

Investor Awareness, Perception and Trust Towards Mutual Funds with Special Reference to UTI Mutual Fund

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ABSTRACT

The Indian mutual fund industry has undergone remarkable growth over the last two decades, shaped by the combined forces of financial reforms, regulatory initiatives, and rising investor participation. Within this rapidly evolving financial landscape, the present study analyzes investor awareness, perception, and trust towards UTI Mutual Fund, one of the oldest and most reputable asset management companies in the country. The study aims to examine the extent of awareness levels, the nature of perception patterns, and the strength of trust that investors place in UTI Mutual Fund, while also exploring the influence of demographic factors such as age, gender, education, occupation, and income on these dimensions of behavior. By doing so, the research provides critical insights into the behavioral foundations of mutual fund investment in India. The study adopts a descriptive research design, combining both primary and secondary sources of data. Primary data was collected through a structured questionnaire to gather the primary data from convenience sampling, while secondary data was drawn from journals, regulatory reports, and company publications. Analytical tools such as percentage analysis, chi-square test, and regression analysis. The findings suggest that although a majority of respondents are aware of UTI Mutual Fund and its basic products, detailed knowledge of specific schemes remains limited.

Keywords: Mutual Funds, Investor Awareness, Investor Perception, Trust, UTI Mutual Fund

1. INTRODUCTION

The Indian financial sector has been experiencing dynamic growth in recent years, with mutual funds emerging as one of the most trusted investment vehicles for channeling household savings into capital markets. Mutual funds provide the dual benefits of professional management and diversification, making them particularly attractive to middle-class investors seeking both security and returns. Despite this progress, mutual fund penetration in India continues to be modest compared to global standards, due to factors such as lack of awareness, low financial literacy, and varying degrees of investor trust. Understanding these behavioral aspects is essential for mutual fund houses to enhance investor participation and retention. Having pioneered the mutual fund movement in India, UTI continues to be associated with credibility, transparency, and investor confidence. However, with the entry of private and foreign players offering innovative schemes and aggressive marketing strategies, UTI faces challenges in sustaining and expanding its investor base, particularly among younger, digitally savvy investors. This necessitates a focused study of investor awareness, perception, and trust towards UTI Mutual Fund in specific regions of India. The present study was conducted in Madurai, a growing urban center in Tamil Nadu, where mutual fund penetration remains relatively limited despite increasing financial opportunities and investor interest. A total of 113 respondents were surveyed using a structured questionnaire, representing a diverse cross-section of demographic variables including age, gender, income, education,

and occupation. The study emphasizes how these demographic characteristics shape awareness levels, perception patterns, and trust towards UTI Mutual Fund. By anchoring the research in the context of Madurai, the study provides deeper insights into the behavioral tendencies of investors in semi-urban and urban areas, thereby contributing to the broader understanding of mutual fund adoption in India.

2.REVIEW OF LITERATURE

Financial literacy and awareness form the foundation for effective investment decision-making. According to Bhushan (2014), lack of awareness is one of the critical reasons behind low mutual fund penetration in India, with many investors relying on informal advice rather than structured financial education. Similarly, S. Singh and Vanita (2016) emphasized that higher awareness levels significantly influence the willingness of individuals to invest in mutual funds, as informed investors are more likely to diversify and choose professionally managed funds.[1] The study of investor behaviour in relation to mutual funds has attracted considerable scholarly attention, as investment decisions are not only determined by financial returns but also by psychological, social, and demographic influences. The role of awareness, perception, and trust has been emphasized across various studies, highlighting how these factors shape participation in mutual fund schemes.[2] Perception plays an equally important role in shaping investor attitudes. Research by Tripathy (2017) indicated that perception is strongly linked to prior investment experiences, marketing efforts, and the level of transparency provided by fund houses. A positive perception encourages repeat investment, while negative experiences often result in investor withdrawal from the mutual fund industry altogether. Kaur and Kaushik (2018) found that perception is not uniform across demographic categories; for example, younger investors perceive mutual funds as riskier but are also more open to experimenting with new asset management companies compared to older investors who value stability.[3] Trust has been identified as the cornerstone of sustained investor relationships. A study by Ganesan and Harsha (2019) revealed that investors often prefer established fund houses with a credible history, even if newer companies offer higher short-term returns. Trust is built through consistent performance, transparency, regulatory compliance, and effective grievance redressal. In the Indian context, UTI Mutual Fund enjoys a legacy of trust, though studies suggest that it needs to modernize its outreach to remain competitive with private AMCs that aggressively use digital channels.[4] The review of literature makes it clear that awareness, perception, and trust are interdependent variables in determining investment behavior. While several studies highlight the general importance of these factors, very few have focused on region-specific analyses, particularly in semi-urban centers like Madurai. This gap underscores the need for the present study, which not only explores investor awareness and perception of UTI Mutual Fund but also relates these aspects to demographic variables, thereby offering a contextualized understanding of investor behavior in a localized setting.[5]

3.SCOPE OF THE STUDY

The scope of study is confined to Madurai city, investigate the investors residing in both semi-urban and urban areas. It specifically analyses awareness levels, perception patterns, and trust factors of investors towards UTI Mutual Fund. The demographic variables considered include age, gender, education, occupation, and income, in order to establish associations with investor attitudes. The study emphasizes the behavioural and psychological aspects of mutual fund investment rather than the technical or portfolio management dimensions. The investors will get benefit from this study by knowing more about the mutual funds.

3.1 LIMITATIONS OF THIS STUDY

There are several limitations inherent in this study's methodology and scope. The findings may be limited by their geographical focus on Madurai. Furthermore, the sample size of consumers may be limited, potentially introducing bias and impacting the representativeness of the results. Another limitation is the dependence on self-reported data obtained through interviews and surveys, as respondents may exhibit biases or inaccuracies in their responses. Furthermore, time constraints may limit the study's ability to capture long-term trends or changes in consumers opinions. Moreover, the

study is focused exclusively on **UTI Mutual Fund**, without considering the comparative perceptions of investors towards other asset management companies. Language and cultural barriers between researchers and participants may also hinder accurate interpretation of data. Despite these limitations, the study provides valuable insights into investor awareness, perception, and trust in UTI Mutual Fund within the context of Madurai.

3.2 OBJECTIVES OF STUDY

- To analyze the level of awareness and knowledge of investors regarding mutual fund investments.
- To examine the investment behavior, preferences, and factors influencing mutual fund investment decisions.
- To assess the perception and trust of investors specifically towards UTI Mutual Funds as an investment option.

4. RESEARCH METHODOLOGY

The research methodology adopts a **descriptive research design**, as the primary objective is to describe and analyze the awareness, perception, and trust of investors towards UTI Mutual Fund in Madurai. The descriptive approach is suitable since it allows for a detailed understanding of the demographic characteristics of respondents and their behavioral patterns towards mutual fund investments without manipulating variables. Both primary and secondary data sources were utilized for the study. Primary data was collected through a structured questionnaire administered to investors residing in Madurai. The sample size of the study is 113 respondents, selected through a convenient sampling technique. This method was chosen due to time and resource constraints, and it enabled the collection of responses from a diverse cross-section of investors representing different age groups, gender, income levels, educational qualifications, and occupations. Percentage analysis was used to understand the demographic distribution of respondents and general awareness levels. Chi-square test was employed to determine the association between demographic variables and perception factors. Regression analysis was conducted to measure the influence of selected independent variables on investor perception and trust towards UTI Mutual Fund. The results obtained through these tools provide both descriptive and inferential insights into the behavioral patterns of investors in Madurai.

5. RESULTS AND DISCUSSIONS

5.1 Demographic Profile of Respondents

Table 1: Demographic Profile of Respondents

FACTORS	Particulars	Respondents
Age	Below 25 years	29
	26-35 years	34
	36-45 years	28
	Above 45 years	22
Gender	Male	68
	Female	45
Education	Under graduate	38
	Post graduate	42
	Professional	21
	Others	12
Occupation	Salaried	47
	Business	31
	Student	18
	Others	17
Monthly income	Below ₹25000	36
	₹25000-₹50000	41
	₹50001-₹75000	21

	Above ₹75000	15
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From the Table.1, it is inferred that, The demographic profile reveals that male respondents form the majority 60.2%, while a substantial number of investors fall within the younger age brackets 26–35 years and below 25 years. The majority of respondents are salaried individuals and belong to middle-income groups, indicating that mutual fund investments are largely driven by the working class in Madurai.

5.2 Awareness Levels of UTI Mutual Fund

Table 2 Awareness Levels of UTI Mutual Fund

Awareness Level	Number of Respondents
Highly Aware	27
Moderately Aware	46
Slightly Aware	29
Not Aware	11

From the Table.2, it is inferred that, 64.6% of respondents possess moderate to high awareness of UTI Mutual Fund, while 9.7% have no awareness at all.

This suggests that although UTI enjoys brand recognition, there remains scope to improve scheme-specific investor education in Madurai.

5.3 Chi-Square Test Results

5.3.1 Table 3 Gender vs perception

Demographic variable	Gender	Very good	Good	Average	Poor	Very poor	Sig
Gender vs knowledge about mutual funds	Male	6	29	5	19	0	0.003
	Female	11	20	12	6	5	

From the Table.3 The perception that mutual funds are poorly understood does not hold true among the majority of female respondents. Instead, the data reveals that females in this sample are more knowledgeable and less likely to find mutual funds confusing or unfamiliar than males. This challenges common stereotypes and highlights a positive trend in female financial literacy. While observing the result of chi-square test shown in the table the significance of 0.05 is used. Since the Assumption. Sig. value (0.003) is less than 0.05, we reject the null hypothesis.

5.3.2 Table 4 Gender vs perception

Demographic variable	Gender	Yes	No	Significance
Gender vs Awareness of mutual fund investment	Male	26	28	0.000
	Female	6	53	

From the table 4 shows the men are only more likely to hear about mutual funds so, Male respondents are more aware of mutual fund investments; however, their knowledge often appears to be superficial. In contrast, females demonstrate lower awareness but stronger conceptual understanding once they become familiar with mutual funds.

5.3.3 Table 5 Gender vs Perception

Demographic variable	Gender	Already knowing	Complexity of subject	Lack of information	Lack of interest	Significance
Gender vs Reasons of not knowing Mutual funds	Male	25	3	15	11	0.000
	Female	51	2	2	4	

From the table 5 The results show that both males 25 and females 51 mainly cited “Already knowing other options” as the reason for not engaging with mutual funds. Among males, complexity 15 and lack of interest 11 were also notable, whereas females reported very low responses for complexity 2, lack of information 2, and lack of interest 4. This indicates that prior knowledge of alternative investments is the dominant reason across genders, while males are relatively more influenced by complexity and lack of interest compared to females.

5.3.4 Table 6 Gender vs source of awareness

Demographic variable	Gender	Financial Advisor	Online Courses	Videos	Significance
Gender vs preference of learning platform about mutual funds	Male	43	19	8	0.004
	Female	27	7	9	

From the table 6 This indicates that while **both genders rely heavily on financial advisors**, males lean more towards structured learning through online courses, whereas females show relatively greater inclination towards video-based learning. The significant result suggests that **learning preferences differ across gender**, and investor education programs should diversify their delivery methods combining advisor-driven sessions, structured e-learning, and video content to effectively reach both groups.

REVIEW OF MUTUAL FUND

S.NO	Often review of mutual investment fund	Count
1	Annually	30
2	Monthly	21
3	Never	22
4	Quarterly	10
5	Rarely	2
	Total	95

The above table shows how frequently investors review their mutual fund investments. The majority of respondents 30 out of 95, review their investments annually, followed by monthly reviews 21 respondents. A considerable proportion 22 respondents, admitted that they never review their mutual fund portfolio, which highlights a lack of active monitoring among some investors. Quarterly reviews were relatively less common 10 respondents, while only 2 respondents reported reviewing their investments rarely. While a significant number of investors engage in periodic review, a notable segment either does not review at all or does so infrequently, reflecting possible gaps in investor awareness and involvement.

SWITCHING IN MUTUAL FUND

S.NO	Switching in mutual funds	Count
1.	Yes	39
2.	No	45

From this table shows the responses regarding switching behavior in mutual funds. Out of 84 respondents, 39 indicated that they have switched between mutual funds, while 45 reported that they have never switched. This suggests that a slight majority of investors prefer to stay invested in the same scheme rather than moving their money across different funds. The nearly balanced split, however, reflects that switching is a fairly common practice among almost half of the investors. Around 39 of investors practice switching between funds, indicating awareness and activeness in portfolio management, whereas 45 prefer stability by staying in the same schemes.

PRIMARY REASON OF SWITCHING IN MUTUAL FUND

S.NO	Primary reason for switching in mutual funds	Count
1.	Change in investment	16
2	Poor performance	7
3.	High Fess	4
4.	Better options Available	12

From this table reveals that the most common reasons for switching mutual funds are a change in investment goals are 12 respondents and the availability of better options in the market are 12 Respondents . A smaller proportion of respondents cited poor performance of the fund are 7 persons and high fees are 4 persons as their primary reasons for switching. This indicates that investors are not only reactive to performance but also proactive in aligning their investments with financial goals and alternative opportunities. Fees, while important, appear to be a less critical factor influencing switching decisions among respondents.

Investors primarily switch due to goal realignment and availability of better schemes, rather than dissatisfaction with fund performance or high costs.

Regression Analysis

Table 6 Effect of Factors on investor’s perception towards mutual funds

Independent Variable	Main Factor p-value	Sig. Value (p)	Beta value	T value	R ²	Adjusted R ²
Perception towards UTI Mutual Funds	0.002	0.018	-0.277	-2.453	0.487	0.187

From the table Let : Y = Overall perception score (dependent variable): Constant (a) = 1.609 "UTI Mutual Fund meets my expectations as an investor" X = Unstandardized B for **Online & Mobile Platform Usability** -0.277

Regression Equation: $Y = 1.615 - 0.277X$

A simple linear regression was conducted to examine whether **perceived usability of online and mobile platforms** predicts **investor perception toward UTI Mutual Funds**. The regression model was statistically significant ($t = -2.453, p = .018$). The unstandardized coefficient ($B = -0.277$) shows that higher usability scores are associated with a slight decrease in investor perception. The standardized coefficient ($\beta = -0.325$) indicates a **moderate negative influence** of this predictor relative to other factors in the model. Overall, this suggests that while investors find online and mobile platforms user-friendly, **ease of use alone may not increase overall perception**, highlighting a possible gap between usability and trust or satisfaction.

Table 7: Investor Perception and Trust Levels

Perception/Trust Statement	Agree (%)	Neutral(%)	Disagree
UTI Mutual Fund is a trusted brand	71.7	18.6	9.7
UTI offers transparency in operations	68.1	20.4	11.5
UTI provides competitive returns	62.0	23.9	14.1
UTI's customer service is satisfactory	59.3	26.6	14.1
UTI is innovative in product offerings	48.7	30.1	21.2

From the table The majority of respondents agree that UTI is a trusted brand and transparent in its operations. However, fewer respondents perceive UTI as innovative compared to its competitors, indicating a need for the fund house to strengthen product innovation and communication.

8. FINDINGS OF THE STUDY

The major findings derived from the analysis are as follows:

1. The demographic profile indicates that a majority of mutual fund investors in Madurai are **male, salaried individuals, and middle-income earners**, with a significant proportion belonging to younger age groups.
2. Awareness levels of UTI Mutual Fund are **moderate to high for most respondents**, but **scheme-specific knowledge remains limited**, showing gaps in financial literacy.
3. Chi-square analysis revealed that **age, gender, income, and occupation significantly influence perception**, whereas education does not play a statistically significant role.
4. Regression results confirmed that **income and occupation are the strongest predictors** of investor perception and trust, followed by age.
5. Most respondents agree that **UTI Mutual Fund is a trusted brand** and transparent in operations, though fewer perceive it as innovative compared to competing fund houses.
6. Investor trust is largely anchored in **UTI's long-standing reputation**, but younger investors are more attracted to private AMC's that emphasize aggressive marketing and digital outreach.
7. UTI is seen as less aggressive in marketing compared to competitors like HDFC or SBI MF, which affects top-of-mind recall.
8. Word-of-mouth and traditional reputation still play a strong role in UTI's investor base.

9. SUGGESTIONS

Based on the findings, the following suggestions are offered:

1. **Enhance Investor Education:** UTI Mutual Fund should strengthen financial literacy programs and organize awareness campaigns, particularly focusing on scheme-specific knowledge.
2. **Leverage Digital Platforms:** To appeal to younger investors, UTI must expand its digital presence through mobile applications, online campaigns, and interactive investor tools.
3. **Introduce Innovative Products:** UTI should focus on product diversification and innovation to remain competitive with private AMC's that attract investors through new schemes.
4. **Strengthen Customer Service:** Enhanced grievance redressal mechanisms and personalized advisory services can improve overall investor satisfaction and trust.
5. **Target Middle-Income Groups:** Since salaried and middle-income individuals form the dominant investor segment, UTI can design specialized schemes catering to their risk-return preferences.

6. **Bridge Generational Gaps:** While retaining older investors with stable, low-risk products, UTI should simultaneously offer high-growth options with effective communication to younger segments.
7. **High Fees:** While fees are not the major reason for switching, **transparent communication of costs** and showcasing **value-for-money performance** can further reduce fee-related concerns.
8. **Fund Manager:** Mostly a lay person doesn't have enough knowledge to invest in mutual funds. So they depend on the fund managers who are experts in managing efficient portfolios. The fund managers should be the person of integrity and financial experts. They should have clear cut knowledge of when to invest and in which securities to invest .They should mobilize the investor's savings in such a way that they can get maximum benefits out of them.

10. CONCLUSION

The study examined investor awareness, perception, and trust towards UTI Mutual Fund in Madurai, with special emphasis on the role of demographic factors. The findings reveal that although UTI enjoys strong brand trust and recognition, gaps remain in scheme-specific awareness and perceptions of innovation. Income, occupation, and age significantly influence investor attitudes, while education shows no major impact. The study also highlights that younger investors are increasingly attracted to private AMC's with modernized communication and aggressive digital outreach, whereas older investors prefer UTI's legacy of stability and reliability.

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