Major Issues related to Mutual Fund Investment by Retail Investors

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Abstract

Retail investors face a number of problems while investing in mutual funds. Mutual funds are becoming a very popular form of investment characterized by many advantages that they share with other forms of investments and what they possess uniquely themselves.The study was done among the retail investors of Kerala to identify the issues related to mutual fund investment and also to find out whether there is any significant relationship between demographic factors and issues towards mutual fund investment. The major issues identified werecomplexity, non-performanceandmanagement issues. In addition research also analysed the significance of different demographic factors and its impacton mutual funds. Based on the sample responds, it is found that demographic factors such as age, zone, occupation and annual savingplay a significant role related to issues to mutual fund investments. The research can help the Asset Management Companies to understand the issues of investors towards mutual fund investments and can take better corrective measures to attract more investors.
Keywords:_Mutual Funds, Complexity, Non-performance, Management Issues, Demographic factors_

1. Introduction

Mutual Funds are retail product which is designed for those who do not directly invest in the share market because of its unpredictable and volatile nature. Mutual funds have come as a much needed help for retail investors. Mutual funds are looked upon by individual investors as financial intermediaries who process information, identify investment opportunities, formulate investment strategies, invest funds and monitor progress at low cost. Retail investors are generally constrained by inadequate knowledge, non-availability of information, lack of investment skill etc. that affect the investment activities.Selection criteria embrace the set of product or service attributes that investors consider when making purchase decisions among other investment alternatives. Such attributes may be clearly defined by physical attributessuch as responsiveness or perceived confidentiality of a mutual funds etc. The proper knowledge regarding issues faced by mutual fund investors will attract more investors towards mutual fund investment.

2. Research Objective

The primary objective of the study was to know about the behavioural aspects of mutual fund retail investors, for which the following objectives were framed:

a. To identify the issues related to mutual fund investors in Kerala.
b. To identify the most important issue that investor perceives towards mutual fund investment.
c. To find out whether there is any significant between demographic factorsand issues related tomutual fund investment.

3. Testing of Hypothesis

The study is based on the formulation of the following null hypothesis:
There is no significant difference between demographic factors and issues related to mutual fund investment.

4. Literature Review

The review of literature was done on the broad frame work of the study. Unfortunately, the growth in the mutual fund industry has not been equally matched by the growth in its research on its issues related to purchase and selection. In fact, most of the research is focused on mutual fund performance, return, risk and tenacity of performance. One of the criteria that is relatively untouched in the vast amount of mutual fund literature is the various issues related to mutual fund investment.

Simran, Bimal and Ramandeep (2011) analyses that the mutual fund investment in relation to investor's behaviour. Investor's opinion has been studied relating to various issues like type of mutual funds scheme, objective behind investing in mutual fund, role of financial advisers and brokers, sources of information, deficiencies in the services etc. The study outlined that the investors have positive approach towards investing in mutual funds. In order to maintain confidence in mutual funds they should be provided with appropriate information relating to different trends in the industry.Vennila and Nandhagopal R(2012) aim at finding out the attitude of the investors towards investment in mutual fund. The study opined that most of the investors rely on investment consultants to choose the right fund for them and there is a significant relationship between the satisfaction level of male and female respondents with the investment in mutual funds.Vyas and Moonat (2012) studied the perception of mutual fund investors and revealed that most of the

respondents invested in equity options and they were aware of the risk associated with mutual funds. Lump sum investment was the most preferred mode followed by SIP. Further, mutual funds got an average score on all parameters like safety, liquidity, reliability, tax benefits etc.Sanjay Das (2012) identified the factors affecting small investors' perception towards mutual fund. The study aims at finding out the attitude of the small investors towards investment in mutual funds in Assam. Small investors are now turning more to mutual funds because of safety, liquidity, capital gains and transparency.The present investigation outlined that mostly the small investors have positive approach towards investing in mutual funds.

Rajesh Kumar and Arora R.S (2013) attempt to study the mutual fund investors regarding respondent's knowhow, advertisement media, attributes of successful fund manager, risk tolerance, etc. Majority of respondents expressed their agreement with regard to mutual fund as an investor friendly vehicle for small investors.Vipin Kumar and Preethi Bansal (2014) studied that the schemes of mutual fund investments were not known to many investors and they use to quit the mutual fund investment before three years as it does not give adequate return. Wadhwa, Bharti, Kaur &Vashist(2015) studied the factors responsible for the selection of mutual fund as an investment option and also analysed the impact of various demographic variables on investors attitude towards mutual fund from Delhi region. Significant association between attitude and demographic features of respondents such as age, gender, income & occupation were found.

5. Research Methodology

The population for the research study is the mutual fund retail investors of Kerala. The sampling unit of this survey is an individual, who is technically called as a 'retail *investor'* who has invested in mutual funds during the period of study. For the research study, Kerala state was divided into three zones via: South, Central and Northern zones. To analyse the geographical distribution of unit holders, the study was focused on Corporations, Municipality and Panchayath from each of these three zones. Retail Investors of various Asset Management Companies and clients of various depository participants, and banks from each zone constituted the source list.

To determine the sample size accurately, especially a study like this where there is no reliable source to determine the correct number of mutual fund investors in Kerala, the researcher used the power analysis based on the pilot study with 5% level significance (p value) and 90% power to determine the sample size. The maximum required sample size turns to be 442. The collection of data wasbased on multistage random sampling (geographical distribution of investors). A population sample survey among investors was collected from three zones. As the AUM by Geography - Consolidated data for MF Industry in three major Corporations of Kerala as

on 31-Mar-2013 is less than 1% (Cochin 0.42% , Trivandrum 0.15% and Calicut 0 .05%), it was evident that central Kerala has got more than double the size of mutual fund investors. Accordingly 150 questionnaires were distributed in north and south zone and 300 questionnaires were distributed in central zone. After editing of questionnaire for completion, accuracy and consistency the researcher was left out with 472 questionnaires

5.1 Method for Data Collection
The primary data were collected using survey method. The methodology adopted was through questionnaire method. Interview with AMC, Brokers and Experts were also carried out to gain more insight to the issue. The purpose of the survey was to understand the behavioural aspects of individual investors, mainly the perception among individual investors.

6. Analysis
The researcher tries to identify various issues and further analysis was done based on demographic factors so as to unveil some extremely valuable information to support financial decision making of mutual funds.

6.1Factor Analysis - Issues related to mutual fund investment
The researcher used the factor analysis for identifying the underlyingvariables. To identify the various issues related to mutual fund, the respondents were asked to rate the importance of the specified variables on a 7 point scale ranging from Strongly Agree (5) to Strongly Disagree (1).

The correlation matrix showed sufficient items to justify the factorability of data. The KMO and Bartlett's test of sphericity produces the Kaiser-Meyer-Olkin measure of sampling adequacy and Bartlett's test.KMO test revealed 0.897 of KMO sampling adequacy (Table 4.40) which is greater than 0.6 and Barlett's test of Sphericty (BTS) value is found significant (p<.000)which meant that data was appropriate for EFA.

Table 1: KMO and Bartlett's Test- Issues related to mutual fund investment

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.897
Bartlett's Test of Sphericity	Approx. Chi-Square	2158.236
	df	78
	Sig.	0.000

Source: Primary Data

Those items having their communalities below 0.4 and Cronbach's alpha below 0.6 were removed from the final questionnaire resulting in 13 statements for issues faced in mutual fund investments. The scree plot was used for selecting the accurate number of factors. The data were analysed using principal component analysis, with the rotation method; Vaimax with Kaisan normalization. Then the 13 identified variables were classified under the appropriate group

IJCEM International Journal of Computational Engineering & Management, Vol. 22 Issue 1, January 2019
ISSN (Online): 2230-7893
www.IJCEM.org

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as *Complexity, Non-performance and Management Issues* based on the factor loading.

Table2 :Major Issues related to Mutual Fund Investment - Factor loadings after Varimax Rotation

Variables	Statements	Factor Loading		
		F1	F2	F3
Complexity	Lack of portfolio customization	0.682		
	Overload of schemes	0.686		
	Too much of scheme variants	0.602		
	Major changes in attribute of funds	0.647		
	High expense ratio for funds	0.538		
	Fees by investment adviser/ agent	0.591		
Non-performance	Funds not performing		0.526	
	Variation in return		0.817	
Management Issues	Fund manager has changed			0.488
	Fund risk			0.671
	Lack of service standards and disclosures			0.751
	Under performance of professional fund managers			0.701
	Grievance redresses has not been effective			0.673
	Cronbach's alpha	0.816	.652	.779

Source: Primary Data

The Cronbach's α value for the different factors of issues related to mutual fund ranged from 0.652 to 0.816 indicating that the scale was internally consistent and reliable. After identifying the variables and classifying the statements under each factor using EFA the next stage was to confirm the factor structure. Since the data being opinion data, measured under Likert scale, Structural Equation Model (SEM) using AMOS 18.0 was used to perform the Confirmatory Factor Analysis (CFA). The measurement model indicated an acceptable fit of the data and confirms to the three factor structure of issues related to mutual fund investment.

Table 3: Model Fit Indices- Issues Related to Mutual Fund Investment

	χ2	DF	P	Normed χ2	GFI	AGFI	NFI	TLI	CFI	RMR	RMSEA
Recommended			>0.05	<3	>0.90	>0.90	>0.90	>0.90	>0.90	<1	<0.5
	48.047	48	0.471	1.001	0.980	0.961	0.964	1.00	1.00	.158	0.002

Source: Primary Data

For the analysis initially an input model was developed

by using AMOS-18 graphics. The rectangle represents observed variables- Complexity, Non-performance and Management issues; oval drawn in the diagram represents unobserved variables- Issues related to mutual fund investments. The straight headed arrow represents the regression coefficients of the observed variables. The small circles with arrows pointing from the circles to the observed variables represent errors unique factors, which are also known as, squared multiple correlation of the standard error. The value above each rectangular box represents the R-Squared value of the observed variables. The statistic measures how successful the fit is explaining the variation of the data. i.e. it is the percentage of the response variable variation that is explained.

Fig 1: The Regression Coefficients showing Issues in Mutual Fund Investment
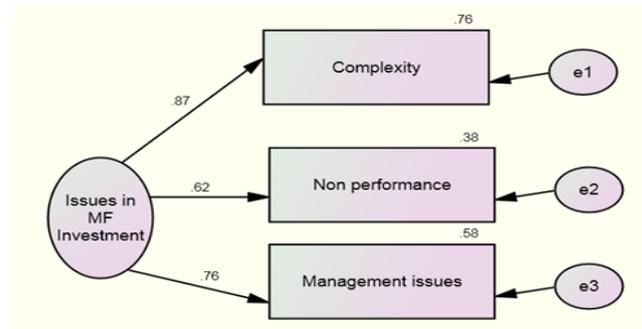
The regression coefficient obtained in the CFA analysis is given in the following table.

Table 4: The Regression Coefficients showing Issues in Mutual Fund Investment

Dependent Variable	Independent Variable	Regression Coefficient
Issues in Mutual Fund Investment	Complexity	.873
	Non performance	.616
	Management issues	.763

Source: Primary Data

From the table 4, it is evident that Complexity is the most affected issue with regression weight 0.873 followed by Management issues and Non-performance with regression weight 0.763 and 0.616 respectively. The regression equation for issues of Mutual Fund Investment

= 0.873 Complexity +.616 Non Performance +.763 Management Issues

From the above equation it is concluded that one unit decrease in complexity results in decrease of the problems of mutual fund investment by 0.873 units provided the other two variables remains constant. The R^2 value indicates that this change occurs in 76% cases. The R^2 value .76 for the variable complexity means that the fit explains 76% of the total variation in the data.

6.2 Demographic variables and Issues in Mutual Fund Investment

IJCEM International Journal of Computational Engineering & Management, Vol. 22 Issue 1, January 2019
ISSN (Online): 2230-7893
www.IJCEM.org

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Gender and Core Issues among Mutual Fund Investors

H_0: There is no significant difference among Gender for Core issues (Complexity, Non-performance and Management Issues) in mutual fund investment.

Ha: There is significant difference among Gender for Coreissues (Complexity,Non-performanceand Management Issues) in mutual fund investment.

Table 5: Z test - Core Issues among Mutual Fund Investors with regard to Gender

Issues in MF Investment	Gender	N	Mean	Std. Deviation	Z	P value
Complexity	Male	347	25.0058	6.74215	1.100	.272
	Female	125	24.1920	7.99364		
Non performance	Male	347	9.3055	2.37254	.068	.946
	Female	125	9.2880	2.66645		
Management issues	Male	347	21.4207	5.82216	1.014	.311
	Female	125	20.8000	5.99866		

Source: Primary Data   Significant at 0.05 levels.

Based on the gender the mean value for male is highest for all the issues in mutual fund investment. To test the above hypothesis, independent sample z-test was used and the result is exhibited in the table 5. From the table the p values were found to be greater than 0.05, hence H_0 is accepted stating that core issues (*Complexity, Non-performance and Management Issues)* does not significantly differs between male and female in mutual fund investment.

Table 6: Mean & SD - Core Issues among Mutual Fund Investors with regard to Age

Age		Complexity	Non performance	Management issues
Up to 30 years	Mean	25.3469	8.9728	21.2041
	Std. Deviation	6.06771	2.32893	5.38890
	N	147	147	147
30-45	Mean	23.8182	9.1483	20.8373
	Std. Deviation	7.10941	2.48882	5.77647
	N	209	209	209
45-60	Mean	26.5412	10.0353	22.2353
	Std. Deviation	7.82328	2.56091	6.86025
	N	85	85	85
Above 60 years	Mean	23.9032	9.8710	21.6452
	Std. Deviation	8.47488	2.01233	5.68359
	N	31	31	31
Total	Mean	24.7903	9.3008	21.2564
	Std. Deviation	7.09538	2.45091	5.86942
	N	472	472	472

Source: Primary Data

Among the core issues in mutual fund investment, the total mean score of complexity is the highest when compared to other issues in mutual fund investments. The mean value for age group 45-60 has maximum average score (26.54) with respect to all the core issues in mutual fund investments.

H_0:There is no significant difference among Age for Coreissues (Complexity, Non-performanceand Management Issues) in mutual fund investment.

Ha :There is significant difference between Age for Core issues (Complexity, Non-performance and Management Issues) in mutual fund investment.

Table 7: OneWay ANOVA- Issues faced in Mutual Fund Investment with regard to Age

		Sum of Squares	df	Mean Square	F	Sig.
Complexity	Between Groups	528.023	3	176.008	3.553	.014
	Within Groups	23184.213	468	49.539		
	Total	23712.235	471			
Non performance	Between Groups	76.609	3	25.536	4.342	.005
	Within Groups	2752.671	468	5.882		
	Total	2829.280	471			
Management issues	Between Groups	123.244	3	41.081	1.194	.312
	Within Groups	16102.737	468	34.408		
	Total	16225.981	471			

Source: Primary Data   Significant at 0.05 levels

There is significant difference among respondents of different age groups regarding core issues in mutual fund investment. From the table 7 the p values were found to be lesser than 0.05, for age in the case of complexity and non-performance, hence H_0 is rejected stating that there is difference between age and core issues – complexity and non-performancein mutual fund investment. The Tukey's multiple comparison tests was done to identify which age group of investors have significant difference.

Table 8: Significance of Mean Difference in Issues in MF Investment based on Age - PostHoc

Dependent Variable	(I) Age	(J) Age	Mean Difference (I-J)	Sig.
Complexity	Upto 30 years	30-45	1.52876	0.183
		45-60	-1.19424	0.598
		Above 60 years	1.44371	0.727
	30-45	45-60	-2.72299*	0.015
		Above 60 years	-0.08504	1
	45-60	Above 60 years	2.63795	0.281
Non performance	Upto 30 years	30-45	-0.17554	0.907
		45-60	-1.06251*	0.008
		Above 60 years	-0.89818	0.241
	30-45	45-60	-.88697*	0.024
		Above 60 years	-0.72264	0.41
	45-60	Above 60 years	0.16433	0.988
Management issues	Upto 30 years	30-45	0.36676	0.938
		45-60	-1.03121	0.57
		Above 60 years	-0.44108	0.981
	30-45	45-60	-1.39797	0.25
		Above 60 years	-0.80784	0.891
	45-60	Above 60 years	0.59013	0.964

Source: Primary Data   Significant at 0.05 levels.

The Post Hoc analysis reveals the details regarding the significance of means difference between each component of issues in mutual fund investment to each pair of age group. While comparing between respondents of different age groups with respect to core issues in mutual fund investments, the p value shows significance in the case of respondents in the age group 30-45 and to 45-60 in the case of complexity and non-performance. The core issue, non-performance has also significant difference to respondents in the age group up to 30 and 45-60. No such significant difference was observed in other age groups.

Table 9: Means - Core Issues faced in Mutual Fund Investment with regard to Area of Residence

Area of Residence		Complexity	Non Performance	Management Issues
Panchayath	Mean	24.6012	9.2197	21.1156
	Std. Deviation	7.33876	2.48911	6.12547
	N	173	173	173
Municipality	Mean	24.5901	9.2484	21.2795
	Std. Deviation	6.72074	2.48000	5.30591
	N	161	161	161
Corporation	Mean	25.2609	9.4638	21.4058
	Std. Deviation	7.23869	2.37739	6.19705
	N	138	138	138
Total	Mean	24.7903	9.3008	21.2564
	Std. Deviation	7.09538	2.45091	5.86942
	N	472	472	472

Source: Primary Data

Among the area of residence, the mean value for corporation has maximum average score (25.26) in complexity.The standard deviation (degree of variability) is the highest in panchayath (7.34).

H_0 :   There is no significant difference among area of residence for core issues (Complexity, Non-performance and Management Issues) in mutual fund investment

Ha :   There is significant difference among area of residence for core issues (Complexity, Non-performance and Management Issues) in mutual fund investment

Table 10: Oneway ANOVA - Major Issues faced in Mutual Fund Investment with regard to Area of Residence

Issues		Sum of Squares	df	Mean Square	F	Sig.
Complexity	Between Groups	43.203	2	21.601	.428	.652
	Within Groups	23669.033	469	50.467		
	Total	23712.235	471			
Non performance	Between Groups	5.246	2	2.623	.436	.647
	Within Groups	2824.034	469	6.021		
	Total	2829.280	471			
Management issues	Between Groups	6.595	2	3.298	.095	.909
	Within Groups	16219.386	469	34.583		
	Total	16225.981	471			

Source: Primary Data   Significant at 0.05 levels

From the table 9 the p values were found to be greater than 0.05 for area of residence in the case of issues regarding mutual fund investment. Hence, H_0 is accepted stating that there is no difference in between area of residence for core issues in mutual fund investments. It is established that, irrespective of the area of residence, mutual fund investors encounter the similar kind of problems.

Table 11: Means - Major Issues faced in Mutual Fund Investment with regard to Zone

Zone		Complexity	Non Performance	Management Issues
South	Mean	25.5556	9.9060	22.7009
	Std. Deviation	7.40392	2.29686	5.63435
	N	117	117	117
Central	Mean	24.2857	8.9586	20.6053
	Std. Deviation	6.96468	2.53321	5.94552
	N	266	266	266
North	Mean	25.2921	9.5281	21.3034
	Std. Deviation	7.02302	2.23144	5.65967
	N	89	89	89
Total	Mean	24.7903	9.3008	21.2564
	Std. Deviation	7.09538	2.45091	5.86942
	N	472	472	472

Source: Primary Data

Among the core issues in mutual fund investment, the total mean score of complexity is the highest when compared to other issues followed by management issues. Among the various zone, the mean value for south zone has maximum average score (25.56) in complexity. The standard deviation (degree of variability) is also the highest in south zone (7.40).

H_0 :   There is no significant difference among different zones for core issues (Complexity, Non-performance and Management Issues) in mutual fund investment.

Ha: There is significant difference among different zones for core issues (Complexity, Non-performance and Management Issues) in mutual fund investment.

Table 12: Oneway ANOVA - Major Issues faced in Mutual Fund Investment with regard to Zone

Issues		Sum of Squares	df	Mean Square	F	Sig.
Complexity	Between Groups	158.656	2	79.328	1.580	.207
	Within Groups	23553.579	469	50.221		
	Total	23712.235	471			
Non performance	Between Groups	78.589	2	39.294	6.700	.001
	Within Groups	2750.691	469	5.865		
	Total	2829.280	471			
Management issues	Between Groups	357.089	2	178.545	5.277	.005
	Within Groups	15868.892	469	33.836		
	Total	16225.981	471			

Source: Primary Data   Significant at 0.05 levels

From the table the p values were found to be lesser than 0.05, for zone in the case of non-performance and management issues. Hence H_0 is rejected stating that there is difference between zone and core issues – non-

IJCEM International Journal of Computational Engineering & Management, Vol. 22 Issue 1, January 2019
ISSN (Online): 2230-7893
www.IJCEM.org

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performance and management issuesin mutual fund investment. Since the ANOVA is found to be significant, Tukey's multiple comparison tests were conducted to identify which group of investors have significant difference.

Table 13: Significance of Mean Difference in Issues in MF Investment based on Zone – PostHoc

Dependent Variable	(I) Zone	(J) Zone	Mean Difference (I-J)	Sig.
Complexity	South	Central	1.26984	0.24
	South	North	0.26342	0.962
	Central	North	-1.00642	0.478
Non performance	South	Central	.94734*	0.001
	South	North	0.37789	0.509
	Central	North	-0.56944	0.134
Management Issues	South	Central	2.09559*	0.004
	South	North	1.39748	0.203
	Central	North	-0.69811	0.59

Source: Primary Data   Significant at 0.05 levels.

Comparing between respondents of different zone with respect to core issues in mutual fund investments, the p value shows significant difference in the case of respondents of south to central zone, in the case of non-performance and management issues.

Z test - Major Issues faced in Mutual Fund Investment with regard to Occupation

H_0: *There is no significant difference among salaried and non-salaried class for core issues (Complexity, Non-performance and Management Issues) in mutual fund investments.*

H_a: *There is significant difference among salaried and non-salaried class for core issues (Complexity, Non-performance and Management Issues) in mutual fund investments.*

Table 14: Z test - Major Issues faced in Mutual Fund Investment with regard to Occupation

	Occupation Type	Mean	Std. Deviation	CV	Z	Sig
Complexity	Non-salaried	25.17	7.11	28.26	1.234	0.218
	Salaried	24.36	7.07	29.01		
Non performance	Non-salaried	9.37	2.40	25.67	0.609	0.543
	Salaried	9.23	2.51	27.17		
Management issues	Non-salaried	21.82	5.84	26.75	2.232	0.026
	Salaried	20.61	5.85	28.40		

Source: Primary Data   Significant at 0.05 levels.

As the p vale is less than .05 H_0 is rejected, which means that the type of occupation significantly differs in the case of issues related to mutual fund investments. There is significant difference between salaried and non-salaried class of investors with respect to core issues - management.

Table 15: Means – Core Issues faced in Mutual Fund Investment with regard to Annual Saving

Annual Saving		Complexity	Non performance	Management issues
Less than 50,000	Mean	24.2923	8.8615	20.6692
	Std. Deviation	6.66990	2.45187	5.87517
	N	130	130	130
50,000 - 1,00,000	Mean	25.0585	9.4971	21.6842
	Std. Deviation	6.05631	2.15126	5.15578
	N	171	171	171
1,00,000 - 2,00,000	Mean	24.0886	9.5316	19.7975
	Std. Deviation	7.78590	2.50556	6.43185
	N	79	79	79
2,00,000 - 3,00,000	Mean	24.7419	8.7097	22.5806
	Std. Deviation	6.10992	2.19383	5.50620
	N	31	31	31
Above 3,00,000	Mean	26.0328	9.6885	22.5246
	Std. Deviation	9.75699	3.10130	6.73450
	N	61	61	61
Total	Mean	24.7903	9.3008	21.2564
	Std. Deviation	7.09538	2.45091	5.86942
	N	472	472	472

Source: Primary Data

Among the core issues in mutual fund investment with respect to annual savings, the total mean score of complexity is the highest (24.79) when compared to other issues followed by management issues (21.25). Among the annual savings, the mean value and standard deviation above 3 lakh has maximum average score (26.03) in complexity along with standard deviation (9.76).

H_0 : *There is no significant difference among annual saving for core issues in mutual fund investment (Complexity, Non-performance and Management Issues) in mutual fund investments.*

H_a : *There is significant difference among annual saving for Core issues (Complexity, Non-performance and Management Issues) in mutual fund investments.*

IJCEM International Journal of Computational Engineering & Management, Vol. 22 Issue 1, January 2019
ISSN (Online): 2230-7893
www.IJCEM.org

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Table 16:One way ANOVA - Major Issues faced in Mutual Fund Investment with regard to Annual Savings

Issues		Sum of Squares	df	Mean Square	F	Sig.
Complexity	Between Groups	177.678	4	44.420	.881	.475
	Within Groups	23534.557	467	50.395		
	Total	23712.235	471			
Non performance	Between Groups	55.883	4	13.971	2.352	.053
	Within Groups	2773.396	467	5.939		
	Total	2829.280	471			
Management issues	Between Groups	396.736	4	99.184	2.926	.021
	Within Groups	15829.245	467	33.896		
	Total	16225.981	471			

Source: Primary Data   Significant at 0.05 levels

From the table 15 the p values were found to be lesser than 0.05, for annual savings in the case of management issues.Hence H_0 is rejected stating that there is relationship between annual saving and core issues – management issuesin mutual fund investment. Since the ANOVA is found to be significant, Tukey's multiple comparison tests was conducted to identify which group of investors have significant difference.

The Post Hoc analysis reveals the details regarding the significance of means difference between each component of issues in mutual fund investment to each pair of annual savings. While comparing between respondents of different savings group with respect to core issues in mutual fund investments, the p value shows significant difference in the case of respondents having annual savings Rs. 1-2 lakh, in the case of management issues.

7. Findings

The issues related to mutual fund investment are complexity, non-performance and management issues.Among the various issues faced by mutual fund investors, complexity is the most affected issue with regression weight 0.873 followed by management issues and non-performance with regression weight 0.763 and 0.616 respectively.One unit decrease in complexity results in decrease of the problems of mutual fund investment by 0.873 units provided the other two variables remains constant. The R2 value indicates that this change occurs in 76% cases.

There is significant difference among, age, zone, occupationand annual saving forcore issues (Complexity, Non-performance and Management Issues) in mutual fund investments.Among the gender the mean value for male is highest for all the issues in mutual fund investment and among the core issues in mutual fund investment, the total mean score of complexity is the highest for age, area of residence, zone and annual savings.Respondents in the age group 45-60, residing in south zone and annual savings above Rs.3 lakh has maximum average score with regard to issues in mutual fund investment.

Table 17: Significance of Mean Difference in Issues in MF Investment based on Annual Saving – PostHoc

Dependent Variable	(I) Annual Saving	(J) Annual Saving	Mean Difference (I-J)	Sig.
Complexity	Less than 50,000	50,000 - 1,00,000	-0.76617	0.886
		1,00,000 - 2,00,000	0.2037	1
		2,00,000 - 3,00,000	-0.44963	0.998
		Above 3,00,000	-1.74048	0.511
	50,000 - 1,00,000	1,00,000 - 2,00,000	0.96987	0.853
		2,00,000 - 3,00,000	0.31654	0.999
		Above 3,00,000	-0.97431	0.889
	1,00,000 - 2,00,000	2,00,000 - 3,00,000	-0.65333	0.993
		Above 3,00,000	-1.94418	0.494
	2,00,000 - 3,00,000	Above 3,00,000	-1.29085	0.923
Non performance	Less than 50,000	50,000 - 1,00,000	-0.63554	0.166
		1,00,000 - 2,00,000	-0.67011	0.304
		2,00,000 - 3,00,000	0.15186	0.998
		Above 3,00,000	-0.82699	0.187
	50,000 - 1,00,000	1,00,000 - 2,00,000	-0.03457	1
		2,00,000 - 3,00,000	0.7874	0.463
		Above 3,00,000	-0.19145	0.985
	1,00,000 - 2,00,000	2,00,000 - 3,00,000	0.82197	0.504
		Above 3,00,000	-0.15688	0.996
	2,00,000 - 3,00,000	Above 3,00,000	-0.97885	0.363
Management Issues	Less than 50,000	50,000 - 1,00,000	-1.01498	0.564
		1,00,000 - 2,00,000	0.87176	0.832
		2,00,000 - 3,00,000	-1.91141	0.471
		Above 3,00,000	-1.85536	0.242
	50,000 - 1,00,000	1,00,000 - 2,00,000	1.88674	0.122
		2,00,000 - 3,00,000	-0.89643	0.934
		Above 3,00,000	-0.84038	0.869
	1,00,000 - 2,00,000	2,00,000 - 3,00,000	-2.78318	0.161
		Above 3,00,000	-2.72712*	0.049
	2,00,000 - 3,00,000	Above 3,00,000	0.05605	1

Source: Primary Data   Significant at 0.05 levels.

The non-salaried class of investors is having highest mean score which state that issues regarding mutual fund is mostly faced by non-salaried class.The Post Hoc analysis reveals that with respect to core issues in mutual fund investments, the p value shows significance in the case of respondents in the age group 30-45 and to 45-60 in complexity and non-performance. The core issue - non-performance has also significant difference to respondents in the age group up to 30 and 45-60.

While comparing between respondents of different zone with respect to core issues in mutual fund investments, the p value shows significant difference in the case of respondents of south to central zone, in the case of non-performance and management issues.The p value also shows significant difference in the case of respondents having annual savings 1-2 lakh, in the case of management issues.

Conclusion

The research was undertaken with the primary objective to know about the behavioural aspects of retail investors towards mutual fund as an investment option. The researcher identified the issues related to mutual fund investment and complexity is the most affected issue.The mutual fund industry is evolving continuously through effectively managing investments and designing long term strategy for targeting and retaining customers. It has to develop products to fulfil customer's needs and help them to understand how its products cater to their needs. The long term strategy will need to supplement with innovative strategies in distribution, product innovation and creating customer awareness. The mutual fund industry manifests huge opportunity for growth and further penetration, with technological support. The key lies in strengthening distribution networks and enhancing levels of investor education to increase presence in rural areas.Efforts should be made jointly by regulatory bodies,AMCs and distributors to instil confidence in the minds of the investor and to encourage them to invest in mutual funds, even in times of uncertainty.

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