An empirical study on the investment barriers of mutual funds in the Goan context

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By

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DECLARATION BY STUDENT

I hereby declare that the data presented in this Dissertation report entitled, "An empirical study on the investment barriers of mutual funds in the Goan context" is based on the results of investigations carried out by me in the MBA (Financial services) at the Goa Business School, Goa University under the Supervision of Dr Pournima S. Shenvi Dhume and the same has not been submitted elsewhere for the award of a degree or diploma by me. Further, I understand that Goa University or its authorities /experimental or other findings given the dissertation. I hereby authorize the university/college authorities to upload this dissertation on the dissertation repository or anywhere else as the UGC regulations demand and make it available to any one as needed.

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COMPLETION CERTIFICATE

This is to certify that the dissertation report "An empirical study on the investment barriers of mutual funds in the Goan context" is a bonafide work carried out by Mr JONATHAN DOMNIC SAVIO FERNANDES under my supervision in partial fulfilment of the requirements for the award of the degree of Masters of Business Administration in the Discipline Financial Services at the Goa Business School, Goa University.

Dr Pournima S. Shenvi Dhume Assistant Professor Goa Business School

Date: 29TH April 2024

Signature of Dean of the School Date: 29th April 2024 Place: Goa University/Goa Business School



School Stamp

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22nd April 2024

To Whomsoever It May Concern

This is to certify that Mr. Jonathan D.S Fernandes has completed his internship with Whiteoak Capital AMC Ltd at Margao Goa branch in sales and operations departments from 15th February 2024 to 12th April 2024.

He was found to be hardworking, sincere and discharged his duties and responsibilities satisfactorily. His conduct was found to be very good during the said period of internship.

We wish him all the very best in his future endeavours.



Rahul Kantak (Branch Head)

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Profile of the organisation

WhiteOak Capital Asset Management Limited is part of White Oak Capital Group, a globally trusted asset management group founded by Mr. Prashant Khemka, an investment professional with an enviable track record spanning over two decades. The group has investment research teams based in India, Singapore, Spain and additional sales and distribution offices in Switzerland, UAE and the UK. The India AMC team comprises seasoned professionals with rich experience in Financial Services, led by Mr. Aashish P. Somaiyaa, CEO, who brings 20+ years of experience in the asset management industry. The AMC has an on-ground presence in over 50 cities and a basket of Equity, Hybrid, and Debt funds to cater to various investor needs. It was established in June 2017 by Mr. Prashant Khemka. As of April 25, 2024, the assets under

management of the fund house stood at Rs10,000 crores which 0.18% of the Indian mutual fund industry's AUM.

- WhiteOak Capital Mutual Fund offers 11 mutual fund schemes.
- Out of those, 6 are equity funds, 3 are hybrid funds, and 2 are debt funds.
- WhiteOak Capital Flexi Cap Fund, WhiteOak Capital Mid Cap Fund, and WhiteOak Capital Large& Midcap Fund are the top mutual fund schemes of the fund house as of December 2023.

AN EMPIRICAL STUDY ON THE INVESTMENT BARRIERS OF MUTUAL FUNDS IN THE GOAN CONTEXT

ABSTRACT

The study explores mutual fund awareness and its challenges and barriers. It finds that awareness varies across demographics, with younger age groups and certain occupational and educational backgrounds showing higher levels. Respondents value the reputation of asset management companies and express concerns about operational inefficiencies and a lack of investment advisors. Financial scams are a significant deterrent to mutual fund investment, reflecting risk and trust concerns. The study emphasizes the interconnectedness of risk perception, trust, and personalized financial advice in shaping investor behaviour. The high internal consistency of survey items and the suitability of the data of the data for factor analysis support the reliability of the findings.

KEYWORDS: Mutual fund, risk and investors.

AN EMPIRICAL STUDY ON THE INVESTMENT BARRIERS OF MUTUAL FUNDS IN THE GOAN CONTEXT

CHAPTER 1: INTRODUCTION

1.1 INTRODUCTION

The mutual fund industry is crucial for investment diversification and wealth accumulation, but distributors face a challenge in attracting new investors. This raises questions about the sustainability and adaptability of mutual fund distribution models. This research aims to explore the problems faced by distributors, their implications for industry dynamics, distributor strategies, and the broader investment landscape. It seeks to offer insights into potential remedies and adaptive measures to navigate these challenges effectively. The study aims to provide valuable insights into the challenges faced by mutual fund distributors. Kaur, I. (2018) The Investment behaviour of the investor could be conceptualized under TPB, as an investor's attitude towards mutual funds is based on his perceived outcome, i.e. return and risk associated with that investment compared to other alternatives. The subjective norms depend upon the immediate environment of the investor shaped by socio-economic characteristics, such as occupation, gender and income group. The perceived behaviour control, i.e. knowledge about investment alternatives, provides necessary confidence to investor for his act and mostly (Lavin & Magner, 2014) three causes that generate Heard Behaviour: information problems, agency problems and behavioural problems. This research is done on primary data by using a questionnaire and having nine dependent factors on challenges and barriers on mutual fund. Demographic factors reveal that individuals under 25, 25-30, 30-50, and above are most aware of their financial situation. Students, salaried individuals, self-employed individuals, and homemakers are the most aware. Educational qualifications are also a significant factor, with individuals with up to 10th grade education being the aware. Graduates and postgraduates are the least aware. Annual income is also a significant factor, with individuals earning less than 2.5 lakh being the most aware. Those earning between 2.5 lakh and 5 lakhs are the most aware, followed by those earning between 5 lakh and 10 lakhs. Total of 149 responses have been used in the study and the data is been analysed through SPSS software. Cronbach's Alpha (table 4.2) is more than 0.7 which indicates this data is reliable. Factor analysis reveals that respondents are generally less likely to follow financial counsellors or influencers on social media, and their perceptions of asset management companies' reputation and the validity of advice from mutual fund brokers are largely unbiased. Most respondents agree that operational inefficiencies hinder the growth potential of the mutual fund industry, and that individuals lack the time and knowledge to effectively monitor their investment portfolios. The shortage of investment consultants, particularly those offering individualized advice, is seen as a major barrier to the expansion of mutual funds. Most respondents believe that financial frauds significantly discourage investors from choosing mutual funds, and retail investors' risk aversion and awareness are major obstacles facing the mutual fund business.

CHAPTER 2: LITERATURE REVIEW AND RESECH OBJECTIVES

2.1 LITERATURE REVIEW

(Nilsson, 2009) The study examines the impact of financial return and social responsibility on investors' decisions to invest in SRI profiled mutual funds. Three segments of SR-investors were identified: those primarily concerned about profit, those primarily concerned about social responsibility, and those socially responsible and return-driven. These segments showed distinct differences in various profiling variables. The study reveals that investors have different reasons for investing in SRI profiled mutual funds. Future research could focus on understanding why certain investors prioritize social responsibility over return and why some prefer the opposite.

(Nguyen et al., 2018) This study examines the impact of investor confidence on mutual fund performance in India and Pakistan. Using a pooled ordinary least squared model, the researchers examine the relationship between investor confidence and mutual fund returns. They use two-stage least squares and generalized method of moments techniques to control for heterogeneity, simultaneity, and dynamic endogeneity problems. The results show that mutual fund returns are positively associated with investor confidence and an interaction effect exists between confidence and performance persistence.

(Nicolescu & Tudorache, 2021) This paper analysis investment behaviour in mutual funds in Central and Eastern Europe (CEE) by examining different decision influencing and determining the knowledge-based investment decisions. The study found that all factors influence investor behaviour, but with varying levels of impact. The study concluded that investment decisions are partially knowledge-based, with investors considering only some available information. Investment behaviour in CEE is similar, but Hungarian investors are more mature and informed. The study highlights the importance of considering available information when making investment decisions.

(Dhall et al., 2021) The study examines investor awareness and perception towards mutual funds in India, focusing on factors such as tax benefit, security, liquidity, return, and reliability. Results show a significant relationship between gender and investor perception of returns in mutual funds and the higher tax shield provided by mutual funds. Deduction in tax amount at income tax returns is the major motivator for investors to invest in mutual funds. Demographic variables like gender and age also play a role in investor perception. Companies should focus on investor preferences and demographics to encourage investment in mutual funds and develop innovative schemes that benefit both old and potential investors. The study contributes to both theory and practice in the mutual fund industry.

(Kaur, 2018) This study examines the fund selection process of Indian mutual fund investors using the Theory of Planned Behaviour and consumer's behaviour model. It reveals that investors' knowledge and perception of mutual funds significantly influence their information search behaviour. Those with better knowledge access impersonal sources of information and fund performance, while those with lesser knowledge seek expert advice and select funds based on fund characteristics. Investors with better return perception ignore performance as selection criteria, while those with poor risk perception reduce their bias by accessing personal sources of information. Education and income also play a role in investor knowledge and perception of mutual funds.

(Sourirajan & Perumandla, 2022) Goal-based desires were a significant driver of investing intentions while actual investing was driven by habits. Anticipated regret strongly influenced desires. The overall explanation of variance in intentions and investing behaviour was improved by 27 and 28% respectively by the new model.

(Goyal et al., 2023) This paper investigates the formation of heuristics and their relationship with herding and prospect theory, specifically for millennials. Results support herding and prospect theory as antecedents, with varying degrees of impact on equity and mutual fund investments, with herding's impact likely being smaller.

2.2 RESEARCH PROBLEM

This research is done on the problem faced by most of the mutual fund distributors, who mostly don't see new investors investing in mutual funds.

2.3 OBJECTIVES

2.3.1: To identify the awareness level among the people of Goa (age, educational qualification, occupation, annual income, and monthly savings)

2.3.2: To understand the typical obstacles and difficulties experienced by those who do not invest in mutual funds.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 RESEARCH METHODOLOGY

This study is done using the qualitative research method, and the study targets people in Goa who don't invest in mutual funds. For the study, an online questionnaire was created using Google Forms. Friends, colleagues, and acquaintances were sent emails and messages on social media platforms, including Facebook, Instagram, and WhatsApp, containing a link to an online survey, and due to the low response rate, a printed questionnaire was circulated to meet the target. The questionnaire began with demographic questions like age, occupation, annual income, and monthly savings. Unsuitable respondents who did not meet the questionnaire parameters were thanked for their time. The reasoning behind the floating online questionnaire is that people who are comfortable using social media platforms have the necessary skills and understanding for direct investment in mutual funds. The convenience sampling technique was considered a more appropriate data collection method considering the feasibility of data collection within the timeframe provided. The data collection tool was initially pretested with 50 respondents to assess the reliability and validity of measurement variables. The first part of the questionnaire was totally focused on demographic factors such as age, education, monthly savings, and annual income, and the second section was focused on variables like risk, comfortableness. social media, reputation, recommendations, brokers, operational inefficiencies, lack of investment advisors, financial scams, lack of awareness, and lack of time and knowledge. The survey was conducted from April 18th, 2024, to April 23rd, 2024, using a structured questionnaire. The respondents of the study were assured regarding the secrecy of their identities and persuaded that those responses would only be used for academic and research purposes. A total of 149 responses were collected from the online and printed surveys.

3.1.1: The measurement scale used for demographic section has four scales except for the occupation section which has five scales of measurement. Awareness of mutual funds have two

scales to measure and reasons for not investing in mutual funds, key factors for investing in mutual funds, personality type, comfortable with taking risk and common message from financial influencers that demotivate from mutual funds has four scales to measure responses. Following financial advisors/financial influencers has two scales to measure whereas questions like some common messages that demotivate from investing, investing in a mutual funds solely based on a financial influencer's recommendation and feeling about the impact of market volatility on mutual fund investment has three scales to measure. 5 Point Likert Scale is used in questions relating to reputation of asset management company, recommendations of mutual fund brokers, focus on regions across India, operational inefficiencies, lack of investment advisors, financial scams, lack of awareness and risk aversion and whether individual has time and knowledge to monitor his portfolio

3.1.2: Cronbach's Alpha was used to assess the internal consistency or reliability of the survey questions related to the concept of "An empirical study on the investment barriers of mutual funds in the Goan context" a Cronbach's Alpha value above 0.7 is generally considered acceptable for reliability. Descriptive statistics such as mean and standard deviation were calculated for each survey question to summarize the responses from the sample population. This provided insights into the central tendency and variability of responses. Kaiser-Meyer-Olkin (KMO) Measure and Bartlett's Test Measure of Sampling Adequacy and Bartlett's Test of Sphericity were conducted to assess the suitability of the data for factor analysis. A KMO value above 0.7 and a significant Bartlett's Test (p < 0.05) indicate that the data is appropriate for factor analysis.</p>

CHAPTER 4: ANALYSIS

4.1 DEMOGRAPHIC FACTORS

Table 4.1: Demographic factors

Demographic profiles		awareness			
		Yes	No		
4.55	Below 25	52	8		
	25-30	29	9		
Age	30-50	37	7		
	50 and above	2	4		
	Student	36	5		
Occupation	Salaried	68	19		
Occupation	Self employed	11	1		
	Homemaker	5	3		
	Up to 10th	11	7		
Educational	Up to 12th	27	14		
qualification	Graduation	51	4		
	Post Graduation	31	3		
	Less than 2.5 lakh	48	12		
Annual Income	2.5 lakh – 5 lakh	49	13		
	5 lakh – 10 lakh	21	3		
	Above 10 lakh	2	0		
	Less than 20000	90	18		
Monthly Savings	20000 - 30000	18	9		
wontiny saviligs	30000 - 50000	9	1		
	50000 and above	3	0		

4.1.1 Age and Awareness

- Among individuals below 25, 52 are aware while 8 are not.
- In the 25-30 age group, 29 are aware and 9 are not.
- For the 30-50 age group, 37 are aware and 7 are not.
- Only 2 individuals aged 50 and above are aware, while 4 are not.

4.1.2 Occupation and Awareness

- Among students, 36 are aware and 5 are not.
- Among salaried individuals, 68 are aware and 19 are not.
- Self-employed individuals have 11 aware and 1 not aware.
- Homemakers have 5 aware and 3 not aware.

4.1.3 Educational Qualification and Awareness

- Individuals with up to 10th grade education have 11 aware and 7 not aware.
- Those with up to 12th grade education have 27 aware and 14 not aware.
- Graduates have 51 aware and 4 not aware.
- Postgraduates have 31 aware and 3 not aware.

4.1.4 Annual Income and Awareness

- Individuals earning less than 2.5 lakh have 48 aware and 12 not aware.
- Those earning between 2.5 lakh and 5 lakh have 49 aware and 13 not aware.
- Individuals earning between 5 lakh and 10 lakh have 21 aware and 3 not aware.
- Individuals earning above 10 lakh have 2 aware and 0 not aware.

4.1.5 Monthly Savings and Awareness

- Individuals with monthly savings less than 20000 have 90 aware and 18 not aware.
- Those with savings between 20000 and 30000 have 18 aware and 9 not aware.
- Individuals with savings between 30000 and 50000 have 9 aware and 1 not aware.
- Those with savings above 50000 have 3 aware and 0 not aware.

4.2: RELIABILITY OF DATA

Table 4.2: Reliability Statistics

Reliability Statistics					
Cronbach's	Cronbach's	N of Items			
Alpha	Alpha Based on				
	Standardized				
	Items				
.808	.777	22			

• The Cronbach's Alpha is more than 0.7 which indicates this data is reliable. The different questions asked in my survey are capturing the concept of "an empirical study on the investment barriers of mutual funds in the Goan context" and therefore, internally consistent which is important for my objective.

4.3 FACTOR ANALYSIS

Table 4.3: Descriptive Statistics

Descriptive Statistics

	Mean	Std. Deviation	Analysis N
Are you following any financial advisors (financial influencers) on social media?	1.70	.459	148
[The reputation of the asset management company is important while investing in mutual funds]	3.73	1.270	148
[Recommendations of mutual funds brokers are highly reliable to invest in mutual funds]	2.55	1.121	148
[Operational inefficiencies like lengthy transaction cycles, cheque based returns etc are still hampering the	2.88	1.200	148
growth prospects of the industry.] [Individual has no time and knowledge to monitor his portfolio.] [The lack of investment advisors,	3.74	1.262	148
especially to give personalized investment advice to the investors is creating roadblock for the growth in	3.07	1.196	148
mutual funds.] [Financial scam are keeping the investors away from mutual funds.]	3.84	1.299	148
[Lack of awareness and a risk aversion among the retail investors are major challenges for the industry.]	3.08	1.348	148

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4.3.1 Interpretation

 Respondents are generally not very likely to follow financial counsellors or influencers on social media. The low standard deviation suggests that the sample's responses are often consistent.

When making a mutual fund investment, the asset management company's reputation matters.

- When investing in mutual funds, respondents generally view the reputation of asset management firms as being highly significant. The substantial standard deviation indicates that respondents' relative weights on reputation can vary. According to the mean, respondents' opinions on the validity of advice from mutual fund brokers are largely unbiased. The standard deviation shows that respondents' opinions vary to some extent.
- Most respondents seem to concur that the mutual fund industry's growth potential is being hampered by operational inefficiencies. The standard deviation indicates that respondents' perceptions of how significant these inefficiencies are varied somewhat. This statement suggests that respondents generally agree that individuals lack the time and knowledge to effectively monitor their investment portfolios. The standard deviation indicates some variability in the extent of agreement among respondents.
- The shortage of investment consultants, especially those who offer individualized advice, is generally seen by respondents as a major barrier to the expansion of mutual funds. The standard deviation indicates that respondents' perceptions of this vary somewhat.

According to this remark, most respondents believe that financial frauds significantly discourage investors from choosing mutual funds. The significant standard deviation suggests that respondents' levels of concern vary to some extent.

Retail investors' risk aversion and awareness, according to most respondents, are major obstacles facing the mutual fund business. The standard deviation indicates that respondents' perceptions of this vary somewhat.

4.4 KMO AND BARTLETTS TEST

Tabel 4.4: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure	.726	
Bartlett's Test of Sphericity	Approx. Chi-Square	142.540
	df	21
	Sig.	.000

4.4.1 Interpretation

• From the above responses asked for 'An empirical study on the investment barriers of mutual funds in the Goan context' it is seen that KMO value is more than 0.7 and significant value is less than 0.05 which indicates that there is identity in correlation thus the data is approved for factor analysis.

4.5 ROTATED COMPONENT MATRIX

Tabel 4.5: Rotated Component matrix

ROTATED COMPONENT MATRIX	Component			
	Trust	Challenges		
[The reputation of the asset management company is important while investing in mutual funds]	.777	.091		
[Recommendations of mutual funds brokers are highly reliable to invest in mutual funds]	.140	.649		
[Operational inefficiencies like lengthy transaction cycles, cheque based returns etc are still hampering the growth prospects of the industry.]	.074	.788		
[Individual has no time and knowledge to monitor his portfolio.]	.775	.023		
[The lack of investment advisors, especially to give personalized investment advice to the investors is creating roadblock for the growth in mutual funds.]	.105	.626		
[Financial scam are keeping the investors away from mutual funds.]	.749	.139		
[Lack of awareness and a risk aversion among the retail investors are major challenges for the industry.]	.525	.223		

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 3 iterations.

4.5.1 Interpretation

• It appears that the above component is mostly linked to financial scams, the value of reputation when investing in mutual funds, and a lack of time and expertise for portfolio management. On this component, the variables "Individual has no time and knowledge to monitor his portfolio," "The reputation of the asset management company is important while investing in mutual funds," and "Financial scam are

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keeping the investors away from mutual funds" have relatively high loadings (.777,.775, and.749, respectively). This element may be seen as expressing worries about perceptions of risk, trust, and the necessity of dependability while making investments in mutual funds.

• This component seems to be connected to elements concerning the dependability of brokers' recommendations for mutual funds and the dearth of investment advisors offering individualised guidance. The variables "The lack of investment advisors, especially to give personalized investment advice to the investors, is creating a roadblock for the growth in mutual funds" and "Recommendations of mutual funds brokers are highly reliable to invest in mutual funds" have relatively high loadings on this component (.649 and.626, respectively). This element can be a reflection of opinions regarding the value of professional counsel and the difficulties presented by the lack of individualized financial advice.

4.6 CORRELATIOIN

Tabel 4.6: Correlation

				Correlations					
		Are you aware of Mutual Fund?	[The reputation of the asset management company is important while investing in mutual funds]	[Recommend ations of mutual funds brokers are highly reliable to invest in mutual funds]	[Operational inefficiencies like lengthy transaction cycles, cheque based returns etc are still hampering the growth prospects of the industry.]	[The lack of investment advisors, especially to give personalized investment advice to the investors is creating roadblock for the growth in mutual funds.]	(Financial scam are keeping the investors away from mutual funds.)	[Lack of awareness and a risk aversion among the retail investors are major challenges for the industry.]	[Individual has no time and knowledge to monitor his portfolio.]
Are you aware of Mutual	Pearson Correlation	1	.130	.085	.078	074	.034	093	011
Fund?	Sig. (2-tailed)		.114	.306	.346	.374	.683	.259	.893
	N	148	148	148	148	148	148	148	148
[The reputation of the	Pearson Correlation	.130	1	.173	.175	.125	.456	.235	.478
asset management company is important while investing in mutual	Sig. (2-tailed)	.114		.036	.034	.129	.000	.004	.000
funds]	Ν	148	148	148	148	148	148	148	148
[Recommendations of	Pearson Correlation	.085	.173	1	.318	.132	.230**	.096	.125
mutual funds brokers are highly reliable to invest in	Sig. (2-tailed)	.306	.036		.000	.111	.005	.245	.129
mutual funds]	N	148	148	148	148	148	148	148	148
[Operational inefficiencies like lengthy transaction cycles,	Pearson Correlation	.078	.175	.318**	1	.262**	.131	.149	.141
cheque based returns etc are still hampering the	Sig. (2-tailed) N	.346 148	.034	.000	148	.001	.112	.071	.088 148
growth prospects of the industry.]	IN .	140	140	140	140	140	140	140	140
[The lack of investment advisors, especially to	Pearson Correlation	074	.125	.132	.262	1	.144	.220**	.107
give personalized investment advice to the	Sig. (2-tailed)	.374	.129	.111	.001		.082	.007	.194
investors is creating roadblock for the growth in mutual funds.]	Ν	148	148	148	148	148	148	148	148
[Financial scam are	Pearson Correlation	.034	.456	.230	.131	.144	1	.318	.389
keeping the investors away from mutual funds.]	Sig. (2-tailed)	.683	.000	.005	.112	.082		.000	.000
	Ν	148	148	148	148	148	148	148	148
[Lack of awareness and a risk aversion among the	Pearson Correlation	093	.235	.096	.149	.220**	.318	1	.276**
retail investors are major challenges for the	Sig. (2-tailed)	.259	.004	.245	.071	.007	.000		.001
industry.]	Ν	148	148	148	148	148	148	148	148
[Individual has no time	Pearson Correlation	011	.478	.125	.141	.107	.389**	.276	1
and knowledge to monitor his portfolio.]	Sig. (2-tailed)	.893	.000	.129	.088	.194	.000	.001	
ine persone.]	N	148	148	148	148	148	148	148	148

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

4.6.1 Interpretation

• From the above we can see that there is a weak positive correlation (0.130) between awareness of mutual funds and the importance of the reputation of asset management companies. This correlation is not statistically significant at the 0.05 level. Similarly, awareness of mutual funds shows weak, non-significant correlations with other factors related to mutual fund investing.

- The importance of the reputation of asset management companies shows significant positive correlations with several factors, including the reliability of recommendations from mutual funds brokers (0.173), operational inefficiencies (0.175), and the lack of investment advisors (0.125).
- Reliability of recommendations from mutual funds brokers exhibits significant positive correlations with operational inefficiencies (0.318) and the lack of investment advisors (0.230).
- Operational inefficiencies show significant positive correlations with the lack of investment advisors (0.262).
- The lack of investment advisors exhibits significant positive correlations with factors such as operational inefficiencies (0.262), financial scams (0.144), and the lack of awareness and risk aversion among retail investors (0.220).
- Financial scams show significant positive correlations with factors such as the reputation of asset management companies (0.456) and the lack of awareness and risk aversion among retail investors (0.318).
- The lack of awareness and risk aversion among retail investors exhibits significant positive correlations with the reputation of asset management companies (0.235) and the lack of investment advisors (0.220).

• The lack of time and knowledge to monitor portfolios shows a significant positive correlation with the reputation of asset management companies (0.478), indicating that those who perceive the reputation as important are more likely to express concerns about their ability to monitor their portfolios effectively.

CHAPTER 5: FINDINGS AND CONCLUSION

5.1 FINDINGS

The Cronbach's Alpha value of 0.808 suggests high internal consistency among the survey items, indicating reliability in measuring the concept of "An empirical study on the investment barriers of mutual funds in the Goan context" The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy is 0.726, indicating that the data is suitable for factor analysis. Bartlett's Test of Sphericity is significant (p < 0.05), indicating that correlations between variables are sufficiently large for factor analysis. This component is associated with concerns about financial scams, the importance of the reputation of asset management companies, and the lack of time and knowledge for portfolio management. These factors have high loadings on this component, suggesting that respondents perceive risk, trust, and the necessity of reliability as significant in mutual fund investments.

This element is connected to elements pertaining to the dependability of broker recommendations for mutual funds and the absence of consultants' individualized investment advice. These variables likewise have substantial loadings on this component, highlighting the value of expert assistance and the difficulties brought on by the lack of personalized financial counselling.

Weak positive correlations exist between awareness of mutual funds and factors such as the reputation of asset management companies and operational inefficiencies. However, these correlations are not statistically significant. The reputation of asset management companies is significantly positively correlated with the reliability of recommendations from mutual fund brokers, operational inefficiencies, and the lack of investment advisors.

There is a strong positive association between the lack of investment advisors, operational inefficiencies, and the recommendations made by mutual fund brokers. The absence of

investment advisors is strongly positively connected with operational inefficiencies. Financial scams, a lack of knowledge and risk aversion among ordinary investors, and operational inefficiencies all show strong positive connections with the absence of investment advisors. Financial scams have a strong positive link with asset management firms' reputations as well as retail investors' ignorance and risk aversion. The reputation of asset management firms and the scarcity of investment advisors are strongly positively connected with retail investors' ignorance and risk aversion. The reputation of asset management is strongly positively connected with the lack of time and expertise to monitor portfolios.

5.2 CONCLUSION

WhiteOak Capital Asset Management Limited, a subsidiary of the White Oak Capital Group, is a globally trusted asset management firm offering 11 mutual fund schemes in India, Singapore, Spain, Switzerland, UAE, and the UK. As of April 25, 2024, the fund house's assets accounted for 0.18% of the Indian mutual fund industry's AUM. The mutual fund industry is crucial for investment diversification and wealth accumulation, but distributors face challenges in attracting new investors. This research explores the problems faced by distributors, their implications for industry dynamics, distributor strategies, and the broader investment landscape. Investment behaviour is conceptualized under Total Perception of Behaviour (TPB), where an investor's attitude towards mutual funds is based on their perceived outcome, influenced by socio-economic characteristics. Perceived behavior control provides confidence, but three causes generate heard behaviour: information problems, agency problems, and behavioural problems. The study explores the impact of financial return and social responsibility on investors: those primarily concerned about profit, those primarily concerned about social responsibility, and those socially responsible and return-driven. The research reveals that investors have different reasons for investing in SRI profiled mutual funds. The impact of investor confidence on mutual fund performance in India and Pakistan, finding that mutual fund returns are positively associated with investor confidence and an interaction effect confidence exists between and performance persistence. The objectives are to assess the awareness level among the population and understand the typical obstacles faced by those who do not invest in mutual funds. A qualitative research method was used to target people in Goa who do not invest in mutual funds. An online questionnaire was created using Google Forms, and friends, colleagues, and acquaintances were sent emails and messages on social media platforms. The convenience sampling technique was used to collect data, with demographic factors like age, education, income monthly savings, and annual being considered. The study reveals a weak positive correlation between awareness of mutual funds and the importance of the reputation of asset management companies, but this correlation is not statistically significant at the 0.05 level. The importance of the reputation of asset management companies is significantly positively correlated with several factors, including the reliability of recommendations from mutual funds brokers, operational inefficiencies, and the lack of investment advisors.

4.9 REFERENCES

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Annexure: 1

Questionnaire design: The primary data have been collected from the mutual fund investors using questionnaire. The study has used following factors to measure the perception, knowledge, choice of information and demographic factors.

An Empirical study on the investment barriers of mutual funds in the Goan context.

Age*

- Below 25
- 25-30
- 30-50
- 50 and above

Educational qualification

- Up to 10th
- Up to 12th
- Graduation
- Post Graduation

Occupation

- Salaried
- Self employed
- Student
- Retired
- Homemaker

Annual Income

- Less than 2.5 lakh
- 2.5 lakh 5 lakh
- 5 lakh 10 lakh
- Above 10 lakh

Monthly Savings

- Less than 20000
- 20000 30000
- 30000 50000
- 50000 and above

Are you aware of Mutual Fund?

- Yes
- No

What are the main reasons for not investing in mutual funds?

- Lack of knowledge
- High commission
- Risk
- Others

What are the key factors that would prevent you from investing in mutual fund?

- Lack of trust in financial institutions
- Lack of transparency
- Hidden fees
- Others

How would you describe your risk personality type*

- Low
- Moderate
- High
- Very high

How comfortable are you with taking risk in your investment?

- Very comfortable with high risk for potentially high returns
- Comfortable with moderate risk for moderate return
- Uncomfortable with low risk for low but stable returns
- Very uncomfortable with no risk for guaranteed return

Are you following any financial advisors (financial influencers) on social media?

- Yes
- No

What are some common messages you hear from financial influencers that demotivate you from investing in mutual fund?

- High risk
- Complexity
- Volatility

• High NAV (Net Asset Value)

Would you consider investing in a mutual funds solely based on a financial influencers recommendation?

- Yes
- No
- Depends on the financial influencers

How do you feel about the imapct of market volatility on mutual fund investment?

- Positive
- Neutral
- Negative

The reputation of the asset management company is important while investing in mutual funds

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Recommendations of mutual funds brokers are highly reliable to invest in mutual funds

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Indian mutual funds have focused on the metros, 'A' cities and haven't made impact on the "B" and "C" class cities and rural areas.

- Strongly disagree
- Disagree
- Neutral
- Agree

• Strongly agree

Operational inefficiencies like lengthy transaction cycles, cheque based returns etc are still hampering the growth prospects of the industry.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

The lack of investment advisors, especially to give personalized investment advice to the investors is creating roadblock for the growth in mutual funds.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Financial scam are keeping the investors away from mutual funds.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree

Lack of awareness and a risk aversion among the retail investors are major challenges for the industry.

- Strongly disagree
- Disagree
- Neutral

- Agree
- Strongly agree

Individual has no time and knowledge to monitor his portfolio.

- Strongly disagree
- Disagree
- Neutral
- Agree
- Strongly agree