



Structural Shifts in Retail Investor Behavior: A Post-Pandemic Analysis of Perception and SIP Adoption Towards Bank-Sponsored Mutual Funds in Semi-Urban India

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Abstract—

This study examines perceptions and behavioural patterns of retail investors towards bank-sponsored mutual funds, with a particular focus on State Bank of India (SBI) Mutual Fund and Systematic Investment Plans (SIP) in the Ahilyanagar district. The research attempts to determine the main factors influencing investment decisions in semi-urban India against the backdrop of a swiftly changing post-pandemic financial landscape. Data was gathered from 384 respondents using structured questionnaires and stratified random sampling in a descriptive research approach. Statistical techniques like percentage analysis and hypothesis testing were deployed to develop relationship between demographic factors and investment choices.

These findings imply that in order to improve financial inclusion, Asset Management Companies (AMCs) must implement phygital strategies, which is a combination of digital freedom with local trustworthy engagement, in the flourishing semi-urban markets. Financial institutions can use this strategy roadmap to maximize the penetration in the developing Indian markets and also to reduce the literacy gap of current as well as prospective investors.

Keywords—Retail Investors, Perception, SBI Mutual Fund, Financial Literacy, Investment Behavior.



I. INTRODUCTION

Over the past ten years, the Indian financial environment has drastically changed; moving away from traditional savings-instruments, toward market-linked financial instruments. The Indian mutual fund sector, which has shown remarkable development and endurance, is at the center of this evolution. As a result of growing financial literacy and the liberalization of capital markets, the industry's Assets Under Management (AUM) achieved a landmark achievement of ₹55 lakh crore by early 2026.

The increase in retail participation is a distinctive aspect of this growth. Individual investors are driving the present expansion, in contrast to earlier market cycles where institutional investors dominated. Mutual funds have been effectively positioned as a common tool for wealth accumulation because of the Mutual Funds-Sahi Hai campaign and SEBI's strong regulatory framework. The cornerstone of this retail transformation is Systematic Investment Plans (SIPs), which offer individuals a disciplined and easily accessible way to take part in India's economic growth path.

Previously mutual fund AUM has been contributed by India's Top 15 cities. Beyond this, next 30 cities represent the new frontier of growth. Ahilyanagar district and other semi-urban areas have enormous untapped opportunities for financial growth. Surplus income is increasing in these areas, and financial assets are gradually replacing tangible assets like gold and real estate. Increasing penetration in these 30 cities is essential to the industry's long-term viability. The semi-urban investor profile, on the other hand, is very different from the metropolitan one and frequently necessitates a combination of precise product advertisement and localized trust. A micro-representation of this change may be found in markets like Ahilyanagar, where the shift from conventional banking practices to contemporary investment portfolios is presently seeing rapid growth.

Even with the quantitative increase in AUM, there is still a qualitative knowledge gap on how the retail investor's mindset is changing in a post-pandemic economy. The global health crisis acted as a trigger, increasing awareness of financial security and fastening the adoption of digital technology. But it also produced a complicated competitive environment.

AMCs sponsored by banks, such as SBI Mutual Fund, and other trust-based institutional corporations have a long reputation for security and physical presence. Conversely, FinTech innovators and aggressive private players use high-tech interfaces and quick marketing. Currently there is lack of comprehensive research on whether semi-urban investors are selecting their investing partners based on past performance, digital presence, or the conventional institutional trust connected to banking legacies. This study aims to close this gap by examining the investor sentiment in Ahilyanagar and concentrating on the elements that boost SIP adoption in a market that is becoming more competitive and moderated digitally.

II. LITERATURE REVIEW

Although real-world decisions can be affected by psychological heuristics, traditional finance theories usually presume rational investor behavior. According to Abideen et al. (2023), behavioral biases, such as herding and overconfidence, greatly influence asset selection and predicting the Indian stock market. According to their research, ordinary investors frequently adopt a herd mentality, especially in times of market volatility, but corporate fund managers are more likely to hold. Additionally, Chandra and Kumar (2011) highlight that individual investor behavior is a complicated interplay of socioeconomic and psychological elements that frequently results in deviation from accurate market forecasts.

Making rational financial decisions are significantly influenced by understanding financial matters. Although investment consciousness is increasing, Ammer and Aldhyani (2022) discovered that it frequently works in conjunction with behavioral biases rather than independently. According to Gupta (2020), people with higher levels of financial literacy are less prone to emotional biases like the disposition effect and exhibit a greater capacity for objective analysis. Furthermore, Almansour et al. (2023) proposed that investment experience acts as a moderating element; experienced investors are better at controlling trend-based decisions than novices, but cognitive biases are still present at all experience levels.

A growing number of people believe that mutual funds are crucial instruments for building long-term wealth. According to Gupta and Roy (2025), retail investors are now matching mutual fund investments with lifestyle



goals, such retirement or leisure travel. Krishnakumar and Lissy (2025) showed recommended Systematic Investment Plan (SIP), because it uses rupee-cost averaging to reduce market volatility. Because of their low entrance barriers and rigorous approach, it has become the entry point for many first-time investors. According to Nag et al. (2022), the trust component of bank-sponsored funds is still crucial when choosing a fund in the scenario of semi-urban India.

Technology-driven investing solutions have become increasingly popular in the post-pandemic environment. Dogra et al. (2023) investigated, how developing market millennials investment intentions are influenced by financial advertisements and digital platforms. According to Antczak (2024), who emphasizes the impact of digital marketing on consumer purchasing behavior, this digital culture is further defined by the usage of social media for financial research. Nonetheless, semi-urban areas continue to have a literacy gap. According to Thakur (2024), a phygital approach—which combines digital accessibility with local, reliable engagement—is required to close the gap caused by local market frictions and technology advancements.

Current literature survey has identified three research gaps: institutional trust, post-pandemic changes, and local specificity. First, there is a lack of localized research for semi-urban areas like Ahilyanagar, where socioeconomic dynamics and banking trust differ greatly, because the majority of studies focus on Tier-1 cities. Second, although historical SIP data is available, nothing is known about how the post-COVID-19 environment has permanently changed semi-urban investors digital adoption and risk appetite. Lastly, research frequently generalizes AMCs without examining the particular psychological safety net that investors experience in bank-sponsored funds, such SBI Mutual Fund, in contrast to private or foreign alternatives in non-metropolitan areas.

III. METHODOLOGY

3.1 Research Design

A descriptive and analytical simultaneous research design is used in this study. Descriptive component involves monitoring and recording the present demographic profile and investment practices of Ahilyanagar retail investors. Quantitative data used to find relationship between age and risk appetite or income level and SIP ticket size. It further includes, investigating 'why' and 'how' these after the investor

behaviors. This dual-faceted strategy guarantees that the results are both statistically significant and illustrative.

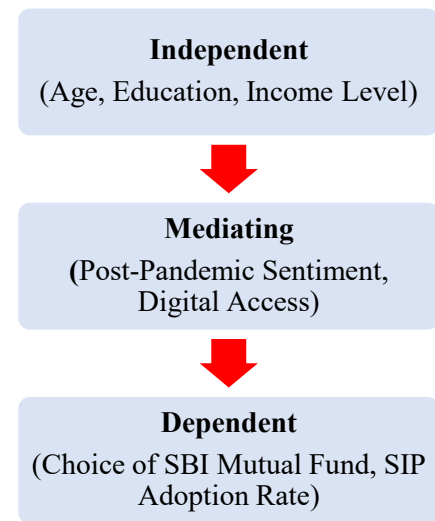


Figure 1 Study Framework

3.2 Sampling and Data Collection

The main emphasis of study is Ahilyanagar district. Following methodology was used to guarantee a thorough representation cross-section of the entire population.

384 people participated in the online survey poll. In order to maintain a 95% confidence level with a 5% margin of error, this size was calculated using standard statistical tables for large populations. Stratified random sampling was adopted to accurately reflect the complex socioeconomic fabric of the district. The population was stratified according to age groups and occupation (Salaried, Business, Professional, and Retired). A structured questionnaire was used to collect primary data. Multiple-choice questions for demographic profiling, rating questions to determine preferred investment aspects, and Likert-scale questions to gauge impressions were all included in the tool. AMFI reports and SBI Mutual Fund periodic disclosures, were the sources of secondary data.

3.3 Statistical Tools

The following statistical methods were used with software-assisted analysis to turn unprocessed data into insightful knowledge.

(1) Percentage Analysis is used to compare and simplify the sample fundamental features, such as the percentage of investors who are aware of particular schemes vs those who are not.



(2) Hypothesis testing (Chi-SquareTest) used to evaluate the validity of the study's initial assumptions, particularly to ascertain whether demographic characteristics like gender or education have a statistically significant influence on SBI Mutual Fund selection.

Table 1 Factors Influencing Investment (Friedman Test Data)

Rank	Factor	Mean Score (Out of 5)	Significance
1	Brand Trust (SBI)	4.65	Highest
2	Safety of Capital	4.20	High
3	Past Performance	3.85	Moderate
4	Tax Benefits (ELSS)	3.50	Moderate
5	Expert Advice	3.10	Low

(3) Friedman test, a non-parametric statistical test was employed to perform ranking analysis. Table 1. provided a clear hierarchy of investor priorities,thus enabling to ascertain the relative importance of different factors as regarded by the investors, including brand trust, high returns, tax benefits, and liquidity

IV. RESULTS AND DATA ANALYSIS

4.1 Demographic Determinants

Table 2 represents the correlation between Ahilyanagar district’s investment behaviour and demographic profiles. The predominance of the younger demographic—52% of respondents was under 35—is one of the primary findings. Compared to older generations, this youth mass indicates a shift toward long-term wealth accumulation and convenient access to market-linked tools. Higher education is directly correlated with the shift from traditional savings to mutual funds, as evidenced by the fact that 78% of the surveyed investors are graduates or post-graduates. In terms of income levels, the data reveals that although high-income groups invest larger investments, the middle-income segment (annual income between ₹5 Lakhs and ₹10 Lakhs) is the most consistent in terms of monthly investments, seeing mutual funds as a crucial tool for reaching future life goals.

Table 2 Demographic Profile of Respondents (N=384)

Variable	Category	Frequency	Percentage (%)
Age	Under 35	200	52%
	35 - 50	120	31%
	Above 50	64	17%
Education	Graduate/ Post-Graduate	300	78%
	Diploma/ HSC	84	22%
Occupation	Salaried	165	43%
	Business/ Professional	142	37%
	Retired/ Others	77	20%

4.2 Brand Trust vs. Performance

The SBI Brand was cited as the main motivator for investing by about 83.10% of SBI Mutual Fund investors. Figure 2 shows, Brand Trust component greatly outperformed other technical metrics like bank staff/ agent advice or 5-year past performance results. This suggests that the main driver of customer acquisition in semi-urban regions is a bank-sponsored AMC's perceived safety and too-big-to-fail reputation. The provision of dedicated branding or digital interface provided by smaller or private-sector competitors is not as important to these investors as the assurance that comes with a government-linked banking history.

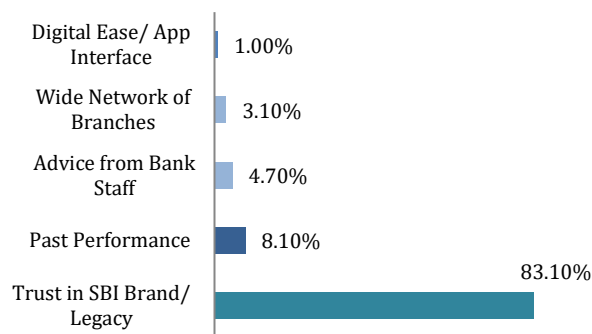


Figure 2 Factors Influencing the Selection of SBI Mutual Fund.

4.3 SIP Adoption Trends

Figure 3 shows 57% of the sample preferred SIPs over lump-sum investments, indicating Systematic Investment Plan (SIP) has undoubtedly become the preferred vehicle for retail participants. This tendency is driven by two factors: (1) Affordability- Salaried persons can participate without straining their monthly cash reserve, just by making simple investment of ₹500 (2) Rupee Cost Averaging- Rather than trying to



anticipate the market, investors showed a deep awareness of market volatility by choosing to average out their purchasing expenses over time. Retail investors are becoming more mature, as seen by their preference for disciplined, habit-based investment versus speculative, one-time entries.

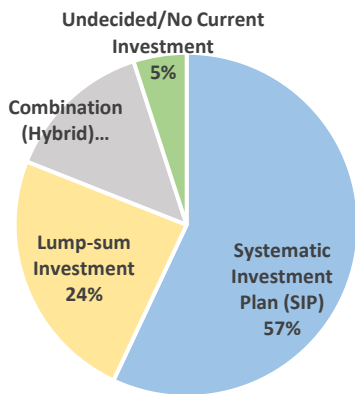


Figure 3 Preference for Investment Modes among Retail Investors.

4.4 Post-Pandemic Behavioral Shifts

The operational and psychological behaviour of investing in Ahilyanagar has changed significantly in the post-COVID-19 period. As per figure 4, digital use has raised by 38%, with many investors switching from manual documentation to online portals and mobile applications for transaction management. Additionally, there is a discernible trend toward increased risk tolerance. Before the COVID outbreak, there was always strong inclination towards Gilt or Conservative Hybrid funds. But according to recent data, allocations to Mid-cap and Small-cap categories have increased by 15%. This change suggests that despite the inherent market risks, retail investors have become more confident as a result of the pandemic-induced market recovery, seeking larger inflation-adjusted returns.

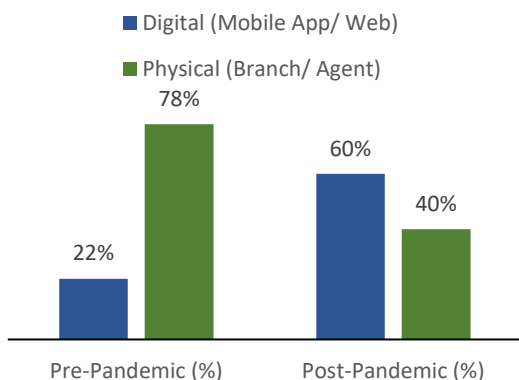


Figure 4 Shift in Investor Interaction Modes (Pre vs. Post Pandemic)

V. DISCUSSION

5.1 The Institutional Trust Advantage

The results of this study highlight the fact that Brand Legacy is a key strategic superpower in semi-urban marketplaces such as Ahilyanagar, rather than just a marketing tool. The semi-urban retail investor looks for a custodian of trust, whereas metropolitan investors might give priority to expense ratios, fund manager track records, or alpha generation. The fact that 83% of people prefer the SBI brand indicates that many people see investing as an upgrade of their current banking relationship. For modern private players, this Institutional Trust Advantage serves as a significant barrier to entry. A psychological safety net that reduces the perceived risks of market volatility is provided in these areas by the physical presence of a branch and the parent bank history of ties to the government.

5.2 The Awareness-Understanding Gap

One important finding of this study is the glaring difference between hearing and knowing. While the study shows a high level of general product awareness (82%)—likely driven by the ‘Mutual Funds Sahi Hai’ campaign and digital media—but conceptual understanding is still remarkably shallow. Because just 38% of respondents were able to define or explain the meaning of Net Asset Value (NAV). As represented in figure 5.

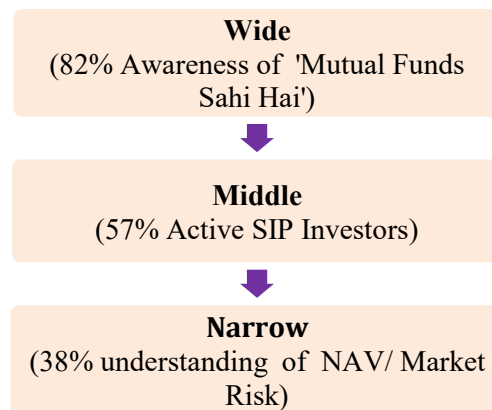


Figure 5 The Knowledge Gap Model

This suggests that although the industry has been successful in popularizing mutual funds, genuine financial literacy has not yet been attained. Unrealistic expectations or panic during inevitable market corrections could result from investors entering the market on the basis of general belief rather than technical understanding.



5.3 Barriers to Financial Inclusion

The analysis identifies a major overlooked opportunity at the bottom of the pyramid segment despite the overall expansion in AUM. Table 3 shows, only 24% of people are aware of micro-investment products like JanNivesh SIP or low-ticket entry points, which is depressingly low. This implies that a significant segment of the semi-urban populace continues to view mutual funds as a product intended for wealthy or high-income individuals. Deeper financial inclusion is significantly hampered by this ignorance of micro-investments.

Table 3 Product Awareness & Understanding Levels

Concept/Product	Awareness (%)	High Understanding (%)
General Mutual Funds	82%	45%
SIP (Systematic Plan)	76%	51%
NAV (Net Asset Value)	58%	38%
JanNivesh SIP (Micro)	24%	12%

The narrative needs to change from investing for wealth to saving small for the future, emphasizing that one can begin their journey with as little as ₹100 or ₹500, if the sector is to fully permeate the rural and semi-urban hinterlands.

VI. CONCLUSION

6.1 Summary of Findings

The study finds that the mindset of individual investors in the Ahilyanagar district has undergone a clear structural change. Through Systematic Investment Plans (SIPs), modern investors have shifted away from the conventional safe and secure strategy, towards a disciplined wealth creation mindset. Three fundamental consequences are summarized by the findings: Firstly, the bank-name legacy continues to be the most effective customer acquisition approach in semi-urban markets, surpassing pure performance metrics. Second is that 57% preference for SIPs indicates that planned, automated investments have helped to overcome the psychological obstacle of market volatility. Third finding is, as these portfolios mature over the next 20 years, the market is set for long-term growth, with 52% of investors under 35. Essentially, the investing mindset is currently being formed by a combination of digital ease and a deeply ingrained reliance on institutional legacy, even though the desire to invest has been created.

6.2 Strategic Recommendations

The following tactics are advised for financial institutions and AMCs in order to increase penetration and close the current awareness-understanding gap: (1) Targeted Awareness Campaigns: In order to turn passive investors into active participants, campaigns should concentrate on demystifying technical concepts like NAV, expense ratios, and the power of compounding. (2) Promotion of Vernacular Content: Financial literature has to be accessible in regional languages in places like Ahilyanagar. The barrier to entrance for the non-graduate and rural groups will be greatly reduced by translating sophisticated jargon into the local language. (3) Making Use of Hybrid Models: Despite a 38% increase in digital use, human intervention is still essential for making final decisions. AMCs should use a hybrid strategy in which technology manages on-boarding and transactions while human advisers offer the emotional comfort and customized goal-setting which is preferred by semi-urban customers.

6.3 Future Scope:

This study lays the foundation for a number of specific areas of further research: Subsequent studies might monitor the same group of 384 investors over a period of five to ten years in order to see how their behavioural patterns alter during notable periods of market boom and negative markets. There is a great chance to investigate whether the growing number of female investors in semi-urban India have different risk tolerances, priority for their goals, and methods for making decisions than the data that is now dominated by men. A comparison of modern discount brokers and conventional bank-led AMCs in B-30 cities would provide investors a better understanding of how trust is evolving.



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