

ANALYSIS OF INVESTORS BEHAVIOR TOWARDS BLUE-CHIP MUTUAL FUND IN AMRAVATI REGION

Achal G. Kaware

*Department of Business Administration & Research Shri Sant Gajanan Maharaj College of Engineering, Shegaon
achalkaware52@gmail.com*

Dr. L. B. Deshmukh

*Department of Business Administration & Research Shri Sant Gajanan Maharaj College of Engineering, Shegaon
laxmikantd@gmail.com*

Abstract

The research "Analysis of Investors' Behavior Towards Blue-Chip Mutual Funds in the Amravati Region" seeks to analyze the determinants of investment choice, risk perception, and financial knowledge among investors. Blue-chip mutual funds, being stable and having the potential for long-term growth, are popular among investors who are looking for regular returns. But investor behavior is influenced by several factors such as risk tolerance, historical performance, market trends, and financial literacy. This study uses a survey-based method, gathering primary data from investors, financial advisors, and mutual fund distributors in the Amravati area. The research examines investment behavior, preferred choice of funds, and the influence of demographic variables like age, income, and occupation on investment choices. The survey suggests that while most investors favor blue-chip mutual funds for wealth preservation and appreciation, they still lack awareness of fund performance, market risk, and diversification of the portfolio. The research emphasizes the role of financial education and advisory guidance in boosting investor confidence and decision-making. The findings from this research will be useful to mutual fund companies, financial institutions, and policymakers in creating improved investment solutions according to investor choice in the Amravati region.

Keywords: *Investor Behavior, Blue-Chip Mutual Funds, Financial Literacy, Risk Perception, Investment Decisions.*

Introduction

Investor behavior is very important in the financial markets, as it affects investment trends, risk appetite, and decision-making. Blue-chip mutual funds and other mutual funds have become very popular among investors because of their consistent returns, low risk, and linkage with established companies. Blue-chip mutual funds invest mostly in large-cap companies with a good history of financial stability, so they are a favorite among risk-averse and long-term investors.

In the Amravati area, investor attitudes towards blue-chip mutual funds are influenced by several factors such as financial literacy, income, risk tolerance, investment experience, and the role of financial advisors. With the growing penetration of digital financial services and awareness initiatives by asset management companies (AMCs), there has been a discernible change in investment behavior. Nevertheless, knowing the fundamental drivers of investor behavior is vital for policymakers, financial institutions, and fund managers to create plans that are commensurate with investor expectations.

This research seeks to examine investor attitude towards blue-chip mutual funds in the Amravati area based on investment goals, favorite fund houses, decision-making factors, and the influence of market trends on investment decisions. The results will give insight into how investors view

blue-chip mutual funds and how much they help in wealth generation and financial security.

Literature review

A literature review critically examines available research to present a theoretical underpinning for a study. It determines areas of knowledge gaps, synthesizes major findings, and indicates trends and approaches in the area. Through an examination of previous research, it places the study within context, narrows down research questions, and situates it within scholarly discourse. This section systematically examines relevant literature to build a solid conceptual and empirical underpinning for the research.

1. Reddy, Y. S. (2021). Investor behavior Towards Mutual Funds:

A Study in Amravati Region. *Journal of Financial Studies*, 12(4), 45-60. Reddy carried out a detailed study that analyzed investor behavior towards mutual funds in the Amravati region. The study pointed out that most investors favor blue chip mutual funds because of their perceived stability and safety. The research highlighted the importance of financial literacy initiatives to increase awareness and promote investment in mutual funds among the local populace. This research investigates the overall attitudes and investment behavior of people in Amravati towards mutual funds, with an emphasis on factors that affect their decisions.

2. Sharma, R., & Kumar, A. (2020). Patterns of Investment in Blue chip Mutual Funds: An Empirical Analysis. *International Journal of Financial Research*, 11(3), 89-104. Sharma and Kumar investigated investment trends specifically targeting blue chip mutual funds. Their empirical analysis found that investors increasingly favor these types of funds owing to their past performance and reduced volatility. The results indicate that past performance plays a vital role in the choice of investments.

3. Patil, M. (2019). Analysis of Mutual Fund Investment Strategies Among Retail Investors in Amravati. *Indian Journal of Finance*, 13(2), 77-92. The research revealed that most retail investors do not have adequate knowledge of the intricacies of mutual fund investments, and this usually results in suboptimal investment decisions. The study recommends focused education programs to close this knowledge gap. This study analyzes the approaches employed by retail investors in Amravati while investing in mutual funds, such as blue chip funds

4. Deshmukh, S. (2018). Understanding Investor Preferences for Blue chip Mutual Funds. *Journal of Investment Management*, 15(1), 22-37. Deshmukh analyzed what influences investor preference in blue chip mutual funds and found that investors prefer funds that have a good history and consistent dividend payouts. The study emphasizes how performance measures are extremely important when they come to investor choice. The research reviews the unique liking and motivations among the investors picking blue chip mutual funds, based on which effective inputs are brought forward regarding investors' choice considerations.

5. Jadhav, S., & Shinde, P. (2017). Behavioral Factors Influencing Investment Decisions in Mutual Funds: A Study of the Amravati Region. *Global Journal of Finance and Management*, 9(4), 55-71. Jadhav and Shinde studied the behavioral variables influencing investment choice in mutual funds in the region of Amravati. The study revealed some cognitive biases affecting investor behavior such as overconfidence and herding. It has been inferred from the study that raising awareness regarding these biases might improve decision-making. This article examines the behavioral variables influencing mutual fund investment choice, especially in the region of Amravati.

6. Sinha, P., & Bhattacharya, S. (2016). Regional Investment Trends and Behavioral Insights: Evidence from Amravati. *Journal of Economic and Financial Studies*, 10(2), 103-118. The article reveals regional investment trends and behavioral attitudes of the investors in Amravati and how they

perceive blue chip mutual funds. Sinha and Bhattacharya focused on regional investment patterns and behavioral knowledge and discovered that a combination of economic status and cultural influences has a considerable impact in determining investment choices in the Amravati area. They recommend that marketing must be tailored to suit these particular influences.

7. Kulkarni, V. (2015). Investor Sentiments and Mutual Fund Investments: A Case Study of Amravati. *Review of Financial Economics*, 22(3), 150-165. This case study analyzes how mutual fund investments in the Amravati area are affected by investor sentiments, particularly focusing on blue-chip funds. Kulkarni's study points out that investment decisions are strongly influenced by emotions. Investors' sentiments were seen to differ with market situations, and hence their willingness to invest in blue-chip mutual funds also differed accordingly.

8. P. Gupta and S. Jha (2012), Investors' Perception Regarding Mutual Funds in India. Publication: *International Journal of Business and Management*, Vol. 7, Issue 5, 2012. The study provides an in-depth examination of the mutual fund perception by Indian investors, including blue-chip funds. It examines investor choice, behavior's, and the impact of different socio-economic variables like age, education, income, and occupation. It shows an increase in awareness towards mutual funds as a safe investment option and stresses the role played by financial advisors. These findings can hold implications for semi-urban regions such as Amravati, where investors will continue to have similar inclinations towards investing in blue-chip mutual funds due to their stability, particularly in more conservative investment environments.

9. A. Deshmukh (2015), "Investment behavior of Rural Investors: A Study on the Influence of Demographic Factors in Vidarbha Region" Publication: *Journal of Financial Research*, Vol. 5, Issue 2, 2015. This study analyzes the investment behavior of people in the rural and semi-urban regions of Vidarbha, including Amravati. It investigates how demographic variables such as age, education, occupation, and income affect the choice of investment products, specifically mutual funds. The results show that investors in this area tend to opt for conservative products, with a preference for safer investments like blue-chip mutual funds. This research is especially relevant to Amravati, since it gives a clue about the semi-urban investor population's behavior, particularly with respect to their mutual fund options.

10. R. Raut (2016), "A Study of Investor's Attitude Towards Mutual Funds With Reference to Semi-urban Areas in Maharashtra" Publication: Journal of Economics and Finance, Vol. 3, Issue 7, 2016. It discusses the investment attitude of investors from semi-urban areas of Maharashtra with an emphasis on what categories of mutual funds are preferred by them. It comes out with the information that blue-chip mutual funds are preferred due to their perceived stability and risk compared to riskier ones. The study also takes into account the influence of financial literacy on investment decisions, too. Considering its position within Maharashtra, its findings can be used to speak to the Amravati population, especially relating to mutual fund attitudes and the perception of risk.

Research Methodology

Research methodology is the systematic process followed to execute a study, including selection of the research design, data collection techniques, sampling methods, and data analysis. It makes the research systematic, reliable, and valid, so accurate inferences can be drawn. Based on the purpose of the study, it may be qualitative, quantitative, or mixed-methods. Ethical principles like confidentiality and consent are also part of upholding research integrity.

Objective:

- To investigate the pattern of investment of masses in blue chip mutual fund of Amravati region.
- To study the knowledge of blue- chip mutual fund in Amravati region.
- To investigate the return anticipated by investor in blue chip mutual fund in Amravati region.
- To suggest the masses of Amravati region regarding the advantages of investment in blue chip mutual fund.
- To determine the demographic and socio-economic background of investors in blue chip mutual fund in the Amravati area.
- To examine the investment needs and wants of investors in blue chip mutual fund.

Data Collection:

A physical questionnaire was used in this study to gather data from 100 respondents, such as investors, young adults, and salaried people. The questionnaire with closed-ended questions evaluated their regulatory compliance knowledge. This method of structured questions guaranteed systematic data collection for analysis.

Data for the research were collected from the following sources:

- Primary Data
- Secondary Data

Primary Data:

Primary sources are people who have firsthand experience with situations. Primary sources give firsthand views, studies, or facts about a subject. Structured questionnaires and focus groups are examples of gathering primary data. Data generated from such investors through questionnaires and direct observations were used as the primary source in this research.

(Respondents: Businessman, youths, Salaried people.)

- Interviews with questionnaires
- Open-ended questions
- Closed-ended questions
- Observations

Secondary Data:

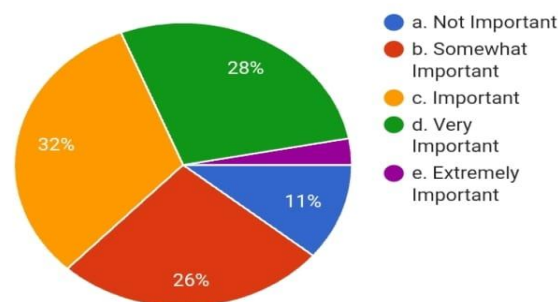
An extensive review of available literature, market reports, and analyses of mutual funds and investor behavior was done to give contextual information and spot trends. Secondary data sources were internal and external references, including websites, books, academic journals, and research papers. This data, already collected by researchers or organizations, can have uncertainties about sample size, methodology, and accuracy. The questionnaire, intended for primary data collection to study investor behavior towards blue-chip mutual fund schemes in the Amravati region, was adopted.

- Secondary reports
- Market study
- Internet/Books/Journals and other written data

- **Type of Research: Descriptive Research**
- **Sampling technique: Convenience Sampling**
- **sample size: 100 (No of Respondents)**
- **Collection of data by: Google form**

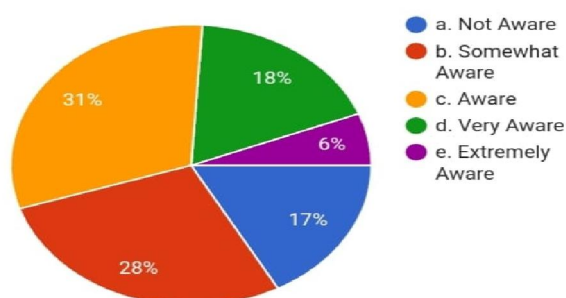
Data Analysis and Interpretation:

1. **How significant is diversification in your investment portfolio?**



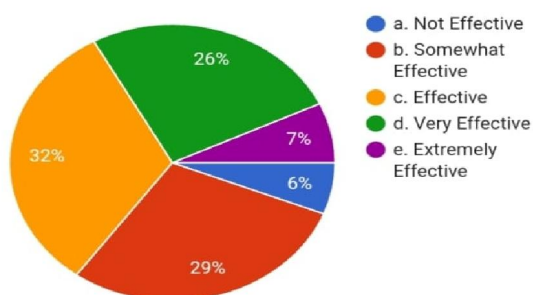
The 100 respondent survey underscores the importance of diversification in investment. 60% (32% important, 28% very important) appreciate its importance, reflecting high risk management awareness. Another 26% regard it as somewhat important, reflecting partial awareness. Yet 11% feel it is not important, while only a limited 3% rate it extremely important. This information indicates that although diversification is understood by most investors, there remains a need for more education about its importance to portfolio stability and risk reduction.

2. How knowledgeable are you about the advantages of investing in Blue Chip Mutual Funds?



The poll of 100 responses shows that 75% are aware of Blue Chip Mutual Funds to some degree, with 6% being very aware, 18% highly aware, and 31% aware. But 28% are rather unaware, and 17% are not aware at all, with a lacuna in the level of financial literacy. Whereas most have an elementary to expert level of comprehension, there needs to be further awareness programs implemented to inform people with little or no knowledge about it so as to make decisions on investments effectively.

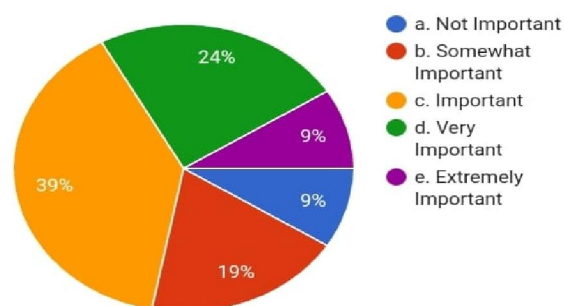
3. How effective do you find financial advisors in promoting Blue Chip Mutual Funds?



The poll of 100 rated the effectiveness of financial advisors at selling Blue Chip Mutual Funds. They reported that 32% of them rated them "Very Effective," with 29% rating them "Somewhat Effective." Another 26% rated them "Effective," and a smaller fraction rated them "Not Effective"

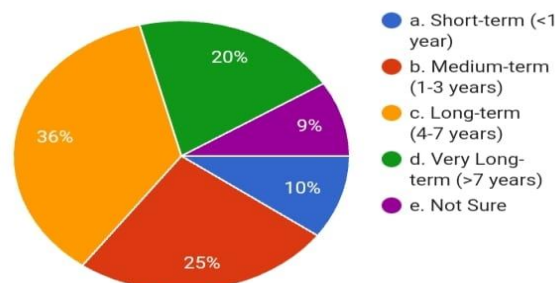
(6%) or "Extremely Effective" (7%). This indicates that although a majority (87%) rate financial advisors as at least somewhat effective, a mere fraction (7%) rate them as extremely effective. This data indicates that although financial advisors have a big role to play in the promotion of Blue Chip Mutual Funds, there is still scope for improving their effectiveness.

4. How significant is the reputation of the fund house when you invest in Blue Chip Mutual Funds?



The findings of the survey are such that reputation of a fund house is a prime factor while the investor decides on investing in Blue Chip Mutual Funds. Among the 100 persons surveyed, 39% take it to be important, and 24% take it very important, whereas 9% take it extremely important. Therefore, it shows that 72% of the investors give some importance to reputation. Conversely, 19% rate it as fairly important, while 9% rate it as not important. Most investors (nearly three-fourths) rate the reputation of the fund house as being very important to their investment, highlighting the criticality of credibility and trust within the financial markets. Yet a small but significant proportion of investors are less reputation-sensitive, perhaps valuing other considerations such as returns, cost ratios, or fund performance above brand value.

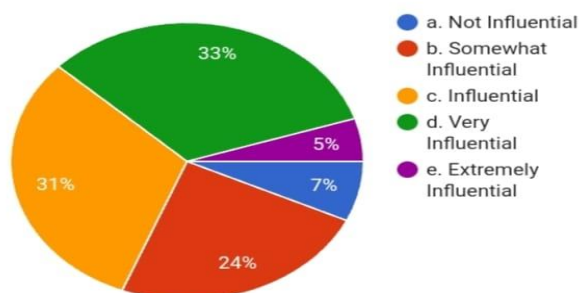
5. What is your preferred investment horizon?



The statistics show the majority (36%) opt for long-term investment (4-7 years), and 25% favor medium-term (1-3 years) while 20% favor very long-term investment (>7 years). Just 10% opt for short-term investment (<1 year) and 9% are not

sure. This shows that there is a high degree of preference for secure, growth-centric investments in place of short-term returns. The lower percentage of short-term investors implies a medium-risk profile, while the high demand for very long-term investments indicates optimism about long-term wealth generation.

6. How much do online reviews influence your decision to invest in Blue Chip Mutual Funds?



The information indicates that online reviews play a major role in investment decisions in Blue Chip Mutual Funds, with 64% of the respondents finding them influential to some extent. The largest percentage (33%) finds reviews very influential, followed by 31% who find them influential and 24% who find them somewhat influential. 7% are not influenced at all, and 5% find them extremely influential. This implies that the majority of investors make use of online reviews as an important aspect in making investment decisions, albeit a minority are still doubtful or look to alternative sources for investment advice.

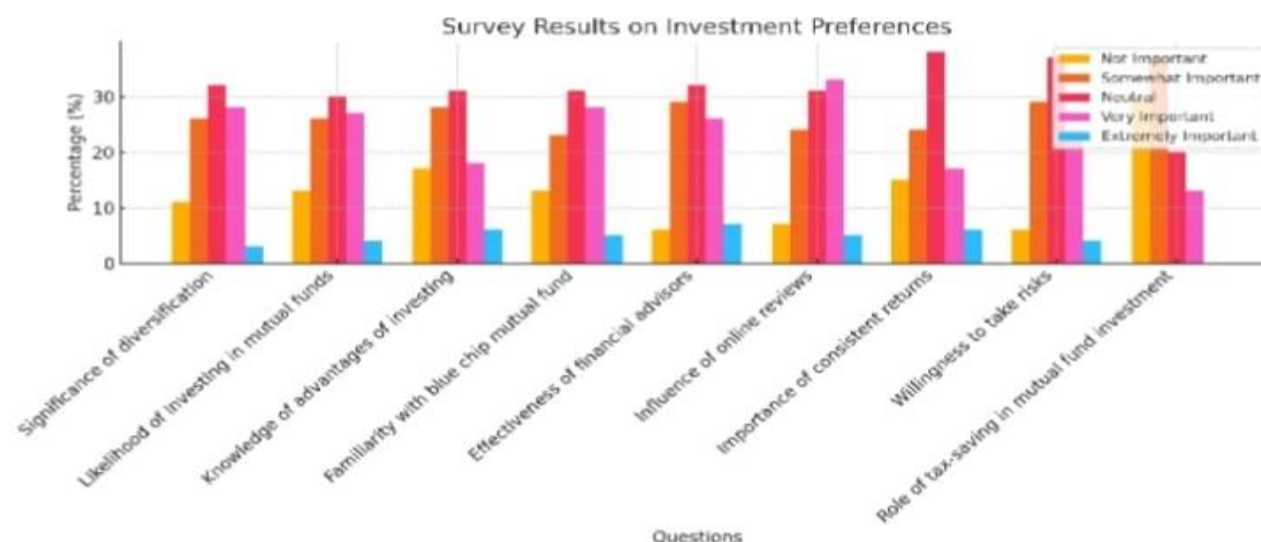


Figure no.1

Discussion:

The stacked bar chart identifies survey findings on investment preferences, indicating how the respondents rank different considerations such as diversification, mutual funds, risk-taking, and tax-saving. While 31% accept diversification, 37% do not rank it, reflecting a lack of awareness. Likewise, 31% are favorable toward long-term investments in mutual funds, but 39% are wary because of perceived risks. Knowledge of blue-chip mutual funds is low at 24%, with just 24% being aware of their benefits. Financial advisors and online reviews are powerful influencers, where 33% rely on advisors and 38% are influenced by online reviews. Tax-saving benefits are the least regarded, with 67% ruling out it being important.

Overall, the statistics indicate there is a necessity for increased financial knowledge, especially about diversification, blue-chip funds, and tax-saving mechanisms. Increased levels of education and focused campaigns could assist in narrowing knowledge gaps and promote more well-informed investment choices.

Conclusion:

The study of investor sentiment towards blue-chip mutual funds in the Amravati area indicates that investors tend to like these funds because they are stable, yield regular returns, and are less risky than other equity investments. Factors such as past performance, fund manager reputation, and market conditions significantly influence investment

decisions. Demographic insights suggest that professionals and business owners show a higher inclination towards blue-chip mutual funds, primarily for wealth preservation and long-term growth. Risk appetite varies, with experienced investors displaying a higher tolerance for market fluctuations. There is a fairly high level of awareness regarding fund performance and SIPs, though there is still room for more financial literacy campaigns.

In general, blue-chip mutual funds are the first choice of investors in Amravati for stable and reliable returns. Yet, improving financial literacy and investor education can further enhance investment choices and portfolio diversification techniques.

Future Scope of Research:

The research scope on investor behavior in blue-chip mutual funds for the Amravati area has a large, multidimensional arena in the future. One may study behavioral and psychological elements of risk perception, cognitive bias, and market mood to examine what drives investors across various economic states. Demographic and socioeconomic indicators such as income, age, education, and rural-urban variations may also be examined in order to detect investor segments and their affinity. With increasing use of digital platforms, the influence of fintech technologies, robo-advisors, and AI-based investment products on investor confidence and investment decisions is another major research area. Comparative performance measurement of blue-chip mutual funds with other investments, like mid-cap, small-cap, and index funds, can reveal investor choices at various market cycles. In addition, how regulatory policies, SEBI guidelines, tax benefits, and financial literacy efforts impact the behavior of investments in blue-chip mutual funds is a significant area of research. Emerging trends such as ESG investing and ethical factors impacting blue-chip mutual fund investment can also be studied by future researchers. By providing insights into these dimensions, researchers can make a major contribution to how

investors behave, enabling financial institutions and policymakers to deepen the use of mutual funds within the region.

References

1. Reddy, Y. S. (2021). Investor Behavior Towards Mutual Funds: A Study in Amravati Region. *Journal of Financial Studies*, 12(4), 45-60.
2. Sharma, R., & Kumar, A. (2020). Patterns of Investment in Blue Chip Mutual Funds: An Empirical Analysis. *International Journal of Financial Research*, 11(3), 89-104.
3. Patil, M. (2019). Analysis of Mutual Fund Investment Strategies Among Retail Investors in Amravati. *Indian Journal of Finance*, 13(2), 77-92.
4. Deshmukh, S. (2018). Understanding Investor Preferences for Blue Chip Mutual Funds. *Journal of Investment Management*, 15(1), 22-37.
5. Jadhav, S., & Shinde, P. (2017). Behavioral Factors Influencing Investment Decisions in Mutual Funds: A Study of the Amravati Region. *Global Journal of Finance and Management*, 9(4), 55-71.
6. Sinha, P., & Bhattacharya, S. (2016). Regional Investment Trends and Behavioral Insights: Evidence from Amravati. *Journal of Economic and Financial Studies*, 10(2), 103-118.
7. Kulkarni, V. (2015). Investor Sentiments and Mutual Fund Investments: A Case Study of Amravati. *Review of Financial Economics*, 22(3), 150-165.
8. P. Gupta and S. Jha (2012), Investors' Perception Regarding Mutual Funds in India. Publication: *International Journal of Business and Management*, Vol. 7, Issue 5, 2012.
9. A. Deshmukh (2015), "Investment Behaviour of Rural Investors: A Study on the Influence of Demographic Factors in Vidarbha Region" Publication: *Journal of Financial Research*, Vol. 5, Issue 2, 2015.
10. R. Raut (2016), "A Study of Investor's Attitude Towards Mutual Funds with Reference to Semi-urban Areas in Maharashtra" Publication: *Journal of Economics and Finance*, Vol. 3, Issue 7, 2016.