CHAPTER 5
CONCLUSION, FINDINGS & SUGGESTIONS

CONCLUSION
In the last decade we have seen enormous growth in the size of mutual fund industry in India. Especially the private sector has shown tremendous growth. With unmatched advances on the information technology, increased role of the institutional investors in the stock market and the SEBI still in its infancy, the mutual fund industry players gained unparallel and unchecked power. To ensure the safety of the investment against whims and fancies of professional fund managers have become the need of the hour.

The present study has been undertaken to impart awareness of the functioning of the mutual funds and also to provide information, knowledge and insight for taking investments decision pragmatically and also simultaneously ward off the impending risk in taking investment decision. Also it was conducted to know the changes in the management pattern of private and public sector mutual fund. The role of SEBI on one hand and the performance of the schemes launched by both the sector mutual fund on the other. The study also examined, whether the claims of mutual fund for providing diversified portfolio of securities so as to earn better return is justified or not by measuring the performance of most preferred mutual fund in the category of both private sector and public sector mutual fund.

The major objective was to analyze in detail the performance evaluation of mutual funds in the public and private sector. And the specific objectives to examine the different schemes, launched by the public sector and private mutual funds in India and to identify their response and performance; to evaluate the performance of mutual funds on the basis of quantitative and qualitative measures and to find the extent of diversification in the portfolio of securities of public-sector sponsored and private-sector sponsored mutual funds; to compare the performance of public-sector sponsored and private-sector sponsored mutual funds using traditional investment measures and to suggest measures to be implemented by the mutual fund companies. Another objective was to study the investor behavior in mutual fund schemes. These objectives have been achieved by the study by data analysis, descriptive statistics including means and Standard deviations. The objectives have been attained through the scale statistics, T Test, ANOVA, Cross tabulations, SPSS, Pie Charts, Factor Analysis, along with using the technique of Commonalities and Component Matrix.

On the basis of primary and secondary data analysis the under noted conclusions have been achieved from the study:

1) Mutual funds are classified as open and closed end. Closed end funds are traded like other securities. They do not redeem units for their investors. Open end funds redeem units for net asset value at the request of the investor.
2) Net asset value equals the market value of assets held by the mutual fund minus the liabilities of the fund divided by the shares outstanding.
3) Mutual funds free the individuals from any administrative burdens of owning individual securities and offer professional management of the portfolio. They also offer advantages that are available only to large scale investors such as discounted traded costs.
4) Mutual funds are often categorized by investment policy which are further grouped according to the emphasis on income versus growth; fixed income funds; balanced
and income funds; indexed funds and specialized sector funds.

5) Cost of investing in mutual funds involve front end loads which are sales charges; back end loads which are redemption fees which are more formally, contingent-deferred charges; fund operating expenses.

6) Income earned on mutual fund portfolio's is not taxed at the level of the fund instead, as long as the fund meets certain requirements for pass through status, the income is treated as being earned by the investors in the fund.

Bulk of the literature shows that there are a number of factors that determine and impact the performance and growth of mutual funds. The study showed that there are traces of evidence to show that there is no positive relationship between the past and the current performance and there is an inverse relationship between the transaction cost and performance of the funds.

On the basis of the secondary data the undernoted conclusions have been achieved:

Portfolio turnover ratio: on the basis of portfolio turnover ratio, the best performance has been shown by Franklin India prima, Franklin India prima plus and Kotak MNC and, average performance has been shown by UTI mutual funds (except growth and value fund), reliance mutual fund and prudential ICICI mutual fund to private sector is very high.

Expense ratio: from expense ratio point of view the best performance has been shown by schemes of reliance mutual fund. SBI magnum multiplier plus, UTI master growth and Franklin India blue-chip has performed average in terms of expenses incurred. Overall all other schemes whether public sector or private sector have performed very badly on the basis of expense ratio.

Return earned by the schemes: on the basis of average 3 year returns, SBI Magnum tax gain, Franklin India Prima, HDFC tax saver, HDFC long term advantage and the schemes of prudential ICICI mutual funds and reliance mutual funds has been on the top of the performance chart. The worst performance in terms of last average 3 year returns has been shown by SBI magnum contra, SBI Magnum Multiplier, Franklin India tax shield JM equity, Kotak 30 and all the schemes of UTI mutual fund (except UTI growth & value fund).

SBI magnum contra, HDFC tax saver, HDFC top 200 and reliance vision have performed very well on the basis of Sharpe ratio which implies that these schemes have been able to generate better expenses return per unit of standard deviation than the other schemes of the same type in the industry. The schemes which have performed very badly includes SBI magnum multiplier plus, UTI brand value, UTI grandmaster, UTI master growth, Franklin India blue-chip, Franklin India tax shield, Templeton Growth Fund, Kotak MNC and both the schemes of prudential ICICI mutual fund.

According to Treynor ratio has been given to Franklin India Prima, HDFC tax saver and reliance growth has performed well. The schemes which have shown poor performance as per Treynor ratio are SBI magnum multiplier plus, UTI brand value, UTI master growth, Franklin India tax shield, Templeton growth fund and Kotak MNC.

On comparing the various schemes on the basis of Jensen ratio, most of the schemes have performed either good or average with exception of some of the schemes like SBI
Standard deviation: on the basis of standard deviation, it is being observed that SBI magnum multiplier, SBI magnum tax gain and prudential ICICI tax plan have shown higher level of risk and therefore higher deviation from the expected level of returns. Lower standard deviation indicating low deviation from return expected is shown by the UTI brand value, UTI equity tax saving plans, UTI grandmaster Franklin India Prima plus, Franklin India tax shield, HDFC capital builder, HDFC equity, HDFC tax saver, JM equity, Kotak 30 and Kotak MNC.

Systematic risk: beta refers to level of systematic risk. Market beta is considered to be 1. As per the analysis SBI magnum multiplier plus, SBI Magnum tax gain and prudential ICICI tax plan have been categorized to have higher beta indicating beta more than 1 implying very high risk undertaken. UTI brand, UTI equity tax saving plan, Franklin India prima plus, HDFC capital builder, HDFC tax saver, JM equity and Kotak MNC with lower beta shows the lower systematic risk that is not known which shows higher efficiency on the part of mutual fund company. On comparing private sector with public sector, it is observed that private sector mutual fund companies has been much more cautious in taking than public sector schemes as it can be inferred from the beta of various schemes.

Coefficient of determination: schemes like SBI magnum multiplier plus, JM equity, Kotak 30, HDFC equity and all the schemes of UTI mutual fund and Franklin Templeton (except Franklin India prima) with higher R² shows higher diversification indicating that these schemes have been able to explain the variation in the fund as against market index. Hence almost all the schemes have been able to justify the variation in their returns with either high or average R² but those schemes whose return have not been able to justify the variation in their returns with either high or average R but those schemes whose return have not been justifiable includes Franklin India prima, HDFC capital builder, HDFC tax saver and Kotak MNC.

The various schemes of the mutual funds have been analyzed by using tools such as standard deviation, coefficient of determination, Beta, Risk Adjusted Return, Sharpe Ratio, Treynor Ratio and Jensen Ratio.

The comparative analysis of all the schemes has been done by finding the range of the parameter for which categorization has been done, then the range was divided by number of intervals and dividing the same by 3 to form the class of intervals for 3 categories of performance – Bad, Good and Average. As per TABLE 4.11 which indicates the overall performance of both Public and Private Sectors.

TABLE 4.12 indicates the preference for different investment avenues revealed that mutual funds with mean ranked value (3.09) real estate (4.18) and shares/debentures (4.36) have been ranked at the first second and third place among different forms of investment available. Least preferred options have been NSC, NSS schemes (7.31) UTI (6.99) Gold (6.91) due to blocking of money for a longer period of time and also due to poor performance of government owned undertakings. This confirms the preference of investors for high returns for different investment avenues and also the point that the higher risk taking capacity of the investors in lure of higher returns.
TABLE 4.13 indicates the factors influencing fund choice their frequencies along with their WAS (Weighted Average Score) and Rank given in ascending order to the various factors on the basis of maximum WAS. Hence on the basis of WAS of all the 5 factors the study has ascertained that disclosure of adequate information is ranked at the first place with WAS (1.21) followed by Market fluctuations as the next most important factor influencing the choice of a fund.

From TABLE 4.14 it has been revealed that returns and undoubtedly the key parameter for judging the performance of the mutual finds followed by NAV and size of the fund and second and third position respectively hence it can be concluded that returns from a particular scheme of mutual funds attracts the investors most and is the key factor in investors decision making process.

PERCEPTION OF INVESTORS TOWARDS MUTUAL FUNDS (On the basis of primary data analysis)
A large number of investors are moving towards mutual fund. Nearly more than three fourth of the existing investors have decided to invest into mutual funds because the investment in mutual fund is being considered to fetch higher returns as compared to other investment options.

The most preferred form of investment by the respondents have been considered as mutual funds showing the growing awareness among people towards mutual fund as investment options with real estate and shares/debentures being at second and third places. The least preferred being investment into NSS, NSC schemes and UTI schemes. (As per table 4.12)

The most preferred basis while going for an investment option being high returns at first place, followed by safety and reliability at second and third place respectively.(As per fig 4.3) As per the analysis, people prefer to invest in equity schemes the most because of higher returns with second best most preferred type being balanced schemes. The sector specific (due to limited diversification into particular sector) and debt schemes (due to low return) have been considered as the least preferred schemes. (As per fig 4.4)

Disclosure of adequate information is ranked at the first place followed by market fluctuations as the most important factor influencing the choice investment into a fund. (Table 4.4) The respondents considers only the return provided on investments by the fund to be the best criteria of performance appraisal of a fund followed by net asset value (NAV) being the next most preferred criteria for performance appraisal. (As per table 4.15) Another, startling fact that has emerged in the analysis is that the investors do not rate the funds performance based on the size of the fund to be a guarantee for better performance, like, in the case of UTI schemes. (As per fig 4.14)

Majority of investors base their investment decisions either through the newspaper or published journals and very minimum number of people base their investments on the basis of brokers’ advice or suggestions. (As per fig 4.5)

Analysis of experience as to returns received highlighted the finding that nearly four-fifth of the investors have got either high or very high returns from investment into mutual funds due to boom in the Indian stock markets resulting in higher returns for mutual fund investors. And because of such high returns they intend to invest further into mutual fund only. (As per fig 4.6)
Size of the fund is a very important criterion to judge the performance of a fund indicating that if the fund is increasing in its size over a period of time then growing size of the fund would be a considering factor with respect to judging the performance of the fund. 71% respondents consider this factor significant and around 21% did not consider this to be important factor for evaluating the performance. (As per figure 4.12)

Majority of the respondents (65%) considered portfolio selection as a significant criterion for judging the performance of the fund as there is a direct relationship of the securities with the fluctuations in the securities. Out of 262 respondents 30% consider this criterion. (As per fig 4.13)

Majority of the respondents (94%) consider NAV is a very important value judging parameter for evaluating the performance of public and private sector mutual fund. (As per fig 4.14)

A large number of respondents (96%) considered Returns/Dividend is the most significant parameter for selecting the schemes of the mutual funds. (As per fig 4.15)

On the basis of the ranking of different parameters for performance criterion, Returns/Dividend were ranked as number 1, Net Asset value as number 2, Size of the fund as number 3, and portfolio selection as number 4 in regards to decision making process by the investors.

Nearly 68% of the respondents agreed that the mutual funds are useful for small investors and only 30% disagreed with the statement. (As per fig 4.16)

It has been concluded on the basis of the investors that 76% of them agreed that mutual funds give higher return as compared to other investment options, 28% disagreed with the statement. (As per fig 4.17)

Out of 262 respondents 60% agreed that the private sector mutual fund perform better than public sector mutual fund and only 28% disagreed with this statement. (As per fig 4.18)

64% of the respondents were of the opinion that higher tax shield should be provided for mutual fund investors. However 29% disagreed with this statement. (As per fig 4.19)

45% of the respondents agreed with the statement that mutual funds with large corpus perform better than the small corpus but 41% disagreed with the statement with 14% neither disagreeing nor agreeing. The reason for such mixed reaction is that there is no such norm in the mutual fund industry that the large corpus perform better than small corpus but rather the performance depends on the stocks. (As per fig 4.20)

40% of the respondents disagreed with the statement that mutual funds with better portfolio only give better results and 39% agreed with this statement. It is noticeable that 21% of the respondents did not have any opinion about this regards. Hence it is concluded that in the current market scenario given the maximum return is given by equity schemes and hence the mixed response has been received for this statement. (As per fig 4.21)

56% of the respondents agreed that close ended mutual funds are less risky than open ended. 26% did not agree as the mutual fund investments are subject to market risk, so any downfall in the stock market will have adverse effect. (As per fig 4.22)
57% of the respondents disagreed with the statement that public sector mutual funds are more secure than private sector mutual funds just because of higher government participation in it. This response is given because all mutual funds whether private or public mutual funds are subject to risk, so the level of security for both of them is the same. (As per fig 4.23)

65% of the respondents agreed that mutual funds are like owning any asset which may have appreciation or depreciation in its value during the period of holding it, whereas 22% disagreed with this statement may be because of direct association of mutual fund industry with stock market. (As per fig 4.24)

72% of the respondents agreed with the statement that mutual fund investments provide shield against the rise of loss due to direct investment into the shares. 17% did not agree with this statement with 11% having no opinion in this regards. (As per fig 4.25)

The respondents have clearly indicated that reciprocity plays a very vital and key role as a perceptual parameter for investing into private sector and public sector. However, they have disagreed with the perceptual parameters of empathy and trust playing a key role in determining that public sector mutual funds are more secure than private sector mutual funds. (As per table 5.4.2 and 5.4.3)

HYPOTHESES TESTING RESULTS

Based on the data analysis and the response received on the basis of the questionnaire the undernoted hypotheses have been accepted or rejected on the basis of the analytical aspects of the study.

After analyzing the data generated by administering the questioner and making use of statistical methods to test the hypotheses it was observed that out of 5 hypotheses formulated only one hypothesis was accepted.

Following is the summary of hypothesis testing results from the survey and testing of primary and secondary data.

H1- There is no significant difference with respect to security aspect of public sector and private sector mutual funds. After using statistical tests it as found that H1 is accepted. As according to customers viewpoint the security dimension between the public sector and private sector mutual funds is of not much significance.

The H2 hypothesis is rejected on the basis of the study as it has been established that there is a significant difference in regard to the performance of Private and Public sector Mutual Funds. The Private sector funds have been found to be outperforming the Public sector funds.

Hypothesis H3 is rejected as mutual funds investment have been found to be more preferred as compared to share, gold, real estate, fixed deposit etc.

H4 is rejected from the analysis, it has been established that high returns is the most preferred factor for investment into mutual funds.

H5 is rejected as there is significant difference in regards to relationship orientation like reciprocity and trust.

On the basis of the primary and secondary data analysis the conclusion reached in regard to the performance of private sector and public sector mutual funds it has been found that the private sector schemes have outperformed the public sector schemes. The public sector mutual funds have not been found more secured than private sector mutual funds. The investors have ranked mutual fund investments as the most preferred investment avenue as compared to shares, fixed deposits, gold and government schemes. High return is the most
significant basis for selection of an investment avenue. Maximum number of investors go for growth and dividend schemes of mutual funds. Newspapers, journals, TV, internet have been found by the investors as the most important source of fund information. Disclosure of adequate information is ranked as number one performance criterion for investment into mutual funds. Similarly returns/dividends have been ranked as number one performance criterion for investment in mutual funds. Majority of the investors found that mutual funds are a good avenue for investments for small investors. Similarly majority of the respondents agree that mutual funds give higher returns than other investments. Majority of the respondents were of the opinion that private sector mutual funds perform better than public sector mutual funds, due to its cost efficient management. The respondents strongly agreed that higher tax shield should be provided for mutual fund investments. The respondents also opined that close ended mutual funds are less risky than open ended mutual funds. They also opined that public sector mutual funds have not been found to be more secured than private sector mutual funds. As per the responses it has been concluded that there exists a perceptual difference among the customers of public and private sector organizations in regard to the dimensions of trust, bonding, communication, empathy, reciprocity, customer satisfaction. The analysis depicts that the public sector has to adopt radical perceptual orientation in the personnel to satisfy the customer expectation in regard to relationship marketing philosophy.

Comparative study of public and private sector institutions:
Public sector institutions wishing to pursue relationship marketing seriously must redesign and decentralize the organization. This gives line managers the chance to respond to customer issues. Firms may have to move from processing customers in groups to serving individual needs. Other changes in policies and procedures to improve the way in which customer needs are addressed may also be needed. Human resource policies should focus on encouraging employees to build relationships. Employees should be encouraged to consider the long term effects of how they treat customers, rather than viewing the customer as a one time buyer. Sales people in particular play a key role in development of customer service that leads to loyalty.

A firm cannot however, simply tell its employees that customer service is the goal. The organizational culture has to support a customer- centered approach. Top management must be customer -focused and convey that attitude to the employees. They in turn must be trained in customer service. Firms can offer incentives to encourage good service but they must also empower employees to address customer concerns. This will not only help to improve customer service but also make employees more satisfied within their work.

Companies need to have a customer service system that not only responds to customer complaints but also encourages consumers to complain. A service quality information system enables managers to hear and understand consumer complaints, track performance, reward good service and determine what is important to customers.

There seems to be widespread agreement that long term business success depends on organizational abilities to build positive relationships with their customers. However, as there are numerous objectives available for specifying one’s definition of ‘relationship-building’ and myriad potential practices from which service firms can choose and blend to customize unique customer relationship building programs for their firms. In much the same way as a generic marketing mix cannot be justified for all firms, it would be appropriate to recommend a single recipe or ‘cement mix’ for service organizations to cement relationships with their customers.

For relationship marketing to be more effective in future, we may have to change organization structure and attitude of managers to ensure that customers are properly served...we need to take that thinking further to consider how the organization react more sensitively to those parts of the company that serves customers. These touch points will
require more corporate visibility, better technology and more say in how relationships are developed. The organizations that accept change and use Relationship Marketing diligently will develop competitive advantages and will be able to evoke customers' loyalty.

MAJOR FINDINGS OF THE STUDY
The following are the major finding of the study:

1. Past record of the organization is a very significant factor for investing in mutual fund.
2. Growth prospects are another factor which is significant for the investors to invest in public sector and private sector mutual fund schemes.
3. Credit ratings by different credit rating agencies are a significant factor which influences the perception of investors.
4. Market fluctuations significantly influence the investors for investment decisions.
5. Portfolio selection and selecting the types of securities is a very significant criterion for judging the performance of mutual funds.
6. Mutual fund investments are suitable for small investors.
7. Higher tax yields are required for encouraging the investment in mutual funds.
8. Mutual fund investments provide shield against direct investment in shares.
9. In all the public sector mutual funds, as per the corpus or the total amount invested by the people UTI still holds the maximum share. However the trend has moved in favour of private sectors, more sharply since 2000-01.
10. Within the private sector the funds leading are Franklin Templeton India, HDFC mutual fund, Reliance mutual fund etc.
11. As per schemes wise break up, out of the total currently operative schemes maximum investments are in growth schemes.
12. The proportion of open ended schemes as against close ended ones in all the categories is very high
13. The most preferred basis for an investment option are high returns at first place followed by safety and reliability at second and third place respectively.
14. As per the analysis people prefer to invest in equity schemes the most because of higher returns and then in balance schemes followed by sector specific schemes and debt schemes.
15. Disclosure of adequate information is ranked at the first place followed by market fluctuations as the most important factors influencing the choice investment into a fund.
16. The respondents consider only the return provided to be the best criteria for performance appraisal followed by NAV
17. On analysis it has been revealed that investors do not rate the funds performance based on its size to be a guarantee for better performance that is bigger size fund is not assumed to be a guarantee for better performance like in the case of UTI.
18. Majority of investors base their investment decisions either through the newspapers or published journals and very less numbers base their investments on the basis of broker advice or suggestions.
19. Analysis of returns received highlighted the finding that nearly four fifth of the investors have got either high or very high returns from mutual funds due to the boom in Indian stock markets.
20. Public sector mutual funds are not more secured than the private sector mutual funds.
21. Mutual fund investments provide shield against the risk of loss due to direct investment in shares.
22. Private sector mutual funds have performed better than the public sector mutual funds.

23. The respondents have clearly shown that the reciprocity plays a key role as perceptual parameters in the buying of private sector mutual funds.

24. The respondents have disagreed with the perceptual parameters of empathy and trust playing a key role in determining that public sector mutual funds are more secure than private sector mutual funds.

SUGGESTIONS
The findings of this study, as discussed above, may prove to be of great use to the government for streamlining the working capital markets through its regulatory bodies like SEBI etc. so as to check the exploitation of small investors who are one of the major players of capital needed for economic growth of the country. It may help SEBI to control effectively the working of mutual funds so as to regain lost confidence with investors and take effective steps for confirming investor’s right adherence by them.

As reported in the study, mutual funds, too, can earmark and try to improve upon their weak areas regarding the factors that influence investors decision making as regards choice of mutual fund, the facilities or option they expect from a mutual fund, the criteria they generally believe to be the best for performance appraisal of a fund, their general perception towards mutual fund at present and the problem which they encountered that resulted in development of aversion toward mutual fund in the minds of investors. Mutual fund extends full support to the investors in terms of Investment advisory service ensuring full disclosure of relevant information to investors by the fund, consulting regarding understandability of terms of issue of different schemes, etc. Further, as study was concentrated, on the issues of perception and problems of small investors regarding investments mutual funds, some important suggestions to them for successful investing will be relevant here, generally, average small investors commit following mistakes while investing in stock markets:

1. Over enthusiastic for making quick money, ignoring thereby the risk elements and profit potential of a given stock.
2. Putting all their money in one or few investments i.e. ignoring the strategy of diversification of mutual funds.
3. Not spending time in analyzing industries growth potential and overall market risk.
4. Improper attention to the aspect of timing the market either bearish or bullish.
5. Always insisting for short term investments
6. No attempt for well thought out investment plan.

So, the question is: what should an investor do for getting healthy profits over such investments? the answer is: enough patience that is needed of keeping money invested for a long period of time and if one wishes that his capital should grow consistently the mutual fund are better option, but remember, they too can not make one wealthy in short period of time. However here, are some suggestions for better investing:

Try to save as much as your budget allows, as more saving leads to more investment that will grow into bigger capital base.
Plan your investment over a longer period of time, keeping in mind your age, your financial targets, your level of risk aversion your saving pattern and your investments objectives.
Invest more in stock funds but do keep a reasonable part of your investments in liquid securities as money market funds, short term bonds etc so as to meet any contingent situation.
Try not to invest in highly volatile funds. Think before you invest by collecting and analyzing enough information about the fund you plan to invest in. Try not confusing yourself by spreading your investment too wide but reasonable diversification of investment is a must also. Periodically keep reviewing objectives of your investment and try to keep your assets in balance and maintain proper record of your transactions.

It is very important to maintain targets for your investments and book profits (or part profits) at regular intervals. It is very difficult to predict the peaks and bottoms in the markets; therefore it is important to keep booking profits at regular intervals by buying and selling the mutual funds at appropriate time.

It is not recommended for small investors to borrow and invest in the markets. Since investments in stock markets come with a risk of losing the principal amount investors should only invest their risk capital through mutual funds schemes. It is advisable for small investor to invest in blue-chip stocks only (large Cap or Mid Cap) as investment in Small Caps and penny stocks come with higher risks.

Mutual funds come in a variety of flavors from professional management to benefits of diversification; investors can build a successful portfolio. Easy liquidity, convenience and flexibility should be kept in mind while investing with a variety of mutual funds and investing strategies investors can pick the funds that match their objectives, risk appetite and goals.

All of us need to manage our finances wisely. While some aspects of financial management change with age, the basic principles of good financial habits and planning remain the same throughout one’s life. The undernoted suggestions should be kept in mind at all times before investing.

The Goal: If you have a good goal that you are targeting to achieve, then it becomes easier for you to trace your progress and analyze whether your investment strategy makes sense or not. It is very important to be well aware of targets before planning its end.

The Time: Once you have identified your goals over what time period you want to achieve your goals, this will not help you be focused and motivated but will also help you alert of the risks involved.

The Risk: Every investment has risks associated with it. Every individual should take risk according to his or her capacity. Some investments are risky than others. Define investing, it is good to know your capacity to take risks so that there are no jolts later.

The Inflation: In a fast growing economy, inflation is a fact of life. Manage your investments accordingly. For instance, mutual funds would offer better protection than fixed deposits against inflation.

The Limitations: It is always good to stay within your means. Stay away from ‘bad-debt’—debt you take for consumption purposes. Otherwise you could risk falling into the debt trap where you have to borrow more to pay off your previous debts.

Based on the literature review and text available few suggestions are being referred for the effective implementation of relationship marketing. The following issues need to be addressed before the public sector mutual funds can implement relationship marketing approach.

- Internal communications
- Political dynamics
• Organizational structured reward systems
• Lack of leadership and executive involvement
• Misinterpretation that technology is the solution
• Lack of knowledge and training
• Process planning
• Inadequate or no change management methodologies
• Weak follow through after technology implementation

SCOPE FOR FURTHER RESEARCH
Mutual fund is such a wide area of research that no single study can cover different related dimensions. Even primary surveys for studying the perceptions of investors toward the mutual funds from time to time are not a regular feature in India, hence there is much potential of research on a bigger scale covering a wider area.

Further, research can also be conducted for studying perceptions of institutional investors toward mutual funds, the area which has been left out of the scope of the present study. Research is also needed to review use of parameter beta (β i.e. systematic risk) for performance evaluation of mutual fund in relation to a chosen market index as a benchmark. This is because, beta is calculated on the basis of total return earned by a given equity – diversified fund in relation to the market return whereas no equity – diversified fund even invest solely in equities rather they, too, keep 5% to 10% of total invested funds in liquid securities for meeting any contingent occurrence. Hence, for true performance evaluation, beta should be adjusted accordingly on the basis of percentage of total investment in equities.

There is lots of scope for improvement in the research for evaluating mutual fund performances. Various other multi-criteria decision models could be tested for evaluating mutual fund performances. Testing of fund performances in the long run can be done. Extended sample of public-sector sponsored, private-sector Indian sponsored and private-sector foreign sponsored mutual funds can be taken for generating results. Portfolio risk through the measure of Value At Risk (VAR) can also be tested for differences in mutual fund classes.