

AN ANALYSIS OF FACTORS INFLUENCING INVESTOR BEHAVIOUR TOWARDS MUTUAL FUNDS

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INTRODUCTION

Dependence of media and marketing persists since times immemorial. Role of media in contemporary integrated marketing communication is indispensable. May it be the financial goods or consumer goods, media act as the vehicle to ignite and steward the ship to the sail for the ultimate reason of 'sale'. Hence, it will be noteworthy to say that media act as the platform to disseminate the information of utility that could be used in a predesigned form to the target or prospective customers. More the role of media will be, more the 'proximity of the product it will be.' Thus, media can act as the bridge between the two ends i.e. those who want to say and those who want to listen, and even sometimes to those who unintentionally listen! They may act and react too! After all, every advertisement has an appeal. Thus it won't be an exaggeration to state that media can act as the pillar to elevate the year's long established AIDA model by using the definite means to create awareness in form of providing and spreading information which leads to action in form of purchase. This is true in context of financial goods like mutual funds also. Advertisement is a common phenomenon for all types of products.

At the same time, the question comes to the mind if media can be the carrier, who will actually drives it? In other words, existence of media alone can't be meaningful unless something important floats on it. Its role is just like the banks of the river as banks can give direction and channelize the water but can't flow itself. The query ends with the answer- "communication" here. If someone intends to say commercially, then someone must hear it. Then that all, what is said, shall use be used in advertisement. In other words, it can be said that advertisement is the face of media and its communication process. It gives life to the media and IMC. Advertisement is the life blood of IMC and media without advertisement will be a life-less term especially in the context of modern marketing when the intention of the seller is to awake and aware the viewers/listeners/readers or all, regarding the package of their offerings in the market specifically in the monopolistic competitive market.

Mutual fund is no exception to it. One who doesn't know what mutual fund is, how he will make up himself ready to invest. In this context, more than being informative, advertisements advice regarding the sensitive matters related to money and avenues of investment thereof. The advertisements of the financial instruments support the peer group in totality so that to support what they feel about an investment proposal. It strengthens the endorser and may advocate all what the advertisements wishes to convince for. Thus, the advisements have the tendency to inform, persuade and lead to action. Hence, it's the media, the communication process and the advertisement which together envelops the package of integrated marketing communication and work as the 'sale enhancing vehicle' for the mutual fund houses, starting from the information providers 'role.

Summarizing, it can be said that like every product, mutual funds need advertisements to aware, influence and plead the potential buyers present in the market inform of investors and to establish mutual funds as a preferred destination to park their hard earned money to justify the popular catch line "paisa our paisa kamaane jayega" i.e. the more you invest, the more you earn.

Review of Literature

Lee, et.al. (2012) this study aims to determine the relationship between financial disclosures and investors' financial expertise on financial decision-making in regard to mutual fund marketing and promotion. The study's findings suggested that common fund advertisements with financial disclosures are relatively more likely to produce higher levels of recall along with positive ideas about the mutual fund's marketing details, better and desirable perspectives toward the mutual fund, and also better financial investment goals. The findings suggested that the degree of an investor's financial literacy can control the influence of advertising disclosure on the outcomes of economic actions (such as recall, cognitive reaction, mindset toward mutual funds, as well as financial investment intent).

When exposed to advertising and marketing disclosures, investors with lower financial literacy are more likely to methodically refine marketing cases and also come up with even more attribute-related ideas about the promoted mutual fund, especially when the advertising disclosures had a relatively negligible impact on attribute-related ideas among investors with high financial understanding.

Koehler & Mercer (2009) found in their research that Mutual Fund Company selectively promotes higher-performing funds. However, the investors respond to the advertised performance data as if the data was not selective (that is, it represents the population). The researchers have identified not-discounting selected or potentially selected data as ignoring the selection. They investigated these phenomena in an archive study and two controlled experiments. This study identifies “investment trust advertising selection bias” by showing that the median performance rank of investment trusts is between the 79th and 100th percentiles. Also, both in experienced investors and financial professionals will be sacrificed to ignore the selection in financial ad allocation unless the ad is transparent merely to the selective nature of the available performance data. The negligence of choice associated with large, well-known companies can be corrected with simple external clues to the sample space, but individual differences in statistical inference also play a role. Researchers also argued that the ignorance of selection was due to the general tendency to ignore the underlying sampling space, rather than the data selection process or the underlying misunderstanding of the values of the selected data.

Sharma & Priya (2018) the research proposed to identify and study the factors which influence investors’ behavior for selecting a mutual fund. The study is based on the behavior and perceptions of the investors. For this purpose, a sample of 100 respondents (investors) from Delhi-NCR area was selected through purposive sampling technique. Crouback’s Alpha, the test of reliability, came out to be 0.798, signifying the statistics to be reliable. Exploratory Factor Analysis was applied for data analysis. Primarily, KMO-Barlett Test was applied to test the suitability of data for analysis. The value turned up to be 0.6. The findings of the study revealed that a large chunk of respondents (73%) recommended MF investment to their peer group considering it the only profitable source of investment. Less than half i.e 40% respondents having investment with low capacity up to Rs. 1,00,000, prefer to invest in MF on priority. Furthermore, people have seen shifted from conventional methods of investment to contemporary as MF. Thereafter, the study concluded that the first factor identified with the variance explained of 35.410% is Fund Characteristics, which includes high returns, liquidity, capital appreciation, tax benefits, price and minimum initial investment. Second factor identified was Credibility with the variance explained of 16.736%. It includes variables like information source preferred, past performance, brand image and transparency. Convenience with the variance explained of 10.902% emerged as third factor which included variables like quick grievance mechanism, switching option and quick service. With 8.544% variance explained, the Success was the fourth factor consisting variables research, quality of service

and simplicity of offer document. Lastly, Fund Family was identified another variable influencing the MF investments. However, advertisement was found missing as the variable to influence MF investment decision.

Patil and Chicholkar (2020) there searchers turned up with a descriptive study to measure the responses of the investors in context of knowledge and experience of investing in mutual funds. An online survey method was used for the research in the area of Mumbai and Navi Mumbai. 70 valid samples were used for data processing. With value of 0.932 of Crouchback Alpha, a measure of reliability, a 20-statement questionnaire was served to the respondents for measuring their experience on five-liker's scale. The results depicted that the component "Understanding the basic knowledge of mutual funds" has an average Likert score of 371, indicating that respondents have the basic knowledge of mutual funds required to make investment decisions. They can choose where to invest their money on their own. From average Likert scores, it can be seen that there was an agreement among the respondents on the "Experience of Investors about Risks and Returns in Mutual Funds".

Fantastic experience in terms of superior returns, lower risk, pace of investments during inflation, and choice of suitable schemes. Investors' trust in mutual funds as an ideal investment product will be boosted if they get good returns on their investments. The "Investor's Experience of buying and selling Mutual Funds" component earned an average Likert point score of 380, which means that the respondents were in agreement that they had a "good experience" of buying and selling units.

The Likert score average of 382 for "comparison of mutual funds versus investment in shares" means that the respondents have a uniform opinion that mutual funds are easier to invest than shares and that they give better diversification of portfolio. They also appreciated the ease of making investments in mutual funds. The mean value of the 20 statements had a mean score over or near 3, which signifies that responses were valid in regard to the interests of the investors in mutual funds. Z- Value has been calculated for all the statements and the result is statistically significant at the 0.05 level. The research advised the AMCs to tap the retail investors and more and more efforts should be implied to spread awareness among retail segment.

Chemmanur & Yan (2009) examined the effect of advertising on equity returns, in both the short and long run. The more it's there, the more the shareholder profit for the year of

promotion, but the shareholder profit for the year following the promotion is reduced to market momentum. They hypothesized that this advertising effect on stock returns was due to the effect of the advertisement on investor attention. Businesses can attract investors' attention through advertising. Stock prices will rise in the advertising year due to high attention, but will fall in the following year due to long-term decline in attention. They tested the "Investor Attention Hypothesis" using a number of financial analysis tools that represent the volume of transactions and the investor's attention to the company's stock. They had consistent results of 5. First, advertising brings to the attention of the corporate world the fact that the year is an advertising year. First, advertising makes companies more aware of this advertising year to investors. Secondly, higher investor awareness is correlated with higher current shareholder returns and lower future shareholder returns. Thirdly, the effects of advertising on stock returns are more pronounced for firms with greater advertising awareness. In particular, as high-promotion companies get more investor attention in the stock market; stock returns for high-promotion companies will rise significantly this year and then decline significantly. However, if the focus to these advertised companies continues after the advertising year, the returns of these companies to the shareholders do not suffer much. Fourth, the effect of advertising on prospective stock returns will be greater if the investors have to pay more for the arbitrage. Last but not least, they also determined that advertising effectiveness was greater for SMEs, value companies and companies with less equity and less investment performance prior to the advertising campaign.

Objective of the study: To find out the most influencing factors affecting investor's behavior towards Mutual Fund Investment.

Research Methodology:

Population of the study- The population under study consists of all respondents (sampling unit) who were mutual fund investors.

Sampling Unit- Each person is sampling unit for the study who has even once invested in mutual funds.

Sampling Technique- Cluster convenience sampling method has been used to select the sampling units. Since subject population was readily available, we adopted convenience sampling method for data collection. We use convenience sampling technique when a fast and

in expensive solution is required and the subjects (i.e. respondents) are readily available (Castillo, 2009).

Sample Size- Sample size is the number of participants or respondents from whom data will be collected for the study. Determining the right sample size is crucial for any research study. Samples should not be either too large or too small, as both have limitations that could compromise the studies' conclusions. A very small sample generates inaccurate data, while it takes a lot of time and money for an excessively large sample. Several factors including population size, variability, analysis considerations and other specifications were combined to determine sample size.

According to Public Interest Opinion Research (PIOR), a sample size of 500 produces a likely margin of sampling error falling between 4-6% and doubling it (i.e. 800) will reduce the sample error by 1% (to the 3-4% range) at increased cost and time. Further doubling the sample size will reduce the sampling error by 1% again as represented in table 4.3 (Tull, Hawkins, 1993). So it is not possible to completely minimize or eliminate the sampling error. Factor analysis requires sample size of at least five times of the number of observations or variables to be analyzed in the study (Hair, Blacket. al., 2012).

Table 3.2-PIOR's Sample Size and Sampling Error

Sample Size	Allowance for Sampling Error (95% Confidence)
200	5-8%
400	4-6%
600	3-5%
800	3-4%
1000	2-4%
1500	2-3%

So considering all these factors and after analysis of questionnaires and by applying data cleaning techniques the final responses we left with were 500..

Data Collection

The present study used a questionnaire hence requires collection of primary data. The data was collected through field survey in the state of Punjab and Haryana. The data was collected in the

period of 2020-21. The data was collected on seven point Likert scale and categorical data for measuring demographic and other variables of respondents.

Data Analysis and Interpretation:

In present study, in order to find out the most influencing factors affecting investor's behavior towards Mutual Fund Investment, factor analysis was run on 33 statements. We have applied extraction method of factor analysis. With the help of factor analysis, 7 important factors were found out. After that CFA was applied and we found even important factors that influence the investor's behavior towards Mutual Fund Investment. The various statistical tests and their suitability for research is explained and various results obtained in relation with the hypotheses have been examined. This chapter also presents discussion of findings on the various variables along with their dimensions.

Explanatory factor analysis

Factor Analysis KMO and Bartlett's test is applied for measuring Kaiser-Meyer-Olkin Measure of sampling adequacy.

Table1

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.857
	Chi-Square	12329.961
	df	528
	p-value	.0001**

KMO is a measure of how suitable is your data for factor analysis. KMO and Bartlett's test is a measure of sampling adequacy that is used to check the suitability of component analysis. In order to analyse the sampling adequacy the KMO and Bartlett's test is applied. The critical value of KMO required is 0.5. The present data shows that the value of KMO is 0.857 which is higher than the critical value required. It means that our data is fit for factor analysis and again for Bartlett's test data is significant. Our significant value is 0.0001 < 0.05 which means that the sample is adequate. The responses collected to problem are suitable and valid.

Table 2

Estimated communalities (The communalities indicate the amount of variance in each variable that is accounted for).

Communalities		
	Initial	Extraction
Q1	1.000	.765
Q2	1.000	.894
Q3	1.000	.642
Q4	1.000	.715
Q5	1.000	.781
Q6	1.000	.869
Q7	1.000	.922
Q8	1.000	.637
Q9	1.000	.752
Q10	1.000	.785
Q11	1.000	.738
Q12	1.000	.732
Q13	1.000	.602
Q14	1.000	.726
Q15	1.000	.738
Q16	1.000	.744
Q17	1.000	.651
Q18	1.000	.582
Q19	1.000	.796
Q20	1.000	.669
Q21	1.000	.813
Q22	1.000	.667
Q23	1.000	.828
Q24	1.000	.578
Q25	1.000	.702
Q26	1.000	.715
Q27	1.000	.811
Q28	1.000	.622
Q29	1.000	.621
Q30	1.000	.638
Q31	1.000	.594
Q32	1.000	.742
Q33	1.000	.693
Extraction Method: Principal Component Analysis.		

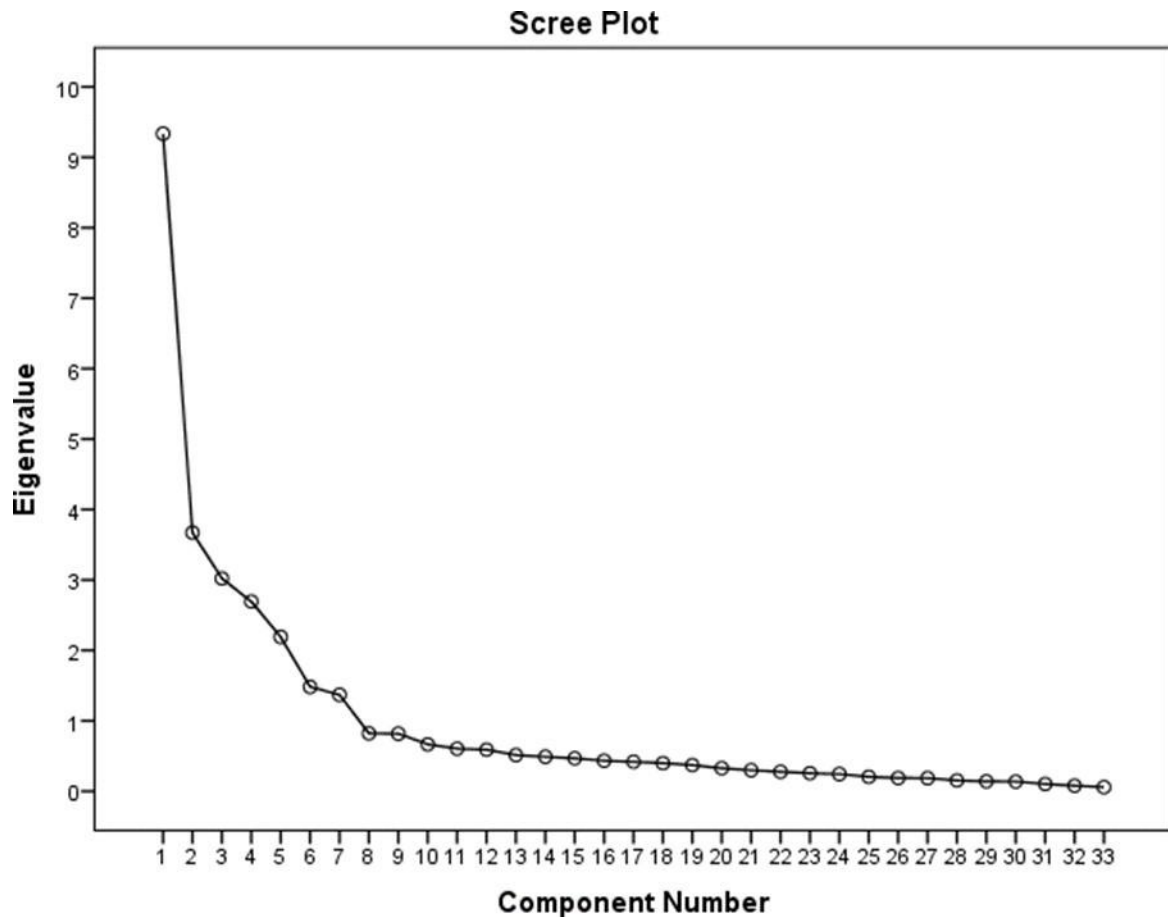
Table 2 is of estimated communalities. The communalities indicate the amount of variance in each variable that is accounted for. Initial communities are the estimates of variance in each variable that is accounted for. Initial communities are estimates of the variance in each variable accounted for by all components and factors. Extraction communities are the estimates of the variances in each variable accounted for by the components in factor solution. The critical value required for communalities is 0.4. Variables with the high coefficients are well represented in the common components space while variables with low coefficient are not well represented. In other words variables with high coefficients are strong with tables and variables with the low coefficients are weak variables. Here all the variables are strong variables as they have a high coefficients.

Table 3 The total variance of the variables using Principal Component Analysis.

Total Variance Explained									
Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	9.34	28.287	28.287	9.335	28.287	28.287	4.277	12.961	12.961
2	3.67	11.124	39.411	3.671	11.124	39.411	3.892	11.794	24.756
3	3.02	9.155	48.566	3.021	9.155	48.566	3.641	11.033	35.789
4	2.69	8.161	56.727	2.693	8.161	56.727	3.449	10.452	46.241
5	2.19	6.64	63.366	2.191	6.64	63.366	3.275	9.926	56.167
6	1.48	4.491	67.857	1.482	4.491	67.857	2.833	8.586	64.753
7	1.37	4.15	72.007	1.369	4.15	72.007	2.394	7.254	72.007
8	0.82	2.489	74.496						
9	0.82	2.474	76.97						
10	0.67	2.017	78.987						
11	0.61	1.832	80.819						

12	0.5 9	1.787	82.607						
13	0.5 1	1.555	84.162						
14	0.4 9	1.484	85.646						
15	0.4 7	1.416	87.062						
16	0.4 3	1.313	88.375						
17	0.4 2	1.268	89.643						
18	0.4	1.207	90.85						
19	0.3 7	1.125	91.975						
20	0.3 3	0.99	92.965						
21	0.3	0.906	93.871						
22	0.2 8	0.835	94.706						

Explains the total variance of the variables using principal component analysis. We have 33 components as we have 33 variables inform of questions asked in the questionnaire. Eigen values are the variances of the principal component. The total column contains the Eigenvalues. The first component will always account for the highest variance and hence we will have highest eigenvalue and the next component will account for as much as the leftover variance as it can and so on. Hence each successive component will account for less and less variance. The sum of total Eigen values will always be equal to the total number of variables. By applying Kaiser Criterion (K1 rule), we will retain only those components which have eigen values greater than one. In our study component 1-7 has eigen values greater than 1. So we would retain these seven components. Extraction sum of squared loadings gives the variance of only those components which have Eigen values greater than 1, which in our case is for component 1-7. These values are same as the initial Eigen values. Rotation sum of the square loadings give the Eigen values by rotating the components. Cumulative frequency for 7 components tells that 72.007 of the variance is accounted by these seven components.



Scree plot graphing the Eigen value against the component number

The screen plot graphs the Eigenvalue against the component number. We can see these values in the first seven columns of the table displayed immediately above. From the eighth component we can see that the line is almost flat, it means that each of successive component is accounting for smaller and smaller amount of total variance. In general we are interested in keeping only those

the principal components whose values are greater than 1. Components with an Eigenvalue less than one account for less variance than the original variables has (which had a variance of 1) and so they are of little use.

Table 4

Component Matrix							
	Component						
	1	2	3	4	5	6	7
Q6	.770						
Q10	.749						
Q7	.747						-.436
Q9	.704						
Q8	.687						
Q13	.677						
Q14	.620		-.515				
Q3	.559						
Q2	.551			.508			
Q29	.549						
Q19	.538				-.432		
Q1	.535			.423			
Q32	.534				.473		
Q33	.521				.469		
Q17	.519						
Q22	.516	.445					
Q31	.512						
Q20	.486						
Q30	.474				.471		
Q18	.451						
Q27		.676					
Q26		.643					
Q25		.625					
Q24		.590					
Q23		.573				-.539	
Q15	.452		-.700				
Q12	.476		-.667				
Q16	.546		-.643				
Q11	.576		-.598				
Q5	.512			.558			
Q4	.506			.508			
Q21	.468	.456				-.510	
Q28						.480	
Extraction Method: Principal Component Analysis.							

Rotated Component Matrix							
	Component						
	1	2	3	4	5	6	7
Q15	.849						
Q12	.839						
Q16	.839						
Q11	.828						
Q14	.783						
Q13	.636						
Q2		.913					
Q5		.850					
Q1		.799					
Q4		.781					
Q3		.738					
Q7			.875				
Q6			.822				
Q10			.755				
Q9			.747				
Q8			.652				
Q32				.828			
Q33				.798			
Q30				.766			
Q31				.730			
Q29				.721			
Q27					.880		
Q26					.782		
Q25					.769		
Q28					.737		
Q24					.720		
Q19						.846	
Q20						.784	
Q17						.748	
Q18						.720	
Q23							.869
Q21							.832
Q22							.686

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

The rotated components Matrix table is used founder standing the results of the analysis. Components are rotated so that they are easier to interpret. Rotation reduce the number of factors on which variables under investigation have high loadings. Every variable has a some loading value from the different component but the values less than 0.30 are excluded from the table. Variables are sorted in such a way that each component has highest loading. From the table-4 above, we have found 7 important factors Benefit, convenience, Reputation of the Firm, Psychological, Corporate Governance/Transparency, AMC Influence

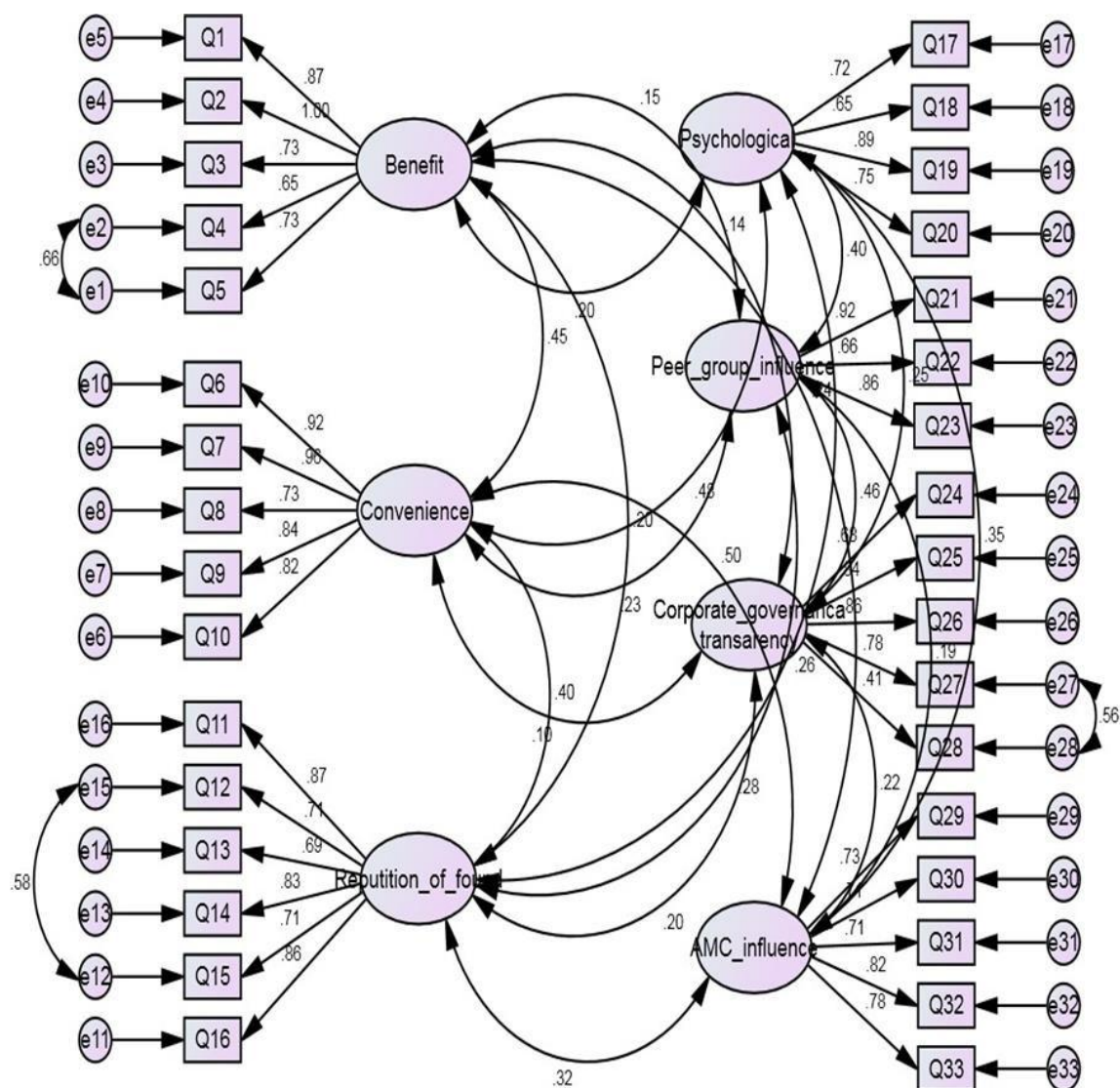
Factor	Statement	Rotated Factor Loading	Reliability (Chronbachpha)
REPUTITION of the fund	You invest in mutual fund considering the brand image of the AMC	.849	.909
	past performance of the fund influenced your investment	.839	
	.For you, no one loses money in mutual funds	.839	
	You invested as it had a diversified portfolio	.828	
	you invested as it is a specific sector fund	.783	
	Brand image of the fund leads you to invest	.636	
BENEFIT			0.904
	You preferred to invest in mutual funds due to ease in liquidation	.913	
	You preferred to invest in mutual funds due to tax benefits associated.	.850	
	You prefer to invest in mutual funds due to expectations of high returns	.799	
	You preferred to invest in mutual fund due to capital appreciation	.781	
	You prefer mutual fund as it as a better option when one has no knowledge About direct investment in stock Market	.738	
	Mutual fund invest mentis a preferred investment destination as there is no Minimum investment requirement	.875	
	Mutual fund is a preferred destination to investment due to the quick service	.822	
	You preferred to invest in mutual fund due to ease in NFO application	.755	
	Commission of the agent or broker is nominal	.747	
	You preferred to invest in mutual fund as the scheme was easy to understand	.652	
	The Good will of AMC attracts you to invest in mutual funds	.828	

You invest because there are variety of options to invest	.798
you invest because flow cost trading cost associated	.766
You invest in mutual funds because you think Mutual Funds are managed professionally	.730
You preferred to invest in mutual fund due to the transparency involved nit	.721
You prefer to invest in mutual funds because of a prominent role of SEBI	.880
You prefer to invest in mutual funds due to adequate disclosure of schemes operations	.782
For you , a fund's rating by a specialized agency is a motivator of investment In mutual fund	.769
.you prefer to invest in mutual fund because of its audited track record	.737
Mutual fund for you is preferred destination for investment because the facts associated with the scheme or the fund can be easily verified	.720
You prefer to invest in mutual funds because you think there is a lesser risk in It than stock market	.846
Sale purchase of mutual fund is less costly affair	.784
You consider mutual fund are means of wealth maximization	.748
Mutual fund is away to saving long with earning	.720
Mutual fund is a common work place talk	.869
Earnings of your friends colleagues and relatives influence you to invest in mutual funds	.832
you invest because just your friends invest	.686

Confirmatory factor analysis

In confirmatory factor analysis CFA we specify a model, indicating which variables load on which factors and which are correlated. CFA is a way to specify which variables load on to which factors

.In the analysis the loadings of all variables are not related to a given factor are then set to 0 and for a reasonable number of parameters the factor correlation can be estimated directly from the analysis.



The above figure 2 represents the CF A model in which the latent variable Benefit, convenience, Reputation of Firm, Psychological, Corporate Governance, Transparency, Peer Group Influence, AMC Influence are shown in oval shape and these are predicted as the linear combination of the observed variables shown in rectangles. Every single headed Arrow represents the standardized regression weight of the observed variables on under lying latent constructs. The double headed arrows represent the correlation between the constructs and the values associated with the same are the correlation coefficients.

Regression Weights:(Groupnumber1-Defaultmodel)

			Estimate	S.E.	C.R.	P
			1			
Q5	<-	Benefit	1			
Q4	<-	Benefit	0.878	0.034	25.467	***
Q3	<-	Benefit	0.902	0.053	16.985	***
Q2	<-	Benefit	1.247	0.054	22.939	***
Q1	<-	Benefit	1.093	0.053	20.562	***
Q10	<-	Convenience	1			
Q9	<-	Convenience	1.051	0.046	22.928	***
Q8	<-	Convenience	0.898	0.049	18.495	***
Q7	<-	Convenience	1.193	0.042	28.232	***
Q6	<-	Convenience	1.124	0.042	26.536	***
Q16	<-	Reputation_of_firm	1			
Q15	<-	Reputation_of_firm	0.826	0.045	18.168	***
Q14	<-	Reputation_of_firm	0.865	0.038	23.027	***
Q13	<-	Reputation_of_firm	0.701	0.04	17.362	***
Q12	<-	Reputation_of_firm	0.761	0.042	17.958	***
Q11	<-	Reputation_of_firm	0.969	0.039	24.714	***

Q17	<- --	Psychological	1			
Q18	<- --	Psychological	0.86	0.063	13.751	****
Q19	<- --	Psychological	1.459	0.082	17.757	****
Q20	<- --	Psychological	1.101	0.07	15.651	****
Q21	<- --	Peer_group_influence	1			
Q22	<- --	Peer_group_influence	0.728	0.045	16.318	****
Q23	<- --	Peer_group_influence	0.933	0.041	22.855	****
Q24	<- --	Corporate_governanance_transparency	1			
Q25	<- --	Corporate_governanance_transparency	1.36	0.083	16.378	****
Q26	<- --	Corporate_governanance_transparency	1.315	0.079	16.552	****
Q27	<- --	Corporate_governanance_transparency	1.166	0.076	15.418	****
Q28	<- --	Corporate_governanance_transparency	0.603	0.073	8.305	****
Q29	<- --	AMC_influence	1			
Q30	<- --	AMC_influence	0.954	0.064	14.946	****
Q31	<- --	AMC_influence	0.957	0.064	14.901	****
Q32	<- --	AMC_influence	1.098	0.065	16.977	****
Q33	<- --	AMC_influence	0.985	0.061	16.204	****

Standardized Regression Weights: (Group number1- Default model)

The above table represents the statistics involved in the model which is represented in above figure. The estimates or standardized path coefficient was calculated for various constructs, by keeping one of regression weight as 1 for reference and calculated others according to that. Such as for Benefit Q5 variable was the reference and weights for Q4, 3, 2 and 1 were calculated according to that. For convenience Q10 variable was taken as reference and weights for Q9, 8, 7 and 6 were calculated accordingly. Similarly for Reputation Q16 has been taken as reference

and values for Q15, 14, 12, 13 and 11 were calculated accordingly. For Psychological Q17 was assigned 1 and weights for Q18, 19 and 20 were predicted according to that. For Peer group Q21 was assigned 1 and weights for Q22 and Q23 were predicted according to that. For Corporate_ governance_ transparency Q24 was assigned 1 and weights for Q25, Q26, Q27 and Q28 were predicted according to that. .For AMC InfluenceQ29 was assigned 1and weights for Q30, 31, 32 and Q3.3 were predicted according to that

Model Fit

Model Fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	90	1931.437	471	0	4.101
Saturated model	561	0	0		
Independence model	33	12629.457	528	0	23.919

RMR,GFI

Model	RMR	GFI	AGFI	PGFI	
Default model	0.194	0.821	0.787	0.689	
Saturated model	0	1			
Independence model	0.819	0.253	0.207	0.238	
Model	NFI	RFI	IFI	TLI	CFI
	Delta1	rho1	Delta2	rho2	
Default model	0.847	0.829	0.88	0.865	0.879
Saturated model	1		1		1
Independence model	0	0	0	0	0

Model	PRATIO	PNFI	PCFI
Default model	0.892	0.756	0.784
Saturated model	0	0	0
Independence model	1	0	0

Model	NCP	LO90	HI90
Default model	1460.437	1328.675	1599.711
Saturated model	0	0	0
Independence model	12101.457	11738.834	12470.449

Model	FMIN	F0	LO90	HI90
Default model	3.871	2.927	2.663	3.206
Saturated model	0	0	0	0
Independence model	25.31	24.251	23.525	24.991

RMSEA

Model	RMSEA	LO90	HI90	PCLOSE
Default model	0.079	0.075	0.083	0
Independence model	0.214	0.211	0.218	0

AIC

Model	AIC	BCC	BIC	CAIC
Default model	2111.437	2124.598	2490.751	2580.751
Saturated model	1122	1204.039	3486.395	4047.395
Independence model	12695.457	12700.283	12834.539	12867.539

ECVI

Model	ECVI	LO90	HI90	MECVI
Default model	4.231	3.967	4.51	4.258
Saturated model	2.248	2.248	2.248	2.413
Independence model	25.442	24.715	26.181	25.451

HOELTER

Model	HOELTER	HOELTE R
	0.05	0.01
Default model	136	141
Independence model	24	24

The measurement model exhibited an acceptable model fit of the data (CMIN=1931.437,df=471;p<0.001;CMIN/df=4.101(<5);CFI=0.879;TLI=0.865,IFI=0.88,NFI=0.847PNFI= 0.756: PCFI= 0.784; PARITO= 0.892 and RMSEA=0.079). All the indicators are loaded, with very high significance, on the latent variables. The values of the fit indices

indicate a very good fit of model with data. Overall, the measurement model confirms to the four factor structure. Reliability

CONCLUSION

The present study concludes that investor behaviour towards mutual fund investments is multidimensional and is influenced by seven distinct factors i.e. Benefit, Convenience, Reputation of Fund, Psychological Factors, Peer Group Influence, Corporate Governance & Transparency, and AMC Influence. The Confirmatory Factor Analysis model as depicted in Figure 2 validates the 7-factor structure with 33 items (Q1 to Q33). All the items have shown high standardized factor loadings (>0.60) on their respective constructs, confirming the convergent validity and reliability of the scale. The study further concludes that investors are not only driven by rational factors like benefits and convenience but also significantly influenced by psychological and social factors such as peer group influence and reputation of the fund house. Corporate governance and transparency has emerged as an important determinant for building investor trust. Thus, it can be concluded that AMCs should focus not only on return performance but also on investor education, transparency, and brand building to positively influence investor behaviour and reduce perceived risk.

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