"A Study on Awareness Level of Investors in Systematic Investment Plan in Navsari Region"

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Abstract

The goal of the study is to determine how well investors are aware of systematic investment plans (SIP). The greatest strategy to help you build wealth is to use a systematic investment plan, which involves investing little amounts of money on a monthly or periodic basis. The goal is to determine how well-informed investors are and what factors influence or deter them from making SIP investments. According to the findings, high returns, safety, ease of investing, and a small investment amount are all factors that investors favour, according to the report. The research method adopted is descriptive. The primary data is gathered through the use of questionnaires as a data collection instrument. The Non Probablity sampling approach was used to select 150 respondents for the study.As a result of the research, it can be concluded that high returns (with a 4.33 Mean) are a highly preferred factor by investors when making investment decisions, continuous with Safety, Easy to invest, Tax Benefit, Liquidy, Flexibility.

Keyword: Awareness, Investor, Systematic Investment Plan, Navsari Region.

1.   Introduction

Many mutual fund providers offer customers a Systematic Investment Plan (SIP), which allows them to invest in mutual funds on a regular basis rather than in one lump sum. Investing is frequently done on a weekly, monthly, or quarterly basis. SIP stands for systematic investment plan, and it allows you to invest in mutual fund schemes on a regular basis. SIP allows you to earn big profits over time by making small periodic investments. It allows you to begin your investment with as little as Rs 100 every month. The systematic investment plan (SIP) instills financial discipline. The SIP concept is based on the principle of "saving first, spending second." The best and simplest way for an investor to enter the world of investments is through a systematic investment plan. In layman's terms, a Systematic Investment Plan, or SIP, is a mutual fund investment strategy that allows you to invest a set amount at regular intervals.You can choose the finest investment plan as well as the frequency of your investments. Though the most common SIP involves contributing a set amount every month, investors can tailor their SIPs to their own needs. Many fund companies allow investors to invest on a monthly, bi-monthly, or fortnightly basis, depending on their needs.

Advantages of SIP are:

- Investment discipline

- Mitigation of rise

- Flexibility

- Hassle free

2.   Review of literature

In this section researcher has try to study the previous study on the current study. (Mr. Renjith RG and Dr. V. Sachithananthan, 2020) has done study on "Study on investor choice of Systermatic investment plan [SIP] in mutual fund". The study's goal is to discover the elements that impact an investor's decision to invest in a mutual fund systematic investment plan scheme in Tamil Nadu, to research individual investors' investment preferences using demographic data, and to analyse mutual fund investors' investment objectives. The researcher employs primary data. The survey discovered that customers place a higher value on picking up a mutual fund plan after a lengthy period of time and selecting a systematic investment plan based on plan futures and schemes, as well as investing a small amount. It should be emphasised that the type of the fund, social factor, social element, economic element, performance element, advertisement element, and risk tolerance element are all elements that influence a customer's decision to invest in a mutual fund systematic investment plan in the future.

(Dhond, 2018) has done a study on "Performance evaluation of systematic investment plan schemes of HDFC mutual fund". The study's goal is to investigate the various characteristics of select HDFC mutual funds and to conduct a performance analysis of HDFC Mutual Fund's pick equity mutual funds. The researcher employs secondary data. The study discovered that, while mutual funds are riskier, if investors do their homework, they may get greater returns and so SIP in mutual funds can become one of the greatest investing options for even middle-class individuals.

(Mr. Ankit Goel and Dr. Rajendra K. Khatik, 2017) has done research on "A study on investors awareness and preference towards mutual funds as an investment option". The study's goals were to determine investors' awareness of mutual funds as an investment choice, determine investors' preference for mutual funds as an investment choice, and investigate the factors that influence mutual fund preference. The majority of investors are able to save between 20% and 35% of their overall income. The SIP mode is the most popular among respondents.

(Uddin, 2017) has done research on " Investor Perception about Systematic Investment Plan (SIP) Plan: An Alternative Investment Strategy". The study's goal is to look at a variety of elements that influence investment in a systematic investment strategy. The examination of (a) the purpose of the SIP investment is one of the

other aims. (b) the amount of money invested in a SIP (c) Investor awareness of mutual fund SIPs, and (d) SIP sector preferences..

(BYJU.K, 2016)has done research on " The awareness of investment opportunities in mutual funds – with special significant on SIP". The study's goals were to investigate investors' attitudes toward mutual funds, examine the many sources that impact respondents' decision to invest in mutual funds and SIPs, assess respondents' awareness of mutual funds and SIPs, assess the elements influencing investors' awareness, and make recommendations for improving mutual fund investing. The study is mostly based on primary data, and the required primary data were collected through structured questionnaires from 200 sample respondents chosen using a convenience random sampling method. . The data was analysed using an ANOVA table by the researcher. According to their study, 69 percent of respondents are aware of SIP and its importance. The chi-square test results show that factors including age and awareness of SIP, occupation and awareness of SIP, education and awareness of SIP, marital status, and factors influencing choice making influence decision making. They suggested that general public can be made more aware of SIP by commercials, promotional programmes, and other means.

(Tess Jacob, M.Phil. Scholar, Amrita Vishwa Vidyapeetham, and Kochi Anis, 2016) has done research on "A study on investor's perception towards investing in mutual funds". The goals are to see if there is a link between income and investor perceptions of expected rate of return, as well as to see if there is a link between occupation and investor perceptions of expected rate of return. The researcher employs secondary data. Hypothesis, chi-square, Test, and correlation were used to examine the data. The research looks at mutual fund investments and how they relate to investor behaviour. In a market where competition is increasing day by day owing to the introduction of a big number of players with varying financial strengths and tactics, it is critical to analyse the investor's performance. According to the findings of this study, most investors have a favourable attitude about mutual funds.

(Varun Sagar Singal and Dr. Rishi Manrai, 2015) have done research on "Factors Affecting Investment in Mutual Funds". The goals are: A mutual fund is a special purpose institutional structure founded expressly for investment reasons, and it operates as an investment conduit. In order to optimise returns while minimising the quantum of risk associated with equities, mutual funds issue units to unit holders in proportion to the amount of money invested. Hypothesis research was used to analyse the information. The researcher employs primary data. The research combines variables from factors affecting mutual fund investment into a useful investment model for adoption. The findings show that fundamental variables and investor perception are extremely important in the investment decision-making process.

(P. Tamilselvan and Dr. R. Mohan raj , 2014) have done research on "An empirical study on investor's perception towards mutual fund investment with reference to erode district, Tamil Nadu". The study's goals were to determine an investor's preference for mutual funds over alternative investment options, to determine an investor's understanding of and preferences for mutual fund investments, and to make appropriate

recommendations to alleviate mutual fund investor dissatisfaction. The data was analysed using percentage analysis and a one-way ANOVA with Garrett ranking. According to the findings, a great number of initiatives have emerged from various financial resources. With stock markets on the rise, investors are flocking to mutual fund investments.

(Dr. J K Raju, Mr. MAnjunath B R and Mr. Sachin , 2014) have done research on "A study on investor's attitude towards mutual fund as an investment avenue". The goals are to determine the investor's attitude toward mutual funds, to research the elements that influence mutual fund selection as an investment alternative, and to research and rank the aspects that influence investor attitudes toward mutual funds. The chi-square test was used to assess the data. According to the findings, low-income individuals have put their money into the Systematic Investment Plan (SIP) scheme with the goal of saving. The majority of high-income investors have put their money into mutual funds, according to the survey. Low-income investors are unaware of mutual funds as an investment option, and as a result of their lack of information, they have not placed their money in mutual funds.

(Dr. Aruna K and M. Senthamil Selvi, 2012)) have done research on "The scenario of mutual fund investment in SIP in Vellore District". The goal of this study is to determine the demographic profile of the mutual fund investment in SIP situation in Vellore district, to determine the amount of awareness and investment preferences for SIP mutual funds in Vellore district, and to identify results and recommendations for future investors. The study discovered that investments should be made in such a way that they keep up with inflation. Investors receive a substantial return on their investment, which will be used to meet their future meet needs.

(Laxman Prasad and Dr. S.K Sharma (2012) , 2012) has done research on "Identifying the consumer's investment behavior towards SIP in Bhilai Region". The purpose is to investigate investor attitudes toward investment option selection and to discover characteristics that influence investor attitudes toward investment option selection, with a focus on SIPs. Financial transactions, according to the report, entail a number of risk concerns. SIP plays a key role in separating risk factors from traditional instruments and transferring them to organizations who are willing to accept them.

(Debalina Roy and Koushik Ghosh , 2011) has done research on "The Scenario of Investment in Systematic Investment Plan (SIP) among the Retail Customers". The study's goal was to see how investing in mutual funds using a Systematic Investment Plan (SIP) may gain traction and boost percentage income. To determine the percentage of bank customers who invest in mutual funds, particularly through SIP, with a focus on HDFC Bank's Shyam bazar Branch in Kolkata, India. Telephoning and personal visits were utilised by the researchers. According to the research, SIPs are less hazardous than lump-sum mutual fund investments. As a result, SIP appears to be a safer and more beneficial style of investment for small investors, and in the larger context, it is equally good for large investors. According to their findings, young investors are more likely to invest in mutual funds and prefer SIPs than older investors.

(N. Lenin Kumar and V. Rama Devi , 2010) have done research on "Risk-Return Analysis of Private and Public Mutual Funds". The goal is to compare the performance of several private and public mutual fund schemes using risk return parameters to see if there are any substantial differences in the returns of different mutual fund schemes within an investment style. The data was analysed with the use of hypothesis testing. The study discovered that it has done more than any other financial services business to provide investors with credible solutions that are tailored to satisfy real financial needs and have been responsibly marketed.

(B. Kishori and M. Midhhun , 2008) have done research on "A comparative study on one time investment and SIP mutual funds- Conceptual study". The goal is to SIP stands for systematic investment plan, and it is a monthly investment that the investor makes. Mutual funds were discovered in the analysis. SIP stands for systematic investment plan, which allows investors to put a preset amount into mutual funds on a monthly basis at pre-determined dates. SIP is a feature intended specifically for investors who want to invest little amounts on a regular basis in order to accumulate wealth over time.

3.   Research Methodology

The main objective of the study was to study what factor influence to made investment in SIP. Further researcher also tries to know the age, gender and income level are affected to make decision for investing in SIP among the South Gujarat Investor. Researcher has collected 150 responses through convenience and judgmental sampling among investor of SPI in South Gujarat region. The data are collected through self-administered questionnaire.

After the collection of data researcher has try to analyze the data with the use of frequency and Mann-Whitney U test and Krusakal Wallis test.

4.   Result Discussion

Data was collected using a questionnaire survey with a sample size of 150 people from the south Gujarat. Frequency analysis was used to analyses the demographic profile of the respondents. The Mean and Standard Deviation were employed in this research.

Table : 1 Demographic Profile of respondents

Demographic		Frequency	Precentage
Gender	Male	95	63.3
	Female	55	36.7
	Trasnsgender	0	0
Marital Status	Married	75	50
	Unmarried	72	48
	Divorsed	2	1.3

	Widow	1	0.7
Age	18-30	84	56
	31-45	35	23.3
	46-60	28	18.7
	Above 60	3	2
Annual Household Income	Below 5 lakh	74	49.3
	5-10 lakh	41	27.3
	10-15 lakh	14	9.3
	Above 15 lakh	21	14
Awareness	Totally ignorant	28	18.7
	Partial knowledge of Systematic investment plan	45	30.0
	Aware only of any specific scheme in which you invest	28	18.7
	Fully aware	49	32.7
Information source	T.V	10	6.7
	Internet	40	26.7
	Newspaper	12	8.0
	Scholarly Journals / Article	1	0.7
	Friends and Relatives	53	35.3
	Financial Advisor	34	22.7

Source: Various Questionnaires of respondents

Table no. 1 Displays Demographic information gathered from respondents in the form of graphs. As per the study, 95 respondents are Male that is 63.3% and among them 18 males have totally ignorant the Sytematic investment plan, 25 males have partial knowledge of Systematic investment plan, 16 males are aware only of any specific scheme in which you invest and 36 males are fully aware of Systematic invetsment plans. 55 respondents are Female, that is 36.7 % among them 10 females are totally ignorant of the Sytematic investment plan, 20 females have partial knowledge of Systematic investment plan, 12 females are aware only of any specific scheme in which you invest and 13 females are fully aware of Systematic invetsment plans. On the there hand there are total 84 respondents in age group of 18-30 from them 8 respondents information source is T.V, 31 respondents information source is Internet,5 respondents information source is Nespaper, 1 respondents information source is Scholarly Journals / Article, 27 respondents information source is Friends and Relatives, 12 respondents information source is Financial Advisor , 35 respondents in age group of 31-45

form them 2 respondents information source is T.V, 5 respondents information source is Internet,4 respondents information source is Nespaper, 14 respondents information source is Friends and Relatives, 10 respondents information fuction source is Financial Advisor , 28 respondents are in the age group of 46-60 from them 4 respondents information source is Internet, 2 respondents information source is Nespaper, 11 respondents information source is Friends and Relatives, 11 respondents information source is Financial Advisor and 3 respondent is in the above 60 age group from them 1 respondents information source is Nespape, 1 respondents information source is Friends and Relatives, 1 respondents information source is Financial Advisor . From this data it can be said that Young people more prefer Systematic investment plans that adurly people, mutual funds companies need to promote Systematic investment plans, Financial advisors must advise and promote SIPs as much as they can.

The following factors affect Respondent's decisions.
Table no:2

Factors	Mean	Standard Deviation
Return	4.406	0.976
Safety	4.313	1.075
Principal	4.026	0.975
Diversification	3.740	0.979
Easy to invest	4.120	1.029
Portfolio diversification	3.820	1.017
Monthly investment	3.973	1.122
Tax benefit	4.146	0.922
High return	4.333	0.909
Liquidity	4.046	0.936
Flexibility	4.0533	0.946
Convenience	3.960	1.035
Fund performance	3.9867	1.029
Expense ratio	4.013	0.941

Source: Various Questionnaire of Respondents.

When it comes to SIPs, almost all investors are looking for a return and a sense of security. The five-point Likert scale is considered an interval scale. The mean is very significant. From 1 to 1.80 it means very less preferred . From 1.81 to 2.60 it means less preferred . From 2.61 to 3.40 it means neutral, from 3.41 to 4.20 it means preferred and from 4.21 to 5 it means highly preferred. Here among 150 respondents it can be seen that the majority of respondents Highly prefer High returns and Safety. They slightly prefer Principal, Easy to invest, Tax denefits,Liquidity,Flexibility, Expense ratio. Portfolio diversification, Monthly investment, Convenience and Fund performance are neutrality taken into account by the respondent when making SIP

investment decisions. As a result of the research, it can be concluded that high returns (with a 4.33 Mean) are a highly preferred factor by investors when making investment decisions, continuous with Safety, Easy to invest, Tax Benefit, Liquidy, Flexibility.

Mann Whitney Test between Gender, age and Annual Income with Preferred factors while making decision

H₀: Under the null hypothesis H0, the distribution of both populations and mean is equal in all demographic profile.

Table No: 3 Statistic Test Analysis of Respondents Prefrence

	Remarks on H₀		
Factors	Gender	Age	Annual Income
Return	Rejected	Rejected	Fail to Reject
Safety	Rejected	Rejected	Fail to Reject
Principal	Rejected	Fail to Reject	Fail to Reject
Diversification	Rejected	Fail to Reject	Rejected
Easy to invest	Rejected	Fail to Reject	Fail to Reject
Portfolio diversification	Rejected	Fail to Reject	Fail to Reject
Monthly investment	Rejected	Fail to Reject	Fail to Reject
Tax benefit	Rejected	Fail to Reject	Fail to Reject
High returns	Rejected	Rejected	Fail to Reject
Liquidity	Rejected	Fail to Reject	Fail to Reject
Flexibility	Rejected	Fail to Reject	Fail to Reject
Convenience	Rejected	Fail to Reject	Fail to Reject
Fund performance	Rejected	Rejected	Rejected
Expense ratio	Rejected	Fail to Reject	Fail to Reject

According to the above table, the P-value is greater than 0.05, which indicates that the P-value is more than acceptable. So null hypothesis is retained among all the factors. Therefore all the types of factors do not differ significantly with the gender.

Table shows the calculated degree of freedom, and significance value. P- Value is less than 0.05 only for favourability regarding Return, Safety, Higherreturns, Fund performance. So, we reject the null hypothesis for Return, Safety ,Higher returns, Fund performance. So, favourability of Principal, Diversification , Easy to invest , Portfolio diversification ,Monthly investment, Tax benefits, Liquidity , Flexibility , Convenience ,

Expense Ratio differ with the age of the respondents.P value for rest of the factors is more than 0.05. So, the null hypothesis fails to reject.

Table depicts the calculated degree of freedom, and significance value. P- Value is less than 0.05 only for favourability regarding Diversification, Fund performance. So, we reject the null hypothesis for Diversification, Fund performance. So, favourability of Return, Safety, Principal, Easy to invest , Portfolio diversification ,Monthly investment, Tax benefits, Higher returns, Liquidity , Flexibility , Convenience , Expense Ratio differ with the age of the respondents.P value for rest of the factors is more than 0.05. So, the null hypothesis fails to reject.

5.   Conclusion

Systematic investment plans can be defined as monthly investment plans based on the findings of this study. It enables investors to put small amounts of capital into the market and gain big returns over time. It makes it impossible for investors to be shielded from market fluctuations. The analysis would be beneficial to small investors who want to begin investing in the stock market. SIP is a feature designed for investors who choose to invest small amounts of money on a regular basis in order to build wealth over time. To build a deeper understanding of their psychology, mutual fund companies must increase customer awareness. According to the study most importatn factor people look after for investment is return followed by safety, tax benefits, easy to invest and liquidity and flexibility.

6.   Recommendation

Plan for a Systematic Investment Companies should encourage customers to invest online rather than in person because it saves time and money. Many who are willing to take a gamble at an early stage should consider investing in equity schemes, as the returns are far higher. Mutual fund firms should advertise the specifics of the returns they give to investors because they can be a better choice than bank deposits in terms of return and liquidity. Mutual fund companies should provide training or take the initiative to educate investors about the different benefits of mutual fund investing. Mutual funds have proven to be the best choice for wealth creation and inflation protection in the past. Investors should raise awareness about mutual fund information so that they can build a better mutual fund portfolio that meets their investment objectives.

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