

INVESTMENT BEHAVIOR OF CORPORATE PROFESSIONALS TOWARDS MUTUAL FUNDS IN INDIA



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ABSTRACT

Investors today have access to a wide variety of investment opportunities thanks to the increasingly competitive nature of the market. Mutual funds, out of the many other investment options available, are the one that are best suited for the average person since they provide the ability to invest in a portfolio that is both diversified and managed by professionals at a fee that is relatively modest. A mutual fund is a type of investment instrument that allows investors to pool their capital for the purpose of purchasing a diverse portfolio of securities. The present research study aims to understand the investment behavior of corporate professionals and also to study the various factors which influence the investment behavior of corporate professionals towards mutual funds. The research study is based on the primary data gathered from 175 different respondents through the use of a structured questionnaire. Convenience sampling, a non-probability sampling was used to identify respondents for the research study. Exploratory Factor Analysis, often known as EFA, was used to identify various factors that influence the investment behavior of corporate professionals with regard to mutual fund investments. The present research study stood effective in elucidating seven significant factors that influence the investment behavior of corporate professionals with regard to mutual fund investments.

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INTRODUCTION

As one of the fastest growing sectors in the Indian financial markets, the Indian Mutual Fund Industry has emerged from its infancy as a paradise for most individual investors who wish to enter the Indian Stock market but lack the necessary capital to withstand its volatility. The pooled money of various small investors is invested in various instruments to make it diversified in nature. The assets under management (AUM) of the Indian mutual fund industry increased by approximately five times in the space of ten years, going from 8.26 trillion on January 31, 2013 to 39.62 trillion on January 31, 2023. The rapid growth of the Indian mutual fund industry can be attributed to a number of factors, including a comprehensive regulatory framework, advantageous tax policies, an increase in household savings, etc. In addition to the traditional products previously offered by the Indian Mutual Fund industry, such as equity, debt, and balanced funds, there has been a sudden expansion in its product portfolio, with the introduction of money market funds, index funds, gilt funds, sector-specific funds, tax benefit funds, etc., to provide investors with a plethora of options based on their preferred mode of investment to achieve their self-determined financial goals.

Understanding the investment behaviour of investors has been the most important factor for AMCs to consider when enhancing their scheme's features and tailoring it to investors' commonalities in order to maintain a win-win situation. Mutual Fund industry is emerging as a choice for various investors over the other investment avenues present in the financial market as its key attributes have helped in surged investment and the pooling up of money from various demographic aspects contrasts it from other alternative options. When making investment decisions, investors have always placed the utmost importance on the substantial growth of their investments, and this has determined their behaviour. Mainly corporate professionals with a fixed salary who are able to set aside a portion of their income for diversified investment in financial markets. Numerous AMCs are gaining interest in the market segment of corporate professionals. Mutual funds in India are gaining popularity in comparison to traditional investment vehicles, such as Fixed Deposits (FDs) and postal savings, which

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are deemed safe but provide sufficient long-term returns. Mutual fund has always been a safe haven for investment in the past and it will still continue to be the principal component of value investing by utilizing the 8th wonder of the world i.e. compound interest, which keeps on accumulating the dividend earned and reinvesting it again and again with the principle amount being reinstated with the earned dividend. This study's primary objective is to comprehend the investment behaviour of corporate professionals. The research also aims to examine the factors that influence the investment behaviour of corporate professionals, particularly with regard to mutual funds.

LITERATURE REVIEW

Chawla (2014) studied the various attributes and factors that are deemed relatively important and which influence the investment in Mutual Funds in India by individual investors, as well as their relationship to the various demographic variables, in order to investigate the differences. First, the fund's credibility, which was favored by the general public, employees of the public sector and government, and businesspeople. Second, the fund's miscellaneous features, such as entry and exit load, lock-in period of closed-ended funds, add-ons offered by the funds, and tax benefits, which were favored by young and unmarried individuals.

Kumar and Bansal (2014) investigated the behavior of investors towards mutual funds, focusing on a variety of factors that highlighted investors' perceptions and expectations regarding mutual funds. It was discovered that mutual funds are one of the most popular investment vehicles among middle-class individuals, as they generate higher returns and provide substantial principal at the end of the maturity period of various mutual fund investments. The irony was that many investors relied on their brokers and agents to invest in financial markets, leading them to believe that the financial market was a gambling table.

Sudarmathi and Rao (2017) studied the various factors and variables that highlights the impeccable advantages of mutual funds and investor's perception towards investing in mutual funds and the amount of risk and return ratio which is involved in mutual funds investment. It was clear from the analysis that more and more people were getting aware of mutual funds because of social media and advertisements and people preferred frequent investment in mutual funds as compared to other investment options.

Mane (2016) examined the investors' perception of mutual funds and their selection of schemes that they prefer the most, as well as the rationale behind their selection of such schemes and the various investment options they favour in addition to and in lieu of mutual funds. It was discovered that investors are hesitant to invest in mutual funds because they believe that mutual funds are riskier than other investment options. Furthermore, the awareness level of many investors is very low due to a lack of knowledge about mutual funds, which is the primary barrier to investing in mutual funds and avoiding losses and the risk factor in investment.

Neelima and Rao (2016) studied the various factors that influence the investors in selection of mutual fund schemes. The objective of the paper is to find out the objective of savings of the investors by identifying the savings methods preference of the investors. Through the data analysis it was found out that product qualities, investors services and fund sponsor qualities were the important factors that the fund companies should borne in their mind in order to meet the investors' expectations related to quality schemes.

Seetharaman et al. (2017) investigates the various factors that determine and affect the investment choice of portfolio and which drives the investors to choose one mode of investment over another in demographic area of Singapore. The investment objective and asset familiarity exerted an impact on the investors behavior to choose a portfolio from which asset familiarity had the strongest impact which introduces bias and creates confidence that returns are guaranteed.

Trivedi et al. (2017) investigated the investor's perception of liquidity and investment decisions pertaining to mutual fund decisions. The primary purpose of the study was to determine the financial awareness of mutual fund investments and the impact of gender and age on investment decisions. The data analysis revealed that low-risk funds attract investors in the selection of mutual fund schemes, and that male members are significantly more interested in investing in mutual funds than females. Many investors in mutual funds viewed the liquidity of the fund schemes as a crucial factor for investments in the financial instrument.

Das (2012) investigated the factors that influenced the selection of mutual fund schemes by retail investors in the Assam region. The primary objective of this research is to identify and investigate the various factors that influence the fund selection and behaviour of retail investors. It was discovered that investors are generally influenced by the intrinsic qualities of the product shortly after the efficiency of fund management when selecting fund schemes. The infrastructure facilities and reputation of the sponsor, as well as the quality of disclosure of investment-related information while maintaining transparency, are additional factors that influence investors' selection of mutual fund schemes.

Kothari and Mindargi (2013) studies the various demographic factors that has an impact on the attitude of the investors towards mutual funds. The main goal of this research paper is to determine the most impacted factors which influence the investor's inclination towards the financial instrument in Solapur city. It was found out from the data analysis that the middle-income group is more attracted towards this market who wants to thrive for financial independence and are ready to encounter the risk factor involved in it.

Ul-Hameed et al. (2019) prospectively studied the various factors that leads to an investment decision in mutual funds and the perception of investors towards mutual funds. After the data analysis, it was found that risk, liquidity of assets and return intensified the investment in mutual funds but the respondents feel that there is a low level of risk involved with less returns and less liquidity of their investments in mutual funds. Moreover, it was also found out that the investor's perception about mutual fund investment maintains an arbitrate role between all these factors and mutual funds investment.

Sharma and Agrawal (2015) investigated the perception and attitude of investors regarding mutual fund investment. This study's primary objective is to determine the impact of various demographic factors and to identify the magnitudes of

the factors that positively and negatively influence buyer decisions regarding mutual fund investment. It was discovered that the brand image of AMCs has a significant impact on the buying behavior, whereas liquidity and tax benefit have the least impact on the buying behavior of investors in mutual funds. The lack of knowledge about mutual funds has a negative effect on buyer behavior, and investors' knowledge is solely determined by their educational attainment, with no influence from mutual fund information sources. The factors that would help boost the mutual fund industry are liquidity, flexibility, service quality, tax savings, and last but not least, transparency, which must be maintained and enhanced by all AMCs in order to increase their investment avenues, gain investors' trust, and retain them for a longer period of time in order to maintain a profitable relationship with them.

Arathy et al. (2015) analyzed the various factors that influenced mutual fund investments and retail investors' preference for them. The primary purpose of the study was to determine investors' perceptions and preferences regarding mutual funds, as well as to identify which factors played a significant role and which factors prevented investors from investing in mutual funds. Further analysis of the collected data revealed that tax benefits, capital appreciation, and high returns are important factors that investors should consider when investing in mutual funds, since sales representatives are the primary source of information about mutual funds for the majority of retail investors. Strong grievance mechanisms, expert counsel, and regulations encourage investors to purchase mutual funds. Negative past experiences, the difficulty in selecting schemes, a lack of confidence, and, last but not least, a lack of knowledge about mutual fund schemes are factors that discourage investors from investing in mutual funds. Furthermore, it was discovered that equity-based schemes are preferred over debt-based ones.

Sanesh and Greeshma (2016) investigated and analyzed the investment behavior of mutual fund investors. The primary purpose of the study is to identify the investor's priorities and preferences with regard to mutual funds, as well as the key features associated with mutual investments, for the purpose of deciphering marketing variables and designing an effective mutual fund product. The study also intends to examine post-purchase investor behavior and gauge investor satisfaction with mutual fund products. It was discovered that approximately 63% of investors consider the past performance of a fund when making investment decisions; consequently, brand reputation, expense ratio, portfolio, redemption facilities, annual returns, and professional advice play an important role in the selection of mutual fund schemes. Respondents believe that mutual fund schemes lack transparency and are only moderately safe for investments, while fund houses offer service quality, liquidity, and professional management to improve the performances of mutual fund schemes in order to entice investors to invest in mutual funds.

Agrawal and Jain (2013) studied and analysed the preferences of investors towards mutual funds when alternative investment opportunities are available on the financial market. The primary objective of this research paper is to determine the main bases of the various investment opportunities and what investors consider prior to investing by analyzing the overall investment criteria of investors. It was discovered that the primary factors that investors consider when making an investment are the investment's safety and the expected return. Consequently, it was evident from the analysis that Bank and LIC are the most preferred investment avenues in terms of safety, while Real Estate and Mutual Funds are the most preferred investment avenues in terms of returns. Therefore, it was conclusively demonstrated that mutual funds are regarded as moderately secure compared to other investment options in financial markets, and that they also offer good returns and tax advantages.

Singh and Yadav (2016) investigated the various factors that influenced investors' investment decisions in Jaipur and Moradabad when investing in equity shares and mutual funds. This paper's primary objective is to identify and investigate the factors that influence and motivate investors to invest in the equity market and mutual funds industry, and to suggest a few strategies so that investors can maximize their returns on capital investment. Before investing in equity market and mutual funds, both male and female investors consider past dividends paid by the company, the efficiency and capability of the company, and the advice of reputable and trusted brokers. The female investors gave more preferences to the advices given by their friends and relatives by looking into the security of their investments cautiously and tend to get motivated by the people who are mainly successful in share market field and have been an expert in it.

Singh (2012) studied the various factors that affected the investor's attitude towards investment in mutual funds. The primary purpose of this paper is to investigate and analyze the effect of different demographic factors on investor attitudes and variables related to the selection of mutual funds as an investment option. While analyzing the factors responsible for mutual fund investing, the return potential was ranked first, the liquidity of the funds was ranked second, and the flexibility, transparency, and affordability of the mutual fund schemes were ranked third, fourth, and fifth, respectively, based on their assigned weights by ranking method.

Sineni and Reddy (2017) measured the investor's level of satisfaction with the mutual fund industry in Rayalaseema, Andhra Pradesh, India, to determine their perceptions of the industry. The primary objective of this research paper is to determine the perceptions of rural and semi-urban investors regarding mutual funds, as well as their levels of satisfaction, by analyzing market trends in the mutual fund industry. It was discovered that the perception of the investor is dependent on the demographic profiles of the investor and influences the investment decisions of the investor. For asset managers to be significantly more effective in facing and resolving a variety of challenges and opportunities, it is crucial that they improve the investors' perception of mutual funds.

Based on a unique data set from Finland, Grinblatt and Keloharju (2000) studied the investment behavior and performance of various investor types. This study's primary objective is to critically examine the extent to which past returns influence the decision to buy and sell, as well as to determine whether differences in investor sophistication and past-return-based behavior influence the performance of different investor types. It was discovered that foreign investors are primarily momentum investors, purchasing past winners and selling past losers, whereas unsophisticated investors are reactive to past returns. The domestic investors are fundamentally contrarians, especially the households, and the foreign investors'

portfolios appear to outperform the household portfolios, even after controlling for behavioral differences.

Udhayasankar and Maran (2017) investigated Indian investors' perceptions of mutual funds. The primary objective of this research was to examine the most recent trends in the mutual fund industry in India, as well as to identify and assess investors' perceptions of Mutual Fund investment in India. It was discovered that many investors believe that before investing in a particular fund, a company should conduct a comprehensive analysis of the fund's scheme. In order to survive in a competitive market, businesses must comprehend the needs of their customers and tailor their products or services accordingly.

Vanipriya and Venkatramaraju (2011) examined investor preference for mutual funds based on a comparison of private and public sector mutual fund investments in the Chennai area. The primary objective of this study was to analyse the investor's preference for mutual funds with respect to long-term and short-term investment durations and to determine the investor's knowledge of mutual fund investing. It was discovered that the investor's perception is dependent on the demographic factors that evaluate the investor's age, occupation, and marital status, which have a direct impact on the investors' investment decisions. Investors are willing to accept a certain level of risk, between moderate and low.

Kaveri and Bindu (2017) investigated the effect of investors' perceptions and attitudes on their mutual fund investment decisions in Velachery, Chennai. The primary objective of the study is to examine the level of investor perception and attitude towards investing in mutual funds, as well as to identify the factors that influence and impact investor investment decisions regarding mutual funds. It was discovered that perception and attitude have a significant impact on the investment decisions of mutual fund investors. It was also discovered that investors are interested in investing in growth schemes, and investment companies were advised to focus on portfolio allocation and growth scheme management.

Rangeela & Balamurugan (2018) investigated the investors' perception of mutual funds in India and its future potential. This study's primary objective was to analyze the perception of investors and their investment behaviour, with an emphasis on urban investors. The study is entirely theoretical and is based on the perception of the preferences of urban investors. Individual investors are constrained by a lack of knowledge when investing in mutual funds, a lack of time for analysing other investment opportunities, lengthy account opening procedures, an inability to monitor the rapidly changing market, and an inability to diversify their investments.

Alamelu and Indhumathi (2017) investigated the perception of investors in Madurai District, Tamil Nadu, regarding mutual funds. The purpose of this study was to investigate investors' attitudes towards mutual fund investing and to examine the demographic group's perspective on investors' attitudes towards mutual fund investing. It was discovered that the majority of individuals with lower net worth have a favorable view of mutual fund investment. The investors' attitudes are determined by their demographic profiles, which evaluate their marital status, age, and occupation, which has a direct effect on their investment decisions.

Shafee (2018) examined the Malaysian investor's mutual fund investment decision. This study's primary objective was to investigate the factors that influence Malaysian investors to invest in mutual funds. Diversification and historical performance were found to have a significant impact on the investment decisions of Malaysian investors.

Sharma (2015) investigated the behavior of mutual fund investors in relation to investment options. The primary objective of this study was to determine the investment frequency of the sample respondents, as well as their investment experience and their preferred mutual fund schemes. The data analysis revealed that investors choose growth schemes and balanced schemes to achieve a good return, safety, and tax advantage.

MATERIALS AND METHODS

Research Design: This study is exploratory and descriptive in nature. Based on fact finding and survey method, the data is collected by the use of a structured questionnaire and a Likert 5-point scaling is used to find out the factors that influence the investment behavior of corporate professionals towards mutual funds and also to test the reliability of the questionnaire.

Source of Data: This study is conducted with the help of both primary and secondary sources of data. A structured questionnaire is directed to collect the primary data and secondary data is collected by referring to some published research papers with the help of EBSCO and Google Scholar.

Sampling Plan: The convenience sampling technique was used to obtain responses from corporate professionals in Hyderabad, India who invest in mutual funds in order to obtain an accurate representation of mutual fund investing.

Sample Size: The sample size included in the study extends to 175 respondents, which included the corporate professionals who invest in mutual fund.

Questionnaire: The questionnaire prepared was in a structured format which can be segregated into two parts, wherein, the first part constituted the important demographic questions and the second part constituted the critical variables related to the investment behavior of corporate professionals towards mutual funds. The critical variables were obtained based on the reference of literature review. The variables are measured in a 5-point Likert scale rating, where 1 denotes highly unimportant and 5 denotes highly important.

Data Analysis Method: The collected data is analyzed with exploratory factor analysis and rotated component matrices for each measurement item using a statistical method. In IBM SPSS 20.0, the Varimax rotation technique is used to maximize the sum of the variances of the squared loadings. The reason for this is that it reduces the amount of data collected by seeking unobservable variables that are reflected in the observable variables.

RESULTS

The primary data collected for the present research study was analyzed with the help of Exploratory Factors Analysis (EFA). The decision of going ahead with exploratory factor analysis was taken on the basis of the appropriateness of this tool after considering data adequacy statistics. Exploratory factor analysis with Varimax rotation was applied to explore the factors influencing investment behavior of corporate professionals in India. Followings are the results of data analysis employed for the research study.

Table 1. Showing Cronbach's Alpha Reliability Statistics

Reliability Test

Cronbach's Alpha	N of Items
.942	35

Reliability Test analyses whether the scale is reliable or not. Here, the **Cronbach's Alpha** value is 0.942 for the 35 variables which is closer to 1 and is considered as extremely reliable for further analysis.

Table 2. Showing KMO and Bartlett's Test of Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.896
Bartlett's Test of Sphericity	Approx. Chi-Square	4439.534
	df	595
	Sig.	.000

Kaiser-Meyer-Olkin Measure of Sampling Adequacy: The appropriateness of the factor analysis is determined by the KMO statistic, which ranges from 0 to 1; values closer to 1 are preferable, but a minimum of 0.6 is suggested for adequate sample size. The KMO test indicates whether the items predicted by each factor are sufficient or not. The KMO value of 0.89 is greater than 0.6, indicating that the items are sufficient for each factor.

Bartlett's Test of Sphericity: This test measures the relationship strength among the considered variables whether they are correlated or not. The null hypothesis is tested that the correlation matrix is an identity matrix in which all the off diagonal components are 0 and all the diagonal components are 1. The Bartlett's test of sphericity is .0 which is significant i.e. the significance value is less than 0.05, indicating the highly correlated variables providing a reasonable base for factor analysis.

The use of factor analysis for extracting the independent variables by an exploratory principle component factor analysis method which was done using IBM SPSS 20.0. The 35 interdependent variables Initial and Extraction variance are listed in the below table.

Table 3. Showing Table of Communalities

Variables	Initial	Extraction
Brand name of the company	1.000	.735
Return on Investment	1.000	.717
Tax benefits	1.000	.742
Recognized fund manager	1.000	.742
NSE and BSE certified Advisors	1.000	.768
Risk factor analysis	1.000	.766
Simplicity of investment	1.000	.634
Growth of the industry	1.000	.731
Market conditions	1.000	.723
Growth and Income expansion	1.000	.583
Brokers Suggestion	1.000	.600
Quick and effective services	1.000	.708
Cost Efficiency	1.000	.714
Easy Transferability	1.000	.737
Repurchase facilities	1.000	.710
Grievance Redressal	1.000	.609
Freedom from lock in period	1.000	.714
Right to Information	1.000	.783
Portfolio Selection	1.000	.729
Fund Size	1.000	.629
Returns given by company	1.000	.752
NAV of fund	1.000	.661
High Liquidity	1.000	.659
Capital Appreciation	1.000	.651
Safe mode of Investment	1.000	.788
Expense Ratio	1.000	.751
Exit Load	1.000	.432

Charges and fees	1.000	.813
Dividend history	1.000	.707
Time period for holding funds	1.000	.697
Economies of Scale and Scope	1.000	.711
Experienced fund management team	1.000	.815
Volatility of market	1.000	.638
Redemption facilities	1.000	.708
Diversification of funds	1.000	.704

Communalities: Communalities indicate the amount of variance accounted for in each variable. Initial communalities are estimates of the variance in each variable accounted for by all components or factors. The preceding Table 3 depicts the extracted values and initial values, with the extraction column representing the proportion of each variable's variance that can be explained by the factors. In the common factor space, the variables with low values are not very well represented, whereas the variables with high values closer to 1 are very well represented. The greater the communality, the greater the desirability.

Inferences can be drawn out from the above communalities table that the charges and fees, and experienced fund management team are the variables with highest variance of 0.813 and 0.815 respectively.

Table 4. Showing Total Variance

Component	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.052	37.290	37.290	13.052	37.290	37.290	6.821	19.489	19.489
2	3.393	9.694	46.984	3.393	9.694	46.984	4.925	14.070	33.559
3	2.451	7.002	53.986	2.451	7.002	53.986	3.743	10.693	44.252
4	1.606	4.588	58.575	1.606	4.588	58.575	2.724	7.784	52.035
5	1.493	4.266	62.840	1.493	4.266	62.840	2.359	6.741	58.776
6	1.393	3.981	66.821	1.393	3.981	66.821	2.176	6.216	64.992
7	1.174	3.353	70.175	1.174	3.353	70.175	1.814	5.182	70.175

Total Variance Explained

Eigenvalue represents the number of extracted factors whose sum must equal the number of items subjected to factor analysis. Initial Eigen Value, Rotation Sums of Squared Loadings, and Rotation of Sums of Squared Loadings are the subsections of the Eigenvalue table. For purposes of analysis and interpretation, only Rotation Sums of Squared Loadings are considered. All remaining factors are insignificant here.

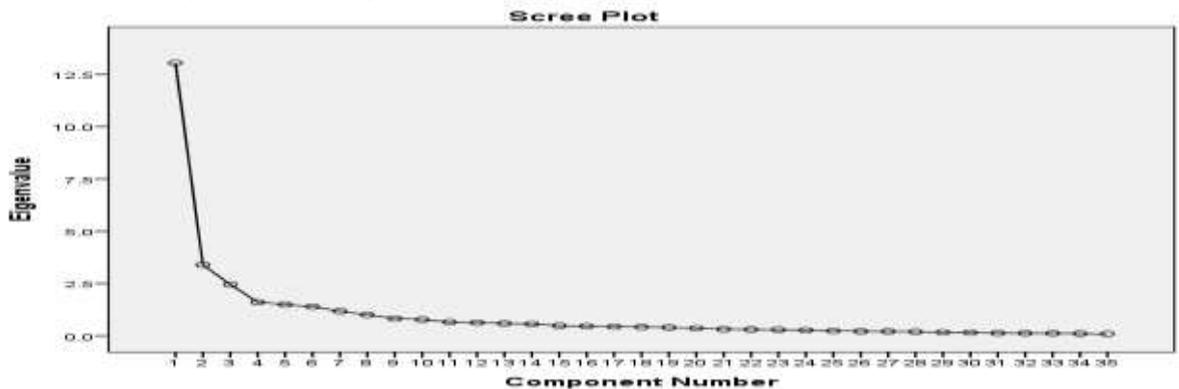


Figure 1. Showing Scree Plot

The Scree plot depicts the Eigenvalue as a function of each factor. The above graph demonstrates that after factor 4, the curve of the scree plot changes abruptly, indicating that each successive factor after factor 4 accounts for less variation in the data.

Table 5. Showing Rotated Component Matrix

	Rotated Component Matrix ^a						
	1	2	3	4	5	6	7
Brand name of the company	.730						
Return on Investment	.766						
Tax benefits	.799						
Recognized fund manager	.683						
NSE and BSE certified	.770						
Risk factor analysis	.632						
Simplicity of investment	.575						

Growth of the industry	.735					
Market conditions		.669				
Growth and Income expansion		.476				
Brokers Suggestion		.709				
Quick and effective services	.642					
Cost Efficiency		.651				
Easy Transferability	.563					
Repurchase facilities		.697				
Grievance Redressal		.667				
Freedom from lock in period		.771				
Right to Information				.531		
Portfolio Selection	.542					
Fund Size				.630		
Returns given by company				.677		
NAV of fund				.722		
High Liquidity			.696			
Capital Appreciation			.651			
Safe mode of Investment			.834			
Expense Ratio			.773			
Exit Load			.472			
Charges and fees					.878	
Dividend history					.830	
Time period for holding funds					.665	
Economies of Scale and Scope						.803
Experienced fund management team				.854		
Volatility of market				.595		
Redemption facilities					.784	
Diversification of funds						.821

Table 6. Showing Factors

Sl.no.	Variable	Loading value	Cronbach's Alpha
Factor 1 (Fund growth and Security of Investment)			
1	Brand name of the company	.730	0.945
2	Return on Investment	.766	
3	Tax benefits	.799	
4	Recognized fund manager	.683	
5	NSE and BSE certified	.770	
6	Risk factor analysis	.632	
7	Simplicity of investment	.575	
8	Growth of the industry	.735	
9	Quick and effective services	.642	
10	Easy Transferability	.563	
11	Portfolio Selection	.542	
Factor 2 (Investor's Convenience)			
12	Market conditions	.669	0.891
13	Growth and Income expansion	.476	
14	Brokers Suggestion	.709	
15	Cost Efficiency	.651	
16	Repurchase facilities	.697	
17	Grievance Redressal	.667	
18	Freedom from lock in period	.771	
Factor 3 (Monetary Considerations)			
19	High Liquidity	.696	0.802
20	Capital Appreciation	.651	
21	Safe mode of Investment	.834	
22	Expense Ratio	.773	
23	Exit Load	.472	
Factor 4 (Reliability of the Company)			
24	Right to Information	.531	0.823
25	Fund Size	.630	
26	Returns given by company	.677	
27	NAV of fund	.722	
Factor 5 (Scheme features and Market Circumstances)			
28	Charges and fees	.878	0.808
29	Experienced fund management team	.854	
30	Volatility of market	.595	
Factor 6 (Company's Performance)			
31	Dividend history	.830	0.772
32	Time period for holding funds	.665	
33	Redemption facilities	.784	
Factor 7 (Industry Expansion)			
34	Economies of Scale and Scope	.803	0.669
35	Diversification of funds	.821	

The data analysis extracted seven factors that are deemed to influence the investment behavior of corporate professionals towards mutual funds in India. These factors are further described and presented as follows:

Factor 1: Fund growth and Security of Investment

Under the independent factor namely, brand name of the company, return on investment, tax benefits, recognized fund manager, NSE and BSE certification, risk factor analysis, simplicity of investment, industry growth, quick and effective services, easy transferability, and portfolio selection are recognized. Fund growth and Security of Investment as brand name of the AMC, return on benefits, tax benefits, recognized fund manager, growth of the industry and portfolio they play a major role in determining the magnification of the fund, and the NSE and BSE certified, risk factor analysis, simplicity of investment, quick and effective services, and easy transferability ensures the securitization of the investment with the initial eigenvalue and extracted sums of squared loading to the initial eigenvalue. The Cronbach's alpha reliability value for the eleven variables is 0.94, indicating the reliability for further factor analysis of the independent factors.

Factor 2: Investor's Convenience

Market conditions, growth and income expansion, broker's suggestion, cost effectiveness, repurchase facilities, grievance redressal, and freedom from lock-in-period are recognized under the independent factor known as Investor's Convenience as the current market condition with the income growth expansion by taking the broker's suggestion which is cost effective and which facilitates repurchases with proper grievance redressal and providing freedom from lock-in-period. The Cronbach's alpha reliability value for the seven variables is 0.891, indicating the reliability for further factor analysis of independent factors.

Factor 3: Monetary Considerations

High liquidity, capital appreciation, safe mode of investment, expense ratio and exit load are recognized under the independent factor namely the Monetary Considerations as these variables take the money related aspect which the investors evaluate while they go for mutual fund investment portraying their investment behavior with the initial eigenvalue and extracted sums of squared loadings totaling to 2.451 with 7.002% variance cumulating to 53.986%, whereas, the rotation sums of squared loadings totaling to 3.743 with 10.693% variance cumulating to 44.252%. The reliability value of the Cronbach's alpha is coming to 0.802 for the 5 different variables indicating the reliability for further analysis of the independent factors.

Factor 4: Reliability of the Company

Right to Information, fund size, returns given by the company, and Net Asset Value (NAV) of the fund are recognized under the independent factor referred to as the Reliability of the Company, as these variables are considered by an investor when investing in a AMCs mutual fund scheme. The investor desires accurate information regarding the company, the fund size where money is pooled, the returns offered by the company, and the NAV, which represents the market value per share of the fund. The initial eigenvalue and extracted sums of squared loadings totaled to 1,606 with 4.588% variance cumulating to 58.575%, and the rotation sums of squared loadings totaled to 2,724 with 7.784% variance cumulating to 52.035%. The Cronbach's alpha reliability value for the four variables is 0.823, indicating the reliability for further analysis of the independent factors.

Factor 5: Scheme features and Market Circumstances

Charges and fees, experienced fund management team and volatility of the market are recognized under the independent factor namely the Scheme features and Market Circumstances as the charges and fees of the mutual fund schemes, and the experienced fund management team portrays out the features which the mutual fund scheme possesses and the volatility of the market tells the circumstances of the financial market related to mutual fund industry with the initial eigenvalue and extracted sums of squared loadings totaling to 1.493 with 4.266% variance cumulating to 62.840%, whereas, the rotation sums of squared loadings totaling to 2.359 with 7.784% variance cumulating to 58.776%. The reliability value of the Cronbach's alpha is coming to 0.808 for the 3 different variables indicating the reliability for further analysis of the independent factors.

Factor 6: Company's Performance

Dividend history, time period for holding funds and redemption facilities are recognized under the independent factor namely the Company's Performance as the past historical dividend pay-outs, the fund holding time period and the redeeming facility available to the investors while they invest in mutual funds intuit the company's performance base with the initial eigenvalue and extracted sums of squared loadings totaling to 1.393 with 3.981% variance cumulating to 66.821%, whereas, the rotation sums of squared loadings totaling to 2.176 with 6.216% variance cumulating to 64.992%. The reliability value of the Cronbach's alpha is coming to 0.772 for the 3 different variables indicating the reliability for further analysis of the independent factors.

Factor 7: Industry Expansion

Economies of scale and scope, and diversification of funds are recognized under the independent factor namely the Industry Expansion as the diversified investment of mutual fund and the economies of scale and scope which ascertain variety of goods for average total cost and cost advantage of a mutual fund scheme which helps in generating profits for the AMCs with the initial eigenvalues and extracted sums of squared loadings totaling to 1.174 with 3.353% variance cumulating to

70.175%, whereas, the rotation sums of squared loadings totaling to 1.814 with 5.182% variance cumulating to 70.175%. The reliability value of the Cronbach's alpha is coming to 0.669 for the 2 different variables indicating the reliability for further analysis of the independent factors.

DISCUSSIONS

Investment is the sacrifice of a certain present value in exchange for an uncertain future return. Individuals with savings engage in the activity of investment. The choice of an investment is one of the many formidable obstacles that retail investors face. Multiple investment options are available to retail investors, including fixed deposits, equity, debt, mutual funds, government bonds, corporate bonds, and gold, among others.

A mutual fund is a type of financial intermediary that pools the funds of investors with the same investment objective and invests them in a variety of financial claims, such as stocks, bonds, and money market instruments. The investor's primary objective is to minimize risk and maximize return. Mutual funds are among the most suitable investment vehicles for retail investors. Diversification is one of the most prominent advantages of investing in mutual funds. Diversification enables us to construct a diversified portfolio that isolates the headwinds experienced by various industries. According to one's risk tolerance, money is invested in a variety of assets.

This study attempts to elucidate the various factors that influence the investment behavior of corporate professionals.

CONCLUSIONS

The Indian mutual funds business is growing rapidly due to improvements in infrastructure, a rise in personal financial assets, and an increase in foreign participation. Mutual funds in India are gaining popularity in comparison to traditional investment vehicles, such as Fixed Deposits (FDs) and postal savings, which are deemed safe but provide sufficient long-term returns. The present research study was intended to understand the investment behavior of the corporate professionals and to elucidate various factors that impact the investment behavior of corporate professionals. In order to achieve the stated research objectives, an empirical research study was designed. Primary data was collected from the respondents with the help of a structured questionnaire developed for the research study. All the variables considered for the research study were identified from existing body of knowledge and revised as per the requirements. Exploratory Factor Analysis (EFA) was used to identify various factors that influence the investment behavior of corporate professionals with regard to mutual fund investments. The present research study effectively identified following seven factors that impact investment behavior of corporate professionals in India i.e. Fund growth and Security of Investment, Investor's Convenience, Monetary Considerations, Reliability of the Company, Scheme features and Market Circumstances, Company's Performance, and Industry Expansion. Among all these factors, Fund growth and Security of Investment has emerged as most important factor whereas Industry Expansion has emerged as least important factor that impact investment behavior of corporate professionals in India.

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