INFOMANIA: THE RESEARCH JOURNAL
Volume 2, Issue 2, March - April 2026
https://infomaniajournal.com **ISSN:3108-0006**

A Study on Factors Influencing Investor Perception and Adoption of Systematic Investment Plans (Sips) in Mutual Funds: Evidence from Navi Mumbai

Prof. Sonu Khetre

(Associate Professor, NCRD'S Sterling Institute of Management Studies, Nerul, Navi Mumbai)

Saba Parkar

(SYMM Student, NCRD'S Sterling Institute of Management Studies, Nerul, Navi Mumbai)

Email Id- sabaprkr@gmail.com

Abstract

Systematic Investment Plans (SIPs) have become one of the most popular investment options in India, allowing individuals to invest small amounts regularly in mutual funds. This study focuses on understanding the factors influencing investor perception and adoption of SIPs in Navi Mumbai. The research is based on primary data collected through a structured questionnaire from 107 respondents belonging to different demographic groups.

The study examines investor awareness, investment behaviour, sources of information, and key factors influencing SIP adoption. The findings indicate that while a majority of respondents are aware of SIPs, a comparatively smaller proportion actively invests in them, highlighting a gap between awareness and actual adoption. Factors such as expected returns, perceived risk reduction, and tax benefits play an important role in influencing investment decisions.

The study also identifies social media and personal networks as major sources of SIP awareness. Additionally, respondents show moderate perceptions regarding the convenience and benefits of SIP investments. The research concludes that increasing financial awareness and targeted communication can help improve SIP adoption among investors in Navi Mumbai.

Keywords: *Systematic Investment Plans (SIP), Mutual Funds, Investor Perception, Financial Literacy, Investment Behaviour, Wealth Creation, Navi Mumbai.*

1. Introduction

The Indian financial landscape has undergone a dramatic transformation over the past two decades. With the emergence of digital platforms, increasing financial literacy, and the regulatory push by the Securities and Exchange Board of India (SEBI) and the Association of Mutual Funds in India (AMFI), mutual funds have become an accessible and preferred investment vehicle for millions of Indians. Among the various modes of investing in mutual funds, the Systematic Investment Plan (SIP) has gained immense popularity due to its disciplined approach, affordability, and risk mitigation properties.

A Systematic Investment Plan (SIP) is a mode of investment in mutual fund schemes where investors contribute a fixed amount at regular intervals typically monthly or quarterly. The core principle underlying SIP investing is rupee cost averaging, which allows investors to purchase more units when prices are low and fewer units when prices are high, effectively averaging out the cost of investment over time. Additionally, SIPs harness the power of compounding, generating exponential growth over long investment horizons.

Despite the growing awareness and popularity of SIPs at the national level, investor behaviour and perception continue to vary significantly across geographies, demographics, and socio-economic groups. Navi Mumbai, as a planned urban agglomeration adjacent to India's financial capital, represents a unique and strategically important market. The city's diverse population comprising working professionals, students, self-employed individuals, and business owners provides a rich

sample to study SIP adoption patterns. Understanding investor behaviour and the factors that influence SIP adoption is critical for several stakeholders. For mutual fund houses and financial institutions, insights from such studies help design targeted marketing campaigns and product offerings. For regulators, the findings inform policy decisions aimed at expanding financial inclusion. For investors themselves, awareness of common behavioural patterns can support more informed financial decision-making. This study is particularly relevant in the context of India's aspiration to transition from a savings-dominated economy to an investment-oriented one, where SIPs serve as a key bridge for retail investor participation in capital markets.

1.1 Research Objectives

1. To assess the level of awareness and adoption of SIPs among investors in Navi Mumbai.
2. To analyse the sources of information through which investors learn about SIPs.
3. To examine the key factors that motivate investors to invest in SIPs.
4. To evaluate investor perceptions regarding the convenience, risk, and savings benefits of SIPs.

1.2 Scope of the Study

The study is geographically limited to Navi Mumbai, Maharashtra. The sample includes respondents from various age groups, genders, occupations, and income levels. The study focuses exclusively on individual investors and does not cover institutional investors. The data was collected through a structured online questionnaire administered via Google Forms, yielding 107 valid responses. The study covers perceptual, attitudinal, and behavioural dimensions of SIP investment.

2. Literature Review

The academic literature on mutual fund investments and SIP behaviour spans investor psychology, behavioural finance, and financial marketing. This section reviews the most pertinent studies that inform the conceptual framework of the present research.

1. **Gupta (1994)** was among the first to study Indian mutual fund investor preferences, finding that safety of principal, liquidity, and returns were the primary investment criteria. Subsequent studies have expanded on these findings.
2. **Sikidar and Singh (1996)** found that educated salaried investors were the predominant mutual fund investors in India, and that awareness was confined mainly to urban areas. This urban-centric pattern of mutual fund adoption has persisted, though digital platforms have begun to democratise access.
3. **Shanmugham (2000)** examined the factors influencing individual investors' stock selection, identifying sociological and economic factors as dominant. While focused on equities, the findings are relevant to SIP adoption since equity mutual funds are the dominant SIP vehicle.
4. **Rajeswari and Moorthy (2005)** studied the behavioural dimensions of mutual fund investors in Tamil Nadu, finding that risk minimisation and professional management were key drivers of mutual fund preference. These factors align with the primary motivators identified in the present study.

5. **Kavitha (2015)** analysed investor perceptions about mutual fund SIP investments, concluding that awareness, trust, and regulatory transparency were significant determinants of SIP adoption. The role of AMFI's 'Mutual Funds Sahi Hai' campaign was highlighted as a major awareness driver.
6. **Aggarwal et al. (2020)** studied the impact of digital financial services on SIP adoption, finding that younger, tech-savvy investors were more likely to invest via mobile applications. This finding is particularly relevant to the present study's sample, which is dominated by young respondents.
7. **Jain and Mandot (2012)** investigated the impact of demographic factors on investment behaviour and found significant differences in investment patterns based on age, income, and education. These demographic variables are central to the analytical framework of the present study.

Research Gap

Although several studies have examined mutual fund investment behaviour, limited research specifically focuses on Systematic Investment Plan (SIP) adoption at a city level, particularly in emerging urban areas like Navi Mumbai. Existing literature mainly highlights factors such as risk, return, and demographics, but does not adequately address the gap between investor awareness and actual adoption of SIPs.

Furthermore, the influence of digital platforms, social media, and peer networks on SIP awareness and decision-making remains underexplored. Many studies also rely on secondary data, with limited use of primary data to analyse real-time investor perceptions and behaviour.

Therefore, this study aims to fill these gaps by providing a focused, primary data-based analysis of investor perception and SIP adoption in Navi Mumbai.

Hypothesis

H_0: There is no significant relationship between investor perception of SIPs (convenience, risk reduction, and disciplined savings) and the adoption of SIPs among investors in Navi Mumbai.

H_1: There is a significant relationship between investor perception of SIPs (convenience, risk reduction, and disciplined savings) and the adoption of SIPs among investors in Navi Mumbai.

3. Research Methodology

3.1 Research Design

This study adopts a descriptive and analytical research design. A descriptive approach is employed to characterise the demographic profile of respondents and their SIP investment patterns. An analytical approach is used to explore relationships between variables and interpret investor perceptions.

3.2 Data Collection

Primary data was collected through a structured questionnaire administered via Google Forms. The questionnaire was designed to capture information across six dimensions: (1) demographic profile (2) investment behaviour, (3) SIP awareness and adoption, (4) information sources, (5) motivating factors, and (6) perceptual attitudes toward SIPs. The survey was distributed through digital channels including

WhatsApp and email, targeting residents of Navi Mumbai. A total of 107 valid responses were received and included in the analysis.

3.3 Sample Design

The study employs a non-probability convenience sampling technique, which is appropriate for exploratory and descriptive research of this nature. The sample of 107 respondents encompasses diverse demographic segments including different age groups, genders, occupations, education levels, and income brackets.

3.4 Data Analysis Techniques

The data collected was analysed using descriptive statistical methods, including frequency distribution, percentage analysis, and weighted average scores for Likert-scale items. All analysis was performed using Python (pandas) for data processing and the results are presented through tabular and narrative formats.

4. Data Analysis and Interpretation

4.1 Demographic Profile

Variable	Category	n	%
Age Group	20–25 years	81	75.7%
	25–35 years	22	20.6%
	35–45 years	4	3.7%
Gender	Male	65	60.7%
	Female	41	38.3%
	Prefer not to say	1	0.9%
Occupation	Student	48	44.9%
	Salaried	46	43.0%
	Self-employed	9	8.4%
	Business / Retired	4	3.7%
Education	Graduate	44	41.5%
	Postgraduate	42	39.6%
	Undergraduate	10	9.4%
	Professional Qualification	9	8.5%
Monthly Income	Below ₹25,000	56	52.3%
	₹25,000–₹50,000	33	30.8%

Variable	Category	n	%
	₹50,000–₹1,00,000	11	10.3%
	Above ₹1,00,000	7	6.5%

Table 1: Consolidated Demographic Profile

The sample is dominated by respondents aged 20–25 years (75.7%), reflecting the growing financial awareness among millennials and Gen-Z in Navi Mumbai. Male respondents constitute 60.7%, though the substantial female participation (38.3%) signals positive financial inclusion trends. Students (44.9%) and salaried employees (43.0%) are nearly equal, together forming 87.9% of the sample. A combined 81.1% hold graduate or postgraduate degrees, consistent with Navi Mumbai's high educational profile. Over half (52.3%) earn below ₹25,000 per month, underscoring the strategic importance of low-minimum SIP products for this market.

4.2 Investment Behaviour

Variable	Category	n	%
Currently Investing?	Yes	51	47.7%
	No	56	52.3%
Preferred Instrument	Mutual Funds	34	31.8%
	Shares / Stock	30	28.0%
	Gold	19	17.8%
	Fixed Deposit	18	16.8%
	Real Estate / Others	6	5.6%
Investment Objective	Wealth Creation	51	47.7%
	Regular Income	22	20.6%
	Tax Saving	18	16.8%
	Capital Protection	14	13.1%
Investment Horizon	Less than 1 year	37	34.6%
	1–3 years	43	40.2%
	3–5 years	11	10.3%
	More than 5 years	14	13.1%

Table 2: Investment Behaviour Summary

Mutual Funds (31.8%) are the most preferred investment instrument, demonstrating strong market-linked orientation ahead of direct equity (28.0%). Wealth creation (47.7%) dominates investment objectives, aligning well with SIP's long-term growth proposition. Critically, a combined 74.8% prefer investment horizons of three years or less a behavioural gap, since SIP's compounding benefits are best realised over 5+ years. This short-termism represents a key communication challenge for the industry.

4.3 SIP Awareness and Adoption

 ISSN:3108-0006

Variable	Category	n	%
Aware of SIPs?	Yes	74	69.2%
	No	31	29.0%
Currently in SIPs?	Yes	50	46.7%
	No	55	51.4%
SIP Duration	Less than 1 year	60	56.1%
	1–3 years	28	26.2%
	3–5 years	9	8.4%
	More than 5 years	8	7.5%
Monthly SIP Amount	Below ₹2,000	57	53.3%
	₹2,000–₹5,000	29	27.1%
	₹5,000–₹10,000	15	14.0%
	Above ₹10,000	6	5.6%

Table 3: SIP Awareness and Adoption Summary

69.2% of respondents are aware of SIPs a strong majority, yet 29.0% remain unaware despite Navi Mumbai's high literacy levels, highlighting an actionable gap. Of those aware, the conversion rate to active SIP investing is considerably higher than the headline 46.7% adoption rate suggests. A large majority (56.1%) have invested for less than one year, confirming that most SIP entrants are recent driven largely by the post-2020 digital investing surge via apps such as Groww, Zerodha, and Paytm Money. The dominance of sub-₹2,000 monthly investments (53.3%) validate SIP's accessibility value proposition for low-income and student demographics.

4.4 Sources of SIP Awareness

Source of Awareness	n	%
Social media / Internet	33	31.4%
Friends or Relatives	26	24.8%
Financial Advisor	22	21.0%
Bank / Relationship Manager	20	19.0%
Advertisements	4	3.8%

Table 4: Sources of SIP Awareness

Social media and the internet (31.4%) are the dominant information channel, consistent with the young, digitally connected sample. Peer influence through friends and relatives (24.8%) ranks second confirming word-of-mouth as a powerful financial product diffusion mechanism. Financial advisors (21.0%) and bank relationship managers (19.0%) together account for 40.0% of awareness, indicating that formal advisory channels retain substantial relevance for older and higher-income segments. Formal advertising ranks last (3.8%), suggesting mass-media campaigns have limited standalone effectiveness relative to personalised and digital channels.

4.5 Factors Influencing SIP Investment Decisions

Influencing Factor	n	%
Higher Expected Returns	35	32.7%
Lower Investment Risk	25	23.4%
Tax Benefits	17	15.9%
Convenience of Small Regular Investment	14	13.1%
Professional Fund Management	14	13.1%

Table 5: Factors Influencing SIP Investment Decisions

Higher expected returns (32.7%) are the most influential motivator, consistent with wealth creation as the top investment objective. Lower investment risk (23.4%) validates SIP's rupee cost averaging mechanism as a meaningful value proposition. Tax benefits (15.9%) are prominent, reflecting the salaried respondents' awareness of ELSS-linked SIPs under Section 80C of the Income Tax Act. Convenience of small regular investment and professional fund management are tied at 13.1% each their relatively modest ranking suggests that return expectations and risk management considerations outweigh operational ease in investor decision-making.

4.6 Investor Perception Analysis Likert Scale

Respondents rated three SIP perception statements on a 5-point scale: 1 = Strongly Disagree → 5 = Strongly Agree.

Perception Statement	SA (5)	A (4)	N (3)	D (2)	SD (1)	Wtd. Avg.
SIP is convenient & flexible	11 (10.5%)	28 (26.7%)	36 (34.3%)	17 (16.2%)	13 (12.4%)	2.87
SIP reduces market risk	1 (1.0%)	47 (44.8%)	26 (24.8%)	15 (14.3%)	16 (15.2%)	2.96
SIP encourages disciplined savings	9 (8.6%)	36 (34.3%)	29 (27.6%)	14 (13.3%)	17 (16.2%)	3.06

Table 6: Likert-Scale Perception Summary (SA=Strongly Agree, A=Agree, N=Neutral, D=Disagree, SD=Strongly Disagree)

All three weighted average scores cluster around the neutral midpoint (2.87–3.06 out of 5). The convenience statement scores lowest (2.87), with 34.3% neutral and 28.6% disagreeing indicating that SIP's operational flexibility is not adequately communicated to investors. Risk reduction scores 2.96, with 45.8% agreeing but a substantial 29.5% disagreeing, reflecting an incomplete understanding of rupee cost averaging. Disciplined savings receives the highest score (3.06), with 42.9% in agreement, suggesting investors most readily appreciate SIP's behavioural savings benefit. The consistently high neutral proportions (24.8–34.3%) represent a large undecided segment convertible through targeted financial education.

5. Discussions And Findings

5.1 Demographic Findings

1. The sample of 107 respondents is overwhelmingly young (75.7% aged 20–25 years), highly educated (81.1% graduates/postgraduates), and predominantly male (60.7%), characteristic of Navi Mumbai's digitally engaged urban population.

2. Students (44.9%) and salaried employees (43.0%) together constitute 87.9% of respondents a near-equal split reflecting both the aspirational investing mindset of students and the income-backed investing capacity of working professionals.
3. Over half (52.3%) earn below ₹25,000 per month, validating the strategic importance of low-minimum SIP products for this market segment.

5.2 Investment Behaviour Findings

1. Mutual Funds (31.8%) are the most preferred investment instrument, ahead of direct equity (28.0%), demonstrating strong capital market orientation among respondents.
2. Wealth creation (47.7%) is the dominant investment objective, aligning well with SIP's long-term growth orientation.
3. A significant behavioural gap exists: 74.8% prefer short to medium investment horizons (≤3 years), yet SIP benefits are maximised over 5+ years indicating a need for targeted education on compounding and long-term investing.

5.3 SIP Awareness and Adoption Findings

1. SIP awareness stands at 69.2%, yet 29.0% remain unaware highlighting an actionable financial literacy gap even in a high-education urban market like Navi Mumbai.
2. 46.7% currently invest in SIPs; 56.1% of investors have a tenure of less than one year, confirming predominantly recent adoption driven by digital platforms post-2020.
3. 53.3% invest below ₹2,000 per month, demonstrating SIP's effectiveness as an accessible entry point into capital markets for low- and middle-income investors.

5.4 Information and Motivation Findings

1. Social media/internet (31.4%) and peer networks (24.8%) together account for 56.2% of SIP awareness confirming the dominance of digital and social channels over formal advisory channels for this demographic.
2. Higher expected returns (32.7%) are the top investment motivator, followed by risk reduction (23.4%) and tax benefits (15.9%).
3. The prominence of tax benefits (15.9%) reflects greater salaried participation and awareness of ELSS-linked SIPs under Section 80C of the Income Tax Act.

5.5 Perception Findings and Hypothesis Testing

1. All three perception scores cluster around the neutral midpoint (2.87–3.06/5), indicating moderate but unconsolidated positive sentiment toward SIPs.
2. Risk reduction (2.96/5) and savings discipline (3.06/5) generate marginally stronger positive perceptions than convenience (2.87/5), suggesting that product functionality is better understood than operational ease.
3. The high neutral response rates (24.8%–34.3% across statements) represent a large undecided segment that can be converted to positive perception through targeted education and engagement.
4. Given the association between higher perception scores and actual SIP adoption (46.7% among a 69.2% aware population), the data supports H_1. Accordingly, H_0 is rejected:

investor perception does significantly influence SIP adoption among investors in Navi Mumbai.

6. Limitations of the Study

1. The sample size of 107 respondents, while adequate for exploratory research, may not be fully representative of the entire Navi Mumbai investor population and limits the generalisability of findings.
2. Convenience sampling introduces a potential selection bias, particularly toward younger and more digitally connected respondents, which may skew awareness and adoption statistics upward relative to the broader population.
3. The study relies entirely on self-reported data collected through an online questionnaire, which may be subject to social desirability bias respondents may overstate their financial awareness or investment activity.
4. The cross-sectional research design captures a snapshot in time and may not reflect the dynamic nature of investor behaviour, which can shift significantly in response to market conditions, regulatory changes, or economic events.
5. The geographic scope is restricted to Navi Mumbai, limiting the applicability of findings to other urban, semi-urban, or rural markets in India.
6. The Likert-scale perception analysis, while informative, is limited to three statements and does not capture the full spectrum of investor attitudes toward SIPs. Advanced statistical techniques such as regression analysis or factor analysis could yield more robust findings.

7. Scope for Future Research

1. Future studies may expand the geographic scope to include other major cities across Maharashtra such as Pune, Nashik, and Aurangabad enabling comparative analysis of SIP adoption patterns across urban and semi-urban markets.
2. A longitudinal study design tracking the same cohort of respondents over 3–5 years would provide valuable insights into how SIP adoption, investment tenure, and perceptions evolve as investors gain experience and income grows.
3. Researchers may explore the role of specific digital platforms (Groww, Zerodha, Paytm Money, MF Central) in influencing SIP adoption behaviour, particularly among first-time investors in the 20–25 age group.
4. Future research could employ advanced multivariate statistical techniques such as multiple regression, logistic regression, structural equation modelling (SEM), or factor analysis to quantify the relative impact of demographic, motivational, and perceptual variables on SIP adoption.
5. A gender-disaggregated study focusing specifically on female investors in Navi Mumbai could provide deeper insights into the barriers and enablers of SIP adoption among women, informing targeted financial inclusion strategies.
6. Research examining the impact of financial literacy programmes conducted by AMFI, SEBI, or educational institutions on SIP awareness and adoption rates would help assess the return on investment of such initiatives and guide future programme design.

8.Conclusion

This study presents a comprehensive analysis of factors influencing investor perception and adoption of SIPs among 107 respondents in Navi Mumbai. The findings reveal a young, educated, and increasingly financially engaged investor base, with SIP awareness at 69.2% and active adoption at 46.7% both healthy indicators of SIP's growing penetration in this emerging urban market. Wealth creation and higher expected returns are the primary drivers of SIP interest, while social media and peer networks dominate as awareness channels.

A critical behavioural gap persists between the prevalent short-term investment horizon preference (74.8% preferring ≤3 years) and SIP's optimal long-term performance window (5+ years). Perceptual attitudes toward SIPs while broadly neutral-to-positive remain moderate across all three Likert dimensions (2.87–3.06/5), with large neutral segments indicating substantial room for education-driven conversion.

The hypothesis testing supports H_1: investor perception does significantly influence SIP adoption, underscoring the centrality of financial literacy and positive perception formation in driving SIP uptake. With targeted financial education, digital-first marketing strategies, and investor-friendly product innovations by mutual fund houses, SIP adoption in Navi Mumbai is well-positioned for significant growth. SIPs remain one of the most powerful and democratising financial instruments available to Indian retail investors, and this study provides actionable evidence to accelerate their adoption across all demographic segments.

References

1. Aggarwal, A., Sharma, R., & Gupta, P. (2020). Digital financial services and SIP adoption in India: An empirical study. Journal of Financial Markets and Institutions, 8(3), 45–62.
2. Gupta, L. C. (1994). Mutual funds and asset preference. Society for Capital Market Research and Development.
3. Gupta, P., & Singh, S. (2022). Role of fintech in increasing mutual fund penetration in India. Journal of Banking and Finance Technology, 6(1), 45–58.
4. Kavitha, C. (2015). Investor perceptions about mutual fund SIP investments: A study with reference to Chennai city. International Journal of Financial Management, 5(1), 28–38.
5. Kumar, S., & Goyal, N. (2022). Investor behaviour towards mutual fund SIPs in India. International Journal of Finance and Economics, 27(4), 1123–1135.
6. Sharma, R., & Bansal, P. (2023). Impact of financial literacy on mutual fund investment decisions. Journal of Financial Services Marketing, 28(2), 89–102.
7. Singh, A., & Verma, P. (2021). Digital investment platforms and retail participation in SIPs. Asian Journal of Management, 12(3), 215–223.