

A Study on the Satisfaction Levels of Mutual Fund Investors in Kurnool District of Andhra Pradesh

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Abstract: The mutual fund industry has emerged as a significant investment avenue for individual investors by offering diversification, professional management, and liquidity. The present study aims to analyse the satisfaction levels of mutual fund investors in the Kurnool District of Andhra Pradesh and to identify the major factors influencing their investment satisfaction. The study examines investor awareness, investment objectives, risk perception, fund performance, transparency, and the quality of services provided by mutual fund companies and intermediaries. Primary data were collected from mutual fund investors in Kurnool district through a structured questionnaire, and the data was analysed using descriptive and appropriate inferential statistical tools. The results reveal that investor satisfaction is largely driven by consistent returns, ease of transactions, timely information disclosure, and effective advisory services, while dissatisfaction arises due to market fluctuations, inadequate product knowledge, and lack of personalised guidance. The study suggests that enhancing financial literacy, improving communication strategies, and strengthening investor support services can significantly improve investor satisfaction and encourage long-term investment in mutual funds.

Keywords: Mutual Funds; Investor Satisfaction; Risk Perception; Fund Performance; Investor Awareness; Service Quality; Investment Behaviour; Kurnool District; Andhra Pradesh.

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I. INTRODUCTION

In recent years, mutual funds have become one of the most preferred investment instruments among retail investors in India due to their ability to provide diversification, professional fund management, liquidity, and relatively affordable access to capital markets. With increasing financial literacy, rising disposable incomes, and the growth of digital investment platforms, mutual funds have gained prominence as a viable alternative to traditional investment avenues such as bank deposits, gold, and real estate. The Indian mutual fund industry has witnessed rapid expansion, supported by regulatory initiatives, investor protection measures, and awareness campaigns promoting systematic investment behavior.

Investor satisfaction plays a crucial role in the sustained growth of the mutual fund industry, as satisfied investors are more likely to continue their investments, increase their contribution levels, and recommend mutual funds to others. Satisfaction is influenced by multiple factors, including fund performance, risk-return trade-off, transparency of information, service quality of asset management companies

(AMCs), ease of transactions, and the effectiveness of intermediaries and financial advisors. Understanding these factors is essential for fund managers and policymakers to design investor-centric products and services.

Kurnool District of Andhra Pradesh represents a semi-urban and emerging investment market where awareness and participation in mutual funds are steadily increasing. Investors in this region exhibit diverse socio-economic backgrounds, varying levels of financial literacy, and different risk appetites, which significantly affect their investment decisions and satisfaction levels. Despite the growing interest in mutual fund investments, empirical studies focusing specifically on investor satisfaction in Kurnool district remain limited.

Against this backdrop, the present study seeks to analyse the satisfaction levels of mutual fund investors in Kurnool District of Andhra Pradesh and to identify the key determinants influencing their satisfaction. The study attempts to provide insights into investor perceptions, challenges faced, and expectations from mutual fund investments. The findings are expected to assist asset

management companies, financial advisors, and policymakers in formulating strategies to enhance investor confidence, improve service quality, and promote long-term mutual fund investment culture in the region.

II. OBJECTIVES OF THE STUDY

- To assess the overall level of satisfaction of mutual fund investors in Kurnool District of Andhra Pradesh.
- To identify and analyse the key factors influencing investor satisfaction towards mutual fund investments.
- To examine the impact of investor-related and fund-related factors on investor satisfaction.

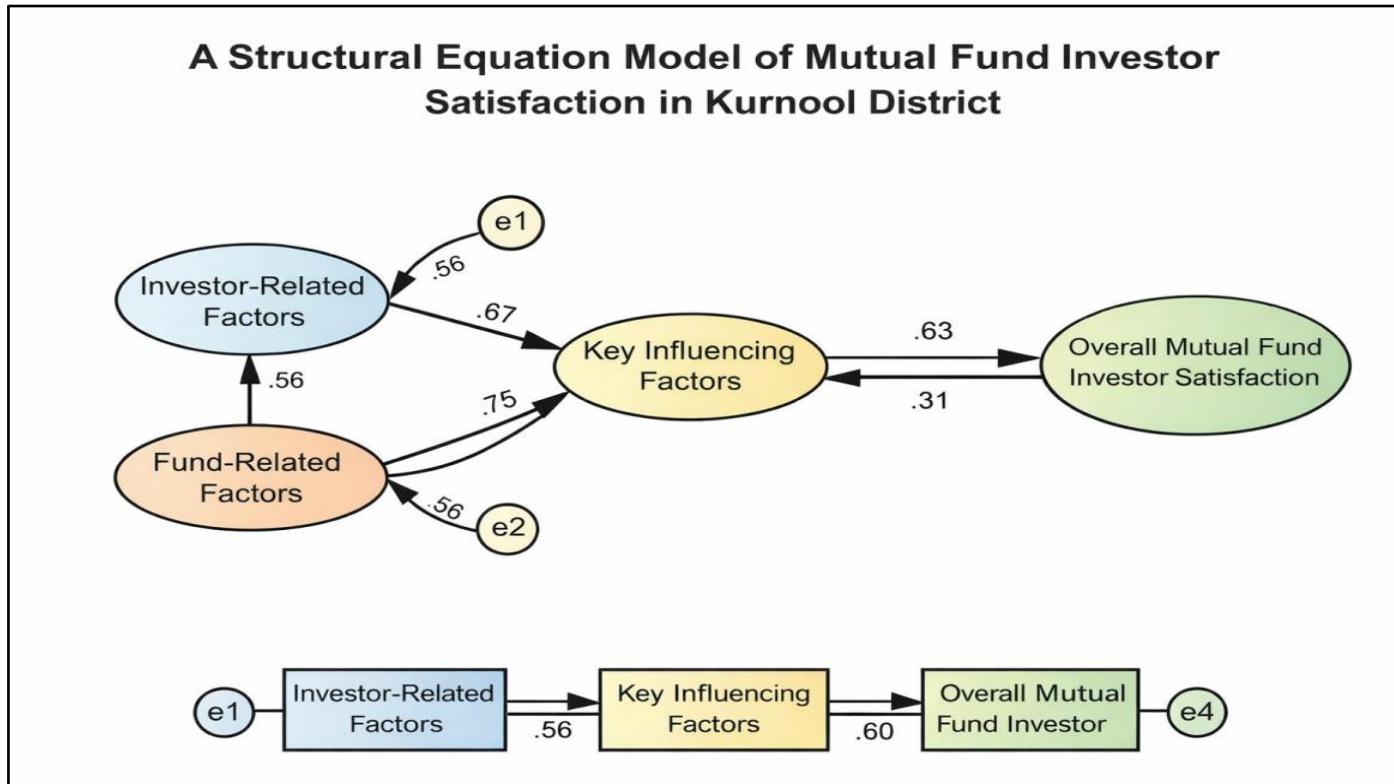


Fig 1 A Structural Equation Model of Mutual Fund Investor Satisfaction in Kurnool District

➤ Hypotheses Framework

- H1: Investor-related factors significantly influence mutual fund investor satisfaction.
- H2: Fund-related factors significantly influence mutual fund investor satisfaction.
- H3: Investor-related factors significantly influence key influencing factors.
- H4: Fund-related factors significantly influence key influencing factors.
- H5: Key influencing factors significantly influence investor satisfaction.
- H6: Key influencing factors mediate the relationship between investor-related factors and satisfaction.
- H7: Key influencing factors mediate the relationship between fund-related factors and satisfaction.

III. RESEARCH METHODOLOGY

➤ Research Design

The present study adopts a descriptive and analytical research design.

- Descriptive research is used to assess the level of satisfaction of mutual fund investors.
- Analytical research is employed to examine the influence of investor-related and fund-related factors on investor satisfaction.

This design is suitable for understanding investor perceptions, attitudes, and satisfaction levels towards mutual fund investments in Kurnool District.

➤ Nature of Data

The present study is based on both primary and secondary data to ensure comprehensive and reliable analysis.

Primary data were collected directly from mutual fund investors residing in Kurnool District through a well-structured questionnaire. The questionnaire was carefully designed to capture investors' perceptions, opinions, and satisfaction levels regarding mutual fund investments. A five-point Likert scale, ranging from *Strongly Disagree* (1) to *Strongly Agree* (5), was used to measure the responses, enabling quantitative analysis of investor attitudes and satisfaction.

Secondary data were gathered to support and strengthen the empirical findings of the study. These data were sourced from reputed research journals, standard books on investment and mutual funds, SEBI and AMFI reports, RBI publications, official websites of mutual fund companies, and relevant previous theses and dissertations. The use of both primary and secondary data provided a strong theoretical and empirical foundation for the study and enhanced the validity of the research findings.

➤ *Population of the Study*

The population of the study consists of all individual mutual fund investors residing in the Kurnool District of Andhra Pradesh.

➤ *Sampling Frame*

The sampling frame includes:

- Investors registered with mutual fund distributors and agents

- Investors associated with banks offering mutual fund services
- Investors investing through online platforms and AMCs
- Individual retail investors who have invested in mutual fund schemes for at least one year

➤ *Sampling Technique*

A multi-stage sampling technique has been adopted:

- Stage 1: Selection of major towns and mandals in Kurnool District
- Stage 2: Identification of mutual fund investors through banks, AMCs, and distributors
- Stage 3: Final selection of respondents using convenience sampling due to the unavailability of a comprehensive investor list

➤ *Sample Size*

Table 1 Sample Size of the Study

S. No.	Particulars	Details
1	Study Area	Kurnool District, Andhra Pradesh
2	Target Population	Mutual Fund Investors
3	Sampling Unit	Individual Mutual Fund Investor
4	Sampling Technique	Multi-stage and Convenience Sampling
5	Minimum Sample Required for SEM	300
6	Actual Sample Size Selected	432
7	Basis for Sample Size Adequacy	SEM requirements, statistical reliability, demographic representation
8	Data Collection Method	Structured Questionnaire
9	Nature of Data	Primary Data & Secondary Data

➤ *Sample Size Determination*

The sample size was determined using Cochran's formula for large populations:

$$n_0 = \frac{Z^2 p q}{e^2}$$

Where:

- n_0 = Initial sample size
- Z = Z-value corresponding to the desired confidence level
- p = Estimated proportion of the population with the attribute
- $q = 1 - p$
- e = Margin of error (level of precision)

IV. DATA ANALYSIS AND INTERPRETATION

This paper examines the analysis and interpretation of data collected from mutual fund investors in Kurnool District, Andhra Pradesh. The data were collected through a structured questionnaire and analysed using appropriate statistical tools with the help of SPSS and AMOS software. The analysis focuses on understanding the demographic profile of respondents, assessing the satisfaction levels of mutual fund investors, and examining the influence of investor-related and fund-related factors on overall investor satisfaction.

Table 2 Descriptive Statistics of Demographic Variables (n = 432)

Demographic Variable	Category	Frequency	Percent	Valid Percent	Cumulative Percent
Gender	Male	302	69.9	69.9	69.9
	Female	130	30.1	30.1	100.0
	Total	432	100.0	100.0	
Age Group (Years)	Below 30	58	13.4	13.4	13.4
	31 – 40	112	25.9	25.9	39.3
	41 – 50	136	31.5	31.5	70.8
	51 – 60	96	22.2	22.2	93.0

	Above 60	30	6.9	6.9	100.0
	Total	432	100.0	100.0	
Educational Qualification	Up to Intermediate	72	16.7	16.7	16.7
	Graduate	168	38.9	38.9	55.6
	Postgraduate	132	30.6	30.6	86.1
	Professional / Others	60	13.9	13.9	100.0
	Total	432	100.0	100.0	
Occupation	Salaried	186	43.1	43.1	43.1
	Business	112	25.9	25.9	69.0
	Professionals	74	17.1	17.1	86.1
	Retired	38	8.8	8.8	94.9
	Others	22	5.1	5.1	100.0
	Total	432	100.0	100.0	
Annual Income (₹)	Below 3 Lakhs	96	22.2	22.2	22.2
	3 – 5 Lakhs	138	31.9	31.9	54.1
	5 – 8 Lakhs	112	25.9	25.9	80.0
	Above 8 Lakhs	86	19.9	19.9	100.0
	Total	432	100.0	100.0	

Source: Field Survey

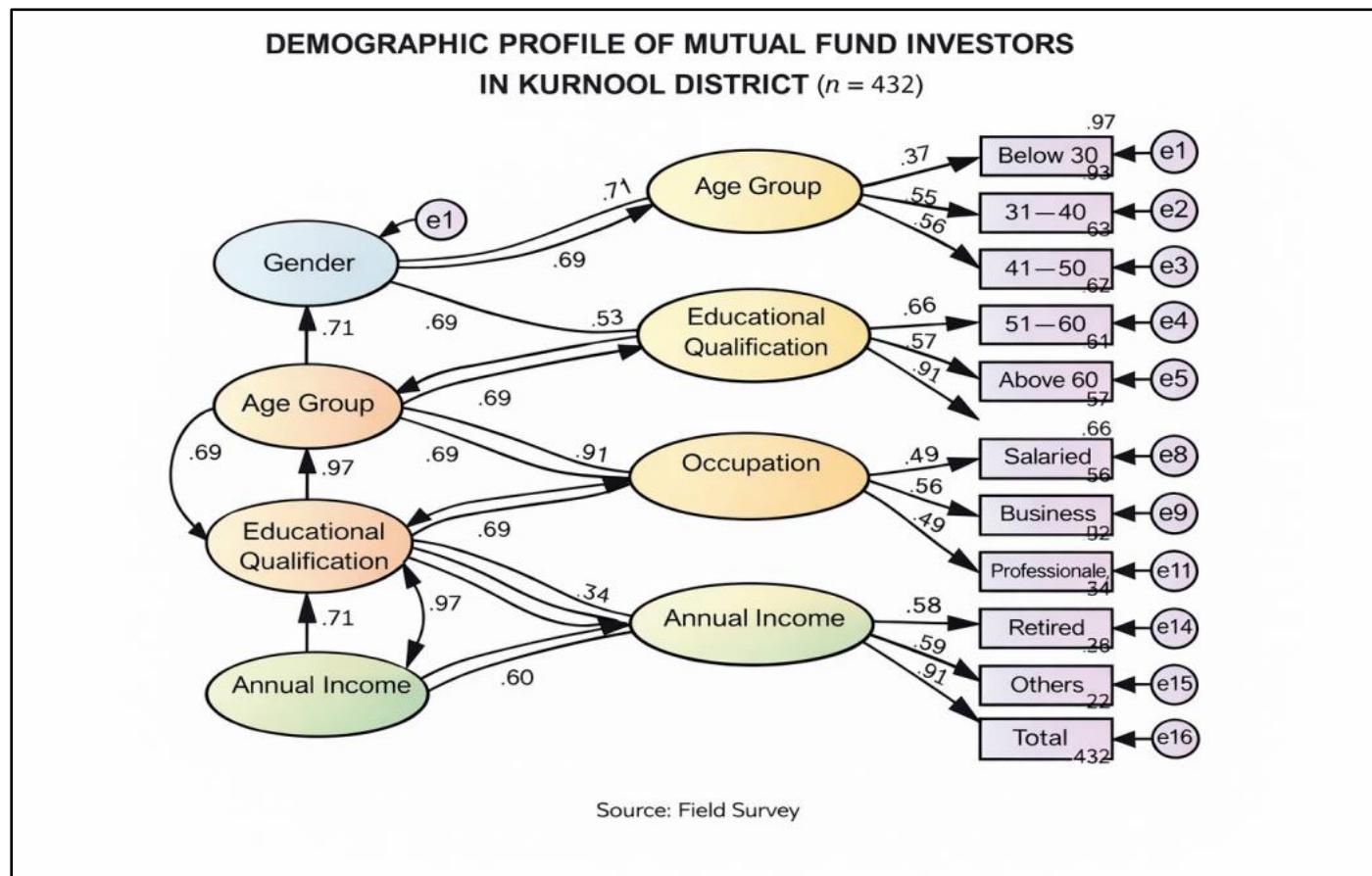


Fig 2 Demographic Profile of Mutual Fund Investors in Kurnool District

The demographic profile shows that male respondents (69.9%) dominate the sample, indicating higher participation compared to females and followed by the Most respondents fall in the 41–50 years age group (31.5%), reflecting a mature and economically active population. In terms of education, graduates and postgraduates together constitute a majority (69.5%), indicating a well-educated sample. Regarding occupation and income, a large proportion are salaried employees (43.1%) with annual income mainly in the ₹3–5

lakhs range (31.9%), suggesting a stable middle-income group.

➤ Reliability Test

The Reliability analysis was carried out to examine the internal consistency of the measurement scales used in the study. The reliability of the constructs was assessed using Cronbach's Alpha coefficient, a widely accepted measure of scale reliability in social science research. A Cronbach's

Alpha value of 0.70 or above is considered acceptable, indicating that the items consistently measure the underlying construct.

In the present study, reliability analysis was conducted for Investor-related Factors, Fund-related Factors, Key

Influencing Factors, and Overall Mutual Fund Investor Satisfaction. The results indicate that all constructs achieved Cronbach's Alpha values above the recommended threshold, confirming the reliability of the instrument used for data collection.

Table 3 Reliability Analysis (Cronbach's Alpha) (n = 432)

S. No.	Construct	Number of Items	Cronbach's Alpha	Reliability Status
1	Investor-related Factors	4	0.812	Reliable
2	Fund-related Factors	4	0.846	Reliable
3	Key Influencing Factors	3	0.789	Reliable
4	Overall Mutual Fund Investor Satisfaction	5	0.834	Reliable

Source: Computed from Primary Data

Table 4 KMO and Bartlett's Test of Sphericity (n = 432)

Test	Value
Kaiser–Meyer–Olkin (KMO) Measure	0.823
Bartlett's Test of Sphericity – Chi-Square	2146.378
Degrees of Freedom	210
Significance (p-value)	0.000

Source: Computed from Primary Data & SPSS

➤ Inferential Statistical Techniques

Inferential statistics were employed to test differences and relationships among variables and to validate the hypotheses of the study. The techniques used include t-test, One-way ANOVA, Correlation Analysis, and Regression Analysis.

➤ Independent Samples T-Test

- Purpose

To examine whether there is a significant difference in mutual fund investor satisfaction based on gender.

- Null Hypothesis (H_0)

There is no significant difference in investor satisfaction between male and female investors.

Table 5 Independent Samples t-Test – Gender and Investor Satisfaction (n = 432)

Gender	N	Mean	Std. Deviation
Male	302	3.87	0.62
Female	130	3.71	0.66

Source: Computed from Primary Data & SPSS

Table 6 T-Test Results

t-value	Degrees of Freedom	Sig. (p-value)	Decision
2.41	430	0.016	Rejected

Source: Computed from Primary Data & SPSS

✓ Interpretation:

Since $p < 0.05$, the null hypothesis is rejected. There is a significant difference in satisfaction levels between male and female mutual fund investors.

➤ One-Way ANOVA

- Purpose of the Test

To test whether investor satisfaction differs across age groups.

- Null Hypothesis (H_0)

There is no significant difference in investor satisfaction among different age groups.

Table 7 One-Way ANOVA – Age Group and Investor Satisfaction (n = 432)

Source of Variation	Sum of Squares	df	Mean Square	F-value	Sig.
Between Groups	8.426	4	2.107	5.68	0.000
Within Groups	158.392	427	0.371		
Total	166.818	431			

Source: Computed from Primary Data & SPSS

✓ Interpretation:

The p-value is less than 0.05, indicating a significant difference in investor satisfaction across different age groups.

➤ Correlation Analysis**• Purpose**

To examine the relationship between key influencing factors and investor satisfaction.

Table 8 Pearson Correlation Matrix (n = 432)

Variables	Investor Satisfaction
Investor-related Factors	0.612**
Fund-related Factors	0.684**
Key Influencing Factors	0.731**

Source: Computed from Primary Data & SPSS Note: Correlation is significant at 0.01 level

✓ Interpretation:

The results show a strong and positive relationship between key influencing factors and investor satisfaction. Fund-related factors exhibit a stronger correlation compared to investor-related factors.

➤ Regression Analysis**• Purpose**

To examine the impact of investor-related factors and fund-related factors on investor satisfaction.

Table 9 Model Summary

R	R ²	Adjusted R ²	Std. Error
0.768	0.590	0.586	0.412

Source: Computed from Primary Data & SPSS

The model summary indicates a strong relationship between the independent variables and the dependent variable, as reflected by the correlation coefficient (R = 0.768). The coefficient of determination (R² = 0.590) reveals that 59.0 per cent of the variation in the dependent variable is explained by the predictors included in the model. The

adjusted R² value of 0.586 further confirms the stability and adequacy of the model after accounting for the number of independent variables. Additionally, the standard error of estimate (0.412) indicates a reasonably good level of predictive accuracy.

Table 10 ANOVA – Regression Model

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	98.420	2	49.210	289.72	0.000
Residual	68.398	429	0.159		
Total	166.818	431			

Source: Computed from Primary Data & SPSS

The ANOVA results indicate that the regression model is highly significant, as evidenced by the F-value of 289.72 with a significance level of p = 0.000. This shows that the independent variables jointly have a statistically significant impact on the dependent variable. The regression sum of

squares (98.420) is substantially higher than the residual sum of squares (68.398), indicating good explanatory power of the model. Hence, the null hypothesis is rejected, and the regression model is considered fit for further interpretation and prediction.

Table 11 Coefficients of Variables

Variable	Unstandardized B	Std. Error	Beta	t-value	Sig.
Constant	0.812	0.184	—	4.41	0.000
Investor-related Factors	0.342	0.051	0.321	6.71	0.000
Fund-related Factors	0.486	0.048	0.482	10.13	0.000

Source: Computed from Primary Data & SPSS

The coefficients table reveals that both investor-related factors and fund-related factors have a positive and statistically significant influence on the dependent variable, as their significant values are p = 0.000. Fund-related factors show a stronger impact (β = 0.482, t = 10.13) compared to investor-related factors (β = 0.321, t = 6.71). The constant term is also statistically significant, indicating a meaningful baseline effect. Overall, the results suggest that improvements in both investor- and fund-related aspects

significantly enhance the outcome variable, with fund-related factors playing a more dominant role.

V. FINDINGS, SUGGESTIONS AND CONCLUSION

➤ *Findings of the Study*

Based on the analysis and interpretation of data collected from 432 mutual fund investors in Kurnool District, the following major findings are drawn:

- The majority of the respondents are male investors (69.9%), indicating male dominance in mutual fund investments, though female participation (30.1%) is steadily increasing.
- Most investors belong to the middle-age group of 41–50 years (31.5%), followed by 31–40 years (25.9%), suggesting that mutual fund investments are preferred by financially stable individuals.
- A significant proportion of investors are graduates and postgraduates (69.5%), highlighting the role of education in investment awareness and decision-making.
- Salaried employees (43.1%) form the largest occupational group among investors, indicating a preference for systematic investment avenues.
- The majority of respondents fall under the middle-income group (₹3–5 lakhs and ₹5–8 lakhs), showing that mutual funds attract investors across moderate income levels.
- The overall satisfaction level of mutual fund investors is found to be moderate to high, indicating a generally positive perception towards mutual fund investments.
- Investors show higher satisfaction with professional fund management, diversification, and long-term returns.
- Concerns remain regarding market volatility, risk perception, and lack of complete understanding of schemes.
- The t-test results reveal a significant difference in satisfaction levels based on gender, indicating that demographic factors influence satisfaction.
- One-way ANOVA confirms significant differences in investor satisfaction across age groups, showing varying expectations at different life stages.
- Correlation analysis reveals a strong and positive relationship between key influencing factors and investor satisfaction.
- Regression analysis shows that both investor-related factors and fund-related factors significantly influence investor satisfaction, with fund-related factors having a stronger impact.
- Factor analysis confirms the grouping of variables into meaningful constructs such as investor-related factors, fund-related factors, key influencing factors, and satisfaction.
- Structural Equation Modelling (SEM) validates the conceptual model and confirms both direct and mediating effects of key influencing factors on investor satisfaction.

➤ *Suggestions of the Study*

Based on the findings of the study, the following suggestions are offered to improve mutual fund investor satisfaction in Kurnool District:

- Mutual fund companies should enhance transparency and communication, particularly regarding risk, returns, and scheme objectives.
- Simplified product literature and investor-friendly disclosures should be promoted to improve understanding.
- Regular performance updates and digital engagement can help build long-term investor trust.
- Distributors should focus on investor education programmers, especially for first-time and small investors.
- Advisory services should be tailored according to age, income, and risk appetite of investors.
- Continuous post-investment support should be provided to address investor concerns during market fluctuations.
- Investors should improve their financial literacy and clearly define their investment goals.
- Long-term investment perspectives should be encouraged rather than short-term return expectations.
- Investors should diversify their portfolios to minimise risk and improve overall satisfaction.
- Regulatory bodies such as SEBI and AMFI should conduct awareness campaigns in semi-urban and rural regions.
- Stronger monitoring mechanisms should be implemented to ensure ethical practices by intermediaries.

➤ *Conclusion*

The present study, titled “A Study on the Satisfaction Levels of Mutual Fund Investors in Kurnool District of Andhra Pradesh,” provides valuable insights into the demographic characteristics, satisfaction levels, and influencing factors affecting mutual fund investors. The findings reveal that mutual fund investments are increasingly preferred by educated, middle-aged, salaried, and middle-income individuals. The study establishes that fund-related factors such as performance, returns, transparency, and service quality play a dominant role in determining investor satisfaction, while investor-related factors also significantly contribute.

The application of advanced statistical tools, including factor analysis, regression, and Structural Equation Modelling, strengthens the validity of the findings. The study concludes that enhancing investor awareness, transparency, and service quality can significantly improve investor satisfaction. The research not only contributes to academic literature but also offers practical insights for mutual fund companies, advisors, and policymakers to design more investor-centric strategies.

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