

INFORMATION NEEDS OF THE MUTUAL FUND INVESTORS: A STUDY ON INDIVIDUAL INVESTORS IN SILCHAR CITY

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Abstract:

Mutual funds serve as popular investment vehicles, attracting a diverse range of investors aiming for diversified, professionally managed portfolios. This study investigates the evolving information needs of mutual fund investors in the dynamic financial landscape. The study combines a comprehensive literature review with empirical data analysis to identify key areas of information importance and the extent of awareness of the mutual fund investors. The study employs a combination of primary and secondary data, with a stronger emphasis on the significance of primary data. The primary data was gathered through structured questionnaires distributed among individual investors residing in Silchar City. The respondents were identified using a snowball sampling technique. Primarily, descriptive statistics and rankings were employed to analyze the gathered data. The outcomes of the statistical analysis reveal that around 50% of the respondents displayed a moderate to high level of awareness regarding the occurrences within the mutual fund industry. Consequently, the study aimed to identify the sources of information or specific details that investors are pursuing, contributing to their heightened awareness. The investigation revealed that the key pieces of information they sought included benchmark indices, ratings from rating agencies, potential tax benefits offered by the fund, and Net Asset Value (NAV), among others. Observations have indicated that demographic factors play a crucial role. There is potential for further research to delve into these factors in greater detail.

Keywords: *Mutual Fund, Mutual Fund Investors, Net Asset Value (NAV), Risk, Return.*

JEL Classification: *G11, G50*

INTRODUCTION:

Mutual funds play a significant role in the Indian financial market, offering investors an avenue to participate in professionally managed diversified portfolios. With the growth of the Indian economy and increasing investor awareness, mutual funds have gained popularity as an investment option. These funds pool money from numerous investors and invest in a

diversified range of securities, such as stocks, bonds, and money market instruments. The Securities and Exchange Board of India (SEBI) regulates the mutual fund industry in India, ensuring transparency, investor protection, and stringent compliance standards (Mutual Funds:SEBI, 2022). Mutual funds in India provide investors with opportunities for wealth creation, capital appreciation, and income generation, catering to different risk profiles and investment objectives. They have become an essential component of the investment landscape, catering to the diverse investment needs of Indian investors (Sharma, 2012). As of May 31, 2022, the total value of assets managed by the Indian Mutual Fund Industry was ₹39.88 lakh crore. Over the past decade, the industry's assets under management (AUM) have witnessed remarkable growth, expanding from ₹8.68 trillion on May 31, 2013, to ₹39.88 trillion on May 31, 2022. This represents a significant five-fold increase within a span of nine years (AMFI India, 2022). As of April 2022, the count of mutual fund folios in India is almost touching 14 crores. The number of investors currently stands at around 3.4 crores, and it is anticipated to grow at a compounded annual growth rate (CAGR) of 21.5% by the year 2027 (Business Today, 2022). This upward trend highlights the increasing interest of investors in mutual funds as an investment option. Considering the significant growth and the potential it holds, it becomes crucial to carefully evaluate and consider various information related to mutual funds while making investment decisions to make informed choices (B. K. Singh, 2012).

Mutual fund investors in India face the challenge of making informed investment decisions in a dynamic and rapidly growing financial market. Access to reliable and relevant information is crucial for these investors to evaluate and select suitable mutual fund options. Therefore, the study explores the information needs of mutual fund investors and emphasizes the importance of meeting these needs for effective decision-making. In India, mutual fund investors seek information on various aspects, including fund performance, expense ratios, investment objectives, asset allocation, fund manager expertise, and historical returns (Chawla, 2014). This information allows investors to evaluate the past performance of funds, understand the costs associated with investing in a specific fund, assess the alignment of investment objectives with their own financial goals, and evaluate the skill and experience of the fund managers. Access to accurate and transparent information is essential for making well-informed investment decisions in the Indian mutual fund market (Sailaja, 2018). Investors rely on this information to select funds that match their risk tolerance, investment objectives, and time horizons (Gupta, 1993). Furthermore, reliable information empowers investors to monitor the performance of their investments, make appropriate adjustments, and potentially enhance their financial outcomes (Ramasamy & Yeung, 2003).

In India, the availability and quality of information can vary across mutual funds (Devi & Joseph, 2017). While regulatory bodies like the Securities and Exchange Board of India (SEBI) mandate disclosure requirements, the comprehensiveness and standardization of the provided information may differ (Capon et al., 1996). This can create challenges for investors in obtaining consistent and comparable data across different funds. The advent of digital platforms and increased internet penetration has improved access to information for Indian mutual fund investors. Online portals, financial news websites, and mutual fund research

platforms provide investors with a wealth of information, including fund performance, investment strategies, and expert insights (Atkinson et al., 2003). However, the sheer volume of information available can be overwhelming, necessitating tools and strategies to filter and analyze data effectively (Udhayasankar & Maran, 2018). To navigate this information overload, Indian investors rely on reputable sources, professional advice, and financial literacy to make sense of the available information and make informed investment decisions (Rehan et al., 2018). Thus, mutual fund investors in India require access to accurate, transparent, and reliable information to make informed investment decisions. Addressing their information needs is crucial for promoting investor confidence and ensuring the continued growth and development of the Indian mutual fund industry.

REVIEW OF LITERATURE:

Mutual fund investors have distinct information needs that must be addressed to facilitate informed decision-making. Understanding their information acquisition behaviour is crucial, as highlighted by Ippolito (1992), who emphasizes the importance of providing comprehensive and accessible information from multiple sources. Investors often seek information from financial advisors, online platforms, and prospectuses to gather a holistic view of the investment landscape. Additionally, factors such as risk tolerance, investment horizon, and financial literacy play a significant role in shaping investors' information needs, as discussed by Barber & Odean (2001). Financial institutions and regulatory bodies need to consider these factors to tailor their information offerings effectively.

Furthermore, it is essential to acknowledge the impact of behavioural biases on investors' information processing. Cognitive biases, including overconfidence and herding behaviour, can influence how investors interpret and use information while making investment decisions. Powell & Ansic (1997) emphasized on the need for financial advisors and institutions to be aware of these biases and provide tailored information that helps investors navigate their decision-making process more effectively.

In addition to addressing behavioural biases, promoting information transparency is crucial for building investor trust and confidence. Regulatory disclosures play a pivotal role in enhancing information transparency in the mutual fund industry. Pal & Chandani (2014) highlighted the positive impact of regulatory disclosures on information transparency, as it provides investors with timely and relevant information that aids in their decision-making process. By considering investors' information acquisition behaviour, individual factors influencing their information needs, addressing behavioural biases, and promoting information transparency through regulatory disclosures, financial institutions, and regulatory bodies can effectively meet the diverse information needs of mutual fund investors. This, in turn, fosters investor confidence, supports informed decision-making, and enhances the overall investor experience in the mutual fund industry (Ramesh & Devi, 2022).

Mutual fund investors consider accounting information, self-image/firm-image, and neutral information such as familiarity with macroeconomic indicators, expert recommendations, and personal financial needs before investing in equity securities (Cheng et al., 2018). Investors invest in equity securities to obtain a higher rate of return and to diversify risk (Malhotra & McLeod, 1997). Investment risk is a multidimensional construct with four principal

attributes: (a) the possibility of a very large loss (b) the possibility of a rate of return that is lower than the target return (c) the ability to control loss, and (d) the investor's level of knowledge (Gill et al., 2011). (Badrinath & Gubellini, 2012) argued that although the classical wealth-maximisation criterion is important to investors, they employ diverse criteria when choosing investment in equities.

The investor's (perceived) expertise is one of the principal attributes that impact investment decisions. The relative importance of investor knowledge is a function of idiosyncratic investor and asset characteristics. Gill et al., (2011) indicated that investors' proportional investment in equity securities as part of their entire investment portfolio is positively affected by their own perceived equity investment expertise. Parihar et al., (2009) argued that improved investment knowledge and experience enable people to make better investment decisions. The more accurately investors perceive risk using information, the better they understand the link between risk and return on mutual fund investment. A better understanding of the link between risk and return in mutual fund investment may lead to a higher tendency to invest in mutual funds (Panwar & Madhumathi, 2006). Carhart (1997) also suggested that investors appear to under-react to prior information and to information conveyed by events that lead to different patterns, return continuations, and long-horizon returns.

Investor knowledge of 'neutral information' plays an important role in the investment decision-making process. The concept of neutral information, in the context of this study, is defined as the investors' understanding of 1. recent mutual fund price movement 2. the current economic indicators (e.g., business cycle, GDP, etc.) 3. the fluctuation/developments in the mutual fund index. This concept was used long ago by Malhotra & McLeod (1997) who found that many investors view financial statements as not useful for investment decision-making. These researchers conjectured that there are other sources of information that investors feel to be more informative for investment decisions. Other sources of information can be price movement in the equity funds, current economic indicators, and the fluctuation/developments in the mutual fund index (Alexander et al., 1998). This information is termed 'neutral information' because fluctuations in mutual funds' prices, knowledge and understanding of macroeconomic indicators, and developments of mutual funds indexes are not directly related to potential investors' characteristics. Economic data on financial markets, especially equity funds, is complex, imperfect, and puzzling. Chieh-Tse Hou (2012) explained that many macroeconomic series are reported every quarter with a lag of several weeks and are frequently revised. He also indicates that profits as a percentage of GDP appear to lead to real total returns on investment. Tripathi & Japee (2020) found that individual investors display attention-driven buying behaviour. The attention can be related to economic indicators, mutual fund prices, and mutual fund indexes. Therefore, it is important for mutual fund investors to understand financial market data. Trainor (2010) reported that people base their equity fund purchase decisions on economic criteria combined with diverse other variables. In addition, they explain that speculative factors like 'recent price movements in the firm's stocks', and 'affordable share price' influence investors' investment behaviour significantly.

Barber & Odean (2001) argued that many investors trade too much because they are overconfident about the quality of their information. Such investors may overvalue the importance of events that catch their attention, thus leading them to trade sub-optimally. In a recent study, Alamelu & Indhumathi (2017) found that investors' proportional investment in equity securities as part of their entire investment portfolio is positively affected by their own perceived knowledge of what we call here 'neutral information.'

Arugaslan et al., (2007) indicated that the recommendations of brokerage houses, individual stock brokers, family members, and friends induce active trading. Barberis et al., (1998) examined changes in analysts' recommendations and concluded that these are positively associated with future excess return on securities. De Bondt & Thaler (1987) suggested that the representativeness heuristic of investment advisors may lead investors to buy securities with strong recent returns. Although many investors rely on professional expertise, most of them tend to vary in these information channels. In addition, many individual investors neither follow nor understand the various classical 'valuation models' (Gill et al., 2011) that rank mutual funds according to their risk-adjusted performance when they assess mutual funds in their purchase decisions. Indeed, Gill et al., (2011) found that investors' proportional investment in equity securities as part of their entire investment portfolio is positively affected by their own perceived consultation with an advisor.

(Bogle, 1992) analyzed the factors influencing the decisions of investors who use analysts' recommendations to arrive at a short-term decision to hold or sell an equity fund. Their findings indicate that a strong form of the analyst's summary recommendation report (e.g., one with additional information supporting the analyst's position further) reduces the disposition error for gains and also reduces the disposition error for losses. Finally, Shafee (2018) suggested that investment advisors and brokers play a significant role in equity funds' trading activities.

The limited literature review indicates that factors such as investment expertise, knowledge of 'neutral' information, and consultation with advisors impact on mutual fund investment decisions of investors. It is important to note that there is a joint family system in India which increases the number of family members. The average family size in India is 5.24 (Niranjan et al., 2005). The large number of family members may impact the decisions of investors to invest in mutual funds. It has also been observed that women are more risk-averse than men and the young are more risk-seeking than the old (Clark & Strauss, 2008). Barber & Odean (2001) argued that men are more overconfident than women in the area of investment. Investors' age and gender may also affect mutual fund investment behaviour. Gender in particular may be a moderating variable reflecting perhaps the different approaches of female and male investors to invest in mutual funds. Therefore, it is theorized that investment expertise, knowledge of neutral information, and intensity of consultation with advisors positively impact mutual fund investment decisions.

Understanding the information needs of mutual fund investors in the Indian context has been the focus of several research studies. These studies shed light on the factors and types of information that investors seek to make informed investment decisions in the dynamic mutual fund industry. Kandi & Kumar (2020) investigated the information requirements of Indian

mutual fund investors and found that investors prioritize information related to fund performance, expense ratios, risk factors, investment objectives, and the past track record of the fund manager. Similarly, Allen & Parwada (2006) examined the information preferences of retail investors in the Indian mutual fund market. Their research highlighted that investors attach great importance to information pertaining to historical performance, risk factors, investment philosophy, and asset allocation of mutual funds.

In exploring the information sources and decision-making process of Indian mutual fund investors, Chintala & Thanvi (2022) discovered that investors rely on a variety of sources, including financial advisors, internet research, fund fact sheets, and direct communication with fund houses. They emphasized the need for reliable and up-to-date information from these sources to guide investors in their decision-making process.

Singh & Chander (2004) delved into the impact of information asymmetry on Indian mutual fund investors' decision-making. Their research highlighted that investors seek information on fund performance, risk factors, expense ratios, and the transparency of the fund house. They underscored the crucial role of regulatory bodies in ensuring transparency and providing investor-friendly information. Moreover, Tripathi & Japee (2020) underscored the importance of regulatory bodies in the Indian mutual fund industry. Their study highlighted that regulatory measures play a pivotal role in ensuring transparency and providing accurate information to investors.

Collectively, these research studies emphasize the significance of accurate, transparent, and easily understandable information for Indian mutual fund investors. The information needs of investors encompass various aspects, such as fund performance, expense ratios, risk factors, investment philosophy, and the track record of fund managers (Meena & Sankar, 2020). Meeting these information needs is crucial for empowering investors and enabling them to make well-informed investment decisions in the ever-evolving Indian mutual fund industry.

OBJECTIVES OF THE STUDY:

The following are the main objectives of the study:

- To access the level of awareness of the investors about the Mutual Fund.
- To examine the information-seeking behaviour of the investors for making investments in Mutual Funds.

RESEARCH METHODOLOGY:

The choice of a descriptive research design stems from its ability to elucidate the investigation and shed light on the current landscape of Mutual Fund investors. Initially, the sample's descriptive statistics were meticulously analyzed utilizing both a percentage and graphical approach for comprehensive data examination. The study's population comprises Mutual Fund investors in Silchar city, encompassing individuals invested in SBI Mutual Fund, UTI Mutual Fund, HDFC Mutual Fund, and retail investors. The study's sample size is set at 400, and the adopted sampling procedure is snowball sampling, a non-probability method where existing participants enlist potential study participants from their social circles, resembling the growth of a snowball.

The research employs two primary methods of data collection: primary and secondary. Primary data collection involves directly obtaining information from a specific source, often

referred to as firsthand data. Meanwhile, secondary data collection entails extracting information from secondary sources such as magazines, published articles, and government websites. In this research, both primary and secondary methods were judiciously employed.

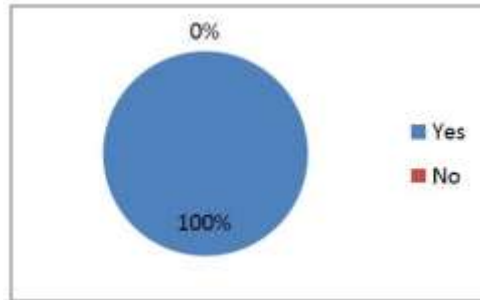
Primary sources involve the collection of data through physical questionnaires. Simultaneously, secondary sources involve consulting various research papers, published articles, and Mutual Fund websites to gather theoretical data. To analyze the collected data, descriptive statistics were applied, encompassing the construction of tables presenting means and standard deviations. These statistical tools offer a comprehensive means to examine various factors, providing valuable insights into the characteristics of the Mutual Fund investor landscape in Silchar City.

In pursuit of the first objective, an exhaustive literature review meticulously identified various benchmarks, such as Return, Risk, Liquidity, Tax Benefit, Fund Management, Convenience, Cost, Transparency, and Diversification, for evaluating mutual fund features. Subsequently, these benchmarks underwent rigorous statistical analysis as part of the research methodology, contributing to a comprehensive examination. The statistical analysis involved evaluating and interpreting data related to these benchmarks, offering valuable insights into the performance and characteristics of mutual funds in Silchar City. Simultaneously, for the second objective, a diverse range of information pertinent to Mutual Fund investors was thoughtfully incorporated into the questionnaire, enabling respondents to choose from a Likert scale. The study, guided by respondents' feedback, aims to uncover how investors acquire information, their relied-upon sources, prioritized information categories, and the integration of information into decision-making processes. Following data collection, a descriptive statistical analysis is employed, providing a nuanced understanding of patterns and trends in information-seeking behaviours among Mutual Fund investors in Silchar City. This integrated approach enhances the overall comprehension of the Mutual Fund investor landscape.

THE LEVEL OF AWARENESS OF THE INVESTORS ABOUT THE MUTUAL FUNDS:

Mutual fund awareness refers to an individual's knowledge and comprehension of mutual funds as an investing option. A high level of awareness implies a thorough understanding of mutual funds, including their different types, potential returns, and investment methods. Low or no awareness implies a lack of information and misunderstandings. Awareness is essential for making informed investing selections. The purpose of this objective is to determine the level of mutual fund awareness among investors. Understanding investor awareness levels is critical for the mutual fund business because it identifies knowledge gaps and areas that require attention in terms of investor education and outreach programs. This section aims to evaluate the level of awareness among investors regarding mutual funds. It will explore various aspects of awareness, including type of fund, fund category, track record, etc. For accessing the awareness level, initially, it was analyzed if they heard of investment in mutual funds and then how many of them had invested in mutual funds.

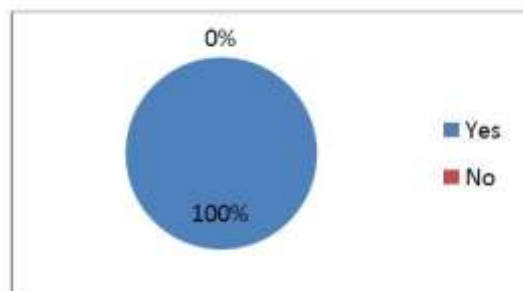
Figure 1: Respondents aware of mutual fund



Source: Authors' own compilation from the collected data with the help of the MS Excel

Figure 1: As the study is based on the snowball non-probability sampling method and the sampling unit is from SBI Mutual fund, UTI Mutual fund, HDFC Mutual fund, and individual retail mutual fund investors specifically, so every respondent is quite aware of the investments and hence it can be said that 100% respondents were quite aware of the investment in mutual funds.

Figure 2: Respondents invested in mutual fund



Source: Authors' own compilation from the collected data with the help of the MS Excel

Figure 2: As the study is based on the snowball non-probability sampling method and the sampling unit is from SBI Mutual fund, UTI Mutual fund, HDFC Mutual fund, and individual retail mutual fund investors specifically, every respondent was a mutual fund investor and again it can be concluded that 100% respondents had invested in the mutual fund.

Many literatures have been reviewed so that a specific benchmark for the feature of mutual funds can be set. The outcome of the review has been illustrated here.

Return:

- Top mutual fund earning higher gross returns (Carhart, 1997).
- Mutual funds provide higher returns to investors (Thangam & SS, 2019).

Risk:

- Mutual fund gives a higher return on investment (Mehru, 2004).
- Mutual funds offer better returns than other investments (Saini et al., 2011).

- Due to higher diversification mutual fund contains lesser risk (Jayadev, 1996).
- Mutual fund has low risk (Sunden & Surette, 1998),
- Mutual fund has moderate risk (Saini et al., 2011).
- A mutual fund is a riskless mode of investment (Thangam & SS, 2019).
- Mutual fund provides benefits of low risks (Parihar et al., 2009).

Liquidity:

- A mutual fund has better liquidity than other investments (Mehru, 2004).
- Mutual fund provides higher liquidity (Parihar et al., 2009).
- Mutual fund has higher liquidity (Arathy et al., 2015).
- Mutual funds are highly liquid since investor can redeem their fund on any business day and money gets credited within 3/4 days (AMFI India, 2022).

Tax benefit:

- Mutual fund provides tax efficiency (Arathy et al., 2015).
- Investors defer their tax liability (Sujaritha & Sneha, 2019).
- The specific scheme provides investors with the benefit of tax deductions (Thangam & SS, 2019).
- Mutual fund investments are tax-efficient (AMFI India, 2022).
- Investing in mutual funds lies in its liquidity (Vyas, 2012).

Fund management:

- Mutual fund offers more active fund management than others (Jayadev, 1996).
- The mutual fund includes expert management (Parihar et al., 2009).
- A mutual fund has higher fund management (Arathy et al., 2015).

Convenience:

- The mutual fund gives higher convenience through ease of monitoring and investing (Khasgiwala et al., 2017).
- Investors get a higher level of convenience through investing in mutual funds (Naik & Pramod, 2020).
- Mutual fund delivers a higher level of convenience to their investors (Santhi & Gurunathan, 2011).

Cost:

- Mutual fund is considered very cost-efficient (Santhi & Gurunathan, 2011).
- Mutual fund operates at a lower cost (Malhotra & McLeod, 1997).
- Mutual funds have a lower cost than other investments (Saini et al., 2011).
- Mutual fund has low prices (Sailaja, 2018).

Transparency:

- Structures of mutual funds and regulations by SEBI ensure transparency to its investors (Meena & Sankar, 2020).
- AMFI states mutual funds are one of the most transparent investment options (AMFI India, 2022)
- High transparency is referred to as a higher level of satisfaction for mutual fund investors (Thomas, 2019)
- The mutual fund has transparent quality of assets (Rehan et al., 2018).

Diversification:

- Investors enjoy high diversification (Jayadev, 1996).
- Mutual funds are avenues with higher diversification (Prathap & Rajamohan, 2013).
- Mutual fund seeks the benefits of diversification (Neelima & Rao, 2016).
- Mutual fund holds high diversification (Prathap & Rajamohan, 2013).
- The mutual fund gives high built-in diversification (Arathy et al., 2015).

BENCHMARK ACCORDING TO THE LITERATURE

Table 1: Benchmark according to the literature

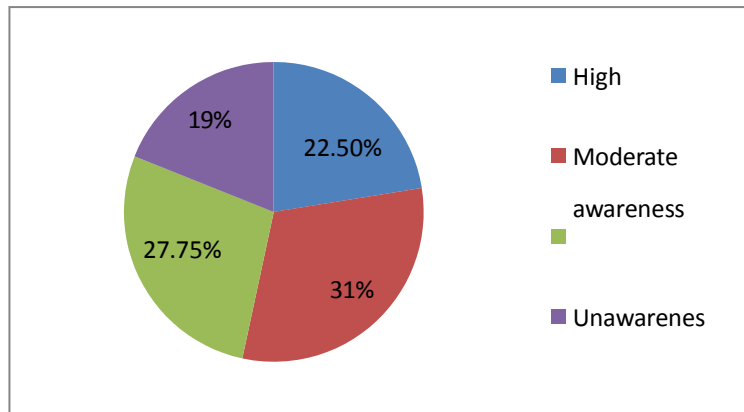
Factors	Scale	Rating
Return	High	3
Risk	Low	1
Liquidity	High	3
Diversification	High	3
Tax benefit	Low	1
Fund Management	High	3
Convenience	High	3
Transparency	High	3
Cost	Low	1
Total		21

Source: Author's from the collected
The benchmark reviewing all the of all 9 features high and 1 as liquidity, fund

own compilation data.
has been set by above literature considering 3 as low. Return, diversification, management,

convenience, and transparency are scaled as high so it is rated as 3 and similarly, risk, tax benefit, and cost are scaled as low and therefore rated as 1.

Figure 3: Awareness level of respondents



Source: Authors' own compilation from the collected data with the help of the MS Excel

Figure 3: In the above figure a graphical representation of the respondents giving awareness level on the above parameters has been shown. In the area of the study, 31% of the respondents were moderately aware of the features of the mutual fund followed by 27.5% who had low awareness, 22.5% of respondents were highly aware and 19% were unaware.

NOTE:

- Percentage of respondents giving responses on all the 9 parameters exactly as set criteria – High Awareness

- Percentage of respondents giving responses on 6-7 parameters exactly as set criteria (i.e., greater than and equal to 75%) – Moderate awareness
- Percentage of respondents giving responses on 4 – 5 parameters exactly as set criteria (i.e., greater than or equal to 50%) – Low awareness
- Percentage of respondents giving responses on 2 – 3 parameters exactly as set criteria (i.e., greater than or equal to 25%) – Unawareness

THE INFORMATION-SEEKING BEHAVIOUR OF THE INVESTORS FOR MAKING INVESTMENTS IN MUTUAL FUNDS:

The purpose of this objective is to investigate investors' information-seeking behaviour while making mutual fund investment selections. Understanding how investors seek and use information is critical for mutual fund firms, financial advisors, and regulators in developing effective communication strategies and offering relevant resources to fulfill the information demands of investors. Investing in mutual funds necessitates access to precise and trustworthy information on a variety of topics, such as fund performance, investing methods, fees, risks, historical data, etc. Investors rely on data to make informed investing decisions that are in line with their financial objectives and risk tolerance. It aims to investigate investors' information-seeking behaviour in relation to mutual fund investments. It aims to comprehend how investors obtain information, the sources on which they rely, the categories of information they prioritize, and how they use the information in their decision-making process.

Table 2: Information needed of the respondents

Sl. No	Information Need	Very Important (5)	Important (4)	Somewhat Important (3)	Not Very Important (2)	Not at all Important (1)
A.	Reputation/Image of the company offering the Fund	167 (41.75%)	217 (54.25%)	14 (3.5%)	02 (0.5%)	0
B.	Type of Fund (Open-end/ Closed-end Fund)	113 (28.25%)	274 (68.5%)	13 (3.25%)	0	0
C.	Fund Category (Growth/ Income/Balanced etc.)	120 (30%)	222 (55.5%)	53 (13.25%)	05 (1.25%)	0
D.	Investment Philosophy & Objectives of the Fund	109 (27.25%)	162 (40.5%)	100 (25%)	26 (6.5%)	03 (0.75%)
E.	Track record of Fund Manager	115 (28.75%)	202 (50.5%)	69 (17.25%)	12 (3%)	02 (0.5%)
F.	Past Performance of Fund	177 (44.25%)	223 (55.75%)	0	0	0
G.	Fund Portfolio (Type of securities held by the Fund)	105 (26.25%)	212 (53%)	70 (17.5%)	13 (3.25%)	0
H.	Total Expense Ratio (TER)	60 (15%)	208 (52%)	120 (30%)	12 (3%)	0
I.	Benchmark Index	113 (28.25%)	287 (71.75%)	0	0	0
J.	Fund Performance Compared Relative to Benchmark Index	81 (20.25%)	319 (79.75%)	0	0	0

K.	Fund's performance compared to similar types of funds	115 (28.75%)	285 (71.25%)	0	0	0
L.	Tax benefits, if any offered by the Fund	84 (21%)	316 (79%)	0	0	0
M.	Entry & Exit Load	81 (20.25%)	319 (79.75%)	0	0	0
N.	Net Asset Value (NAV)	71 (17.75%)	329 (82.25%)	0	0	0
O.	Initial Investment	176 (44%)	198 (49.5%)	20 (5%)	04 (1%)	02 (0.5%)
P.	Rating by a rating agency	91 (22.75%)	309 (77.25%)	0	0	0
Q.	Economic factors that may affect Fund Performance in the next 12 months	55 (13.75%)	345 (86.25%)	0	0	0
R.	Any uniqueness and innovativeness of the fund	18 (4.5%)	382 (95.5%)	0	0	0

Source: Authors' own compilation from the collected data.

- A majority 96% of the respondents feel that information Reputation/Image of the company offering the Fund is 'very important to important' for making investment decisions, while 4% of the respondents feel somewhat important to not very important.
- 97% of the respondents perceive that the information regarding the Type of Fund (Open-end/Closed-end Fund) is 'very important to important' for making investment decisions while 3% of the respondents feel that this information is somewhat important
- 85.5% of the respondents perceive that the information regarding Fund Category (Growth/ Income/Balanced etc.) is very important to important for making investment decisions, while 14.5% of the respondents feel that this information is somewhat important to not very important
- 67.75% of the respondents perceive that the information regarding the Investment Philosophy and objectives of the Fund is 'very important to important' for making investment decisions, while 32.25% of the respondents feel that this information is somewhat important to not at all important.
- 79.25% of the respondents perceive that the information regarding is Track record of the Fund Manager is 'very important to important' for making investment decisions, while 20.75% of the respondents feel that this information is somewhat important to not at all important.
- 100% of the respondents perceive that the information regarding the Past Performance of the Fund is 'very important to important' for making investment decisions.
- 79.25% of the respondents perceive that the information regarding Fund Portfolio (Type of securities held by the Fund) is 'very important to important' for making

investment decisions, while 20.75% of the respondents feel that this information is somewhat important to not at all important.

- 67% of the respondents perceive that the information regarding the Total Expense Ratio is 'very important to important' for making investment decisions, while 33% of the respondents feel that this information is somewhat important to not very important.
- 100% of the respondents perceive that the information regarding the Benchmark Index is 'very important to important' for making investment decisions.
- 100% of the respondents perceive that the information regarding Fund Performance relative to the Benchmark Index is 'very important to important' for making investment decisions.
- 100% of the respondents perceive that the information regarding Fund Performance compared to similar types of funds is 'very important to important' for making investment decisions.
- 100% of the respondents perceive that the information regarding Tax benefits, if any offered by the Fund is 'very important to important' for making investment decisions.
- 100% of the respondents perceive that the information regarding Entry and exit Load is 'very important to important' for making investment decisions.
- 100% of the respondents perceive that the information regarding Net Asset Value (NAV) is 'very important to important' for making investment decisions.
- 93.5% of the respondents perceive that the information regarding Initial Investment is 'very important to important' for making investment decisions, while 6.5% of the respondents feel that this information is somewhat important to not at all important.
- 100% of the respondents perceive that the information regarding fund rating by a Rating Agency is 'very important to important' for making investment decisions.
- 100% of the respondents perceive that the information regarding Economic factors that may affect Fund Performance in the next 12 months is 'very important to important' for making investment decisions.
- 100% of the respondents perceive that the information regarding the Uniqueness and Innovativeness of the Fund is 'very important to important' for making investment decisions.

DESCRIPTIVE STATISTICS OF INFORMATION NEEDS:

Table 3: Ranking of the information needs

Sl. No	Information Needs	Total score	Mean	Standard Deviation	Coefficient of Variance	Rank
F	Past Performance of Fund	1777	4.4425	0.4973047	0.1119425	1
A	Reputation/Image of the company offering the Fund	1749	4.3725	0.578429	0.1322879	2
O	Initial Investment	1742	4.355	0.6708951	0.154051	3
K	Fund's performance compared to similar types of funds	1715	4.2875	0.4531634	0.1056941	4

I	Benchmark Index	1713	4.2825	0.4507790	0.1052607	5
B	Type of Fund (Open-end/ Closed-end Fund)	1700	4.25	0.5031230	0.1183819	6
P	Rating by a rating agency	1691	4.2275	0.4197430	0.0992887	7
L	Tax benefits, if any offered by the Fund	1684	4.21	0.4078183	0.0968689	8
J	Fund Performance Compared Relative to Benchmark Index	1681	4.2025	0.4023661	0.0957444	9
M	Entry & Exit Load	1675	4.1875	0.3908011	0.0933256	10
N	Net Asset Value (NAV)	1671	4.1775	0.3825697	0.0915786	11
C	Fund Category (Growth/ Income/Balanced etc.)	1657	4.1425	0.6806997	0.1643209	12
Q	Economic factors that may affect Fund Performance in the next 12 months	1655	4.1375	0.344805	0.083336727	13
R	Any uniqueness and innovativeness of the fund	1618	4.045	0.2075637	0.0513136	14
E	Track record of Fund Manager	1616	4.04	0.7905456	0.1956796	15
G	Fund Portfolio (Type of securities held by the Fund)	1609	4.0225	0.753932	0.1874289	16
D	Investment Philosophy & Objectives of the Fund	1548	3.87	0.9138861	0.2361463	17
H	Total Expense Ratio (TER)	1516	3.79	0.7260978	0.1915825	18

Source: Authors' own compilation from the collected data.

Based on the average score for watch of the information needs, the top 16 information needs (whose average score is above 3.9 closer to 4 – 5 – point Likert scale corresponding to important) are given below:

1. Past performance of the fund
2. Reputation/Image of the company offering the Fund
3. Initial Investment
4. Fund's performance compared to similar types of funds
5. Benchmark Index
6. Type of Fund (Open-end or Close-end Fund)
7. Rating by a Rating Agency
8. Tax benefits, if any offered by the Fund
9. Fund performance compared relative to the Benchmark Index
10. Entry & Exit Load
11. Net Asset Value (NAV)
12. Fund Category (Growth/ Income/Balanced etc.)
13. Economic factors that may affect Fund Performance in the next 12 months
14. Any Uniqueness and Innovativeness of the Fund
15. Track record of Fund Manager
16. Fund Portfolio (Types of securities held by the Fund)

Furthermore, the standard deviations and coefficients of variation for each of the information needs are not significantly large enough, implying that there is near consensus among the

respondents (the respondents' perceptions of information needs for informed decision-making did not diverge much).

Table 4: Difference in the information that the investors consider Very Important prior to investment and actually consider during investment

Sl. No.	Information Needs	Consider prior to Investment	Actually, consider during investment	Actually, does not consider during Investment
F	Past Performance of Fund	177 (44.25%)	140 (35%)	37 (9.25%)
A	Reputation/Image of the company offering the Fund	167 (41.75%)	131 (32.75%)	36 (9%)
O	Initial Investment	176 (44%)	107 (26.75%)	69 (17.25%)
K	Fund's performance compared to similar types of funds	115 (28.75%)	54 (13.5%)	61 (15.25%)
I	Benchmark Index	113 (28.25%)	48 (12%)	65 (16.25%)
B	Type of Fund (Open-end/ Closed-end Fund)	113 (28.25%)	64 (16%)	49 (12.25%)
P	Rating by a rating agency	91 (22.75%)	32 (8%)	59 (14.75%)
L	Tax benefits, if any offered by the Fund	84 (21%)	37 (9.25%)	47 (11.75%)
J	Fund Performance Compared Relative to Benchmark Index	81 (20.25%)	22 (5.5%)	59 (14.75%)
M	Entry & Exit Load	81 (20.25%)	41 (10.25%)	40 (10%)
N	Net Asset Value (NAV)	71 (17.75%)	33 (8.25%)	38 (9.5%)
C	Fund Category (Growth/ Income/Balanced etc.)	120 (30%)	61 (15.25%)	59 (14.75%)
Q	Economic factors that may affect Fund Performance in the next 12 months	55 (13.75%)	21 (5.25%)	34 (8.5%)
R	Any uniqueness and innovativeness of the fund	18 (4.5%)	8 (2%)	10 (2.5%)
E	Track record of Fund Manager	115 (28.75%)	71 (17.75%)	44 (11%)
G	Fund Portfolio (Type of securities held by the Fund)	105 (26.25%)	38 (9.5%)	67 (16.75%)
D	Investment Philosophy &	109	21	88

	Objectives of the Fund	(27.25%)	(5.25%)	(22%)
H	Total Expense Ratio (TER)	60 (15%)	24 (6%)	36 (9%)

Source: Authors' own compilation from the collected data.

Considering the very important and important scale from Table 4, the gap between the information that investors consider prior to investment and actually consider during the investment was analyzed. Investors who consider the information needed prior to investment if they actually consider it during the investment or not, it shows the actual gap between them.

- 44.25% of respondents consider the past performance of funds prior to investment out of which only 35% of respondents actually consider during investment. 9.25% still don't consider the information.
- 41.75% of respondents consider the Reputation/Image of the company offering the Fund prior to investment out of which only 32.75% of respondents actually consider it during investment. 9% still don't consider the information.
- 44% of respondents consider Initial Investment prior to investment out of which only 26.75% of respondents actually consider during investment. 17.25% still don't consider the information.
- 28.75% of respondents consider the Fund's performance compared to similar types of funds prior to investment out of which only 13.5% of respondents actually consider during investment. 15.25% still don't consider the information.
- 28.75% of respondents consider the Benchmark Index prior to investment out of which only 12% of respondents actually consider during investment. 16.25% still don't consider the information.
- 28.75% of respondents consider the Type of Fund (Open end/Closed-end Fund) prior to investment out of which only 16% of respondents actually consider it during investment. 12.25% still don't consider the information.
- 22.75% of respondents consider Rating by a rating agency prior to investment out of which only 8% of respondents actually consider during investment. 14.75% still don't actually consider during the investment
- 21% of respondents consider Tax benefits if any offered by the Fund prior to investment out of which only 9.25% of respondents actually consider during investment. 11.75% still don't actually consider during the investment
- 20.25% of respondents consider Fund Performance compared relative to the Benchmark Index prior to investment out of which only 5.5% of respondents actually consider during investment. 14.75% still don't actually consider during the investment
- 20.25% of respondents consider Entry and exit Load prior to investment out of which only 10.25% of respondents actually consider during investment. 10% still don't actually consider during investment

- 17.75% of respondents consider Net Asset Value (NAV) prior to investment out of which only 8.25% of respondents actually consider it during investment. 9.5% still don't actually consider during the investment
- 30% of respondents consider Fund Category (Growth/ Income/Balanced etc.) prior to investment out of which only 15.25% of respondents actually consider during investment. 14.75% still don't actually consider during the investment
- 13.75% of respondents consider Economic factors that may affect Fund Performance in the next 12 months prior to investment out of which only 5.25% of respondents actually consider during investment. 8.5% still don't actually consider during the investment
- 4.5% of respondents consider any uniqueness and innovativeness about the fund prior to investment out of which only 2% of respondents actually consider it during investment. 2.5% still don't actually consider during the investment
- 28.75% of respondents consider the Track record of the Fund Manager prior to investment out of which only 17.75% of respondents actually consider it during investment. 11% still don't actually consider during investment
- 26.25% of respondents consider a Fund Portfolio (Type of securities held by the Fund) prior to investment out of which only 9.5% of respondents actually consider it during investment. 16.75% still don't actually consider during the investment
- 27.25% of respondents consider the Investment Philosophy and objectives of the Fund prior to investment out of which only 5.25% of respondents actually consider during investment. 22% still don't actually consider during the investment
- 15% of respondents consider Total Expense Ratio (TER) prior to investment out of which only 6% of respondents actually consider during investment. 9% still don't actually consider during investment.

CONCLUSION:

Mutual funds are one of the best intermediaries for meeting the needs of ordinary investors. Investors nowadays are fully versed in every aspect of any type of investment opportunity. The three most critical factors for any investor are risk, return, and time. So mutual funds essentially meet all three of these elements or needs. This study of individual investors in Silchar City sheds light on mutual fund investors' information demands. It provides valuable insights into the elements driving investment decisions and investor preferences in this specific setting. The findings emphasize the importance of demographic characteristics including gender, age, education level, employment, and income in defining investors' information needs.

The report emphasizes the need for financial literacy and awareness programs to close the information gap among investors. Improving financial education initiatives, particularly those aimed at persons with lower qualification levels, age groups, and gender can enable them to make informed investment decisions. It is critical to have easily accessible and clear resources that simplify difficult investment concepts for greater comprehension. Mutual fund companies and financial institutions should focus on providing a wide range of investment options, taking into account aspects such as risk tolerance, investment horizon, and income

levels. Personalized assistance and support, such as mentorship programs and professional counsel, can assist investors in more effectively navigating the intricacies of the investment world. The past performances of the fund, the reputation/ image of the company offering the fund, and the initial investment have a significant impact on shaping the investors' perception of mutual funds.

Overall, the study conducted on Silchar City on individual investors provides useful insights for mutual fund providers, financial institutions, and regulators. Stakeholders may work together to promote a more informed and empowered investor base, encouraging long-term financial growth and stability in the mutual fund business, by addressing the specific information gaps identified in this study.

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