

The effect of marketing strategies on investors' perception and selection preferences - An empirical study on Mutual funds

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Abstract:

Indian mutual funds industry is in an upward design as the assets are growing under the organization of various funds adverts. It is seen that normal theory is more secure than interests in stocks which are safer decisions for financial supporters who avoid risk. It has been seen from the market that most of the financial patrons aren't aware of the upsides of shared savings. This investigation paper has given emphasis on the care level of respondents towards the mutual funds save and besides, an undertaking has been made to perceive various elements responsible for financial patrons placing funds into shared reserves. No big surprise, numerous financial backers have little to no faith in the general security of fluid funds any longer. They were enquiring about for the time being reserves of late because of promoting techniques. In this manner, the present study has focused on marketing strategies towards mutual funds subsidizing' danger and return connected with saving and positioning them depending upon their show which will go similarly a manual for picking the best-shared store delivering the best return with the least stake.

Keywords: *Mutual Funds, Marketing Strategies, and Investment Perception of Investors.*

Introduction:

As we can do is be very distrustful of our ventures. Keep away from high-risk choices such as credit risk funds, long-term debt plans, and so on, and stick to fluid, ultra-short duration, and short-duration funds. Indeed, even this won't offer 100 percent assurance. Stick to enormous funds houses that endeavor to alleviate hazards, and ensure the portfolio is enhanced to preclude fixation risk. Another significant example numerous financial backers, particularly the new ones, learned in 2019 was about the gamble in putting resources into mid-cap and small-cap plans. Numerous financial backers got into mid-cap and small-cap plans since they were performing great and the majority of these financial backers thought they were good with the purported risk. Be that as it may, they began going ballistic when these plans fell pointedly and there were no indications of any restoration.

Additionally, remember the example about the risks of pursuing returns constantly. Numerous financial backers got into these plans, fundamentally on the grounds that they focused exclusively on the profits given by them at the hour of effective money management. They disregarded their gamble profile while putting resources into these plans. That is another vital illustration numerous financial backers learned in 2019. The relative well-being of huge cap shared reserves was let go in 2019. Certainly, the classification

might have given higher normal returns, however, a couple of individual plans could offer appealing returns. Their latent partners improved in correlation on the rear of a thin meeting. On the other hand, we have some marketing strategies to handle all these funds. The marketing strategy refers to the market conditions or activities towards the investment under various mutual funds schemes. Mutual funds resemble giving penance of present worth sum for the dubious potential compensation. The primary goal of the financial backer is to limit the gamble and boost the return. Shared reserves address the most suitable venture a valuable open door for most financial backers. As monetary business sectors become more modern and complex, financial backers need a monetary go-between that gives the expected information and expert mastery of effective money management. Here common subsidizes go about as a middle person. In a cutting-edge economy, monetary organizations are the delegates among banks and borrowers. The cash gathered from financial backers is put resources into capital market instruments like offers, debentures, and different protections. The pay acquired through these ventures and the capital appreciations acknowledged is shared by its unit's holder with respect to the number of units possessed by them. Subsequently, the mutual fund is the most reasonable speculation to the everyday person as it offers an open door, to put resources into a broadened, expertly oversaw container of protections for a moderately minimal price. The Mutual Funds Industry is a quickly developing area in marketing strategies. It will detail to promotion, effort, and advertising efforts to be done by a firm, including how the organization will quantify the impact of these drives. Mutual funds also commonly follow the four Ps of marketing strategies. The capabilities and parts of a showcasing plan incorporate statistical surveying to help estimate choices and new market passages, custom-fitted informing that objectives certain socioeconomics and geographic regions, and stage determination for the item and administration advancement — computerized, radio, web, exchange magazines, and the blend of those stages for each mission, and measurements that action the consequences of promoting endeavors and their revealing time limits. These items are presently custom to suit the explicit necessities of financial backers. Escalated rivalry and association of private players in the race of MFs have constrained proficient chiefs to get developing common assets. In this manner, the mutual fund industry has moved from offering a small bunch of plans like value, obligation, or adjusted assets to fluid, currency market, area explicit funds, file funds, and plated-edged reserves.

Literature Review:

A review of writing in this field investigated its benefits and impediments and featured significant realities which became extreme strength for the MF industry. Rasheed Haron (2014), The review uncovered that the general execution of the assets stays best as assessed to advertise however blunders saw in the common asset industry during the review time frame. Subsequently, the portfolio was not totally broadened and contains an unsystematic gamble. Nishant Patel (2015) analyzed the monetary market variances in terms of Beta under CAPM model and found the gamble and return of these plans were not in congruity with their speculation targets further example plans were not viewed as sufficiently broadened. Kundu Abhijit (2011) reasoned that the security supervisor's capacity to outflank the market and to evaluate the plans with

regards to post-hazard, return, and expansion yet neglected to procure huge positive returns by choosing misvalued protections in the portfolios. Anand (2011) analysed the parts and wellsprings of speculation execution to credit it to explicit exercises of Indian asset chiefs and uncovered the way that the assets flopped in assumptions to remunerate the financial backers for the extra gamble taken by them. The concentrate likewise saw that the selectivity, expected market chance and market return factors have shown a nearer connection with the asset return, Guha's (2008) review uncovered the general execution of the assets as for their style benchmarks and observed that making an expectation of shared store execution in advance is truly challenging.

Objectives of the Study:

There are following objectives of the study are as:

1. To study the investors' perception of investment under mutual funds schemes i.e. affected by marketing strategies in the Indian financial market.
2. To study the selection preferences for mutual funds i.e. affected by marketing strategies in the Indian financial market.

Research Hypothesis:

H1: There is a positive perception of investment under mutual funds schemes i.e. affected by marketing strategies in the Indian financial market.

Ho: There is no positive perception of investment under mutual funds schemes i.e. affected by marketing strategies in the Indian financial market.

Research Methodology:

Study-Based: The study is analytically based.

Data: The primary and secondary types of data have been used for the analysis of the study.

Year of the study: 2019

Tools: Factor Analysis, KMO, Cronbach's Alpha, and Chi-square tests have been used for analysis.

Sample Size: 250 Investors.

Sample Collection: The interview and self-construct questionnaire have been used as an instrument for investors.

Findings and Analysis:

A demographical profile are as follow:

Type	Particulars	Frequency	Percentage
Gender	Male	174	70.4
	Female	76	29.6
Age	Less than 25	0	0
	25-35	120	48
	35-45	88	35.2
Educational Qualification	More than 45	42	16.8
	Matriculation	37	14.8
	Intermediate	58	23.2
	Graduation	95	38
	Post-Graduation	60	24
Occupation	Salaried employee	95	38
	Businessman	51	20.4
	Professionals	48	19.2
	Others	56	22.4
Family Income per month	Less than 25K	58	23.2
	25K-50K	144	57.6
	Above 50K	48	19.2

According to the tables:

The constructs have been checked through Cronbach's Alpha (based on the structured Questionnaire). Cronbach's Alpha value of 0.674 which is more significant for the reliability of data.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.723
Bartlett's Test of Sphericity	Approx. Chi-Square	1.996E3
	df	153
	Sig.	.000

S. No.	Attributes	Factor Loadings			
		F1	F2	F3	F4
S1	Marketing Strategies influence a lot in Mutual Funds investment.	.859			
S2	Fund size affected a lot to purchase MF	.660			
S3	The MF schemes portfolios very good to invest.	.506			
S4	Reputation of fund managers one of the criteria to invest in MF.	.814			
S6	Preference for liquidity factors of the mutual fund.	.711			
S5	Past performance of the fund.		.605		
S8	Dividend history of MF.		.429		
S11	Equally giving priority to prompt settlement of MF.		.721		
S12	Investor's grievance & redressal machinery should be very quick.		.784		
S15	Invest in the MF which is more transparent in service.		.854		
S16	MF whose return facility is better in terms of values.		.801		
S9	Rating given by rating agency can be one of the criteria for investment in MF.			.591	
S10	Types of redemption facilities available with the MF i.e. affected by marketing Strategies.			.841	
S14	Invest in MF whose sustainable performance is good			.918	
S13	Risk taking ability affects the investment decisions.				.658
S7	A current market condition is one of the factors to invest in mutual funds.				.747
	Total factor Loadings	3.55	4.19	2.35	1.40

Ranking of Factors on the satisfaction level

Factors	Factor Loadings	Rank
Risk (F1)	3.55	2
Belief (F2)	4.19	1
Terminal Value (F3)	2.45	3
Self-concept (F4)	1.40	4

Hypothesis	β	Standard Coefficient	T	Sig.	R Square (%)	Acceptable Level <0.001	Hypotheses Results
H1	.56	.36	3.32	.000	.361 (36%)	Significant	Accepted

The factor loadings for factor 1(F1) is 3.55 and for factor 2(F2) is 4.19 and for factor 3(F3) is 2.35 and for factor 4(F4) is 1.40. The variables under each of the three desired factors. The first factor identified with risk associated with the mutual fund company which has been grouped under F1 and termed as “Risk” factor. The second factor explains the past performance and dividend history of the mutual fund company. The second factor F2 is termed as “Belief” factor. The third factor F3 explains the rating and sustainability of the mutual fund in market in future. The factor F3 is termed as “Terminal Value” factor.

The fourth factor F4 explains the individual risk taking capacity and prevailed market condition and termed as “Self- concept”. And, on the other hand, Null Hypothesis is rejected and Alternative Hypothesis is accepted. It is a requirement for the common organizations not to conceal the advance notice on the off chance that they are giving any data with respect to gambling in speculation. It is normal that there is a great future ahead for the common asset industry in India drawing in a significant portion of family saving from metropolitan as well as semi-metropolitan and provincial regions. India is a nation where the ranchers in the greater part of regions are reliant upon a storm for horticulture development and in this manner their procuring relies upon rainstorm season. Thus, the ranchers could be a potential objective gathering of clients for shared store organizations. Mutual Funds could demonstrate as a wise speculation choice in the event that there is a cataclysmic event for example disappointment of rainstorm season.

India Post ought to search for utilizing its minimal expense administration alongside other key accomplices like Mutual Funds and Insurance agencies to spread reach to country networks and low-pay families through various mindfulness crusades. Since many banks are offering Protection and shared reserve items, monetary incorporation will give chances to strategically pitch these items and procure charge-based pay. Common assets ought to make postal specialists their autonomous monetary guides which will guarantee that the items come to the grassroots. The assets can be given targets with respect to the number of postal specialists who should become autonomous monetary consultants.

Shortcomings in Marketing Strategies:

The advertising techniques created and sought after by Indian common supports till the present have a few weaknesses. These confine the scope of the assets, yet in addition, frequently have an impact in shaking the certainty of the financial backers. In India, countless drives have occurred to advance monetary considerations. Be that as it may, monetary consideration actually stays a test, especially in the low-pay states and provincial areas of India.

In this way, the span of monetary items to towns and modest communities must be made helpful. A portion of the serious weaknesses in the promotion of shared reserves are as per the following:

- The advertising technique has neglected to address the brain research and assumptions of the financial backers.
- The advertising technique of most shared reserves is dull.
- While planning the showcasing system, most common assets neglect to assess changes in the financial design of the market. This has brought about areas of strength for a predisposition, in addition to other things.

Conclusion:

Greatness has been seen on a productive note in past in the Indian economy and the equivalent is normal in the future when thinking about the size of global principles. This is a result of the structuralization of progression strategies and balance in the opportunity given to private monetary players. The Indian economy is viewed as an extending economy as far as developing populace, rising pay would be considered normal to have an incredibly efficient future. To maintain its position around the world, the Indian economy can't stand to disregard worldwide monsters, for example, shared reserves which accommodate its key monetary position. The worldwide players who needed to lay out traction in the Indian market were given a straightforward access into the market because of the unwinding in by and large standards and administrative systems. There was a requirement for the shared asset industry to refresh itself as far as abilities, innovation, and a profound infiltrated mindfulness organization. To have fruitful financial planning, the financial backers need to settle their abilities with regard to timing and speculation discipline. The discoveries of any review can't be summed up to all due to the overarching conditions and test size while the review was being done however can accommodate a couple of legitimate headings. The review reasons that the shared asset fills in as a one-of-a-kind device for financial backers who might want to put resources into the smallest gamble conditions and will act as a significant apparatus because of its benefits like proficient administration, broadening, economies of scale, liquidity, and effortlessness for certain downsides such expenses, weakening, charges. It functions admirably when done inside an administrative system and under legitimate rules given by SEBI and RBI. Simultaneously, we need to make it more financially backer agreeable. By and large, the common asset appears to have a brilliant future in India with serious financial backers making due over the long haul.

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