

**“RECOGNING GAP BETWEEN INVESTORS PERCEPTION AND EXPECTATION
TOWARDS ASSET MANAGEMENT COMPANIES USING SERVQUAL MODEL”**

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ABSTRACT:

Mutual funds now a days have been a widely accepted tool for the investors to hold investment for future as large number of them are engaged by investing in cost effective and less risky numerous securities. This will help investors to participate in financial markets through proper channel. The funds will be invested by the portfolio manager acting as an assistance or guide for the investors who then decides where the investment of particular investor needs to be managed. The current research analyses the perception of investors towards the quality of services provided by asset management companies

Key words: Mutual funds, investment, pave, financial, markets, portfolio.

1. INTRODUCTION

The growth in mutual fund industry showed a tremendous boom where large number of subscribers showed a great deal of interest in investing in financial securities such as equity, bonds and other instruments from money market from their part of earnings which will further be managed by professional fund managers. The wealth gathered from different investors is further plunged into different financial instruments considering the amount of risk in each portfolios. The SEBI has been considered as a regulatory authority for proper governance of mutual funds. A mutual fund is an annuity scheme, which congregate the part of earnings from the investors (large group of investors) with a unite contribution purpose and thrust quickly the money together and put it into sorts of surety, in harmony with its main aim. This way, the mutual fund provides an investor with an alternative for investing directly, which is more convenient yet not less rewarding. The mutual fund gives investment exposures in the way the terms they use, the pricing norms they follow, and lots more and thus, portfolio manager manages the fund. The entry and exit restrictions attached with the scheme should be taken into account by each investors. Thus by

Plunging into the mutual funds, the investors gets some part of fund and a particular unit denotes a fractional representation in the portfolio of fund.

2. REVIEW OF LITERATURE

Singh, (2012) suggests that there has been a lot of confusion among the investors in relation to the how the mutual funds are working in the country as some of the factors said that there has been a positive impact on the attitude of investors towards mutual funds while age and occupation have not been found so significant in attracting the investors attitude towards mutual funds.

Vyas, R. (2012) focussed on the major variables pinpointing the perception of investors with regard to mutual funds. The findings revealed that regularity should be maintained while grabbing any investment opportunity taking into account the vital factor of risk and return attached to any scheme. Investors were of the view that equity and SIP have been at the utmost priority

Manek (2016) investigated that Portfolio turnover has a statistically significant effect on scheme returns. It is weakly but positively correlated. This means that as the portfolio turnover increase then there is a much probability of the index to be outperformed by the fund manager.

Prabhavathi, Y and Kishore, N. T. Krishna (2013) showed the detailing of how the mutual funds have led to leading new ways of making investment opportunity with a ignite of feasible returns as compared to other investment schemes. The one arm motive of the study is to gather large amount of awareness among the investors towards the scheme and it was analysed that banks and financial advisers were considered as the top source of information.

Chaudhary and Chawla (2014) focussed on the assessing the risk return relationship among different schemes of mutual funds. Among a wide variety of funds equity diversified fund is considered as a substitute for direct stock market investment.

Bahl & Rani (2012) highlighted the pursuance of 29 unrestricted, advanced equity schemes for the period from April 2005 to March 2011 (six years). The returns of numerous schemes have been

estimated on the grounds of NAVs. The final outcome showed underperformance of some schemes while some schemes showed good performance when seen in terms of Sharpe ratio .

Mehta& Shah(2012) concentrated on the progress of MFs which is approximately the consequence of joint vigorous of skilful portfolio manager and investors. Thus, the research paper concluded on a note that proper analysis regarding behaviour of investor should be done by the fund manager and their longevity and expectation should also be scrutinized appropriately.

Pastor & Stambaugh (2000) illustrated that returns on non-standardised apathetic assets guided that alpha is more correct for the chosen funds. The different portfolios that were developed from diverse equity funds can be taken into consideration with actively driven fund though excluding managerial skill part. The study flourished with a constructive structure in which assumptions about asset pricing models and management competence both played an indigenous role while judging the endowment accord.

Mathema, (2017) assessed the study by taking into account the factors that affect the behaviour of investors towards mutual funds in Kathmandu metropolitan city with the help of structured questionnaire and data was analysed using chi square test. The findings from this research are that the most of the investors are doubtful to invest the new age investment like mutual funds.

M,Bhayani (2017) aimed to study the recent trends in mutual fund industry in India. The study revealed the important deviations that played a major role for making endowment in mutual funds.

3. RATIONALE OF THE STUDY

With regard to the mutual fund investor if the investor adopts two crucial skills then that will be helpful in becoming a successful investor The studies related to Mutual Funds have mainly focused on the study of investors' attitude, behaviour and perception towards services provided by asset management companies. Some studies dealt with performance evaluation of Mutual Fund while some studies relate to analysing factors affecting Mutual Funds investment, the study of Equity Mutual Funds in India and the comparative analysis of Mutual Fund schemes in India. However, various transitions took place in Mutual Funds system. Thus, the proposed study will try to identify the major gaps in existing mutual funds

in India and contribute to existing literature in several ways. The service quality of asset management companies will be assessed on the basis of primary data.

4. RESEARCH METHODOLOGY

4.1 Aim of the work:

The prime desire of the present work is to discover the lacuna detected by employing Servitude model between the strong belief and interpretation of the investors towards quality of services provided by the Asset Management Companies in India.

4.2 Extension of the study:

The sphere of the study is principally concentrated on pinpointing the difference between the expectations and perceptions of the investors towards quality of services provided by the Asset Management Companies in NCR by taking sample of 105 mutual fund investors.

4.3 (A) Research Design:

Descriptive cum analytical research will be used in the proposed study in which various parameters/ factors of mutual funds will be studied and their quality will be assessed using primary data which will be collected from the investors using well-structured questionnaires.

(B) SAMPLE DESIGN:

Universe of the study: All the investors investing in Mutual Funds.

Population of the study: Population for the proposed study will include Mutual Funds investors of NCR.

Sampling unit: Small and big investors.

C) DATA SOURCES: The proposed study will try to inculcate various methods of collecting data such as primary as well as secondary sources.

Primary data will be collected through a well-structured closed-ended questionnaire that will be sent to the investors by e-mail/ other online modes in the NCR to judge the role of AMC in providing services.

Secondary data will be collected from various sources such as related research works, newspapers, magazines, printed journals, online databases, different websites, various annual reports, published data of concerned authorities and other authorized sources of data.

D) Sampling Method: Random, Purposive cum convenience sampling will be used where the units are selected based on the availability of investors.

5. DATA ANALYSIS AND INTERPRETATION:

Table:1

Demographic Variables	Classification	Total respondents	% of respondents
Gender	Male	38	36.2
	Female	67	63.8
Age	15-25	15	14.3
	25-35	51	48.6
	35-45	28	26.7
	45-55	7	6.7
	55-65	4	3.8
Marital Status	Married	61	58.1
	Unmarried	44	41.9
Educational Qualification	Secondary	Nil	
	Senior Secondary	2	1.9
	Graduation	11	10.5
	Post-graduation	55	52.4
	Doctoral	36	34.3
	Any other professionals	1	1

Occupation	Public sector	47	44.8
	Private Sector	35	33.3
	Self-employed	23	21.9
Monthly Income	25,000-50,000	26	24.8
	50,000-1,00,000	25	23.8
	1,00,000-5,00,000	41	39
	Above 5,00,000	13	12.4

Source: Primary Data

Discussion:

The above table depicts the status of respondents in terms of demography. It has been figure out from the table that 36.2 per cent of the male respondents and 63.8 per cent out of 105 respondents have invested in the mutual funds. Further, 14.3 per cent of the investors are in the age group between 15-25, 48.6 per cent are in the age group 25-35, 26.7 per cent of the respondents are in the age group 35-45, 6.7 per cent are in the age group 45-55 and 3.8 per cent of the respondents are in the age group 55-65. The maximum percentage has been noticed in the age group 25-35 years. It has been further noticed that 58.1 per cent out of the total 105 respondents are married while rest of the investors (41.9 per cent) are married. The analytical table illustrates that 1.9 per cent of the respondents have done senior secondary education, 10.5 per cent are from graduation part, 52.4 per cent have done post-graduation and 34.3 per cent have done doctoral and only 1 per cent of the respondents have done the professional course. 44.8 per cent of the respondents are working in public sector, 33.3 per cent of the respondents are working in private sector while rest of them ie. 21.9 per cent are self-employed. About 24.8 per cent of the respondents are in monthly income group between 25,000-35,000, 23.8 per cent are in the monthly income group of 50,000-1,00,000 which is followed by 39 per cent in the monthly income group 1,00,000- 5,00,000 while the rest 12.4 per cent are in the monthly income of above 5,00,000.

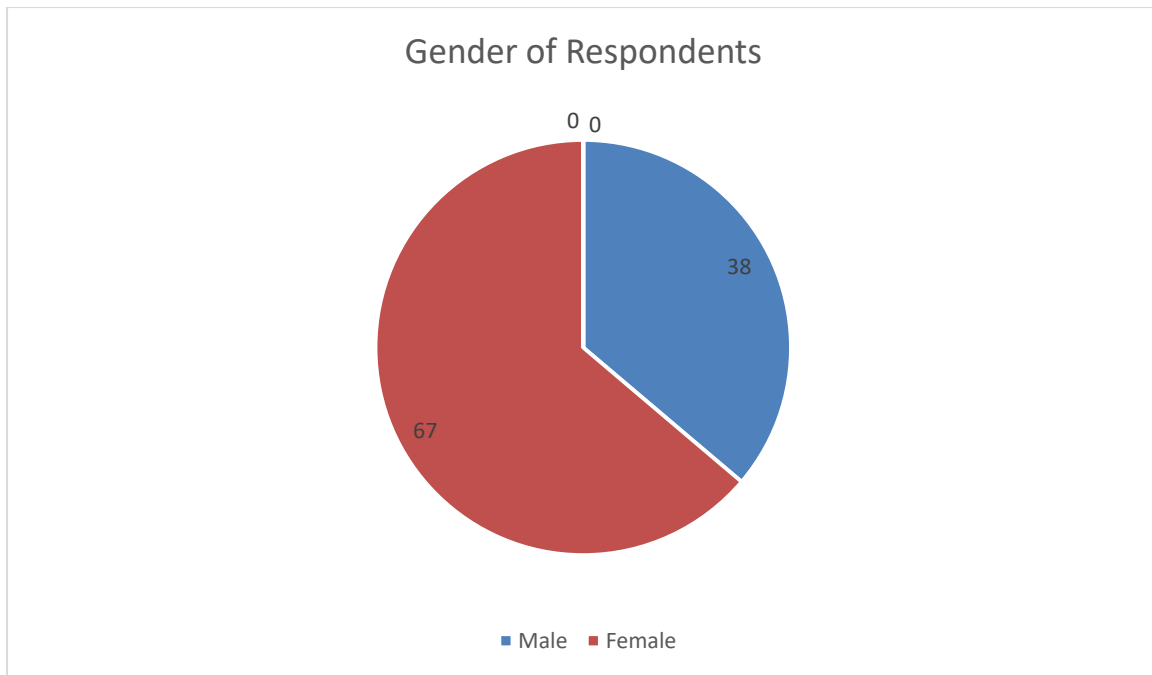


Figure:1 Source: Primary Data

The above pie chart shows the total number of respondents who have invested in the mutual funds. Out of 105 respondents, 38 are male while 67 are female investors.

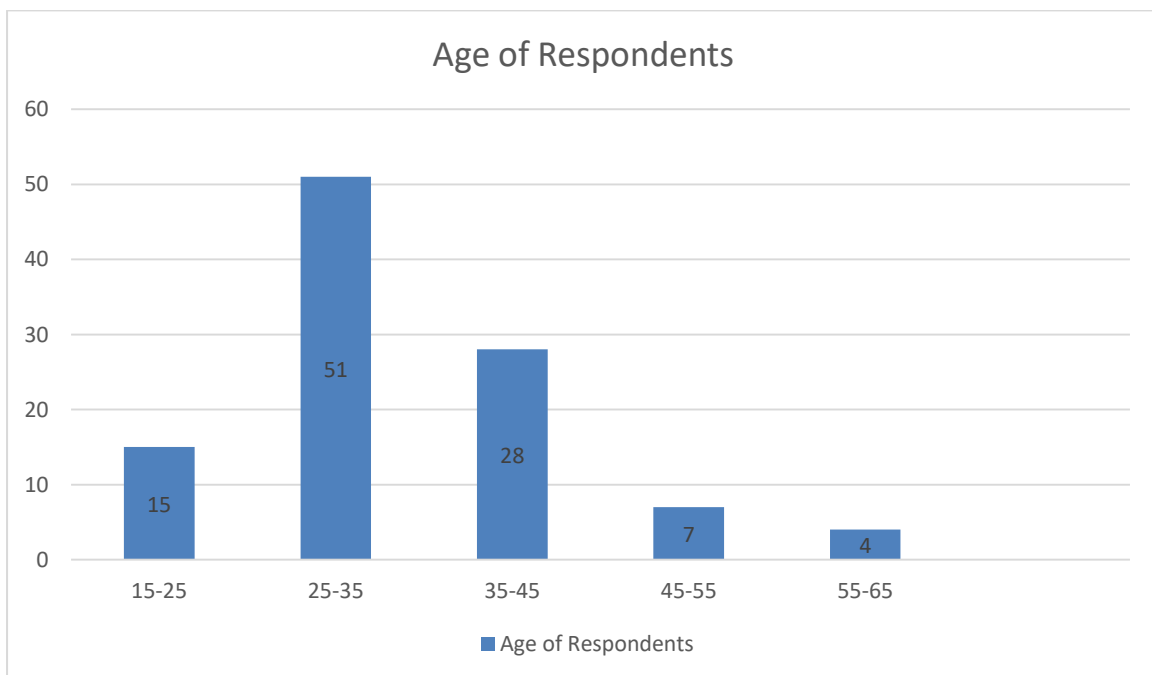


Figure:2 Source: Primary Data

The above figure shows that 15 respondents are in the age group between 15-25, 51 respondents are in the age group between 25-35 followed by 28 in the age group between 35-45, 7 respondents are in the age group between 45-55 while only 4 are in the age group 55-65.

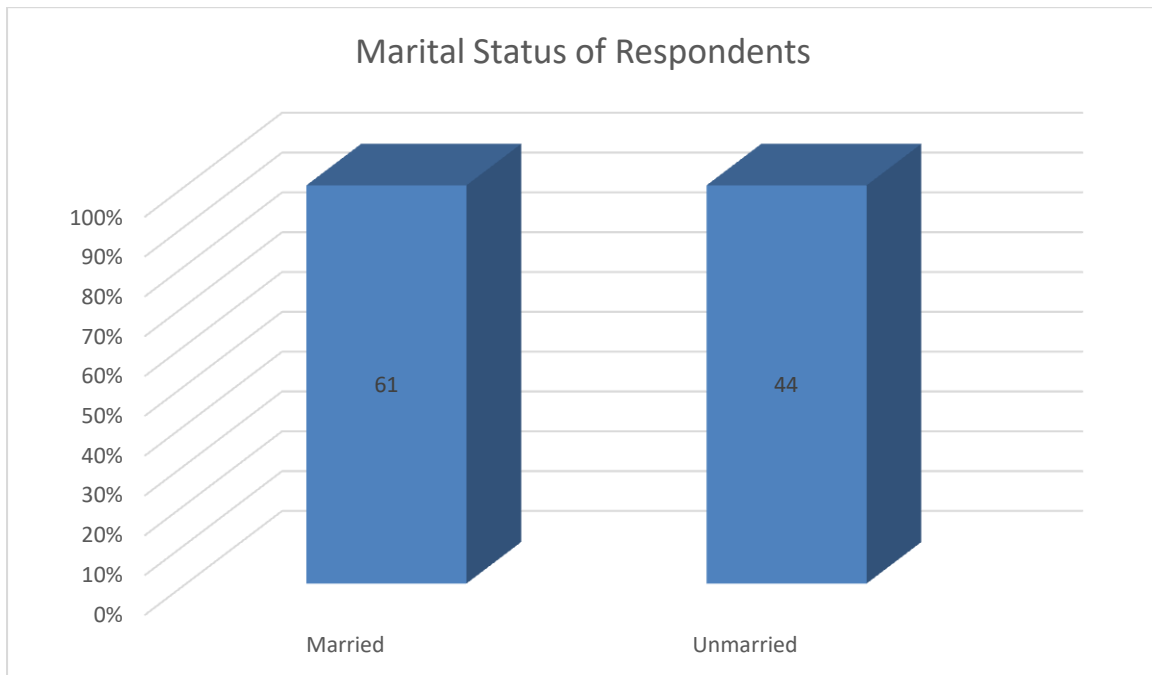


Figure:3 Source: Primary Data

The figure illustrates the bifurcation of respondents in terms of marital status. It has been noticed that out of 105 total respondents, of them 61 are married while 44 are unmarried respondents.

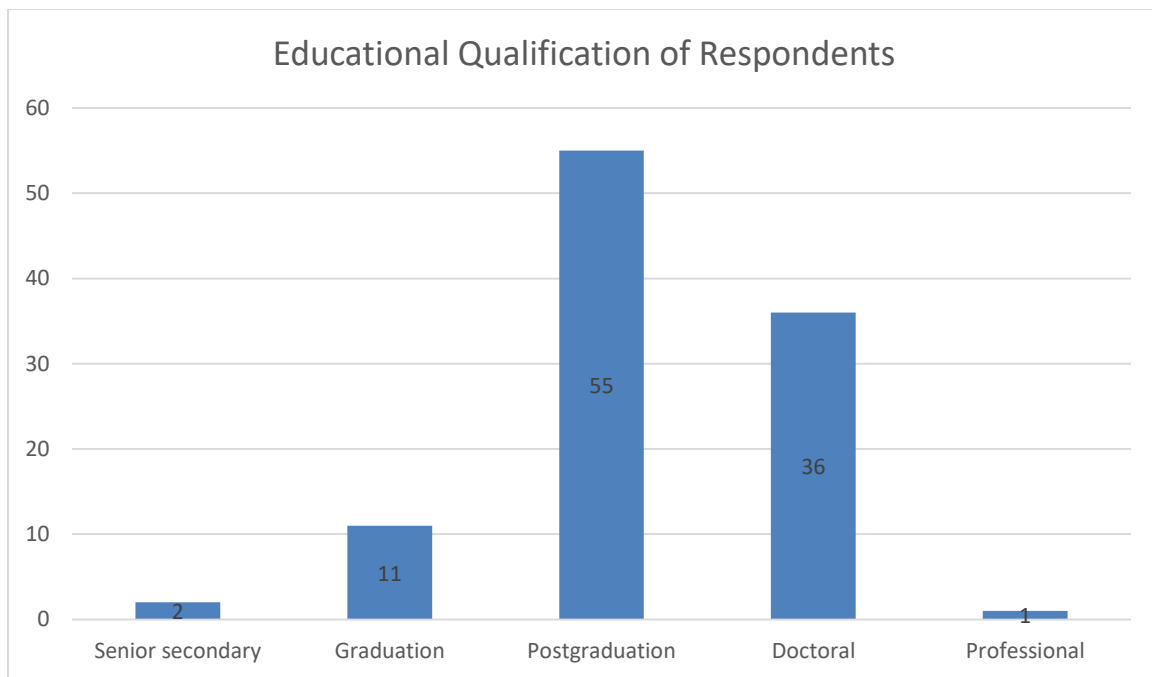


Figure:4 Source: Primary Data

It has been analysed from the figure that the maximum no of respondents are in the category of post-graduation with no 55, followed by 36 are from doctoral degree, 11 are from graduation, 2 respondents are in senior secondary while 1 are in professional course.

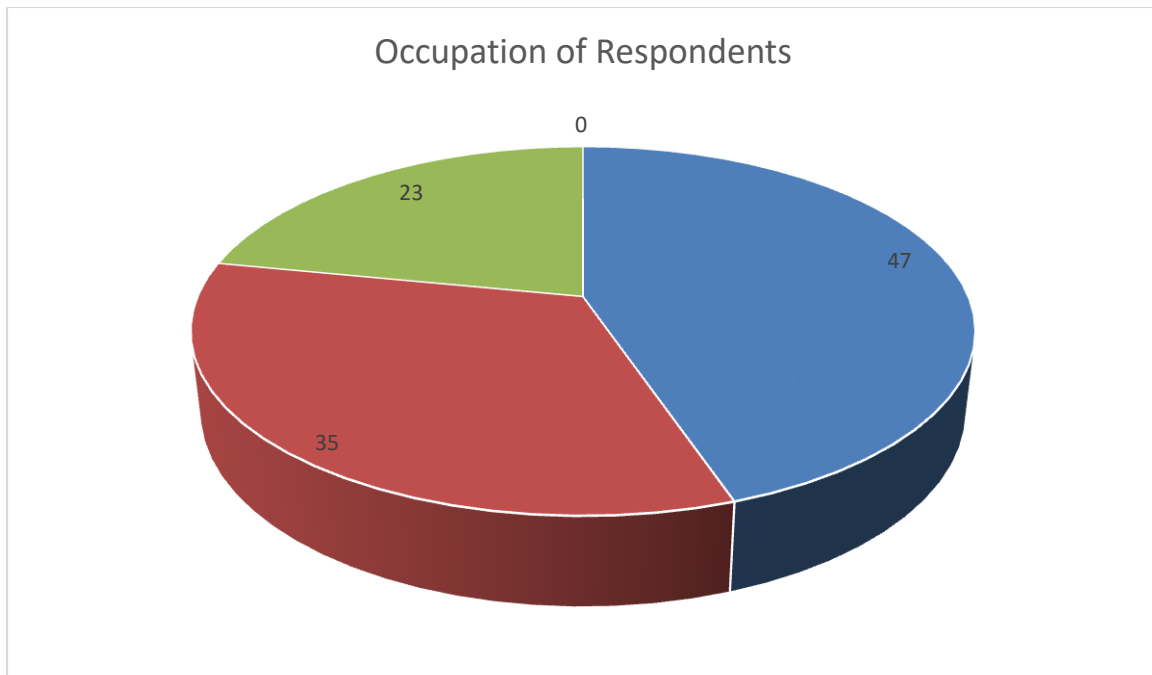


Figure:5 Source: Primary Data

The figure shows that 47 respondents out of the total 105 are from public sector, 35 respondents are from private sector while 23 of them are self-employed.

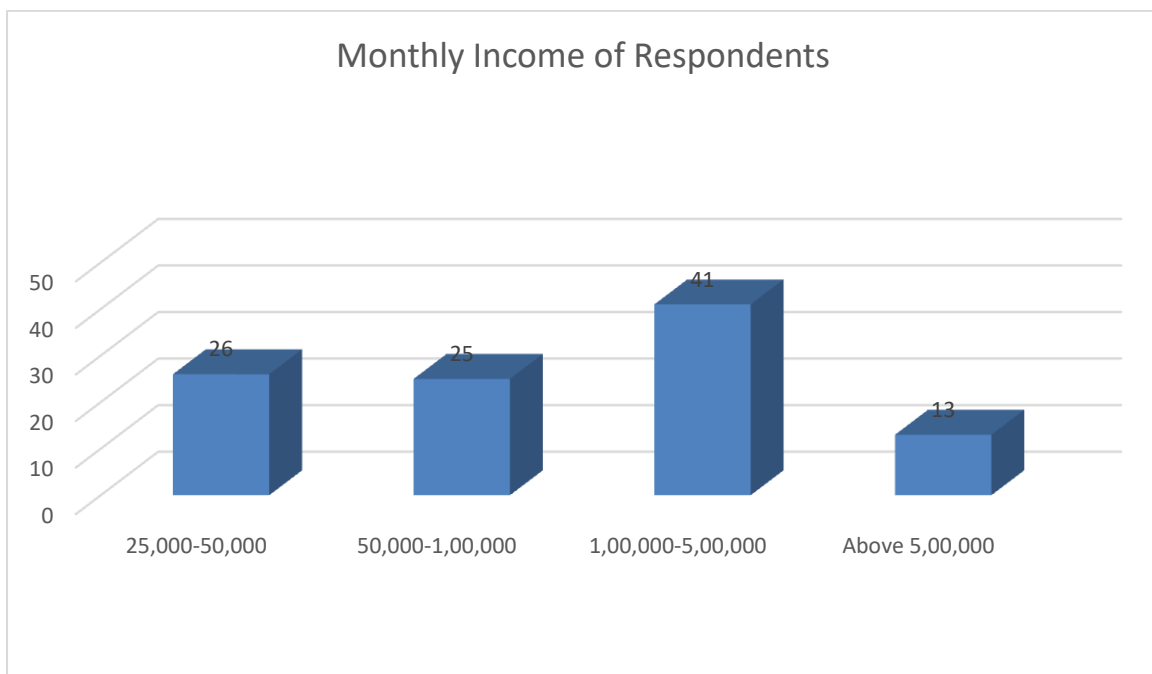


Figure:6 Source: Primary Data

The figure illustrates that 26 respondents are in the monthly income group 25,000-50,000, 25 are in the income group 50,000-1,00,000, 41 are in the monthly income group between 1,00,000-5,00,00 while 13 of them are in the group of above 5,00,000.

Reliability Statistics

(Table:3)

Cronbach's Alpha	N of Items
.891	44

Source: Primary Data

Looking at the reliability analysis of 105 respondents, the Cronbach's alpha showed that the internal consistency of the questionnaire is very good which is (.891).

MEAN SCORES OF EXPECTATIONS AND PERCEPTIONS AND SERVICE QUALITY GAP IN EACH DIMENSION

Table:4

Dimension	Statement	N	Expectation Score	Perception Score	Gap Score (Expectation Score- Perception Score)
Tangibles	TA1	105	4.5429	4.0095	0.5334
	TA2	105	4.8571	4.3143	0.5428
	TA3	105	4.9524	4.0067	0.9457
	TA4	105	4.6857	3.7619	0.9238

AVERAGE GAP SCORE					0.736425
Reliability	RL1	105	4.8952	3.6190	1.2762
	RL2	105	4.8571	3.4286	1.4285
	RL3	105	4.9429	3.5619	1.381
	RL4	105	4.8476	3.5619	1.2857
	RL5	105	4.7714	3.7238	1.0476
AVERAGE GAP SCORE					1.2838
Responsiveness	RS1	105	4.6952	3.7333	0.9619
	RS2	105	4.8190	3.9619	0.8571
	RS3	105	4.5810	3.9333	0.6477
	RS4	105	4.6857	4.0476	0.6381
AVERAGE GAP SCORE					0.7762
Assurance	AS1	105	4.7524	4.1619	0.5905
	AS2	105	5.0286	4.1619	0.8667
	AS3	105	5.0286	4.0476	0.981
	AS4	105	5.1619	3.9238	1.2381
AVERAGE GAP SCORE					0.919075
Empathy	EM1	105	5.2857	4.0095	1.2762
	EM2	105	5.3238	4.0762	1.2476
	EM3	105	5.1810	4.2667	0.9143
	EM4	105	5.2857	4.3714	0.9143
	EM5	105	5.2476	4.3905	0.8571
AVERAGE GAP SCORE					1.302375

Source: Primary Data

The analytical table represents the gap between the investor's perceived service quality and expected service quality. The analysis revealed that the expectation of investor's is more than that of perceived quality of service. The modern looking office equipment statement showed

the least gap score (0.5334) when noticed in case of tangibles dimension. Similarly, in case of reliability dimension, the statement RL5 representing that the records of the concerned authorities are error free showed least gap score (1.0476). Likewise looking at the dimension responsiveness the statement showing the least gap is (0.6381) that the employees of concerned authorities will never be too busy in responding to the investor's. for dimension assurance, the least gap score is (0.5905) showed that employees of AMCs will instil confidence in the investor's and thus, for empathy dimension employees of AMCs understand the specific need of the investor's got the least gap score (0.8571).

SERVICE GAP IN SUMMARISED FORM (Table:5)

Dimension	Service Gap	Rank
Tangibility	0.736425	1
Reliability	1.2838	4
Responsiveness	0.7762	2
Assurance	0.919075	3
Empathy	1.302375	5

Source: Primary Data

The above table illustrates the average gap score of all the dimensions and according to rank the most least average scorer is the dimension tangibility (0.736425) followed by the dimension responsiveness (0.7762), assurance (0.919075), reliability (1.2838) and empathy (1.302375).

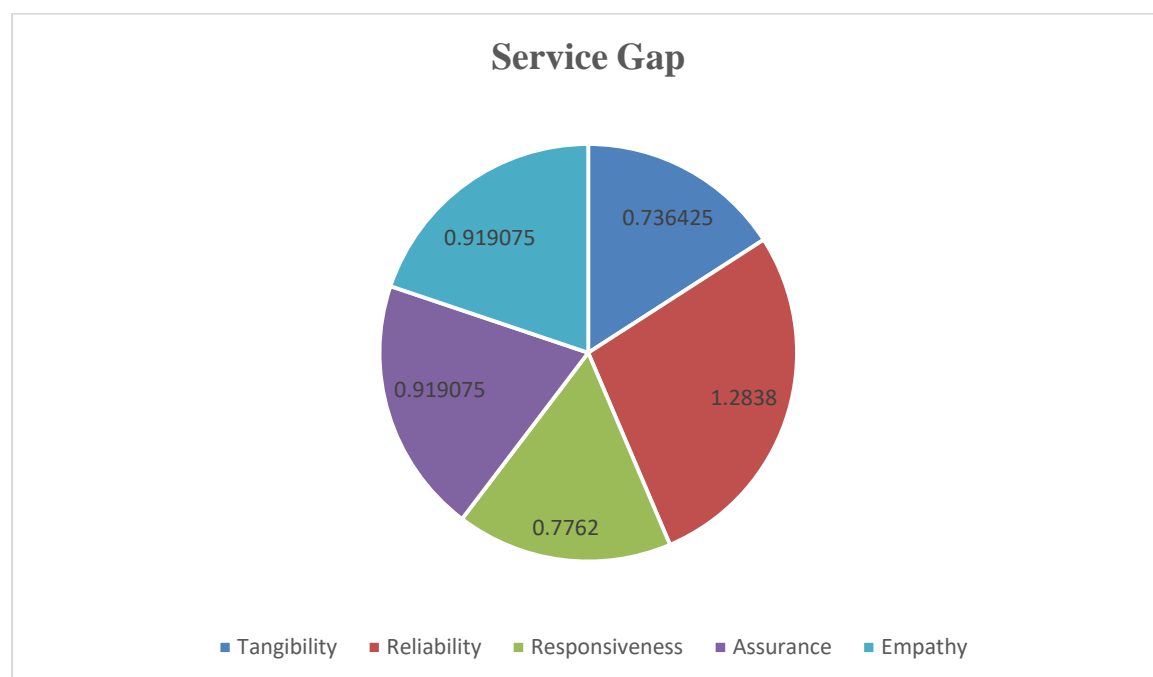


Figure:7 Source: Primary Data

5. CONCLUSION:

This study is an attempt to show the service quality gap provided by AMC's to the investors of NCR. The analysis discussed that the expectation of investor's is more than that of perceived quality of service. Finally it concluded that the AMC's should improvised their service quality so that more and more investors should approach in investing the mutual funds.

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