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A Study on Customer Awareness Towards Mutual Fund Investments: A Study with Reference to HDFC Mutual Fund

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Abstract
Customer awareness plays a significant role in influencing investment decisions in mutual funds. This study examines the level of customer awareness towards mutual fund investments with reference to HDFC Mutual Fund. It evaluates investors' understanding of mutual fund products, information sources, risk-return perception, financial literacy, and customer satisfaction. The study adopts a descriptive research design using primary and secondary data collected from 100 respondents through a structured questionnaire. The findings indicate that customers possess satisfactory awareness of mutual fund investments and consider financial literacy and professional guidance essential for making informed investment decisions. Enhanced awareness programmes can further strengthen investor participation and financial planning.

Keywords: Customer Awareness, Mutual Fund Investments, HDFC Mutual Fund, Financial Literacy, Investment Behaviour

1. INTRODUCTION

Mutual funds have emerged as one of the most preferred investment avenues for individuals seeking long-term wealth creation, professional fund management, diversification, and liquidity. The rapid growth of the Indian mutual fund industry has been driven by increasing financial literacy, technological advancements, and improved accessibility through digital investment platforms. However, the success of mutual fund investments largely depends on the awareness level of investors regarding mutual fund products, investment procedures, risks, and expected returns.

Customer awareness refers to the extent to which investors understand the features, benefits, risks, and functioning of mutual fund schemes. Well-informed investors are more likely to make rational investment decisions aligned with their financial goals and risk tolerance. In contrast, inadequate awareness often leads to misconceptions regarding market risks and discourages participation in mutual fund investments.

HDFC Mutual Fund is one of India's leading asset management companies, offering a wide range of investment schemes designed to meet diverse investor requirements. The organization actively promotes investor education through awareness campaigns, financial literacy programmes, digital platforms, and customer support services. Evaluating customer awareness regarding HDFC Mutual Fund provides valuable insights into investor behaviour, investment preferences, and the effectiveness of awareness initiatives. The study therefore investigates customer awareness, information sources, financial literacy, risk perception, and satisfaction levels associated with HDFC Mutual Fund investments.

2. LITERATURE REVIEW

Previous studies indicate that customer awareness and financial literacy significantly influence mutual fund investment decisions. Sharpe (1966) emphasized risk-adjusted investment evaluation, while Treynor (1965) highlighted the importance of investor understanding of risk and return. Gupta and Sehgal (2000) reported a positive relationship between investor awareness and participation in mutual fund schemes. Mishra (2005) found that financial literacy improves investment decision-making and confidence. Kaur and Jain (2014) concluded that awareness, expected returns, and risk perception strongly influence investment behaviour. Sharma and Verma (2018) observed that investor education programmes significantly improve understanding of mutual fund products and long-term investment participation. These studies collectively establish that greater customer awareness enhances investment confidence and promotes informed financial decision-making.

3. RESEARCH OBJECTIVES

The study was conducted with the following objectives:

1. To examine the level of customer awareness regarding HDFC Mutual Fund investments.
2. To identify the major sources influencing customer awareness of mutual funds.
3. To evaluate customer perception regarding risk and return associated with mutual fund investments.
4. To assess customer satisfaction with HDFC Mutual Fund products and services.
5. To suggest measures for improving investor awareness and participation in mutual fund investments.

4. RESEARCH METHODOLOGY

The study follows a descriptive research design based on both primary and secondary data. Primary data were collected from 100 respondents through a structured questionnaire using convenience sampling. Secondary information was obtained from HDFC Mutual Fund reports, SEBI publications, AMFI reports, research journals, annual reports, business newspapers, books, and official websites. Customer opinions were measured using a Five-Point Likert Scale, while percentage analysis, frequency analysis, and tabular presentation were employed for data interpretation. The methodology provides a systematic approach for analysing customer awareness, investment behaviour, financial literacy, and satisfaction regarding HDFC Mutual Fund investments.

5. Data Analysis

Table 1. Customer Awareness of Mutual Fund Investments

Response	Respondents	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	**100**	**100**

Interpretation: Around 70% of respondents agreed that they possess adequate knowledge regarding mutual fund investments, indicating a satisfactory level of customer awareness.

Table 2. Financial Literacy's Impact on Investment Decisions

Response	Respondents	Percentage (%)
Strongly Agree	34	34
Agree	36	36
Neutral	14	14
Disagree	10	10
Strongly Disagree	6	6
Total	**100**	**100**

Interpretation: The majority of respondents acknowledged that financial literacy plays a significant role in influencing mutual fund investment decisions and improving investor confidence.

6. Results

The findings reveal that customers possess satisfactory awareness regarding mutual fund investments and understand the importance of professional fund management, diversification, and long-term financial planning. Financial advisors and digital platforms are major sources of investment information. Investors exhibit adequate knowledge of mutual fund risks and expected returns, while financial literacy significantly influences investment decisions. Respondents expressed satisfaction with HDFC Mutual Fund's information services and customer support. Overall, the study indicates that customer awareness positively contributes to investment confidence, informed decision-making, and greater participation in mutual fund schemes.

7. Suggestions

HDFC Mutual Fund should continue strengthening investor education programmes through workshops, webinars, digital platforms, and financial literacy campaigns. Simple and transparent communication regarding mutual fund products, risks, and investment procedures should be provided to investors. Personalized financial guidance should be offered, particularly to first-time investors and individuals with limited financial knowledge. Continuous awareness initiatives and regular portfolio reviews can further improve customer confidence, investment participation, and long-term financial planning.

8. Conclusion

Customer awareness is a key determinant of mutual fund investment decisions. The study concludes that customers of HDFC Mutual Fund possess satisfactory awareness regarding mutual fund products, investment risks, and financial planning. Financial literacy, professional guidance, and awareness programmes positively influence investor confidence and participation. HDFC Mutual Fund has effectively promoted awareness through customer education, information services, and digital communication. Continued efforts to strengthen financial literacy and investor education will further enhance informed investment decisions, customer satisfaction, and long-term participation in mutual fund investments.

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