

# A Study on the Investment Behavior of Retail Mutual Fund Investors at PlanIt Finserv

Niranjan B<sup>1</sup>, Dr. Ramamoorthy R<sup>2</sup>


<sup>1</sup>MBA Student, Jerusalem College of Engineering, Chennai, Tamil Nadu, India.

<sup>2</sup>Professor of the Department of Management Studies, Jerusalem College of Engineering, Chennai, Tamil Nadu, India.



<https://doi.org/10.55041/ijstmt.v2i3.194>

**Cite this Article:** B, N. (2026). A Study on the Investment Behavior of Retail Mutual Fund Investors at PlanIt Finserv. International Journal of Science, Strategic Management and Technology, 02(03). <https://doi.org/10.55041/ijstmt.v2i3.194>

**License:**  This article is published under the Creative Commons Attribution 4.0 International License (CC BY 4.0), permitting use, distribution, and reproduction in any medium, provided the original author(s) and source are properly credited.

## ABSTRACT

The mutual fund industry in India has experienced significant growth in recent years due to increasing financial awareness, improved market accessibility, and the rising participation of retail investors. Despite this expansion, investment decisions among retail investors are often influenced by various behavioral, financial, and psychological factors. This study aims to examine the investment behavior of retail mutual fund investors associated with PlanIt FinServ.

The study adopts a descriptive and analytical research design and utilizes both primary and secondary data sources. Primary data were collected through a structured questionnaire administered to 109 retail investors investing through PlanIt FinServ. Statistical tools such as percentage analysis, Chi-square test, ANOVA, and regression analysis were applied to analyze the data and identify significant relationships among variables. The findings indicate that mutual fund literacy significantly influences investor behavior and investment decisions. Expected returns and risk level are identified as the major factors influencing fund selection, while advisory guidance contributes to improved investment discipline and satisfaction among investors.

The study concludes that enhancing financial literacy and providing effective advisory support can encourage informed decision-making and promote long-term investment behavior among retail mutual fund investors.

**Keywords:** Mutual Fund Literacy, Investment Behavior, Retail Investors, Financial Awareness, Portfolio Monitoring, Investment Decision Making, Financial Advisory.

## INTRODUCTION

The financial landscape in India has undergone a significant transformation in recent years with the increasing participation of retail investors in capital markets. Among the various investment avenues available, mutual funds have emerged as one of the most popular financial instruments due to their ability to provide diversification, professional management, liquidity, and accessibility to individual investors. With the growing awareness of financial planning and wealth creation, mutual funds have become an attractive option for retail investors seeking long-term investment opportunities.

Despite the rapid expansion of the mutual fund industry, the investment behavior of retail investors varies widely due to differences in financial literacy, risk perception, return expectations, and investment objectives. Investor behavior is often influenced not only by rational financial considerations but also by psychological and behavioral factors. Understanding these behavioral patterns is essential for financial advisors and investment firms to design suitable investment strategies and improve investor participation in financial markets.

Financial advisory firms play a crucial role in guiding investors toward informed investment decisions. Through professional advisory services, investors receive assistance in selecting suitable mutual fund schemes aligned with their risk tolerance, financial goals, and investment horizon. In this context, examining the behavior of investors who receive professional advisory support provides valuable insights into how financial literacy and advisory guidance influence investment decisions. The research focuses on key aspects such as mutual fund literacy, risk perception, investment preferences, portfolio monitoring practices, and factors influencing fund selection.

Therefore, this study focuses on analyzing the investment behavior of retail mutual fund investors associated with PlanIt FinServ. The research aims to identify the key factors influencing mutual fund investment decisions, evaluate the level of mutual fund literacy among investors, and examine how financial awareness and advisory guidance contribute to disciplined investment practices. The findings of this study are expected to provide meaningful insights for financial advisors, investment firms, and policymakers in promoting informed investment behavior and strengthening retail participation in the mutual fund industry.

## OBJECTIVES OF THE STUDY

### PRIMARY OBJECTIVE

To study the investment behavior of retail mutual fund investors at PlanIt FinServ.

### SECONDARY OBJECTIVES

- To assess the level of mutual fund literacy among retail investors.
- To examine the relationship between mutual fund literacy and investment behavior.
- To identify the key factors influencing mutual fund investment decisions.
- To analyze the investment discipline and portfolio monitoring practices of retail investors.

## REVIEW OF LITERATURE

**Ramesh and Murugan (2020)** examined influence of mutual fund literacy on the investment behavior of retail investors. Their study found that investors with lower levels of financial knowledge tend to adopt conservative investment strategies and are less likely to participate actively in equity-oriented mutual funds. It emphasizes to improve investor awareness.

**Bodla and Garg (2018)** studied the impact of mutual fund awareness on investor participation in financial markets. The findings indicated that investors with greater awareness and understanding of mutual fund products were more likely to invest in diversified portfolios and equity-based schemes. It concludes that investor education programs and play a vital role

**Lusardi and Mitchell (2014)** highlighted the importance of financial literacy in influencing individual investment decisions and long-term wealth creation. Their research demonstrated that individuals with higher financial knowledge are more likely to plan for retirement, diversify their investments, and make informed financial decisions. The study emphasized that financial literacy is a crucial factor in promoting responsible investment behavior.

**Agnew and Szykman (2005)** investigated the relationship between investor knowledge and risk-taking behavior in financial markets. Their findings revealed that investors with better financial understanding tend to exhibit greater confidence in making investment decisions and are more willing to take calculated risks. The study also indicated that improved financial education can lead to more rational and disciplined investment behavior among retail investors.

## RESEARCH METHODOLOGY

### Research Design

The study adopts a **descriptive and analytical research design** to examine the investment behavior of retail mutual fund investors. The descriptive approach helps in understanding the characteristics, preferences, and behavioral patterns of investors, while the analytical approach is used to identify relationships between variables such as mutual fund literacy and investment behavior.

### Data Collection

- **Primary Data:** Primary data were collected through a **structured questionnaire** administered to retail mutual fund investors associated with PlanIt FinServ. The questionnaire included questions related to investor awareness, investment preferences, portfolio monitoring practices, and factors influencing mutual fund investment decisions.
- **Secondary Data:** Secondary data were obtained from various sources such as **research journals, published articles, financial reports, books, and online resources** related to mutual fund investments and investor behavior.

### Sample Size

A total of **109 retail mutual fund investors** were selected as the sample for the study.

### Tools for Data Analysis

The collected data were analyzed using appropriate statistical tools to interpret the investment behavior of respondents. The following techniques were used:

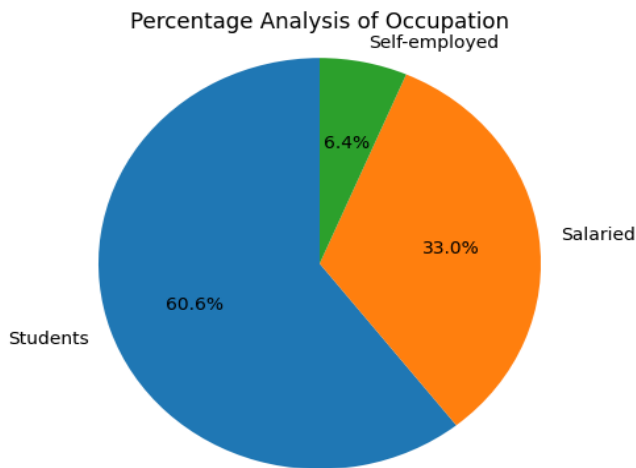
- **Percentage Analysis:** Used to analyze the distribution of responses and understand patterns among investors.
- **Chi-Square Test:** Applied to determine whether there is a significant association between categorical variables.
- **ANOVA (Analysis of Variance):** Used to compare the differences among multiple groups and identify significant variations.
- **Regression Analysis:** Used to examine the relationship between independent variables and dependent variables to understand their influence on investment behavior.

### Data Analysis & Interpretation

#### Percentage Analysis:

Percentage analysis is a simple and widely used statistical tool in research studies to interpret and present data in a clear and meaningful manner. It involves converting numerical data into percentages to show the proportion or distribution of responses within a dataset. This method helps researchers easily understand patterns, trends, and the relative importance of different variables in the study. In this research, percentage analysis is used to examine the responses of retail mutual fund investors regarding factors such as occupation, portfolio review practices, factors influencing mutual fund selection, and overall investment satisfaction. By presenting the data in percentage form, the analysis provides a clear picture of investor behavior and helps in drawing meaningful interpretations about their investment patterns.

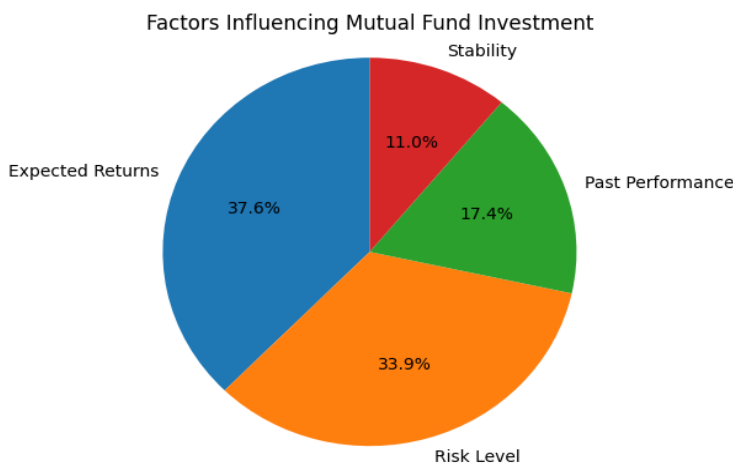
### Percentage Analysis of Occupation



#### Inference:

The analysis shows that the majority of respondents are **students (60.6%)**, followed by **salaried individuals (33%)**, while a small proportion consists of **self-employed investors (6.4%)**. This indicates that mutual fund awareness and participation are relatively higher among young investors and early-stage earners, reflecting increasing financial awareness among students.

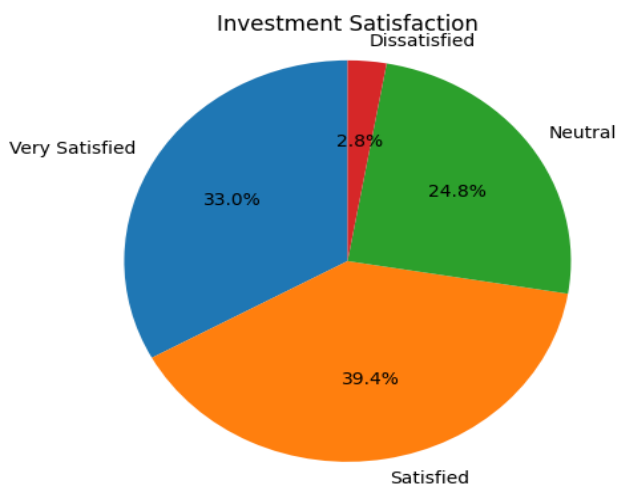
### Percentage Analysis of Factors Influencing Mutual Fund Investment



#### Inference:

The analysis shows that **expected returns (37.6%)** and **risk level (33.9%)** are the most significant factors influencing mutual fund investment decisions. In comparison, **past performance (17.4%)** and **stability (11%)** receive relatively less importance. This indicates that investors prioritize return potential and risk assessment while selecting mutual fund schemes.

## Percentage Analysis of Investment Satisfaction



### Inference:

The results reveal that **39.4% of investors are satisfied and 33% are very satisfied** with their mutual fund investments. Around **24.8% remain neutral**, while only **2.8% are dissatisfied**. This indicates that the majority of investors have a positive experience with mutual fund investments and are generally satisfied with their returns and investment outcomes.

### Regression Analysis

Regression analysis is a statistical technique used to examine the relationship between a dependent variable and one or more independent variables. It helps in understanding how changes in independent variables influence the dependent variable and assists in predicting outcomes. In this study, regression analysis is applied to analyze the relationship between **mutual fund literacy and investment behavior of retail investors**. The analysis helps in determining whether knowledge and awareness about mutual funds significantly influence the investment decisions and behavior of investors associated with PlanIt FinServ.

### Null Hypothesis (H<sub>0</sub>):

There is no significant relationship between mutual fund literacy and investment behaviour.

### Alternative Hypothesis (H<sub>1</sub>):

There is a significant relationship between mutual fund literacy and investment behaviour.

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.632	2	1.316	3.460	.035 <sup>b</sup>
	Residual	40.322	106	.380		
	Total	42.954	108			

a. Dependent Variable: Has your knowledge of mutual funds helped you remain invested during market volatility?

b. Predictors: (Constant), Which factor most strongly influences your mutual fund selection? , I clearly understand how Net Asset Value (NAV) is calculated and its impact on fund performance.

## Inference

The ANOVA results show that the regression model is statistically significant ( $F = 3.460$ ,  $p = 0.035$ ). Since the p-value is less than the 0.05 significance level, the null hypothesis is rejected. This indicates that there is a significant relationship between mutual fund literacy and investment behaviour. Factors influencing mutual fund selection and understanding of Net Asset Value (NAV)—have a significant effect on whether knowledge of mutual funds helped investors remain invested during market volatility. Therefore, these factors meaningfully contribute to investor behavior during volatile market conditions.

## One Way ANOVA Test

One Way ANOVA (Analysis of Variance) is a statistical method used to determine whether there are significant differences between the means of three or more independent groups. This technique is widely used in research studies to compare multiple groups simultaneously and to identify whether the observed differences are statistically significant or occur merely by chance. By analyzing the variance within groups and between groups, ANOVA provides a reliable method for testing hypotheses related to group differences. In the context of this study, the One-Way ANOVA test is applied to examine whether there is a significant difference among different age groups of retail mutual fund investors in their understanding of the relationship between risk and return. Since investors from different age groups may have varying levels of financial knowledge, experience, and risk tolerance, analyzing these differences helps in understanding how demographic factors influence investment awareness and decision-making behavior.

### Null Hypothesis ( $H_0$ ):

There is no significant difference among age groups regarding their understanding of the relationship between risk and return in mutual fund investments.

### Alternative Hypothesis ( $H_1$ ):

There is a significant difference among age groups regarding their understanding of the relationship between risk and return in mutual fund investments.

## ANOVA

I understand the relationship between risk and return in mutual fund investments.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	17.625	4	4.406	6.161	.000
Within Groups	74.375	104	.715		
Total	92.000	108			

## Inference

Since the significance value ( $p = .000$ ) is less than 0.05 and the calculated F value (6.161) is statistically significant, the null hypothesis is rejected. This indicates that there is a significant difference among the groups in their understanding of the risk–return relationship in mutual fund investments. Therefore, the level of understanding varies meaningfully across the different categories considered in the study.

## Chi-Square Test

The Chi-square test is a statistical technique used to determine whether there is a significant association between two categorical variables. It helps researchers examine whether the observed frequencies in different categories differ significantly from the expected frequencies. In this study, the Chi-square test is applied to analyze whether there is a significant association between gender and the factors influencing mutual fund selection among retail investors. Since

investment decisions may sometimes vary based on demographic characteristics, examining this relationship helps in understanding whether gender plays a role in determining the factors that investors consider while selecting mutual fund schemes.

**Null Hypothesis (H<sub>0</sub>):**

There is no significant association between gender and the factor influencing mutual fund selection.

**Alternative Hypothesis (H<sub>1</sub>):**

There is a significant association between gender and the factor influencing mutual fund selection.

**Test Statistics**

	Which factor most strongly influences your mutual fund selection?	Gender
Chi-Square	21.459 <sup>a</sup>	1.550 <sup>b</sup>
df	3	1
Asymp. Sig.	.000	.213

- a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 27.3.
- b. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 54.5.

**Inference**

The Chi-square test shows that the p-value for gender is 0.213, which is greater than the 0.05 significance level. Therefore, the null hypothesis is accepted, indicating that there is no statistically significant association between gender and the factor that most strongly influences mutual fund selection. Hence, gender does not significantly influence mutual fund selection factors in this study.

**Findings**

- The majority of respondents (60.6%) are students, followed by salaried individuals (33%) indicating higher participation of young investors in mutual fund investments.
- 42.2% of respondents review their portfolio monthly, while 25.7% review quarterly, showing a moderate level of investment discipline among investors.
- Expected returns (37.6%) and risk level (33.9%) are the most important factors influencing mutual fund investment decisions.
- A large proportion of investors (72.4%) are either satisfied or very satisfied with their mutual fund investments, indicating a positive investment experience.
- The One-Way ANOVA test shows that there is a significant difference among age groups in understanding the risk–return relationship in mutual fund investments.
- The Regression analysis indicates that mutual fund literacy has a significant impact on investment behavior, suggesting that higher financial knowledge leads to better investment decisions.
- The Chi-square test reveals that there is no significant association between gender and the factors influencing mutual fund selection.

## Suggestions

- Financial advisory firms should conduct regular investor education programs to improve mutual fund literacy and financial awareness.
- Investors should be encouraged to review their investment portfolios periodically to maintain disciplined investment practices.
- Financial advisors should focus on explaining important concepts such as risk–return relationship and Net Asset Value (NAV) to improve investor understanding.
- Investors should be guided to diversify their investments based on their risk tolerance and financial goals.
- Financial advisory firms should provide personalized advisory services to help investors make informed investment decisions.

## Conclusion

The study concludes that **mutual fund literacy plays a significant role in influencing the investment behavior of retail investors**. The findings indicate that investors mainly consider **expected returns and risk level** while selecting mutual fund schemes, which highlights the importance of risk–return evaluation in investment decisions. The results also show that a majority of investors are satisfied with their mutual fund investments and maintain a reasonable level of portfolio monitoring, reflecting growing financial awareness among retail investors.

The statistical analysis further confirms that **mutual fund literacy significantly affects investment behavior**, as investors with better financial knowledge tend to make more informed decisions and remain invested even during market volatility. However, the study found that **gender does not significantly influence the factors affecting mutual fund selection**, suggesting that investment preferences are largely similar across genders. Overall, the research emphasizes that improving **financial literacy, investor education, and professional advisory support** can encourage disciplined investment practices and promote long-term participation of retail investors in mutual fund investments.

## References

1. Ramesh, R., & Murugan, S. (2020). *Mutual fund literacy and investor behavior*. Journal of Financial Studies.
2. Bodla, B. S., & Garg, M. C. (2018). *Impact of mutual fund awareness on investment participation*. International Journal of Financial Research.
3. Lusardi, A., & Mitchell, O. S. (2014). *The Economic Importance of Financial Literacy: Theory and Evidence*. Journal of Economic Literature.
4. Agnew, J., & Szykman, L. (2005). *Asset Allocation and Investor Confidence*. Journal of Behavioral Finance.
5. Secondary sources: Various internet articles, financial reports, journals, and scholarly publications related to mutual fund investment behavior and financial literacy.