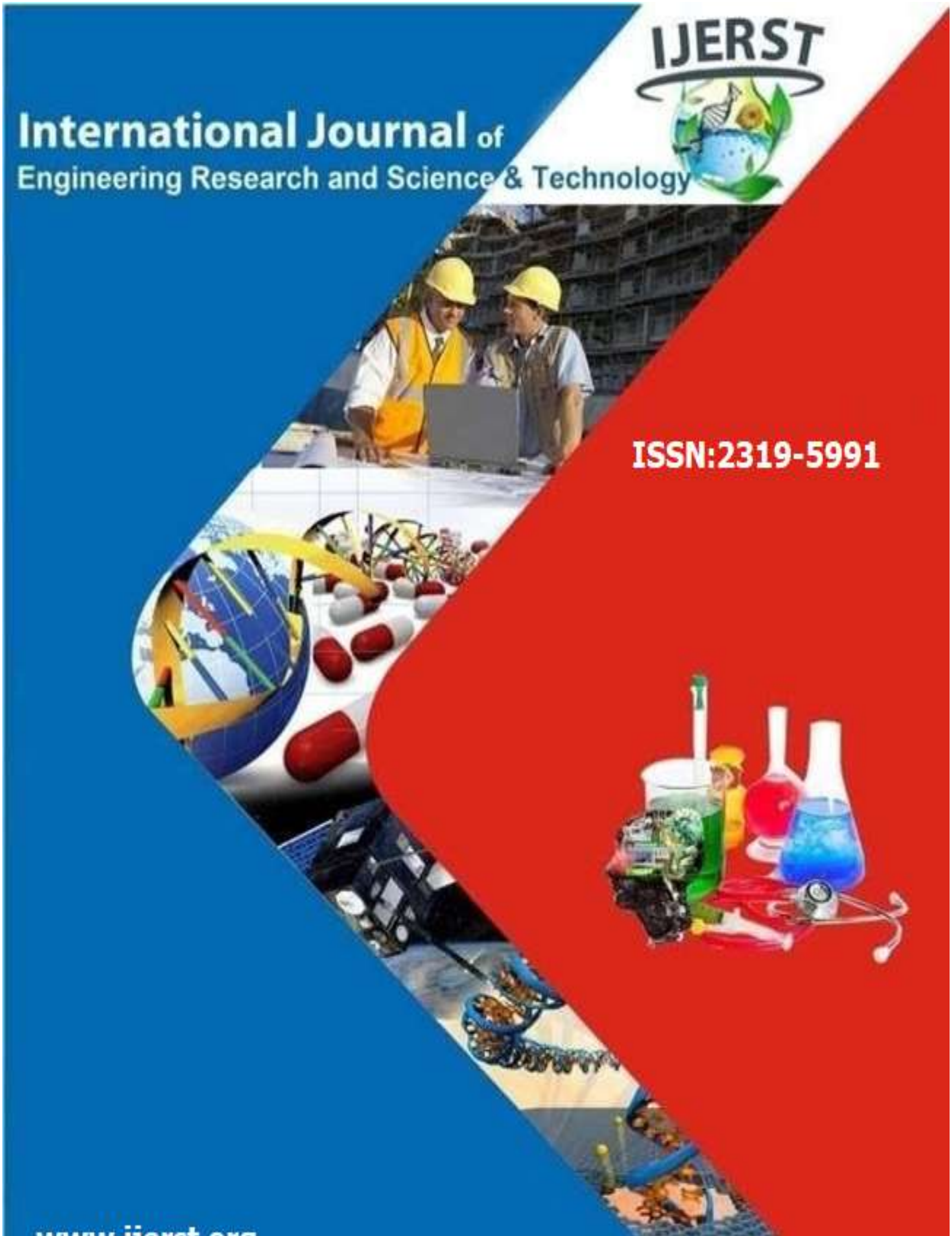

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INVESTORS PERCEPTION AND ATTITUDE TOWARDS MUTUAL FUND INVESTMENTS THROUGH UPSTOX

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ABSTRACT

This study investigates investor perception and attitude toward mutual fund investments through Upstox, a prominent online investment platform in India. With the shift from traditional to digital investing methods, understanding investor behaviour on such platforms is essential. The research centres on factors influencing investment decisions, including fund performance, risk tolerance, return expectations, platform usability, transparency, and customer service.

Primary data was collected from 100 mutual fund investors on Upstox using a structured questionnaire, while secondary data came from financial journals, reports, and websites. The analysis reveals that most investors adopt a moderate-risk, moderate-return strategy. Fund performance and the variety of investment options are the primary drivers of fund selection.

Although users value Upstox's accessibility and broad offerings, concerns were raised about customer support quality, lack of transparency, and insufficient educational resources. These gaps affect overall investor satisfaction and confidence in digital investment platforms.

The study concludes that addressing these issues can significantly improve user experience and trust. Financial service providers and policymakers should prioritize enhancing platform transparency, customer service, and investor education to promote wider adoption and financial inclusion in India's evolving digital investment landscape. These insights are crucial for shaping more investor-centric digital financial services.

KEY WORDS: Investor Perception, Digital Investment Platforms, Investor Behaviour, Risk Tolerance, Fund Performance.

I. INTRODUCTION

In today's fast-paced world, people are becoming more aware of the importance of saving and investing their money wisely. Among the many investment options available, mutual funds have gained popularity because they offer a simple and effective way to grow wealth over time. Mutual funds allow individuals to invest in a variety of assets like stocks and bonds, which helps reduce risk and provides better returns compared to traditional saving methods.

With the rise of technology in the financial sector, investing has become much more accessible. Gone are the days when one had to rely only on banks or financial advisors to start investing. Now, digital platforms like Upstox have made it possible for people to invest in mutual funds with just a few clicks on their smartphones. Upstox is a fast-growing online trading and investment platform in India that offers a range of services, including mutual fund investments. It provides users with easy-to-use tools, low fees, and a transparent investment process, which appeals especially to young and first-time investors.

II. REVIEW OF LITERATURE

1. Mane (2016) analysed the customer perception with regard to mutual funds that are the schemes they prefer, the plans they are opting, the reasons behind such selections and also this research dealt with different investment options, which people prefer along with and a part from mutual funds like postal saving schemes, recurring deposits, bonds and shares.

ISSN 2319-5991 www.ijerst.com
Vol. 21, Issue 2, 2025

2. Rekha Sharma (2015) investigated the behaviour of mutual fund investors and found that retail investors invest in mutual funds for returns, safety, and tax benefits. The study also showed that investors prefer growth and balanced schemes
3. Raikumar and Dr. D. Venkataramaraju (2014) found that investors often prioritize liquidity over safety when selecting mutual funds. Their study also revealed that socio-economic factors like age, gender, education, income, and savings influence investor perception.
4. Rajasekar (2013) carried out to know about the investor's perception with regard to them profile, income, savings pattern, investment patterns and their personality traits. In order to understand the level of investor's preference, a survey was conducted taking into consideration various parameters involved in investors decision making.
5. Rathnamani (2013) founded that many investors are preferred to invest in mutual fund in order to have high return at low level of risk, safety liquidity. The world of investment has been changing day to day, so investor's preferences toward investment pattern also changed. In the demographic profile, most of the investors are willing to invest only 10 percent in their annual personal income; around 39 percent of investors belong to age range of 31 to 40 years. In this study investors are willing to take moderate and low-level risk; most of the investors belong to moderate investment style.
6. Madhusudhan V Jambodekar (1996) assessed awareness of mutual funds among investors and identified information sources influencing buying decisions. The study revealed key factors influencing fund selection
7. Gupta (1994) conducted a household investor survey and found that investors have distinct preferences for mutual funds and other financial assets. Shanmugham (2000) studied individual investors and reported that psychological and sociological factors dominate economic factors in share investment decisions.

NEED FOR THE STUDY

With the growing shift to online investment platforms, it is critical to understand investor expectations and concerns. This study helps identify gaps in service delivery, awareness levels, and support mechanisms in digital platforms like Upstox. It also provides insight into how investors manage risk and make decisions in a tech-driven environment.

OBJECTIVES OF THE STUDY

1. To understand investor perception towards mutual funds through Upstox.
2. To identify the factors influencing mutual fund investment decisions.
3. To examine investor attitude towards risk and return.
4. To offer suggestions to improve investor satisfaction and engagement.

SCOPE OF THE STUDY

The study focuses on understanding investor behavior and perception toward mutual fund investments through Upstox, considering factors like risk, returns, and platform usability. It explores investor preferences for various fund types and how demographic factors influence investment choices. The scope also includes examining how Upstox's features impact satisfaction and decision-making.

DATA SOURCES AND METHODOLOGY

The study is descriptive in nature. Primary data was collected using structured questionnaires from 100 respondents who invest in mutual funds through Upstox. Secondary data was gathered from research articles, financial websites, and published reports. Random sampling was used, and data was analyzed to identify key trends in investor behavior.

LIMITATIONS OF THE STUDY

ISSN 2319-5991 www.ijerst.com
Vol. 21, Issue 2, 2025

1. The sample size is limited to 100 investors, which may not reflect the entire investor population.
2. Responses may be influenced by current market conditions.
3. The study is limited to Upstox users and does not consider other platforms.
4. Time and data availability may affect the depth of the analysis.
5. Findings are based on self-reported data and may carry personal bias.

III. DATA ANALYSIS AND INTERPRETATION

➢ What is your age?

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
18-25	41	41%
26-35	27	27%
36-45	12	12%
46-55	12	12%
ABOVE 55	8	8%
Total	100	100%

INTERPRETATION

Young adults (18–25) form the largest group at 41%, showing strong youth participation. The 26–35 age group follows with 27%, reflecting early-career professionals' involvement. Older age groups (36 and above) contribute less, with only 8% from those over 55.

➢ What do you think what are the benefits of investing in mutual funds? (select all that apply)

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
Fund performance	60	60%
Fees and charges	48	48%
Investment options	45	45%
User experience	16	16%

INTERPRETATION

The survey indicates that the majority of respondents value professional management and diversification when it comes to investments, with 74% and 66% selecting these options, respectively. Liquidity and the potential for high returns were less prioritized, each receiving just over 20%. A smaller group (16%) chose other reasons, suggesting varied individual preferences beyond the main categories.

ISSN 2319-5991 www.ijerst.com
Vol. 21, Issue 2, 2025

- What do you think is the most important factor when selecting a mutual fund?

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
Diversification	66	66%
Professional management	74	74%
Liquidity	23	23%
Potential for high returns	22	22%
Other	16	16%

INTERPRETATION

Investor preference is mainly driven by fund performance (40%), highlighting the importance of return history. Around 29% prioritize investment strategy, reflecting alignment with personal goals and risk tolerance. Only 15% value the fund manager's track record, showing limited reliance on their expertise.

- What do you think is the biggest challenge facing mutual fund investors?

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
Market volatility	56	56%
Lack of transparency	28	28%
High fees	14	14%
Other	2	2%
Total	100	100%

INTERPRETATION

Market volatility is the top concern for 56% of respondents, reflecting fear of unpredictable returns. Transparency issues follow at 28%, pointing to a need for clearer fund information. Cost concerns (14%) and other issues (2%) are seen as less significant barriers.

- What factors influence your decision to invest in mutual funds? (Select all that apply)

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
Very important	38	38%
Somewhat important	41	41%
Not very important	20	20%
Not at all important	1	1%
total	100	100%

ISSN 2319-5991 www.ijerst.com
Vol. 21, Issue 2, 2025

INTERPRETATION

Fund performance is the top priority for 60% of investors, emphasizing the focus on returns. Nearly half (48%) are sensitive to costs, and 45% value having diverse investment options. Only 16% consider user experience a key factor, showing it's secondary to financial aspects.

- How important is past performance when selecting a mutual fund?

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
Regular monitoring returns	38	38%
Comparing with benchmarks	33	33%
Seeking advice from financial advisors	16	16%
other	2	2%
total	100	100%

INTERPRETATION

Past performance is key for 79% of respondents, showing strong influence on mutual fund selection. About 20% are sceptical, suggesting returns may not reliably predict future outcomes. Overall, while most rely on past data, some prefer evaluating strategy, risk, or management quality.

- How do you evaluate the performance of your mutual fund investments?

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
Very important	34	34%
Somewhat important	48	48%
Not very important	16	16%
Not at all important	2	2%
total	100	100%

INTERPRETATION

Frequent monitoring (38%) is the most common way investors track fund performance, showing active involvement. Benchmark comparison (33%) is also popular, highlighting focus on relative returns. Fewer rely on advisors (16%) or other methods (2%), suggesting limited use of alternative evaluation approaches.

ISSN 2319-5991 www.ijerst.com
Vol. 21, Issue 2, 2025

- What role does risk tolerance play in your investment decisions.

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
Low risk	28	28%
Moderate risk	59	59%
High risk	11	11%
Very high risk	22	2%
total	100	100%

INTERPRETATION

Risk tolerance is a key factor for 82% of respondents, strongly shaping mutual fund decisions. A smaller group (16%) gives it lower priority, possibly focusing more on returns or advice. Only 2% completely overlook it, indicating widespread recognition of its importance. Overall, most investors aim to align investments with their personal risk profile for informed choices.

- How do you balance risk and potential return when investing in mutual funds through Upstox?

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
Conservative approach	29	29%
Balanced approach	50	50%
Aggressive approach	15	15%
other	6	6%
Total	100	100%

INTERPRETATION

Half of the respondents (50%) prefer a balanced approach, aiming for steady growth with manageable risk. Conservative investors (29%) prioritize capital safety over high returns. Aggressive investors (15%) are willing to take higher risks for greater gains. A small group (6%) use customized strategies based on specific goals or market views.

ISSN 2319-5991 www.ijerst.com
Vol. 21, Issue 2, 2025

- How do you react to market fluctuations in your mutual fund investments through Upstox?

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
Stay calm and invested	44	44%
Rebalanced portfolio	36	36%
Withdraw investments	18	18%
other	2	2%
Total	100	100%

INTERPRETATION
Most investors (44%) prefer to stay invested during market volatility, showing long-term confidence. About 36% actively rebalance their portfolios in response to market changes. A smaller group (18%) withdraws during downturns, reflecting a cautious or risk-averse mindset.

- What return expectations do you have from your mutual fund investments through Upstox?

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
Conservative returns	25	25%
Moderate returns	63	63%
High returns	9	9%
Very high returns	3	3%
Total	100	100%

INTERPRETATION
Most respondents (63%) expect moderate returns, reflecting a balanced and risk-aware approach. About 25% prefer conservative returns, prioritizing capital preservation. Only 12% seek high or very high returns, indicating a smaller risk-taking group. Overall, investors tend to favour steady growth over aggressive gains.
Very few follow alternative strategies, favouring traditional approaches to market fluctuations.

ISSN 2319-5991 www.ijerst.com
Vol. 21, Issue 2, 2025

- What features would you like to see in the Upstox platform for mutual fund investments?

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
User friendly interface	36	36%
Low cost	32	32%
Diversified portfolio options	29	29%
Other	3	3%
Total	100	100%

INTERPRETATION
A user-friendly interface is the top preference for 36% of respondents, highlighting the need for easy platform use. Low-cost options (32%) are also valued, showing strong fee awareness. About 29% seek portfolio diversification to manage risk and access varied funds. Only 3% desire additional features, suggesting primary needs are largely met.

- How can Upstox better support your investment goals?

OPTIONS	RESPONSES COLLCTED	PERCENTAGE
Providing more options	47	47%
Offering better customer support	57	57%
Providing educational resources	39	39%
other	3	3%

INTERPRETATION
Customer service is the top priority for 57% of respondents, emphasizing the need for reliable support. Nearly half (47%) seek more diverse investment options to expand opportunities. Investor education is important to 39%, showing interest in improving financial knowledge. Only 3% suggested other improvements, indicating key needs are mostly addressed.

ISSN 2319-5991 www.ijerst.com
Vol. 21, Issue 2, 2025

- What do you think sets Upstox apart from other platforms for mutual fund investments?

OPTIONS	RESPONSES COLLECTED	PERCENTAGE
User experience	30	30%
Investment options	40	40%
Customer support	18	18%
other	6	6%
Total	100	100%

INTERPERTATION

Investment variety is the top strength for 40% of respondents, highlighting Upstox's broad options. A good user experience follows at 30%, showing the value placed on platform usability. Customer service ranks lower at 18%, indicating it's less of a standout feature. Only 6% cited other factors, suggesting most needs are met by core offerings.

IV. FINDINGS

Demographic Information: Young adults between the ages of 18 and 25 make up the majority of mutual fund investors, followed by those between the ages of 26 and 35. This suggests that younger and early-career professionals participate in mutual funds at high rates.

Investment Preferences: The majority of respondents rank professional management (74%) and fund performance (60%) as their top investment considerations.

Risk Appetite: A significant percentage of investors have a cautious but growth-oriented mindset, preferring moderate risk (59%) and adopting a balanced investment style (50%).

Investors' active return monitoring (38%) and benchmark comparison (33%), which reflects a performance-conscious user base, is an example of monitoring behaviour.

Barriers: The two main issues discouraging investors are market volatility (56%) and a lack of transparency (28%).

Platform Preferences: On the Upstox platform, users prefer easy-to-use interfaces (36%), affordable options (32%), and a variety of investment options (29%).

Expectations and Support Needs: The majority of investors (63%) emphasise the value of investment education (39%) and customer service (57%), as well as the need for moderate returns.

V. RECOMMENDATIONS

1. Improve Customer Support: In order to satisfy user demands for prompt and efficient assistance, Upstox should fortify its customer service channels.

2, Increase Product Offerings: Provide a greater selection of mutual fund choices to meet a range of risk tolerances and financial objectives.

3. Enhance Transparency: To gain investor trust, make sure fund performance reports and disclosures are clear and succinct.

4. Enhance Investor Education: Provide webinars, articles, and resources to help users better understand mutual funds, risk, and expected returns.

5. Prioritise Platform Usability: Keep improving the user interface to make it smooth

ISSN 2319-5991 www.ijerst.com
Vol. 21, Issue 2, 2025

and simple to use, particularly for novice investors.

6. Create Risk Profiling Tools: To improve decision-making, offer tailored recommendations based on the user's risk tolerance.

VI. CONCLUSION

This study explored investor perceptions and attitudes towards mutual fund investments through the Upstox platform. Based on the survey responses and analysis, it is evident that investors are increasingly embracing online platforms like Upstox due to their convenience, accessibility, and range of investment options.

The findings reveal that most investors prefer a **moderate risk approach**, with **realistic return expectations**, and place significant importance on **fund performance, transparency**, and **cost-efficiency**. While many investors remain confident and stay invested during market fluctuations, there is still a notable demand for **better customer support**, **educational resources**, and **greater platform transparency**.

Upstox is generally perceived positively, especially for its **variety of investment options** and growing reputation as a user-friendly digital platform. However, the research also uncovered areas where improvements could further enhance investor satisfaction, such as improving the **user interface**, **providing more personalized advisory services**, and **offering tools for better risk assessment and portfolio tracking**.

Overall, the project concludes that **investor perception is shaped by a blend of performance, usability, support, and trust**, and Upstox, while strong in many areas, has clear opportunities to innovate and grow by aligning more closely with investor expectations. Strengthening these aspects will not only enhance user experience but also build long-term customer loyalty and trust in the evolving fintech space.

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