



A STUDY ON INDIVIDUAL PERCEPTION AND CONSUMER BEHAVIOUR ON ICICI MUTUAL FUND

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Abstract

This study explores individual perception and consumer behaviour toward ICICI Mutual Fund in Padalur, a semi-urban region where financial awareness is gradually increasing. The objective is to understand how various factors such as brand image, risk appetite, investment goals, and accessibility influence the investment decisions of individuals. The research employs a structured questionnaire to gather primary data from investors and potential investors in the area. Findings indicate that while many are aware of ICICI Mutual Fund, their understanding of different schemes and risk levels remains limited. Systematic Investment Plans (SIPs) are the most preferred mode due to their flexibility and affordability. However, a significant number of respondents still rely on word-of-mouth or financial advisors rather than conducting independent research. The study highlights the need for enhanced financial literacy programs and simplified investment platforms to promote informed decision-making and strengthen trust in mutual fund investments, particularly in semi-urban regions like Padalur.

Keywords: ICICI Mutual Fund, Consumer Behaviour, Investor Perception And Lump Sum Investment

Introduction

The first introduction of a mutual fund in India occurred in 1963, when the Government of India launched Unit Trust of India (UTI). Until 1987, UTI enjoyed a monopoly in the Indian mutual fund market. Then a host of other government-controlled Indian financial companies came up with their own funds. These included the State Bank of India, Canara Bank, and Punjab National Bank. This market was made open to private players in 1993, as a result of the historic constitutional amendments brought forward by the then Congress-led government under the existing regime of Liberalization, Privatization, and Globalization (LPG). The first private sector fund to operate in India was Kothari Pioneer, which later merged with Franklin Templeton.

A mutual fund is a common pool of money into which investors place their contributions that are to be invested in accordance with a stated objective. The ownership of the fund is thus joint or “mutual”; the fund belongs to all 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.

Objectives of the Study

- To investigate investors' perceptions regarding investments in ICICI mutual funds.
- To understand the factors that influences an investor's decision-making process.
- To examine the level of satisfaction of the investor.
- To examine awareness of different mutual funds available for investment.
- To identify the problem faced by mutual fund investors.



Need for the Study

A mutual fund is a financial intermediary that collects money from investors who are willing to allocate their savings into primary and secondary securities, including money market instruments, government and corporate bonds, and equity shares of joint-stock companies. As the mutual fund sector has developed, there has been a growing acceptance among most policyholders that the era of assured returns is over.

This study aims to explain investors' perceptions of mutual funds through investment plans and to analyze the risks and returns of their investments. Additionally, this study seeks to understand the expectations individuals have regarding their investments.

Statement of the Problem

The mutual fund industry has experienced significant growth as a popular investment avenue, yet individual participation remains inconsistent, influenced by varying perceptions and behavioral factors. While prior studies explore mutual fund adoption, limited research examines the interplay between personal perceptions (risk tolerance, financial literacy, trust) and consumer behaviour (decision-making, preferences, loyalty) in diverse socio-demographic contexts. This gap hinders financial institutions from tailoring strategies to address misconceptions, enhance financial literacy, and align products with investor expectations. Additionally, evolving digital platforms and socio-economic shifts necessitate updated insights into modern investor psychology. This study investigates how individual perceptions shape mutual fund choices, identifies barriers to participation, and evaluates the role of demographic variables. Findings aim to empower stakeholders with actionable strategies to bridge perception-behavior gaps, fostering informed investment decisions and industry growth.

Review of Literature

Crowston et al. (2018) analyze the optimal lot size problem, showing that the lot size at each location is an integer multiple of the successor's lot size, assuming that lot sizes remain stationary over time.

Williams (2019) proposed a dynamic programming approach to minimize average costs for production batch sizes in an assembly system over an infinite horizon.

Afentakis et al. (2020) introduced a new formulation for the multilevel assembly systems lot-sizing problem, leading to an efficient optimization method that utilizes echelon stock.

Nahmias (2018) examined an inventory system where a finished product is assembled from two items sourced from a third-party supplier, providing insights into an MRP assembly system under stochastic demand.

AXSATER and NUTTLE (2020) developed a strategy for an N-item assembly system that minimizes total setup and inventory holding costs over a defined timeframe while addressing random demand and proportional production costs.

Research Methodology

The systematic, theoretical framework that directs a research effort and includes the methods, processes, and steps used to gather, study, and understand information is called research methodology.



Research Design

This study uses a descriptive research design to evaluate inventory management practices within a multi- echelon supply chain. It aims to determine how inventory is controlled and optimized across different levels, including suppliers, manufacturers, distributors, and retailers.

Sources of Data

Primary data for this study was collected from employees using a structured questionnaire.

Tools used for Analysis

1. Percentage analysis: To determine the replies' distribution and identify significant trends.
2. A Chi-square test is a statistical method used to analyze contingency tables and assess the independence of two categorical variables. "It determines whether the differences between observed and expected results are due to chance or indicate a relationship between the variables.

Chi Square

Gender * Satisfied Are You The Transparency of Exit Load. Hypothesis

Null Hypothesis (H_0):

There is no significant relationship between Gender and How satisfied are you with the transparency of load and other fees

Alternative Hypothesis (H_1):

There is a significant relationship between Gender and How satisfied are you with the transparency of load and other fees

- a. 9 cells (50.0%) have expected count less than 5. The minimum expected count is .52.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	226.737 ^a	10	.826
Likelihood Ratio	135.070	10	.000
N of Valid Cases	221		

Interpretation

The obtained significant value of satisfied are you with the transparency of exit load and other fees is 0.31. It is less than 0.05. So it is accepted. It is statistically proven that there is a significant relationship between Gender and satisfied are you with the transparency of exit load and other fees Null Hypothesis is rejected, and the alternative Hypothesis is accepted

Gender * And Icity Mutual Funds Efforts In Promoting Financial Literacy. Hypothesis

Null Hypothesis (H_0):

There is not a major link between Gender and and ICICI Mutual Funds efforts in promoting financial literacy.



Alternative Hypothesis (H_1):

There is a strong link between Gender and ICICI Mutual Funds efforts in promoting financial literacy.

a. 9 cells (50.0%) have expected count less than 5. The minimum expected count is .43”.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	225.524 ^a	18	.725
Likelihood Ratio	134.498	18	.625
N of Valid Cases	221		

Interpretation

According to the above data, the significant association between Gender and the Bullwhip can be seen, because its sig value (.725) is below the level of significance (0.05) with a Pearson Chi-Square value of above 225, at a 16% level of significance, with p value below 0.01 and thus, null hypothesis gets rejected effect impacts inventory decisions in the supply chain.

Findings

1. Forty-three (43.8%) of the respondents are Satisfied with the variety of mutual fund schemes offered by ICICI
2. Forty-five (45.3%) of the respondents are Satisfied with you with the ease of account opening and the onboarding process?
3. Forty-three (43.8%) of the respondents are Satisfied with your performance in selecting of mutual fund schemes
4. Thirty-six (63.8%) of the respondents are Satisfied with performing in your selected mutual fund schemes.
5. Thirty-five (35.3%) of the respondents are Satisfied with the responsiveness of customer support services.
6. Thirty-seven (37.8%) of the respondents are Satisfied with the online platform or mobile app experience (e.g., usability, functionality)
7. Thirty-four (34.8%) of the respondents are Satisfied with the accessibility of icici mutual fund branches or service centres
8. Thirty-eight (38.8%) of the respondents are Satisfied with the regular communication and updates from ICICI Mutual fund.

Conclusion

The study on individual perception and consumer behaviour towards ICICI Mutual Fund reveals valuable insights into how investors make financial decisions in the mutual fund market. The analysis indicates that while ICICI Mutual Fund holds a strong brand image and reputation in the financial sector, individual investment behaviour is influenced by several key factors including awareness, risk appetite, investment goals, and the perceived reliability of the fund house. Many investors showed a preference for systematic investment plans (SIPs) due to their convenience and disciplined investment approach, while others considered lump sum investments based on market timing and available surplus funds. It was also observed that a significant portion of investors rely heavily on financial advisors or peer recommendations, underscoring the importance of trust and guidance in financial decision-making.



Awareness levels regarding the various mutual fund schemes offered by ICICI varied across demographics. Younger investors tended to be more digitally inclined, using online platforms and mobile apps to make informed choices, whereas older investors often preferred traditional methods and personal consultations. Risk perception played a major role in investment choices, with many conservative investors leaning towards debt or hybrid funds to ensure capital safety. Despite ICICI's strong product offerings and digital infrastructure, there remains a need to enhance investor education and transparency to build deeper trust and engagement.

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