



A Study on Mutual Fund Awareness and Preference Among Retail Investors

Submitted by

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ABSTRACT

This study examines the level of awareness and preference of mutual funds among retail investors. The research highlights the role of demographic factors such as age, income, and education in influencing investment decisions. The study also evaluates the reasons for investing or not investing in mutual funds. The findings suggest that while awareness levels are moderate, there is still a gap in deep understanding and participation. Recommendations are provided to improve financial literacy and investor confidence.



INTRODUCTION

Mutual funds have emerged as one of the most popular investment avenues among retail investors due to their diversification, professional management, and accessibility. In India, the mutual fund industry has grown rapidly over the past decade, driven by increasing financial literacy and digital access. However, despite this growth, many retail investors still lack adequate knowledge about mutual funds and their benefits.

Retail investors are individuals who invest their own money in financial markets. Their investment decisions are often influenced by risk perception, return expectations, and awareness levels.

This study aims to analyze the awareness and preference of mutual funds among retail investors and identify the factors influencing their decisions.

OBJECTIVES OF THE STUDY

- To evaluate the level of awareness about mutual funds among retail investors.
- To study investor preferences towards mutual fund schemes.
- To identify factors influencing investment decisions.
- To analyze the reasons for non-investment in mutual funds.
- To suggest measures to improve awareness and participation.

LITERATURE REVIEW

Several studies have been conducted on mutual fund awareness and investor behavior.

Previous research indicates that factors such as risk perception, income level, and financial literacy significantly influence investment decisions.

Studies have also shown that younger investors are more inclined toward equity-oriented mutual funds, while older investors prefer safer options like debt funds.

Research by various scholars suggests that despite increasing awareness, many investors lack detailed knowledge about mutual fund operations.

This highlights the need for investor education programs and simplified financial products.

RESEARCH METHODOLOGY

The study adopts a descriptive research design to analyze mutual fund awareness and preference.

Primary data is collected through a structured questionnaire. Secondary data is gathered from journals, articles, and reports.

Sample Size: 100 respondents

Sampling Method: Convenience sampling

Data Collection Tool: Questionnaire

Area of Study: Urban retail investors

The data is analyzed using percentage analysis and simple statistical tools.

DATA ANALYSIS AND INTERPRETATION

The analysis shows that a majority of respondents belong to the age group of 19–25 years, indicating strong participation from young investors.

Male respondents slightly outnumber female respondents.



Most respondents fall in the income range of ₹10,000–₹20,000, suggesting early-stage earners. Around 70% of respondents are aware of mutual funds, but only about 50% have actually invested in them.

The findings also indicate that investors prefer low-risk investment options and tend to invest a smaller portion of their savings.

The internet is the primary source of information, followed by friends and financial advisors.

FINDINGS

- Awareness of mutual funds is moderate among retail investors.
- Young investors form the majority of participants.
- Many investors prefer low-risk investment options.
- A significant portion of investors have not yet invested in mutual funds.
- Digital platforms are the main source of investment information.

SUGGESTIONS

- Increase financial literacy programs to educate investors.
- Simplify mutual fund products for better understanding.
- Use digital platforms to spread awareness.
- Provide personalized investment advice.
- Encourage long-term investment through SIP.

CONCLUSION

The study concludes that while mutual fund awareness among retail investors is improving, there is still a need for deeper understanding and increased participation.

Factors such as risk perception, income, and accessibility play a crucial role in shaping investor behavior.

With proper education and strategic initiatives, mutual funds can become a preferred investment option for retail investors.

REFERENCES

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