maximisation techniques for the investors so that the investor should opt for Aditya Birla Mutual Fund schemes only.

### **Conclusion**

1. From the research and analysis done through the survey it can be concluded that investors are mainly focused on the risk and return and brand image factor for aditya birla mutual funds.
2. From the overall research carried out, i can conclude that mutual fund schemes still have a perception of risk in the mind of the investors.
3. Aditya birla group has a large impact on the mind of the customers /investors as it has a reputed goodwill in the market.
4. Due to its brand image many of the investors find it safe to invest in Aditya Birla Mutual Fund schemes.

### **Bibliography**

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