The application of appropriate methods and adoption of a scientific frame of mind is an essential requirement for any systematic study. This has great relevance not only for collection of reliable information but also for the final outcome of the study. Taking a clue from Numamaker Jr (1992) who held that system development is the hub of research that interacts with other research methodologies to form an integrated and dynamic research program, no single research methodology is sufficient by itself. Here multiple methodologies need to be applied, which would complement each other providing valuable feedback to one another. Statistics is also indispensable in research work. In fact, there is hardly any research work today that one can find complete without statistical data and statistical methods. Also it is impossible to understand the meaning and implications of most of the research findings in various disciplines of knowledge without having at least a speaking acquaintance with the subject to statistics.

2.1 RESEARCH DESIGN

A “Research Design” is a framework or blueprint for conducting the marketing research project. It specifies the details of the procedures necessary for obtaining the information needed to structure and solve marketing research problems.

In our research methodology, exploratory research questions have been asked during the survey and research have been verified in the context of fourteen sample based mutual fund companies. An exploratory survey identifies the important process and result variables in marketing practices decisions. The survey has been conducted using questionnaires. Data obtained cover variables of marketing decision-making relating to different schemes offered by mutual-fund companies. Present research work is exploratory cum descriptive in nature. Researcher has contacted a number of marketing executives of mutual fund companies, marketing experts, Amfi advisors (qualified) and brokers, who had practical experience with the problem and contributed new ideas for solving the problem. Before conducting this study, the Researcher has been in contact with the Investors including Mutual fund Investors and those who invest in Banks, post offices etc. Rough problems of marketing were discussed along with them to reach the real concept of this study.
2.2 SAMPLE DESIGN

The objective of most marketing research projects is to obtain information about the characteristics or parameters of a population. A population is the aggregate of all the elements that share some common set of characteristics and that comprise the universe for the purpose of the marketing research problem. A sample, on the other hand is a subgroup of the population selected for participation in the study.

In most of the research studies, the amount of work is always limited by two constraints – time and resources. With these limitations, the sample has been drawn so that it may be representative of the entire universe. Therefore, the fourteen mutual fund companies have been selected for deep study. All the concerned head offices, regional offices and branches are sample population of this study. Convenience sampling method was followed. The researcher has chosen regional offices and head offices of every mutual fund company. All types of branches like urban, semi-urban etc. have been included in research sample. The researcher has chosen investors who are investing in the mutual fund for the last two or three years, also from urban and semi-urban areas. This has been done in view of time and financial resources available with the researcher.

2.2.1 Universe of the study

Public sector mutual funds (including UTI and others) include nine funds while private sector mutual funds are thirty-three in number. The universe covers the mutual fund executives and investors. Also all the investors and stock-broking financial consulting firms were included in the universe of the study.

2.2.2 Sample Population

Researcher has resorted to a study of sample areas selected on the basis of judgment and convenience. Fourty-two mutual fund companies are included in the universe population with the investors base itself. Mutual fund selected represents the portfolio classification of the mutual fund company. On the other hand mutual fund wise composition of the respondents includes marketing executives and investors which has been shown in Table 2.1 and Table 2.2
### Table 2.1
**Companies-wise composition of Marketing Executives**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Company</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kotak Mutual Fund</td>
<td>2</td>
</tr>
<tr>
<td>2.</td>
<td>SBI Mutual Fund</td>
<td>3</td>
</tr>
<tr>
<td>3.</td>
<td>HSBC Mutual Fund</td>
<td>3</td>
</tr>
<tr>
<td>4.</td>
<td>Birla Sunlife Mutual Fund</td>
<td>3</td>
</tr>
<tr>
<td>5.</td>
<td>Reliance Mutual Fund</td>
<td>5</td>
</tr>
<tr>
<td>6.</td>
<td>ICICI Prudential Mutual Fund</td>
<td>5</td>
</tr>
<tr>
<td>7.</td>
<td>Tata Mutual Fund</td>
<td>5</td>
</tr>
<tr>
<td>8.</td>
<td>JM Financial Mutual Fund</td>
<td>2</td>
</tr>
<tr>
<td>9.</td>
<td>UTI Mutual Fund</td>
<td>5</td>
</tr>
<tr>
<td>10.</td>
<td>LIC Mutual Fund</td>
<td>3</td>
</tr>
<tr>
<td>11.</td>
<td>HDFC Mutual Fund</td>
<td>5</td>
</tr>
<tr>
<td>12.</td>
<td>Principal Mutual Fund</td>
<td>3</td>
</tr>
<tr>
<td>13.</td>
<td>Fidelity Mutual Fund</td>
<td>2</td>
</tr>
<tr>
<td>14.</td>
<td>Franklin Templeton Mutual Fund</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>50</strong></td>
</tr>
</tbody>
</table>

### Table 2.2
**Area-wise Composition of Investors**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Area</th>
<th>Total Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Rohtak City</td>
<td>80</td>
</tr>
<tr>
<td>2.</td>
<td>Panipat</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Sonipat</td>
<td>25</td>
</tr>
<tr>
<td>4.</td>
<td>Delhi</td>
<td>25</td>
</tr>
<tr>
<td>5.</td>
<td>Gurgaon</td>
<td>20</td>
</tr>
<tr>
<td>6.</td>
<td>Faridabad</td>
<td>10</td>
</tr>
<tr>
<td>7.</td>
<td>Patiala</td>
<td>5</td>
</tr>
<tr>
<td>8.</td>
<td>Ludhiana</td>
<td>5</td>
</tr>
</tbody>
</table>
Table 2.1 shows the composition of marketing executives according to all groups of mutual fund companies. It may be observed that one respondent was selected from regional office and an unequal distribution was being made in Branch office, more number of respondents was taken from higher preferred mutual fund companies for the purpose of collecting information about the routine marketing practices. Thus, the total respondents were 50 in number.

Table 2.2 shows the composition of investors according to the distribution of geographical area taken in sample, based on convenience and approachability. Efforts have been made to select those investors who are investing for the past two to three years so as to gain practical aspects of marketing which may be ignored by the marketing executives while adopting various marketing practices.

2.2.3 Basis of Sample Selection

Today, mutual funds have become popular among the customers and have gained wide acceptability as an investment vehicle among investors. Keeping this point in view, fourteen mutual fund companies have been drawn from forty-two mutual funds for research. These mutual fund companies are selected on the priority basis of investment pattern in these mutual funds. These selected mutual funds are:

1. Reliance Mutual fund
2. ICICI Prudential Mutual Fund.
3. Birla Sunlife Mutual fund
4. Tata Mutual Fund
5. LIC Mutual Fund
6. HDFC Mutual Fund
7. SBI Mutual Fund
8. Kotak Mutual Fund
9. JM Financial Mutual fund
10. Principal Mutual fund
11. Fidelity Mutual fund
12. UTI Mutual fund
13. Franklin Templeton Mutual fund
14. HSBC Mutual fund

The further, basis of selection of these mutual funds were as follows:

(i) These mutual funds have vast network in Haryana as well as in India.
(ii) These mutual funds have big business all over, else of any other mutual funds in their segment such as other public or private fund.
(iii) These mutual funds are known as ‘X’ generation mutual funds in Indian financial marketing due to their advancement in meeting new technologies.
(iv) These mutual funds are well known and well accepted in our society. Keeping these above points in mind, the researcher took decision of sample selection.

2.2.4 Sampling technique

Two techniques have been used for the selection of the sample:-

(a) For the selection of the Mutual Fund Companies and their corresponding Branches, Stratified Quota Sampling was used for the selection of the Funds.
(b) For the selection of the respondents- Convenience Sampling was used.

2.3 DATA COLLECTION

Data were collected from the primary and secondary sources.

2.3.1 Collection of Secondary Data

Secondary data have been taken for the purpose of general understanding of marketing practices in Mutual fund companies. The main sources of secondary data are:

(i) Reserve Bank of India Bulletins.
(ii) Securities Exchange Board of India Bulletins.
(iii) Associations of Mutual Funds of India Bulletins
2.3.2 Collection of Primary Data

Mailed questionnaires, discussions and non-participant observation formed the tools and techniques of data collection from the primary sources. Survey was also conducted on investors with the help of marketing trainee who were specially trained in the field of collecting data/feed back from the investors covering small and big investors. Well-structured Questionnaire was developed for conducting the study. The head offices, banks, consulting firms, financial institutions and branch offices served as the primary source of information.

Two comprehensive questionnaires intended to be an instrument for obtaining the necessary information were prepared for administering among the relevant respondents. A pilot study was conducted during October-November-December 2008 and in the light of knowledge thus, obtained, necessary changes were made in order to serve the purpose of the study more accurately.

First, of the questionnaire was designed to obtain information from the investors, who were investing in the mutual funds for the past two-three years. So as to know the impact of marketing, which factor influence them the most, which time they try to be in the market, views about satisfaction level regarding advertising, benefits etc.
Another questionnaire was prepared for marketing executives and administered on head offices and other branch offices, questions covering about the formulation of product, pricing, distribution and promotion strategy etc. have been included in it.

To make study more meaningful personal interview with managerial personnel, professor of marketing, economic and finance, amfi qualified candidates has been conducted. During the course of interview, questions pertaining to the existing marketing system in comparison with the up and downs in market, problem of the organization and probable solution through marketing practices were taken into consideration.

2.3.3 Administration of the Questionnaire

The questionnaire of marketing executives was sent in the selected head offices for the survey. The researcher personally went into fourteen mutual fund offices for filling up the questionnaire. The entire questionnaires were filled by the marketing executives who include head and sales executives of the selected mutual funds. Questionnaires were distributed especially to those personnel who operate marketing practices practically.

The questionnaires of investors were filled through personal contacts and with the help of marketing trainee. The major part of the investor’s questionnaire was personally interviewed by the Researcher. The researcher has got the reply of 100 per cent respondents. A few respondents took keen interest in these questionnaires and returned them duly completed in all respects timely. The researcher encountered with the problems like “they forgot to fill it up” or bring it, half filled, not a thing of concern, shortage of time, lack of knowledge-in case of uneducated mutual fund investor and so on. Thus, the response was neither very much encouraging nor disappointing.

2.3.4 Problems faced during Survey

The researcher faced a number of difficulties and had certain limitations namely: -

(i) Marketing Executives personnel were very secretive about their marketing practices.
(ii) At branch level offices there is no consulted-recruited staff appointed for marketing activities. So it became difficult for the researcher to decide from whom the questionnaire would be fill up.

(iii) A few number of respondents were not familiar with the word ‘marketing practices’ under the investors head hence researcher had to spend a lot of time in explaining these terms and in spite of such an effort by the researcher, the concerned respondents were not able to give proper answers to the open-ended questions put to them. But the researcher tried her best to make the subject under study as simple as possible for the respondents.

(iv) Some of the Investors were having good practical knowledge, but unable to wrote them on the paper. In this case, researcher has to undertake their views within the limited time constraint and thereafter to fill their views on the concerned questionnaire.

(v) Marketing Executive respondents were very practical in nature, as they keep some demand of the benefits on the fulfillment of the questionnaire.

2.4 DATA ANALYSIS

Responses obtained from the returned questionnaires were separately coded and entered on the computer terminal for use in computer tabulations, keeping in context with the objectives of the study. The data was analyzed using SPSS version 17.0 for windows throughout the study to show relationships between various variables. It was further suitably analyzed by chi-square test, one way – ANOVA and Multi Dimensional Scaling (MDS) method. However, ranks comparison was also done for analyzing the surveyed information.

2.4.1 Editing

Data was edited at the spot as respondents were personally interviewed in order to assure that they are complete, consistent and according to the instructions.

2.4.2 Tabulation

Both simple and cross tabulation were done in the present study to find the effect of various personal factor on the marketing, in content with the objective of the study.
2.4.3 Pattern of Assigning Rank

Rank can be assigned by taking either the highest value as 1 or the lowest value 1. In present study we assigned 1st rank to highest value and so on.

2.4.4 Equal Ranks

In some cases it was found that respondents were unable to rank individually, so they gave equal ranks to more than one option. In such a case it is customary to give each item an average rank. Thus if two items are ranked equal at third place, they have been given the rank (3+4)/2 that is 3.5 while if three are ranked equal at third place they have been given the rank (3+4+5)/3 = 4.

2.5. TOOLS FOR ANALYSIS

In this study, various tools of statistics have been used for the purpose of analysis, Arithmetic Mean, Chi-square, one way – ANOVA, Multi Dimensional Scaling. The uses of all these techniques have been made as per the requirement of the analysis.

2.5.1 Arithmetic Mean (x)

Arithmetic mean gives a single value to describe the whole data. Simple arithmetic mean of each series of different response was obtained by dividing the number of respondents in specific group.

Symbolically

\[ x = \frac{x_1 + x_2 + x_3 + \cdots + x_n}{N} \]

Or

\[ \bar{x} = \frac{\sum x}{N} \]

Where (x) = Arithmetic Mean

\[ \sum = \text{Sum of all observations i.e. } x_1, x_2, x_3 \ldots \ldots \ldots x_n \]

\[ N = \text{Number of observations} \]

2.5.2 \( x^2 \)-Test

The \( x^2 \) test (pronounced as chi-square test) is one of the simplest and most widely use non-parametric test in statistical work. The quantity \( x^2 \) describes the magnitude of discrepancy between theory and observation, in our research we have used this test to
determine whether two independent random samples drawn from different populations are homogeneous. It is defined as

\[ x^2 = \sum \frac{(O-E)^2}{E} \]

Where:

\[ O \] refers to the observed frequencies and
\[ E \] refers to the expected frequencies.

Test Criteria

The calculated value of \( x^2 \) is compared with the table value of \( x^2 \) for given degrees of freedom at 0.05 level of significance.

If the calculated value of \( x^2 > x^2_{0.05} \) the difference between the theory and observation, is said to be significant at 0.05 level of significance.

2.5.3 One way-ANOVA/F-Test

ANOVA technique enables us to compare several populations’ means simultaneously and thus results in lot of savings in terms of time and money as compared to several experiments required for comparing two populations mean at a time.

2.5.4 Multidimensional scaling (MDS)

Is a set of related statistical techniques often used in information visualization for exploring similarities or dissimilarities in data. MDS is a special case of ordination. An MDS algorithm starts with a matrix of item–item similarities, then assigns a location to each item in \( N \)-dimensional space, where \( N \) is specified a priori. For sufficiently small \( N \), the resulting locations may be displayed in a graph or 3D visualisation.

Formulating the problem – What variables do you want to compare? How many variables do you want to compare? More than 20 is cumbersome. Less than 8 (4 pairs) will not give valid results. What purpose is the study to be used for?

Decide number of dimensions – The researchers must decide on the number of dimensions they want the computer to create. The more dimensions, the better the statistical fit, but the more difficult it is to interpret the results.
Test the results for reliability and Validity – Compute R-squared to determine what proportion of variance of the scaled data can be accounted for by the MDS procedure. An R-square of .6 is considered the minimum acceptable level. An R-square of .8 is considered good for metric scaling and .9 is considered good for non-metric scaling. Other possible tests are Kruskal’s Stress, split data tests, data stability tests (i.e., eliminating one brand), and test-retest reliability.

Applications

Applications include scientific visualisation and data mining in fields such as cognitive science, information science, psychophysics, psychometrics, marketing and ecology. New applications arise in the scope of autonomous wireless nodes which populate a space or an area. MDS may apply as a real time enhanced approach for monitoring and managing such populations.

MDS can be used anywhere to represent data in a better way on 2x2 matrix.

The technique of measuring significant difference between variables if called ANOVA (which make use of F-test). T-test is applied where only 2 variables are there. When there're more than 2 variables we make use of ANOVA.

2.6 ORGANIZATION OF THE STUDY

The present study has been divided into six chapters dealing with different aspects of marketing practices.

Chapter-1 Begins with the introduction to the subject, which contains an overview of mutual fund industry, gives a detailed discussion on conceptualization of mutual fund industry, significance of marketing practices, Review of literature: deals with there views of the available literature relevant to the present study, justification of the study, contribution to the study etc.

Chapter-II Deals with the design of the study; it contains research design, sampling procedure, methodology used in this study.

Chapter-III Covers the structure and growth of mutual funds.

Chapter-IV Contains conceptual framework relating to the subject such as meaning and definition of marketing practices, general meaning of marketing, mutual fund marketing,
marketing plan, concept of the real existence of marketing, clarity between the facts of the product and services.

**Chapter-V** Present an analysis of mutual fund marketing practices it covers marketing mix of mutual fund product such as – product, price, place, promotion, physical evidence, people and process. At the end, this chapter discusses the implication of mutual fund marketing practices.

**Chapter – VI** Contains summary of the major findings and suggests for effective marketing practices.