

RESEARCH ARTICLE OPEN ACCESS

# A Study on Investor Awareness Preference And Satisfaction On S.I.P With Special Reference to Salaried Individual in Coimbatore City

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## Abstract:

This study aims to analysis the investor awareness preference and satisfaction on S.I.P with special reference to salaried individual in Coimbatore City the study have emerged as a popular mode of investment, particularly among salaried individuals seeking disciplined savings and long-term wealth creation. The research explores the factors influencing investment decisions, including risk appetite, financial literacy, and the perceived benefits of SIPs, such as affordability, flexibility, and compounded returns. The study identifies trends in investment preferences, evaluates the level of satisfaction among investors with their chosen SIP schemes, and examines the role of demographic factors like age, income, and education in shaping investment behavior. This study uses simple random technique and approximately 130 respondents was collected. Data was collected to through a structured questionnaire for primary and secondary sources such as books, journal and online artical for contextual support. The study finds increasing awareness but a knowledge gap regarding long-term benefits and risk.

**Keywords — S.I.P., Satisfaction, Salaried Individual. User expectations.**

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## I. INTRODUCTION

The common way to invest in mutual funds is through the Systematic Investment Plan (SIP), which allows individuals to make predetermined monthly investments to gradually increase their wealth. SIPs provide a more methodical and low-risk way to invest, which is particularly advantageous for people who do not have a sizable amount of money to deposit up front. Many people choose it as their preferred investment option since it enables rupee cost averaging and compounding rewards. The growing middle class and salaried individuals are increasingly turning to SIPs as a tool for wealth

creation, retirement planning, and achieving long-term financial goals. With the growing awareness of financial products and a shift toward smarter, disciplined investing, SIPs are gaining popularity as a trusted investment vehicle. In particular, salaried individuals, who typically have regular income streams, are in an ideal position to benefit from the structure and ease of SIPs. For people looking to make long-term, disciplined investments, the Systematic Investment Plan (SIP) has emerged as a key component, particularly for salaried workers who frequently favour an organized approach to saving and investing.

## **II. STATEMENT OF THE PROBLEM**

The researcher aims the increasing popularity of Systematic Investment Plans (SIPs) as a preferred investment tool in India, particularly among salaried individuals; there is still a lack of comprehensive understanding and awareness regarding the advantages and potential challenges associated with SIPs. The problem arises from the varying levels of awareness, knowledge gaps, and misconceptions about SIPs, which affect the investment choices and satisfaction of salaried individuals. While some individuals are aware of SIPs, they may not fully understand how they work, the long-term benefits of regular investing, or the factors that determine returns. Others may be discouraged from investing in SIPs due to a lack of trust in the market or perceived complexities, resulting in lower participation in the mutual fund investment space. The study concludes that empowering salaried individuals with comprehensive knowledge and addressing their concerns can lead to more informed investment decisions.

## **III. LITERATURE REVIEW**

**Ms. Neena Therasa P J (2024)**<sup>1</sup> “A study on the investment patterns of salaried individuals in Coimbatore City”, researcher aimed to analyse their preferences, purposes, challenges, and awareness regarding investments. Gathering data from over 100 respondents is a significant achievement. The collected data held the potential to make a real difference. The study employed primary data and utilized analytical techniques such as percentage analysis, Chi- square test, and rank analysis. The researcher looked forward to delving findings revealed that salaried employees generally possess an understanding of various investment options and express satisfaction with their investment choices.

**Deepan, Deepa, and Muruganathi (2005)**<sup>2</sup> “A study to examine the mutual fund investment decisions of 60 retail investors in Coimbatore City, Tamil Nadu” The study aimed to understand the factors influencing investment decision-making among mutual fund investors. The researcher collected 200 data from investor who invested in

Mutual Funds from different asset management companies. The analysis revealed a significant relationship between the occupation of investors and the type of mutual fund scheme they opted for, as well as between occupation and the objective of their investment decisions. Using purposive sampling, the researchers collected data from investors who had invested in mutual funds from different Asset Management Companies (AMCs). The findings suggested that investors' expectations of returns from mutual fund investments were influenced by their risk tolerance levels.

## **IV. OBJECTIVES OF THE STUDY**

- To assess the level of awareness level among investor in regarding S.I.P.
- To identify the investor preferences of S.I.P investment plan.
- To explore the influential factor of salaried individuals towards S.I.P.
- To identify the challenges faced by investor towards in S.I.P.

## **V. SCOPE OF STUDY**

The study SIP with Special Reference to Salaried Individual is designed to explore various dimensions of investor behaviour, with a focus on salaried professionals in Coimbatore. The study will assess the level of awareness, the factors influencing preferences, and the satisfaction levels of salaried individuals with respect to Systematic Investment Plans (SIPs), specifically in the context of mutual fund investments. Additionally, it investigates how comfortable consumer feels with S.I.P in their spending habits while using them.

## **VI. HYPOTHESIS OF STUDY**

Ho: This hypothesis examines whether a higher level of awareness about SIPs Influences the type and nature of SIP investments chosen by salaried individuals. It tests the assumption that better knowledge about SIPs leads to more informed and

preferred investment choices.

Ho: This hypothesis proposes that individuals who invest in SIPs with clear Financial goals tend to report higher satisfaction levels, as they are more focused and patient with their investments.

**VII. LIMITATION OF THE STUDY**

- The sample selected might not accurately represent all salaried individuals, as there could be disparities in representation based on income levels, job sectors, or financial literacy.
- Satisfaction is subjective and varies depending on individual expectations, making it difficult to measure continuously.

**VIII. RESEARCH METHODOLOGY**

A research methodology is a way to solve a research problem. The study solves a research problem. The study focuses will be on salaried individuals and their unique investment perspective.

**DATA ANALYSIS AND INTERPRETATION**

**T-test**

T-test was conducted to assess whether there is a significant difference between genders in terms of the source of information about S.I.P

**1. GENDER OF THE RESPONDENTS**

**TABLE 1: GENDER OF THE RESPONDENTS**

**Interpretation**

From the above Table 1 shows that out of 50 respondents, 40% of the respondents were male and 60% of the Respondents were female. Most of the respondents in gender were female.

**2. AGE OF THE RESPONDENTS**

**TABLE 2: AGE OF THE RESPONDENTS**

		Frequency	Percent
Valid	25-30	25	50.0
	31-40	7	14.0
	41-50	11	22.0
	ABOVE 50	7	14.0
	Total	50	100.0

**Interpretation**

From the above Table 2 that, 50% of the respondents belong to the age group of 25-30 years.14% of the respondents belong to the age group of 31-40 years, 22% of the respondents belong to the age group of 41-50 years 14% of the respondents belong to the age group of above 50 years. Most of the respondents were 25-30 years.

**RANK ANALYSIS**

Rank analysis is a method used to evaluate and compare the relative position or importance of different items, entities, or variables in a given dataset. It often involves assigning a rank (or position) to each item based on a specific criterion or performance metric, like sales, performance, or scores. This type of analysis is used in various fields like business, sports, marketing, or academic assessments.

		Frequency	Percent
Valid	1	20	40.0
	2	30	60.0
	Total	50	100.0

	N	Mean	Rank
Regular and automatic deduction from my salary	50	2.34	VII
Low initial investment amount required to start an SIP	50	2.45	VI
The long- term wealth creation potential of SIP	50	2.70	V
The advice or recommendation from my financial advisor	50	3.36	IV
The variety of mutual fund options available under SIP	50	3.46	III
Recommendation of friends and family	50	3.90	II
The Agency word of	50	4.18	I

mouth			
Valid N (list wise)	50		

**Interpretation**

It is identified from the above table that the respondents consider the most important factor was the agency's word-of-mouth was (ranked 1), while the least important factor was regular and automatic salary deduction was (ranked 8). Other factors included long-term wealth creation potential was (ranked 5) advice from a financial advisor was (ranked 4), variety of mutual fund options was (ranked 3) recommendations from friends and family was (ranked 2), and low initial investment was (ranked 6).

	N	Mean	Rank
Market volatility affecting SIP returns	50	2.24	V
Lack of knowledge about SIP	50	2.30	IV
Difficulties in selecting the right mutual fund	50	2.52	III
Inconsistent contributions due to financial constraints	50	2.86	II
Lack of clear and transparent information	50	2.88	I
Valid N (list wise)	50		

**Interpretation**

From the above table that respondents consider the most important factor was lack of clear and transparent information was (ranked 1), while the

least important was Market volatility affecting SIP returns was (ranked 5). Other factors lack of knowledge about sip was (ranked 4), Difficulties in selecting the right mutual fund was (ranked 3), Inconsistent contributions due to financial constraints was (ranked 2).

### **FINDINGS**

- 40% of the respondents were male and 60% of the Respondents were female. Most of the respondents in gender were female.
- 8% of the respondents are qualified as professional degree.
- Identify common misconception or areas where salaried individuals have low knowledge in areas like understanding SIP taxation rules, choosing the best SIP based on financial goals and impact of market volatility.

### **SUGGESTION**

- Financial institutions should create personalized e-SIP products for salaried individuals, using investment tools to help plan SIPs based on individual risk, time horizon, and goals.
- Regular financial literacy workshops on Systematic Investment Plans (SIPs) should be conducted in various locations, including workplaces, community centers and online.
- Regular performance updates should be provided

through user-friendly apps or platforms.

### **CONCLUSION**

The study concludes that SIPs are an increasingly popular investment choice among salaried individuals in Coimbatore, driven by their ease of use, affordability, and long-term wealth creation potential. However, while satisfaction levels are generally positive, there are areas for improvement in terms of financial literacy, flexibility, and personalized advice. By addressing these challenges, financial institutions can further enhance the appeal of SIPs and increase investor confidence and satisfaction in this growing investment avenue.

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