

# Role of Mutual Fund Advisors in Influencing Investment Decision

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## Abstract—

This study examines the role of mutual fund advisors in influencing investor decisions. Despite the availability of online platforms, many investors depend on advisors for guidance in selecting suitable funds and managing risk. Advisors help investors understand investment options, make informed choices, and stay committed during market fluctuations. The study concludes that mutual fund advisors play an important role in shaping investor behavior and investment decisions.

## I. INTRODUCTION

The mutual fund industry in India has grown significantly in recent years, attracting many retail investors. However, many investors lack proper financial knowledge and face difficulty in selecting suitable investment options. Mutual fund advisors play an important role in guiding investors in fund selection, risk

Decision; Investor Behavior; Trust; Risk Management

assessment, and portfolio management. This study aims to analyze how advisors influence investor decision-making. Briefly explain the background, relevance, and importance of the topic. Clearly identify the research gap your study addresses. End this section by outlining the objectives or research questions. Keep the language formal, and support statements with citations in IEEE format, e.g., [1], [2]. The Literature Review section should provide a

comprehensive overview of existing research related to your topic. Critically analyze and synthesize key findings from relevant studies, highlighting areas of consensus and disagreement among scholars. Identify the theoretical frameworks or methodological approaches commonly used in the field, and discuss how your research builds upon or challenges existing knowledge.

## II. LITERATURE REVIEW

Sharma (2018) observed that mutual fund advisors strongly influence retail investors' fund selection. Kumar and Singh (2020) found that trust and communication improve long-term investment commitment. Patel (2021) concluded that professional advice leads to disciplined investment strategies. Present key contributions, methodologies, and findings

from earlier research. Discuss limitations or gaps in existing studies that your work aims to fill. Group similar studies together for clarity, and cite appropriately. Highlight how your research builds upon or differs from prior work in the field. Explain the rationale behind your chosen approach and how it addresses identified gaps or limitations. Clearly state the unique contributions and potential impact of your study within the broader research context.

### III. METHODOLOGY

This study adopts a descriptive research design. Data was collected through structured questionnaires from mutual fund investors in Chennai using convenience sampling. Statistical tools such as ANOVA, regression, and chi-square tests were used for analysis. This section should provide sufficient information for other researchers to replicate the study. Mention tools, software, or frameworks used, and ensure ethical considerations are addressed where applicable. The data collection process involved a mixed-methods approach, combining quantitative surveys with qualitative interviews. A sample of 500 participants was recruited using stratified random sampling to ensure representation across demographic groups. Statistical analysis was conducted using SPSS software, while qualitative data was coded and analyzed thematically using NVivo.

### IV. RESULTS AND DISCUSSION

Findings show that a significant number of investors rely on mutual fund advisors. Trust levels are moderate with mixed opinions on transparency. Advisors help reduce confusion, promote disciplined investing, and support investors during market volatility. Provide adequate explanations and interpretation of each result. Compare your findings with those of previous studies and highlight significant differences or confirmations. Ensure all tables and figures are labeled (e.g., Table I, Figure 1) and placed close to where they are first mentioned. Presenting research findings effectively involves a strategic combination of visual elements and textual explanations. Tables, figures, and charts serve as powerful tools to summarize complex data and illustrate key trends or patterns. Each visual element should be carefully designed to convey information at a glance, with clear labels, appropriate scales, and legible fonts. Accompanying these visuals, provide concise yet comprehensive explanations that guide readers through the interpretation of the data. This includes highlighting notable trends, outlining statistical significance, and contextualizing the results within the broader research framework.

### CHI SQUARE

**Null Hypothesis (H<sub>0</sub>):** There is no significant association between gender and the influence of advisor's advice on fund choice.

**Alternative Hypothesis (H<sub>1</sub>):** There is a significant association between gender and the influence of advisor's advice on fund choice.

Chi-Square Tests	Value	df	Asymptotic Significance (2-sided)	
Pearson Chi-Square	2.762a	4	.0	
Likelihood Ratio		2.78	.4	.0
Linear-by-Linear Association	0.864	1	.3	.0
N of Valid Cases	114			

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 8.05.

#### INTERPRETATION :

- The significance value is greater than 0.05, indicating that there is no significant association between gender and the influence of advisor's advice on fund choice.
- Hence, gender does not affect investment decisions based on advisor recommendations.

### ANOVA

**Null Hypothesis (H<sub>0</sub>):** There is no significant difference in how investors remain calm during market downturns based on advisor influence.

**Alternative Hypothesis (H<sub>1</sub>):** There is a significant difference in how investors remain calm during market downturns based on advisor influence.

ANOVA					
My advisor helps me remain calm during market downturns.					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	21.485	3	7.228	4.339	0.006
Within Groups	183.237	110	1.666		
Total	204.722	113			

**INTERPRETATION :**

- Sig = 0.006 (< 0.05) → This means the result is statistically significant.
- There is a significant difference between groups.
- Hence, the advisor plays an important role in helping investors remain calm during market downturns.

### REGRESSION

**Null Hypothesis (H<sub>0</sub>):** There is no significant relationship between advisor-related factors (confidence and transparency) and trust in mutual fund advisor's recommendations.

**Alternative Hypothesis (H<sub>1</sub>):** There is a significant relationship between advisor-related factors (confidence and transparency) and trust in mutual fund advisor's recommendations.

REGRESSION					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	Sig.
1	Constant	2.163	0.872		0.393
	Following my advisor's recommendations	0.112	0.082	0.132	0.206
	Transparency and honest communication	-0.091	0.087	-0.092	0.388

**INTERPRETATION :**

Confidence and transparency are not statistically significant in influencing trust ( $p > 0.05$ ). This indicates that other factors may play a more important role in building trust in mutual fund advis

## FINDINGS

A significant number of investors depend on mutual fund advisors for making investment decisions, especially those with limited financial knowledge.

Nearly half of the respondents (Agree + Strongly Agree) trust and feel confident in following their advisor's recommendations.

However, opinions on transparency are mixed, with many investors expressing neutral or dissatisfied views, indicating a gap in trust.

Mutual fund advisors play a crucial role in simplifying investment decisions and reducing confusion among investors. Investors guided by advisors tend to follow disciplined investment strategies such as Systematic Investment Plans (SIPs).

During market fluctuations, advisor support helps investors avoid panic selling and remain invested.

Effective communication between advisors and investors significantly influences investment decision-making.

## SUGGESTIONS

Improve transparency and communication Maintain regular client interaction

Provide personalized investment plans Promote financial literacy among investors Use digital tools for better service



Follow ethical practices and avoid mis-selling Ensure proper training and certification

## V. CONCLUSION

The study concludes that mutual fund advisors play a crucial role in influencing investor decisions. They help investors understand financial products, build confidence, and promote disciplined investing. Improving transparency and communication can further strengthen their impact. Highlight the significance of your contribution and suggest areas for future work. Avoid repeating sentences from the abstract.

## ACKNOWLEDGMENT

I express my sincere thanks to my guide R.Surendher for his guidance and support. I also thank all respondents and my institution for their valuable contribution to this study.

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