After going through the whole lot of findings, the following suggestions / conclusions had been derived and considered worth mentionable.

The whole data collection shows that the investors are mainly influenced by the basic qualities of the product. After qualities it is the efficient fund management and general image of the fund or its scheme which influence their selection of fund or its schemes.

Therefore it is recommended that Asset Management Companies (AMC’s) should plan their funds / schemes knowingly to meet the investors’ needs and requirements. They should be sensitive to changing markets requirements. All this will help in retaining old customers and simultaneously attracting new individual investors.

Investors these days are offered various schemes from Growth schemes to Fixed Income schemes. Investors can select schemes based on their risk bearing ability and desire for
growth. Earlier we came to conclusion that growth schemes are more preferred. The preference for the scheme is influenced by stock market conditions prevailing at the time of making investment decision. The prevailing market conditions have prompted investors to go for safety associated with growth schemes. This shows that investors have become more conscious towards safety of their funds.

Mutual funds can make some modifications in their schemes taking into account changes taking place in the society. As life and health insurance is picking up in India they can combine benefits of investments with benefits of insurance. These way investors will be getting not only good returns but also protection from unknown unforeseen future happenings. This will allow risk reluctant / averse investors specially belonging to middle income and lower income group to invest in the mutual fund schemes. Such type schemes can be seen in portfolios of GIC Mutual fund, LIC Mutual fund, etc. Introduction of more new schemes of such types will attract new individual investors who want to play safe.

Funds which provide retirement benefits will also attract newer class of individual investors seeking avenues to ensure peaceful retirement regular periodic returns. Such socially conscious funds will attract large number of young customers as these days even government jobs have declined to provide regular pensions incomes after retirement. Under such schemes individual investor invest regularly up to a time period and after retirement he will get regular income for next ten years. Such schemes may invest the larger part portfolio fund in government securities, secured bonds and debentures, etc. and remaining smaller portion in equities in order just to provide some market based liquidity. If such funds / schemes can obtain income tax exemptions for investments made in them, then they will find large number of individual investors getting attracted to them. Such Pension based and Provident fund schemes started by Mutual funds will enable an average salaried person to get regular periodic reasonable returns besides ensuring safety of capital invested.

If some subject based schemes are started by the Mutual funds then individual investors interested in those subjects will obviously get attracted to those funds and make investments in those funds / their schemes. For instance concept is similar to those of Islamic banking (a concept gaining strength allover the world at a very fast pace, which work on the concept of sharing profits in lieu of interests) where banks provide funds and become partners in the business concept. They help the concern in day to day running of business. The banks here do
not participate in funds dealing in companies which are engaged in alcohol, pornography, gambling, etc. as these activities are treated as haram by Islamic Shari-at laws. As per Islam one should earn from legal means by exerting their own labor. What profits are earned is shared both by the concern and the banks. The investors are provided their share of returns from the profits so earned. This is similar to present day’s Mutual Funds as they also use depositor’s funds (supply) to invest them in profitable ventures (demand) and build up their own investment portfolio fund so as to earn good returns (profits). Starting of funds on basic of Shari-at laws will help in getting of large number of individual investors who till date avoided financial markets as for them interest is haram and any one who participate in interest based activities will be going to evil fire.

The investors are also found to be influenced by assets owned by the sponsor, reputation of the sponsor, past results of funds started by the sponsor, etc. in the selection of the funds and schemes. Hence the asset Management companies should take necessary actions to develop their infrastructural facilities. Funds sponsored by Banks, Public Sectors, big Corporate houses, etc. enjoy greater reputation among individual investors.

Asset Management Companies will have to spend upon development of agency network, technology up gradation, brand building, reputation maintenance, best delivery of results to customer, customer satisfaction, etc. in order to retain themselves in the market. Public Sector Mutual Funds survival in market is purely due to their established brands, public image and reputation enjoyed by them. It is believed that more than 90% to 95% of the funds collected by Public Sector funds are due their reputation. Morgan Stanley as a private Mutual fund was able to attract large number of customer only because of the sponsor reputation. Unfortunately fall of the UTI in 1996 - 1997 onwards led to erosion of faith of individual investors in Mutual funds. To prevent collapse of US-64 scheme and maintain it’s reputation, UTI continued to pay 20% dividend as paid by it in previous years not through it profits as they had diminished to large extend, but out of main corpus fund of the scheme. When this became known to media, it the spread like fire in the market that UTI was suffering heavy losses. The loss suffered by the individual investors from failure of various UTI schemes like Master Gain 1992, Raja Lakshmi and in the last failure of UTI flagship scheme of US-64 was enormous. It is believed that common individual investor suffered loss of Rs.6,000 Crores.
approximately. The Government on the other hand after six years made a profit / capital gain of Rs.6,000 Crores approximately from sale of US-64 assets.

Individual investors are influenced by both extend and quality of information disclosures made by respective Mutual funds with regard to their schemes, dividends declared, investment portfolio, disclosures of deviations from stated objectives, fringe benefits provided, etc. Asset Management Companies will have to become more transparent and follow strictly the disclosure norms as stated by both SEBI and AMFI. The investors suffered heavily when over relied on government sponsored UTI. UTI over period of time became close confined group. This led to major UTI scam in 1996-97 which shock the whole Mutual fund Industry heavily. It will be right to say UTI itself was not to be blamed for its scheme failure but it was due to Asian crises of 1996 onwards. What UTI did wrong was to maintain reputation used corpus fund to meet out its dividend regular commitment of 20% to its investors. UTI misused it position in market. UTI kept investors in dark when its schemes portfolio of debt to equity was 70:30 ratios but got income tilted as 20:80 ratios instead of same 70:30 ratios.

The Asset Management Companies should launch new products or make some necessary changes in the existing products in order to survive in the market. Any deviations from the stated goals without approval of designated authorities should be dealt seriously by the regulatory authorities.

Now a day’s people prefer more income fund schemes then to growth fund schemes. As the financial markets are volatile and future uncertain hence regular income is the need of the hour in raising inflation and limited money cannot be blocked in growth fund schemes. Safety of capital is more important then to maturity based payments. With rates of interest likely to come down under pressure to contain inflation individual investor will prefer more of regular constant income funds then to growth income funds.

It was revealed that individual investors prefer to decide themselves where to invest. Reliance on Investment Managers is not preferred in spite of that individual investor’s lack of knowledge about the sophisticated market environment. This shows their reluctance to believe the available quality of service provided by the agents, financial consultants and investment advisers. Asset Management Companies should try to influence the personal decision making ability of the individual investors with regular periodic advertisements in
publicity media preferred by the individual investors but within cost effective range of the respective funds. Besides Asset Management Companies should gear up and educate the advisors, consultants and agents in order to win up the confidence of the individual investors. This will strengthen the link between the individual investors and the Mutual funds.

We also came to the decision that the individual investor preferred more of face to face personal communication instead of internet based communication. This will require opening of more branches or contact centers manually operated though this will increase operation cost of the funds. This may be because those individual investors still prefer documented based advices and transactions instead of e-based documents and transactions.

Analysis of the scheme preferences shows that the individual investors prefer more of open ended schemes which give them liquidity and freedom to withdraw from the fund when they like. 70% favored open ended schemes while 20% preferred interval schemes and 10% preferred close ended schemes. The asset Management companies can launch movement to create awareness towards interval schemes as only 20% of individual investors as respondents preferred them.

For a great story of success to be read and followed by others it shall be required by an Asset Management Company of a Mutual Fund to appreciate the working of a fund in Indian financial environment and also to understand the psychology and bend of mind of individual investors of India. Human behavior is influenced by various factors which may be internal or external. Any slight change in environment has a great impact on investment influencing variables. Mutual funds managed Asset Management Companies on the whole will find the findings and conclusions of the research quite useful.