

PERCEPTION AND SATISFACTION TOWARDS MUTUAL FUND INVESTORS IN RAYALASEEMA REGION OF ANDHRA PRADESH

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ABSTRACT

Mutual funds have originated in USA and have become so popular that they have almost over taken the bank deposits and total assets of insurance funds. In India, the Mutual Fund industry had its origin with the establishment of UTI. Public Sector banks and financial institutions began to establish mutual funds in 1987. The private sector and foreign institutions were allowed to set up mutual funds in 1993. Mutual funds have all come forward with varying schemes suitable to the need of saving populace. By March 2005 there were 29 mutual funds and over 450 schemes in India with Assets under Management of Rs. 1,49,600 crores. The objectives of the study are to identify the rural and semi-urban investor's perceptions on mutual funds and to analyse the satisfaction level of investors in Rayalaseema region of Andhra Pradesh. By adopting convenience sampling, 400 respondents living in four districts of Rayalaseema (Anantapuram, Chittoor, Kurnool, and YSR kadapa) were selected for this study. Simple statistical tools are used for analysing the data whatsoever collected in this study. The results of the study have significant implications to mutual fund companies. Understanding of semi-urban and rural areas investor's perception is an important task for the asset managers in order to be successful in facing many challenges and opportunities.

Key words: Mutual funds, Perception, satisfaction level, factor analysis

INTRODUCTION

Mutual funds are becoming the primary investment convince for small investors who have a keen interest in the stock market and are virtually replacing the fixed deposits, post office savings, banks, GPF, and other small savings. In the current competitive scenario, the developed countries whose mutual funds are in India are becoming the prime concern of the share market. The development of mutual funds in India is conventional to go beyond the growth of banks, finance companies and insurance companies in beside of future.

At the time of 1964 the mutual funds had entered into the Indian capital market with a view to render the retail investors the advantage of diversification of risk, assured returns, professional management. Since then they have grown through phenomenon senses in terms of number, size of operations, investor's base and scope.

The Liberalization, Privatization and the entry of private sector and foreign players into this industry. Therefore, this has emanated as a highly competitive financial service industry today. With just one player in 1964, the industry has grown phase by phase and by the end of December 2014 there were 44 mutual funds operating in the industry with assets under their management amounting to Rs. 11,06,279 crores.

The changes in number of the regulatory framework for investors' protection in general and mutual fund industry after the stock market debacle in 1992 attracted the investors towards the safe investment vehicle of mutual funds. In particular, the mutual funds, which are originally proposed for retail investors, have turned out to be the huge investment linkage for prosperous and institutional investors. However, the mutual fund industry started facing a problem of outlay from 1998 with the failure of US-64, the flagship mutual fund scheme when its NAV turned negative.

REVIEW OF LITERATURE

According to the latest **Nielsn Mutual Fund Brand Health Monitor (2007)** which gauges consumer attitudes toward Mutual Funds, the profile for Mutual Fund investor has become much younger, with males in their mid 30s -rather than in their early 40s. They have an average monthly income of Rs.30, 000. Investors previously regarded Mutual Funds as a tax saving option but are now buying them in the hope of greater financial return. **Saha Asish and Rama Murthy Y Sree (1994)** identified that return, liquidity, safety and capital appreciation played a predominant role in the preference of the schemes by investors. **Madhusudhan V. Jambodekar (1996)** The study revealed that

income schemes and open-ended schemes are preferred over growth schemes and close-ended schemes during the prevalent market conditions. **Rajeshwari T.R and Rama Moorthy V.E (2001)** studied the financial behavior and factors influencing fund/scheme selection of retail investors. The survey revealed that the most preferred investment vehicle is bank deposits. **Jaspal Singh and Subhash Chander (2003)** identified that past record and growth prospects influenced the choice of scheme. Investors in mutual funds expected repurchase facility, prompt service and adequate information. Salaried and retired categories had priority for past record and safety in their mutual fund investment decisions. **Venkateshwarlu M (2004)** had analyzed investors from the twin cities of Hyderabad and Secunderabad and found that investors preferred to invest in open-end schemes with growth objectives. Reasonable returns and long-term strategy adopted by the scheme were the criteria of scheme selection. **Vyas (2012)** evaluated the forms of investment, mode of investment preferred by investors. Investors switched the investment only for the sake of profitability, investors preferred existing schemes for investment, and they preferred to invest in equity schemes. **Dhimen Jagdishbhai Jani, Bhautik Alpeshkumar Patel & Rajeev V. Jain (2012)**, studied that how different demographical factor have influence on perception of Consumers. Majority of Consumers of valsad city have framed positive perception towards mutual fund. Demographic factors (i.e. age, gender, income, education etc.) have influence on investor perception. **R.Sivaram Prasad and B.Srinivas(2012)** in their study identified the selection of mutual fund schemes by the investor affected by different factors. 24 factors are identified for selection of mutual fund products. **V.Rathnamani (2013)** explains that many investors prefer to invest in mutual fund in order to have high return at low level of risk, safety liquidity. In this study investors showed willing to take moderate and low level risk; most of the investors belong to moderate investment style. **Dhimen J. Jani & Rajeev Jain (2014)**, in their study examined the buying behavior of rural investors for financial assets specifically focused on mutual fund. It was found that rural investors relied heavily on financial advisor/planner so it is first in the category, after considering financial planner the investors laid second preference to risk and return profile of the mutual fund, next was the past performance of the fund and income planning was forth and finally it was brand the fifth one. **Preeti Khitoliya (2014)** The study on "Investors Awareness and Perceived Risk Attitude towards Mutual Fund: An Empirical Study in Delhi" explored that only 49% respondent were aware of mutual fund it is a surprising fact since the 60% respondent were post graduate and 34% were graduate of a metropolitan city. Of the 95 respondent who are aware of mutual fund only 57 had invested in mutual fund. Most respondent were not aware of the intricacies involved in dealing with mutual fund. **Shailendra Kumar Chaturvedi, Arvind Kumar Singh and Karan Veer**

that it is a tax saving aspect. The investors normally tend to invest in those areas where they have faith and hence building of faith is very important. **Hetal Gaglani and Smita Rao (2014)**, found that the investors have a positive attitude towards their investment made in Mutual funds. Majority of the investors prefer Mutual Funds for the returns and feel that it is a safe measure of investment. The study also revealed that demographic factors - age, gender, qualification, income and occupation has significant influence on the investors' attitude towards mutual funds investment. **S. Rajkumar and Dr. D. Venkatamaraju (2014)**, the study analysed whether investors have chosen their funds based on liquidity rather than having chosen them on the basis of the level of safety of mutual funds. **Subramanya (January, 2015)**, The study highlighted that the socio economic factors like age, gender, education, income and savings of investors' perception towards mutual fund is not encouraging but the age of investors' and saving habit of respondents is correlated. **Priyanka Sharma and Payal Agrawal (February, 2015)**, examined preference of mutual funds investors and performance evaluation of the preferred schemes by the investors. The survey is undertaken on 50 educated investors of Udaipur city and the major findings reveal the buying behavior of mutual fund investors, sources that investors rely more while making investment and preferable mode to invest in mutual funds market.

Objective of the Study

- To study the market trends of mutual fund industry in India.
- To find out the socio-economic conditions, perception and their attitude of mutual fund investors in Rayalaseema Region of Andhra Pradesh
- To study the level of satisfaction of the investors in Rayalaseema Region of Andhra Pradesh.

METHODOLOGY

Data Collection:

The study is based on both primary and secondary data. The primary data were collected from the respondents with the help of the interview schedule. The survey was conducted during April to May 2015, among 400 geographically dispersed present investor spread over of rural and semi-urban area of Rayalaseema Region (Chittoor, Anantapur, Kurnool and Kadapa districts) of Andhra Pradesh . The secondary data collected from various investment periodicals, such as Dalal Street, Capital Market, RBI Bulletin, RBI reports on currency and Finance, the SEBI reports and SEBI bulletin, newspapers like Business Standard, Business Line, Economic Times and Financial Express to assess the risk and return of various mutual funds.

Statistical Tools for Analysis

The collected data have been used for analysis with the help of the following statistical tools.

Chi-Square Test

The test is one of the simplest and most widely used non-parametric tests in statistical work. The quantity describes the magnitude of the discrepancy between theory and observation.

Factor Analysis

Factor Analysis is a statistical technique based on the hypothesis that a set of related variables can be adequately described by the set of factors less in number than the set of original variables. Factor analysis attempts to estimate the coefficients of regression where the variables are regressed upon the factors. These coefficients are referred to in satisfaction level of mutual fund investors.

Table 1: Demographic Profile of Investors

Profile Particulars	Total Number of Respondents	Ananta puram	Chittoor	Kurnool	YSR Kadapa
Gender					
Male	346 (86.50)	86 (86.00)	86 (86.00)	90 (90.00)	84 (84.00)
Female	54 (13.50)	14 (14.00)	14 (14.00)	54 (10.00)	16 (16.00)
Age					
Below 30	208 (52.00)	49 (49.00)	51 (51.00)	54 (54.00)	54 (54.00)
31-40	119 (29.80)	27 (27.80)	33 (33.00)	34 (34.00)	25 (25.00)
41-50	38 (9.50)	12 (12.00)	9 (9.00)	6 (6.00)	11 (11.00)
51-60	27 (6.80)	09 (9.00)	4 (4.00)	6 (6.00)	8 (8.00)
(Above 60)	8 (2.00)	3 (3.00)	3 (3.00)	0 (0.00)	2 (2.00)
Level of Education					
Below Graduation	42 (10.50)	7 (7.00)	16 (16.00)	12 (12.00)	7 (7.00)
Under Graduation	224 (56.00)	51 (51.00)	55 (55.00)	65 (65.00)	53 (53.00)
Post-Graduation	110 (27.50)	32 (32.00)	28 (28.00)	20 (20.00)	30 (30.00)
Professional	15 (3.80)	6 (6.000)	1 (1.00)	2 (2.00)	6 (6.00)
Any other	9 (2.30)	4 (4.00)	0 (0.00)	6 (6.00)	4 (4.00)
Marital Status					
Married	298 (74.50)	79 (79.00)	68 (68.00)	72 (72.00)	79 (79.00)
Single	102 (25.50)	21 (21.00)	32 (32.00)	28 (28.00)	21 (21.00)

Occupation					
Agriculture	43 (10.80)	9 (9.00)	13 (13.00)	12 (10.80)	9 (9.00)
Salaried	79 (19.80)	21 (21.00)	14 (14.00)	20 (19.80)	24 (24.00)
Business	181 (45.30)	42 (42.00)	53 (53.00)	46 (46.00)	40 (40.00)
Professionals	71 (17.80)	21 (21.00)	13 (13.00)	19 (19.00)	18 (18.00)
Retired	26 (6.50)	7 (7.00)	7 (7.00)	3 (3.00)	9 (9.00)
Annual Income (Rs.)					
Up to 2 Lac	181 (45.30)	43 (43.00)	38 (38.00)	50 (50.00)	50 (50.00)
2 Lac- 3 Lac	115 (28.80)	23 (23.00)	36 (36)	34 (34.00)	22 (22.00)
3 Lac-4Lac	61 (15.30)	14 (14.00)	21 (21)	14 (14.00)	12 (12.00)
4 Lac-5 Lac	15 (3.80)	4 (4.00)	5 (5.00)	2 (2.00)	4 (4.00)
5 Lac-6 Lac	17 (4.30)	9 (9.00)	0 (0.00)	0 (0.00)	8 (8.00)
Above 6 Lac	11 (2.80)	7 (7.00)	0 (0.00)	0 (0.00)	4 (4.00)
Annual Savings					
Up to 1,00,000	289 (72.30)	65 (65.00)	73 (73.00)	80 (80.00)	71 (71.00)
1,00,001-1,50,000	80 (20.00)	19 (19.00)	25 (25.00)	20 (20.00)	16 (16.00)
1,50,001-2,00,000	20 (5.00)	10 (10.00)	2 (2.00)	0 (0.00)	8 (8.00)
2,00,001-2,50,000	7 (1.80)	4 (4.00)	0 (0.00)	0 (0.00)	3 (3.00)
2,50,001-3,00,000	4 (1.00)	2 (2.00)	0 (0.00)	0 (0.00)	2 (2.00)

Source: Primary Data

DATA ANALYSIS AND INTERPRETATION

Gender Status of Investors

The gender among the investors may have its own influence on the expectation and perception on the investment and the risk taking on the market in capital market. In general, the male investors may take more risks compared to the female investors while the female investors are expecting a consistent fair return from their investment. The above table 1 indicates that, male investors are high in all three districts namely Kurnool district (90.00), Anantapuram district (86.00), Chittoor District (86.00 per cent) and YSR Kadapa district (84.00 per cent).

In order to find out whether there is any relationship between district and gender group the null hypothesis that, "there is a significant relationship between the district and the gender of investors", was framed and analysed with the help of chi-square test.

Since the calculated value (1.627) is less than its corresponding table value (7.815) at 5 percent level of significance (DF: 3), the hypothesis is accepted. Hence, it is concluded that gender of investors no significance of influence over district wise investment table2.

Age of Investors

The age of the venture capitalist or investor plays a vital role in the investment pattern among the investors. The above table shows that majority of the investors belong to up to 30 years category which constitutes more than fifty per cent (52.00). It is followed by the age group of 31 years to 40 and 41- 50 years, which constitute of 29.80 per cent and 9.50 per cent respectively. It shows that the youngsters are much conscious about the investment.

It could be seen from the table 4.2 that out of the 100 respondents from Anantapur, 49 (49 per cent) are below 30 years, 27 (27.00 per cent) belongs to the age group of 31 to 40, 12 (12.00 per cent) are from 41 to 50 years and the remaining 9 (9.00) are above 50years age. Regarding Chittoor, respondents also 51.00 percent are in the age group of below 30 years and 33 percent of 31-40 years. Out of the 100 respondents from Kurnool and YSR Kadapa 54 (54 percent) are in age group of below 30 year. Overall, in all selected four districts, youngsters show more interest in mutual fund investment. Since the calculated value (9.717) is less than its corresponding table value (21.026) at 5 percent level of significance (DF: 12), the hypothesis is accepted. Hence, it is concluded that age of investors no significant influence over district wise investment.

Marital Status of the Investor

Investment pattern and strategy is closely related to the marital status of the investor. Table.1 shows that Anantapuram and YSR district, married people dominate, they constitute 79 percent and the unmarried group constitutes 21 percent. In Chittoor district, the unmarried group lead, which constitutes 32 per cent and the married group, is 68 percent. In Kurnool district, the married group is which 72 per cent and unmarried group constitutes 28 per cent. In all four selected districts married investors are dominates to unmarried investors. Since the calculated value (4.685) is greater than its corresponding table value (7.815) at 5 percent level of significance (DF: 3), the hypothesis is accepted. Hence, it is concluded that (table 2) marital status of investor is no significant influence over district wise investment.

Education Level of Investors

The level of education represents the educational qualification of the investors. It could be seen from the table 1 that out of the 100 respondents from Kurnool, 65 (65 percent) investors educational level is under graduation, 32 (32.00 per cent) are postgraduates, 7 (7 per cent) are below graduates and the remaining 6 (6.00) are professionals. Regarding Chittoor, 55 percent investors are under graduation, 28 per cent investors are postgraduates, 16 per cent investors are below graduates and only one per cent of investors are professionals. In Anantapuram and YSR Kadapa only 6(6 per cent) investors are professionals, 7 per cent are below graduates, 51 per cent and 53 per cent of investors are under graduate respectively. Since the calculated value (21.718) is greater than its corresponding table value (21.026) at 5 percent level of significance (DF: 12). The null hypothesis is rejected. Hence, it is concluded that there is a significant relationship between educational level and the district wise investment (table 2).

Occupation of the Investors

Occupational background represents the occupation of the investors at present. The important occupational background among the investors is Business group, which constitutes 45.30 per cent to the total respectively. Salaried employees constitute 19.80 per cent and professionals are 17.80 per cent to the total. The number of investors with agricultural and retired background constitutes 10.8 per cent and 6.50 respectively.

The business group dominates in all districts viz Anantapuram 42 per cent, Chittoor 53 per cent, Kurnool 46 per cent and YSR kadapa 40 per cent. In salaries group and Professional investors group, YSK Kadapa district is high (24 and 18 per cents), salaried investors and business people are dominated in Chittoor district (14.00 and 53), and the professionals are high in Anantapuram district and Kurnool district (21.00 and 19.00 per cent). Overall, all four districts, investors belong to business group are dominating well. Since the calculated value (10.920) is lesser than its corresponding table value (21.026) at 5 percent level of significance (DF: 12). The hypothesis is accepted. Hence it is concluded that there is no significant relationship between occupation level and the district wise investment (table 2).

Annual Income of the Investors

Annual income means the income earned throughout the year. It includes all possible sources of income. The above table shows that, the most important group of annual

income is upto ` 200, 000, which constitutes 45.30 per cent to the total. The next important group is ` 2, 00,001 to ` 3, 00,000 which covers 28.80 per cent to the total area. The investors who earn income above ` 500, 000 is only 7.10 per cent. The above table shows that, in Kurnool and YSR Kadapa districts (50.00 per cent) the investors belong to basic income group, i.e., annual income up to ` 200000 is high. Annual income ` 200001 to 300000 group dominates in Chittoor district (36.00 per cent). One significant observation of the table is above 500,000 income group is in 16 per cent in annatapuram. The overall financial position of the investor is near to the basic level. In order to find out whether there is any relationship between district and occupation of investors, the null hypothesis that, “there is no significant relationship between the district wise investment and annual income of the investors”, was framed and analysed with the help of chi-square test. Since the calculated value (41.879) is greater than its corresponding table value (24.996) at 5 percent level of significance (DF: 15). The null hypothesis is rejected. Hence, it is concluded that there is significant relationship between annual income and district wise investment.

Annual Savings of the Investors

The table shows that the important range of savings among the investors in the present is up to 100,000 and 100,001 to 150,000 which constitutes 72.3 and 20.00 per cent. It is inferred from the table 1 that, Kurnool district dominates in annual savings up to ` 100,000 group (80 per cent). The annual savings group of 100,001 to 150,000, Chittoor district is the top (25.00 per cent). But it is different in case of the group 150,001 to 200,000, in this group Anantapuram (10.00) and YSR kadapa (8.00) districts equally keep the first position. Annual savings 250,001 to 300,000 group Anantapuram and Kurnool is only 2 per cent and other district is nil. Since the calculated value (28.574) is greater than its corresponding table value (21.026) at 5 percent level of significance (DF: 12). The hypothesis is rejected. Hence, it is concluded that there is significant relationship between annual savings and the district wise investment.

Family Size of the Investors

The family size of the investors represents the total family members living with the investor. The important family size among the investors is 3 to 4 and up to 2 which constitutes 46.80 and 17.50 per cent respectively. The number of investor with the family size of 5-6 constitutes 16.5 percent to the total. Most of the investors have small family. It could be seen from the table 1 that out of the 400 respondents from all selected districts majority of the investors are having 3-4 members in family (46.8 per

Kurnool district also strengthen in the category of 3 to 4 members (49.00 per cent). Members above 8 are very low in all these four districts with 3.80 per cent. It shows in all four districts, majority of the investors have a small family. Since the calculated value (9.221) is lesser than its corresponding table value (21.026) at 5 percent level of significance (DF: 12). The hypothesis is accepted. Hence it is concluded that there is no significant relationship between number of family members and the district

Table 2: Relationship between Demographic Factors and respondents' opinion with District Wise

Demographic Factor	F (DF)	Sign. Value	Accept/ Reject	Null Hypothesis –H0
Gender	1.627(3)	0.653	Accept	No significance
Age	9.717(12)	0.641	Accept	No significance
Education	21.718(12)	0.041	Reject	Significance
Marital Status	4.685(3)	0.196	Accept	No significance
Occupation	10.920(12)	0.536	Accept	No significance
Annual Income	41.879(15)	0.000	Reject	Significance
Annual Savings	28.574(12)	0.005	Reject	Significance
Family size	9.221(12)	0.684	Accept	No significance

LEVEL OF SATISFACTION OF MUTUAL FUND INVESTMENT

Satisfaction is a unit of measurement to know the product preferences and willingness of investors to continue with the existing products. Therefore, the level of satisfaction and its significance have to be studied. In this analytical part, the discriminate factor analysis has been applied in order to know the level of satisfaction. Besides, the Chi-square test has also been used to test the hypotheses.

The data was subjected to principal component analysis, a method categorized under the broad area of factor analysis. Eighteen variables were reduced to seven principal components through varimax rotation. Items with factor loadings of 0.5 or higher were clustered together to form separate constructs, as recommended by Hair et al. (2006). The factors with Eigen values greater than one were considered significant. With regard to the pre-analysis testing for the suitability of the entire sample for factor analysis, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was found to be .735 and the Bartlett's test of sphericity 2331.726, significant at $p < 0.000$. Thus, it indicated that the sample was suitable for factor analytic procedures (Hair et al., 2006). The null hypothesis H0 assumes that the population correlation matrix of the measures is an identity matrix. The chi-square (f test) statistic of 2331.726 and the R-value of 0.000 implied that there was a very low probability of obtaining this result (a value

greater than or equal to the obtained value) if the null hypothesis (H_0) was true. Therefore, the null hypothesis was rejected and it was concluded that the variables were correlated with each other. The degree of freedom was found to be 171.

Table 3: Communalities for Factors Related to Level of Investors Satisfaction on Mutual Fund Investment

Variable	Initial	Extraction
Schemes	1.000	.743
Risk and Return	1.000	.632
Services	1.000	.698
Relationship	1.000	.625
Claims	1.000	.705
Grievances	1.000	.740
Fund management	1.000	.726
NAV Updation	1.000	.808
Security	1.000	.577
Entry Load	1.000	.764
Exit Load	1.000	.732
New Fund Scheme (or) offer based on Return	1.000	.618
Existing Fund based on Return	1.000	.713
Asset management company service (AMCS)	1.000	.628
Promptness in giving information	1.000	.648
Clarification towards technical doubts	1.000	.609
Reminding premium payment	1.000	.716
Informing time about default payment	1.000	.680
Satisfied with remedial measures (Redressal)	1.000	.521

Extraction Method: Principal Component Analysis.

The values above 0.6 of the Communalities of the items are considered acceptable for the variables to be taken as related to one similar of Hein 1998 theme; Tabachnick and Fidell, 2007; Eiselen, 2006). The above table two for communalities the instruments has values in range of 0.521 to 0.808 and they are not exceeding from one so we can say that the variables are related and there is one underlying theme.

**Table 4: Eigen Values and Proportion of Total Variance of Each Underlying Factors
for the Level of Investors Satisfaction on Mutual Fund Investment**

Factor	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.988	26.255	26.255	4.988	26.255	26.255	2.230	11.737	11.737
2	1.665	8.765	35.019	1.665	8.765	35.019	2.123	11.172	22.909
3	1.499	7.888	42.907	1.499	7.888	42.907	2.035	10.711	33.620
4	1.369	7.203	50.110	1.369	7.203	50.110	1.898	9.990	43.610
5	1.279	6.730	56.840	1.279	6.730	56.840	1.798	9.461	53.071
6	1.076	5.665	62.505	1.076	5.665	62.505	1.630	8.580	61.651
7	1.007	5.301	67.807	1.007	5.301	67.807	1.170	6.156	67.807

Extraction Method: Principal Component Analysis.

In the satisfaction level of mutual fund investment, nineteen factors had Eigen value exceeding "one". Among the seven component factors, the 1st factor accounted for 26.255 percent of the variance, the 2nd 8.765 percent, the 3rd factor 7.888 percent, the 4th factor 7.203 per cent, the 5th factor 6.730, the 6th factor 5.665 and the last factor accounted for 5.301 percent of the variance.

The 19 variables in the data were reduced to 7 component factors and each factor may be identified with the corresponding variable. Seven factors were identified as being maximum percentage variance accounted. The variables 18, 12, 13 and 4 are grouped as factor I and it accounts for 26.255 per cent of the total variance. The variables 11 and 10 constitute the factor II and it accounts for 35.019 per cent of the total variance. The variables 1, 14 and 2 are grouped as factor III and it accounts for 42.907 per cent of the total variance. The variables 6 and 5 are grouped as factor IV and it accounts for 50.110 per cent of the total variance. The variables 17, 16 and 15 grouped as factor V it accounts for 56.840 per cent of the total variance. The variables 8, 7 and 9 are grouped as factor VI it accounts for 62.505 of the total variance and the variables 3 is grouped as factor VII it accounts for 67.807 of the total variance.

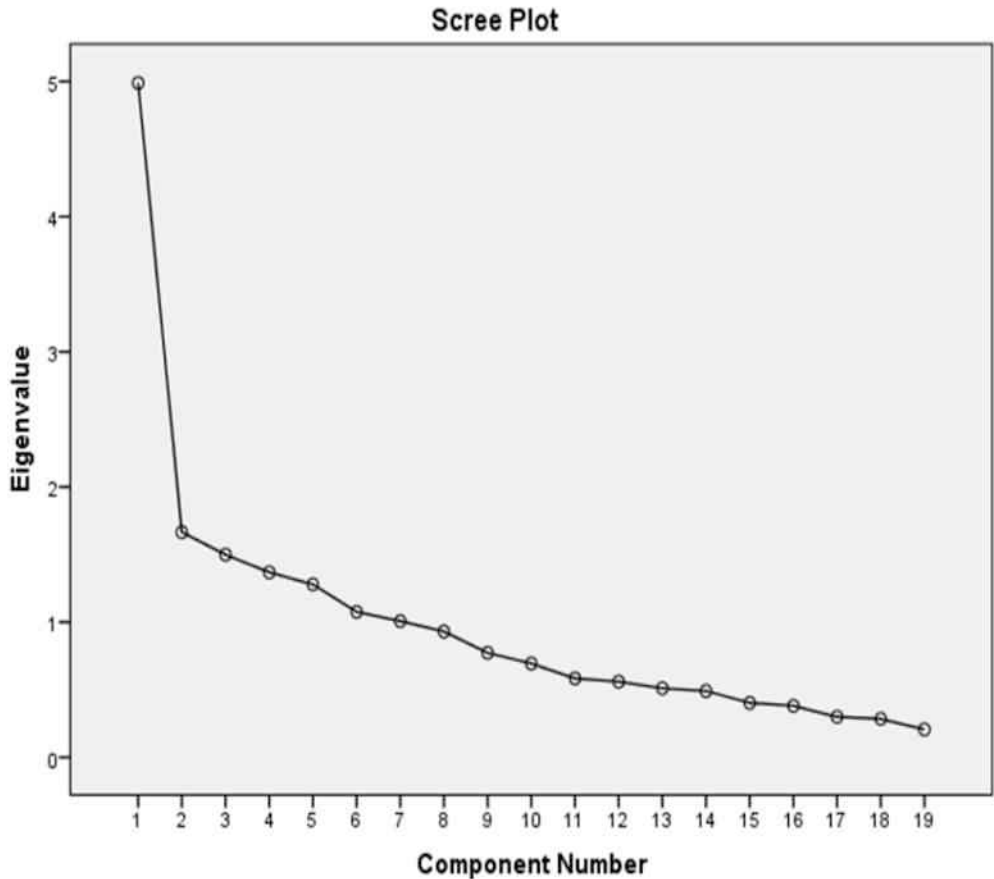


Figure 1 shows that Scree plot is used to extract the number of factors. Scree plot is basically pictorial presentation of Eigen values. Seven components are having more than one Eigen value.

Table 5: Rotated Component Matrix Level of Investors' Satisfaction on Mutual Fund Investment"

	Variables	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Factor 7
18	Informing time about default payments	.746						
12	New Fund Scheme (or) offer based on Return	.654						
13	Existing Fund based on return	.622						
4	Relationship	.535						
11	Exit Load		.783					

10	Entry Load		.779					
1	Schemes			.817				
14	AMCS			.667				
2	Risk and Return			.626				
6	Grievances				.813			
5	Claims				.758			
17	Reminding premium payments					.783		
16	Clarification towards technical doubts					.592		
8	NAV Updation						.809	
7	Fund management						.799	
3	Services							.778
	Eigen Value	4.988	1.665	1.499	1.369	1.279	1.076	1.007
	Per cent of Variation Explained	26.255	8.765	7.888	7.203	6.730	5.665	5.301
	Cumulative Per cent	26.255	35.019	42.907	50.110	56.840	62.505	67.807
Kaiser-Meyer-Olkin Measure of Sampling Adequacy: 0.735					Bartlett's Test of Sphericity: Chi-Square : 2331.726 , Df:171			

Extraction Method: Principal Component Analysis, Rotation

Method: Varimax with Kaiser Normalization, Rotation converged in 11 iterations

Conclusion

The study reveals that the investors' perception is dependent on the demographic profile and assesses that the investor's gender, age, education, marital status occupation, Annual income and annual savings has direct impact on the investors' choice of investment. The study further revealed that Investors' satisfaction is the most important ingredient for the success of mutual fund industry. The present study explored the MF investments in relation to investor's level of perception and satisfaction has been studied relating to various factors like Schemes, Risk and Return, Services, Relationship, Claims, Grievances, Fund management, NAV Updation, Security, Entry & Exit Load, offer based on Return, Existing Fund based on (AMCS), Promptness in giving information Clarification towards technical doubts, Reminding premium payment, Informing time about default payment Satisfied with remedial measures. The present paper outlined that most of the Semi urban and rural investors have high level awareness and positive approach towards investing in Mutual funds.

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