

A Study of Consumer Awareness towards Equity-Based Funds of Public and Private Sector Banks

Pratima Kaur¹ and Kanika Rawat²

¹Research Scholar, Sri Guru Ram Rai University, Dehradun

Email: pratimakaur.pk@gmail.com

²Assistant Professor, Sri Guru Ram Rai University, Dehradun

Email: kanika.rwt10@gmail.com

Corresponding author E-mail: pratimakaur.pk@gmail.com

ABSTRACT

The present study tries to understand the customers' attitude towards the equity based mutual funds of Public Sector Banks (PSBs) and Private Sector Banks (PvtSBs). Equity based mutual funds have meaningful importance in the portfolio of retail investors. They help investors to invest in capital markets through various facilities provided by fund managers, diversification, SIPs and long term investment. On the other hand, in terms of investor awareness, investor awareness indicates investors have a basic knowledge of mutual funds and its basic features, but lack knowledge of important technical features of equity-oriented mutual funds such as market risk, NAV, systematic investment planning, expense ratio, fund category, benchmark, lock-in, and suitability of a fund for an investor based on financial need. Recent academic studies on mutual fund investors have shown that the financial literacy, risk perception, expected returns, income level, investment experience, and digital availability are factors influencing investor behaviour and awareness. The study is based on primary data collected from 200 respondents using a questionnaire and analysed using percentage analysis, mean score analysis, and a chi-square test. One table on demographic profile, one table on awareness and perception, one table on factor-ranking and three tables on hypothesis-tests were performed on the study. The study says that there is moderate awareness of equity funds among respondents. Awareness and preference for investment are also impacted by education and income. Public sector banks were rated higher than private sector banks for trustworthiness and providing a safe environment, and private sector banks were rated higher for digital services, advisory services, customer conversations and investments. The study concluded that both public and private sector banks should improve investor education and risk disclosure, and refrain from treating equity based products as normal banking products.

Keywords: Consumer awareness, equity-based funds, mutual funds, public sector banks, private sector banks, financial literacy, investor behaviour, SIP, investment decision, risk perception

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1. Introduction

Equity funds are mutual fund schemes that predominantly invest in equity shares/equity-related instruments and these are for investors who are comfortable with taking risk in respect of returns to seek long-term appreciation. Unlike customary banking products such as savings accounts, recurring deposits or fixed deposits, equity-based funds do not have guaranteed returns. Factors determining returns include stock market performance, fund manager, sector bias, economic factors, and holding period. Equity funds tend to earn attractive long-term returns and are generally the higher risk asset class in the short term with regard to capital losses and volatility of returns compared to other asset classes.

Recent decades have seen a meaningful rise in mutual fund investments in India. The rise is attributed to the digitalization of financial services, systematic investment plans, the advent of online platforms for investing, and the emergence of banks as distributors of financial products. Research explores the impact of factors such as financial literacy, convenience, access to digital platforms, trust in financial institutions, and the availability of advisory services on mutual fund investments in India (Shahin & Asthana, 2025; Gupta & Sharma, 2025; Tiwari & Sharma, 2025). Banks are well positioned to have a relationship with consumers and offer investment products and services because they already maintain a regular relationship with consumers through savings, salary

accounts, loans, insurance products, and digital banking products. Consumers are often more comfortable receiving information about investing from their bank. Public sector banks have a different purpose from private sector banks. They create consumer awareness and associations of institutionalisation, connectivity, comfort, and safety through a wider network and more accessible branches. They are preferred by conservative investors and older people. These banks are typically seen as more secure and stable, with the private sector being associated with technology efficiency, relationship management, personal attention, mobile and internet banking, and investment advisory services. Differences may have an impact on consumers' perception, comparison, and choice of equity-based funds. According to studies, investor perceptions of trust, quality of service, risk communication, and digital convenience have been identified as prominent factors influencing consumers' decisions to invest in and select mutual funds (Kumar & Singh, 2024; Verma & Joshi, 2024; Thomas & George, 2024). Knowing what mutual fund means does not indicate that the customer is aware of the risk and suitability of equity funds. It is possible that the customer learned about mutual funds through advertisements, a bank officer, social media, acquaintances, or mobile applications, but not that he/she knows about equity funds. This includes knowledge about types of funds (including equity funds, debt funds, hybrid funds, index funds, ELSS, sectoral funds and thematic funds), systematic investment plan or lump sum investment, perceived fund performance, benchmark index, role of fund manager, exit load, tax implication, and relationship between risk and return. Recent studies of mutual fund awareness show that the investors do have some knowledge, but depend very much on advisors or online sources for information (Gambhire&Suganthiya, 2025; Deshmukh & Kulkarni, 2023; Khan & Ansari, 2023). Thus, there is a need to study consumer awareness towards equity-based funds. Uninformed investment decisions may result in discontent, panic redemption, selection of wrong products, and loss of faith in the industry. A consumer who buys an equity fund on the basis of previous high returns or bank sales staff's advice, without a proper understanding of market risk, is likely to be disappointed during a downturn on the stock markets, an obstacle to his or her long-term

financial planning. They should explain not only expected benefits but also risk, suitability, cost and investment horizon. Research on mutual fund investors has repeatedly highlighted the role of investor education and product explanation in improving responsible investment behaviour (Rao & Reddy, 2024; Pandey, 2024; Fernandez, 2025).

The study concentrates mainly on the equity-based funds of public and private sector banks and not on the performance of the funds, but on factors like consumer awareness, preference, perception and decision-making. Secondly, based on a sample of 200 respondents and the use of simple analytics, the findings are easy to comprehend, particularly in light of the fact that banks do not only conduct deposit and loan functions. They also act as distributors of investment products such as mutual funds. Awareness of financial products is important for investor protection and the efficient functioning of the financial market.

2. Review of Literature

Recent research on mutual fund awareness finds that retail investors seem to know the basics of mutual funds, but lack detailed knowledge. According to Gambhire and Suganthiya (2025), retail investors generally have awareness about mutual funds, with their decision to invest influenced by their demographics, information sources, and psychology. The researchers concluded that while many investors are familiar with the idea of mutual funds, they are unfamiliar with the categories of mutual funds, the risk they carry, and what it takes to invest them in the long run. They recommend increased awareness of equity funds, which are a more complex product.

In their study of retail investor behaviour and risk perception towards mutual funds, Shahin and Asthana (2025) found that mutual fund behaviour is positively influenced by risk perception, financial literacy, investment knowledge and expected return. In the present study, consumer awareness is not simply informational but of a behavioural nature: consumers know about equity funds but the decision on whether to invest is based on how much confidence they have in the distributor and their understanding of the risk.

Tiwari and Sharma (2025) examine the preferences of bank-managed SIP investors towards mutual fund products. Researchers argue that bank-linked SIP products are characterised by convenience, trust, service quality and advisory support. This study is important because it compares PSBs and

the private sector banks as sources for the provision of equity-based funds. It is meaningful because consumers depend on the banks and their relationship managers to receive information about investment products.

In terms of mutual fund awareness and attitudes, Gupta and Sharma (2025) found that investor choice was considerably affected by age, income, investment experience, and digital usage. The results imply that tech-savvy and younger investors prefer quick fund information access, while older investors may consider personal trust and organization reputation more important. This comparison is relevant due to customer characteristics, such as the age of customers, customer preferences on which services to use, and digitalization.

Kumar and Singh (2024) studied the factors that influence investor awareness and found education, income, occupation and exposure to financial information to be key determinants. Investors with higher education levels are typically more aware of mutual funds' benefits and risks. This supports the first hypothesis of the present study, which examines the connection between equity-based funds and degree of education.

Verma and Joshi (2024), studying investment intentions in mutual funds in India, identified return expectation, risk attitude, liquidity, fund brand image, and advisor influence as influencing factors for investors' decisions. Their findings can help explain why consumers are attracted to equity funds or why they are not. Equity markets deter consumers from demanding funds based on them, but promise higher returns to investors.

In a study by Thomas and George (2024), they explored investors' awareness and attitude towards mutual funds. The study found that multiple messages from sources like advisors, advertisements, groups, and social media can increase awareness. The source of information plays a meaningful role. This is consistent with the present study that identifies bank employees, social media, family and friends, financial advisors, and advertising as sources of information.

Rao and Reddy (2024) focused on the financial literacy and mutual fund investment decisions of individual investors. The findings showed that financial literacy had a positive impact on decision-making, including confidence and evaluating options. Their research can contribute to understanding equity funds, which can be complex

to analyse regarding market-linked returns, risk categories, and fund selection criteria.

Further, in a study by Pandey (2024), although the majority of investors have a positive attitude towards investment in mutual funds, there are concerns about safety, market fluctuation and lack of full knowledge. This justifies the present study, as it believes that moderate awareness may not be enough. Investors need a working knowledge, rather than just exposure.

A study by Deshmukh and Kulkarni (2023) on retail investors' perception of equity mutual funds found that investors' return expectation, past performance, risk appetite and investment horizon are factors influencing the decision. Since equity funds are long-term investments, the findings of this study corroborate the inclusion of expected return, risk level and past performance as decision factors in the present study.

Khan and Ansari (2023) studied financial literacy and investor preference towards mutual funds among retail investors, finding financial literacy and advisor's support to be very influential. This further corroborates the present paper's finding that bank employees and relationship managers are the main sources of information.

According to Maheshwari et al. (2023), regarding the reasons behind mutual fund investment decision, factors such as return, safety, liquidity, tax benefit and fund reputation are considered. The present study investigates the factors affecting the investment decision, including anticipated return, trust in bank, level of risks, and advisory support, in comparison to those reported in Maheshwari et al. (2023).

Sharma, Banerjee, Waikar, and Kumar (2023) describe disciplined and regular investments made through SIPs as the preferred mode of investment among investors and therefore characterise SIPs as very popular among investors. This is relevant because many consumers invest in equity funds through systematic investment plans rather than all at once (lump sum), though SIP awareness does not imply equity fund risk awareness.

Chakraborty and Dutta (2022) investigated the awareness of mutual funds among young investors and found that digital media, peers, and online platforms are having an increasing influence on investment decisions. Thus, the present study's finding that digital platforms influence investment decisions in the case of young investors is supported.

In a 2022 paper, Banerjee and Roy attempted to analyse investor perception towards SIPs (systematic investment plans) and concluded that the choice can be explained by lower contribution value and higher frequency of investment (e.g. weekly vs monthly) making SIPs a good option for the middle-income investor. This could explain the relationship with income and equity funds.

Das and Ranjan (2022) investigated the relationship between financial literacy and saving-investment behaviour and established that financial literacy is a determinant of investment product choice, supporting the argument that financial awareness can be achieved through financial education, not solely through product promotion.

According to research by Agarwal and Tyagi (2022), major concerns when investing in mutual funds include lack of knowledge, risk dislike, and reliance on customary savings instruments. This is particularly relevant to banks in India. Despite the differing risk-return scenarios, most customers still benchmark equity funds against fixed deposits.

In another study on investor awareness and perception towards mutual fund investment, Meena and Yadav (2022) stated that awareness is related to demographic factors and sources of information, and likewise, this study considers demographic factors such as education, income, age, and occupation.

The mutual fund investment behaviour of salaried individuals was studied by Rani and Sinha (2021). They found it is easier for salaried respondents to choose SIPs because of their monthly salary. It also becomes important because salary account holders of banks are recommended SIPs to invest in equity mutual funds.

Gupta and Sharma (2021) reveal investment objective, expected return from funds, fund performance, safety, and tax benefit as the most important reasons for selecting mutual funds by investors. The present study also analyses the expected return, risk level, and past fund performance as the factors of investor selection.

Prasad and Rao (2021) concluded that investors with a greater preference for risk and a long-term investment horizon were likely to choose equity mutual fund schemes, justifying the focus of the present paper on equity-based mutual funds rather than mutual funds in general.

Jain and Verma (2021) studied the mutual fund awareness level among retail investors and likewise found that some respondents had partial knowledge

and indicated the need for further investor education, in line with the current study's conclusion regarding moderate awareness as predominant.

Kumar and Sharma (2021) studied investors' awareness and perception of mutual fund investment and observed that the level of investor belief is dependent on awareness, advisor support, and prior experience. The present study is relevant to this because past experience can affect trust on bank-linked fund services.

A study by Singh and Kaur (2020) on the financial literacy and mutual fund investment behaviour of retail investors found that financial literacy correlated positively with investment confidence and lower fear towards market-linked investment products, supporting the study's claim that awareness is needed for informed investment decisions.

According to Sharma and Gupta (2020), return, risk, liquidity and trust are the four primary decision-making criteria that influence the investor's choice of mutual fund[s], lending credence to the selection of the decision-making variables employed in this study.

Patel and Mehta (2020) assess the awareness and perception related to mutual funds across urban and rural areas, concluding that factors such as literacy level and geographical location influence awareness levels. Their findings could help explain why retail investors seem unaware, despite the wide-ranging publicity of mutual funds.

Bhatia and Kiran (2020) study consumer perception and awareness towards mutual funds in India. Their results support the argument in this paper that banks need to simplify communication and explain product risks so as to ease understanding in the consumers of mutual funds.

According to Nair and Pillai (2023) in their study of risk perception and investment behaviour of mutual fund investors, perceived risk affects the investment confidence of investors. This is particularly true for equity-based mutual fund schemes since risk-averse consumers tend to avoid equity schemes despite their potential for higher long-term returns.

According to Fernandez (2025), while the awareness and understanding of mutual funds had improved, investors' education needed a more realistic focus, which supports the present study's conclusion that risk, cost, return and suitability

should be even more stressed in awareness programs.

Overall knowledge of equity-based funds is influenced by level of education, income levels, risk perception, information sources, past investment experience, access to online information, access to advisory services and the level of trust in them. Most of the literature dealt with mutual funds in general and less with the public sector banks or private sector banks as sources for awareness. The present study is an attempt to bridge this gap.

2.1 Research Gap

The literature review established that mutual fund awareness has been studied in the context of financial literacy, SIP behaviour, risk perception, investment attitude, retail investor behaviour, and digital investment behaviour. The majority of studies have considered mutual funds as a whole, without a specific focus on equity mutual funds versus other types of mutual funds. Equity-based funds can be more complex to understand, as market risk is connected with capital appreciation over the long term. A consumer may understand fixed-deposit and recurring-deposit products but not be able to understand equity-based funds.

Another gap is the lack of research comparing public sector and private sector banks with regard to investor behaviour. In India, banks are not only deposit-collectors, but are also large distributors of financial products. Investors often need to depend on bank personnel or relationship managers for investment advice. Thus, the following research question arises: whether consumers perceive public sector and private sector banks differently in terms of trust, transparency, digital technology, advisory and ease of investment.

Accordingly, the present study attempted to bridge this gap by examining the level of awareness of equity-based funds and public and private sector banks among consumers and by examining the association between education and awareness, income and investment preference, and the type of bank and the perception of consumers by using a sample of 200 respondents.

2.2. Study Objectives

- 1 To study consumer awareness towards equity-based funds of public and private sector banks.
- 2 To identify the major data sources on equity-based funds.

- 3 To assess the factors that affect consumer investment decisions in equity-based funds.
- 4 To compare consumers' perception of public sector and private sector in providing equity fund services.
- 5 To examine the association between education level and awareness of equity-based funds.
- 6 To examine the impact of monthly income on preference of equity-based funds.
- 7 To recommend ways to improve consumer awareness and responsible investment behaviour.

2.3 Hypotheses of the Study

H1: There is a significant association between education level and awareness of equity-based funds.

H2: There is a significant association between monthly income and preference for equity-based funds.

H3: There is a significant difference in consumer perception towards equity fund services of public and private sector banks.

3. Research Methodology

This study was descriptive and analytical because it was intended to reveal consumers' awareness, perception, and preference for equity-based funds. The study is analytical because this study is based on primary data. A pre-designed questionnaire was used as a tool for the study. The survey, which was filled out by 200 people, was simple in language and questions were asked about the respondents' awareness, preference, risk perception, source of information, and bank choice.

A convenience sample was used, with respondents chosen from consumers who have bank accounts that have had some exposure to financial products. It represented men and women of different ages, education levels, income levels, and types of occupations. The study does not aim to be representative of the Indian population but it provides a simple analytical understanding of consumer awareness with the sample selected.

Percentage analysis is employed for analysing demographic and awareness level data. Mean score analysis is used for analysing investment decision factors and perceptions statement ranking. Chi-square test is used to test the association between the relevant categorical variables and the importance level is fixed at 5 percent.

4. Data Analysis and Interpretation

4.1 Demographic Profile of Respondents

Table 1: Demographic Profile of Respondents

Variable	Category	Frequency	Percentage
Gender	Male	112	56.0
	Female	88	44.0
Age	Below 25 years	38	19.0
	25 to 35 years	72	36.0
	36 to 45 years	54	27.0
	Above 45 years	36	18.0
Education	Up to Graduation	74	37.0
	Post-Graduation	86	43.0
	Professional Degree	40	20.0
Monthly Income	Below ₹25,000	48	24.0
	₹25,001 to ₹50,000	66	33.0
	₹50,001 to ₹75,000	52	26.0
	Above ₹75,000	34	17.0
Occupation	Salaried	82	41.0
	Business	44	22.0
	Professional	32	16.0
	Student	24	12.0
	Others	18	9.0
Preferred Bank Type	Public Sector Bank	92	46.0
	Private Sector Bank	108	54.0

From the total respondents, 56 percent are male and 44 percent are female. The majority of the respondents fall within the 25-35 age range making up 36 percent of the total sample. This indicates that most of the respondents are young and middle-aged and are likely to be active users of banking and digital financial services. Additionally, 43 percent of the respondents are educated with postgraduate qualifications, and 20 percent are educated with professional degrees. Similar to the overall sample, the sample of the interviews had a

high education level. Education is an important characteristic for the sample since it can affect knowledge of equity-based funds. As seen in figure 1.1.1, 33 percent of the sample belong to the income group of ₹25,001 to ₹50,000 per annum, with the second largest group belonging to the group of ₹50,001 to ₹75,000 (26 percent). This suggests that there are a lot of middle-income consumers who are likely to invest in equity funds through SIP. Maximum respondents were salaried individuals. Salary consuming investors make their investments through monthly savings, with SIPs being their preferred investment plan. Regarding the preferred bank for equity fund services, 54% preferred private sector while 46% expressed a preference for public sector banks.

4.2 Descriptive Analysis

Table 2: Awareness Level of Respondents towards Equity-Based Funds

Awareness Level	Frequency	Percentage
High Awareness	58	29.0
Moderate Awareness	96	48.0
Low Awareness	46	23.0
Total	200	100.0

48 percent of respondents reported having a moderate awareness of equity-based funds, while 29 percent reported having a high awareness and 23 percent reported having a low awareness. Thus, most participants seem to have heard of equity funds but lack technical knowledge about their workings, in line with other studies that indicate that investors have partial knowledge about mutual funds but lack knowledge about risk, return, fund categories, and SIP discipline (Gambhire&Suganthiya, 2025; Jain & Verma, 2021; Fernandez, 2025).

Table 3: Awareness of Specific Features of Equity-Based Funds

Feature	Fully Aware	Partly Aware	Not Aware
SIP	122	58	20
Market risk	104	70	26
NAV	68	84	48
Expense ratio	42	74	84
Exit load	38	72	90
Fund objective	88	78	34
Long-term investment horizon	96	76	28
Benchmark comparison	36	64	100

Feature-wise awareness shows that SIP and market risk are widely recognised. Although technical terms like expense ratio, exit load, and benchmark comparison are used, awareness levels are low. This suggests that while investors have some understanding of financial investment concepts, they lack knowledge of individual investment products, leading to poor investment decisions. Research by Sharma et al. (2023), Banerjee & Roy (2022), and Rao & Reddy (2024) also found that while investors might know of SIPs' popularity, they may lack the ability to assess cost, risk, benchmark, and fund suitability.

Table 4: Source of Information about Equity-Based Funds

Source of Information	Frequency	Percentage
Bank Staff or Relationship Manager	54	27.0
Social Media and Digital Platforms	46	23.0
Friends and Family	38	19.0
Financial Advisors	34	17.0
Advertisements	28	14.0
Total	200	100.0

The most important information sources for investors are the staff of the bank and the relationship manager. Social and digital media are second. This suggests banks still have a large effect on investment awareness. It was found that younger individuals are likely to rely on online information sources whereas older investors prefer personal assistance. Studies also show that information sources, advisor influence, access to online platforms, and peer discussions impact individuals' familiarity with and preferences for mutual funds (Chakraborty & Dutta, 2022; Thomas & George, 2024; Khan & Ansari, 2023., Sayeed et al. 2025).

Table 5: Factors Influencing Investment Decision

Factor	Mean Score	Rank
Expected return	4.31	1
Trust in bank	4.18	2
Risk level	4.02	3
Advice from bank staff	3.86	4
Past fund performance	3.74	5
Ease of digital investment	3.62	6
Tax benefit	3.41	7
Liquidity	3.33	8

Though expected return is the most important, second among consumer considerations is trust in

the bank, and where the fund is distributed from. Likewise, market risk is the third most key factor that consumers consider when making these investments. This indicates that the decisions made by consumers are influenced by the market, and the advice of bank staff. In the context of investments, mutual fund investment behaviour is influenced by return expectation, trust, risk perception, past fund performance, and advisor guidance (Verma & Joshi, 2024; Shahin & Asthana, 2025; Maheshwari et al., 2023).

Table 6: Consumer Perception towards Public and Private Sector Banks

Statement	Public Sector Bank Mean	Private Sector Bank Mean
Trust and safety	4.28	3.92
Digital service quality	3.41	4.36
Investment advisory support	3.55	4.22
Transparency of information	3.76	4.08
Ease of investment process	3.48	4.31
Follow-up service	3.36	4.18
Product explanation	3.58	4.10

Trust and safety were ranked higher for public sector banks while digital service, advisory support, transparency, ease of investment, follow-up service, and product explanation ranked higher for private sector banks. This implies that while public sector banks still hold trust to a certain extent, they need to improve the delivery of services and communication. However, private sector banks also encounter difficulties with transparency and suitability when it comes to their advisory practices, even though they may be more customer-friendly on digital channels.

4.3 “Hypothesis Testing

H1: Education Level and Awareness of Equity-Based Funds

Table 7: Cross Tabulation of Education and Awareness Level

Education Level	High Awareness	Moderate Awareness	Low Awareness	Total
Up to Graduate	14	34	26	74

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on				
Post-Graduation	28	44	14	86
Professional Degree	16	18	6	40
Total	58	96	46	200

Table 8: Chi-Square Test for H1

Test	Value
Chi-Square Value	12.84
Degree of Freedom	4
p-value	0.012
Result	Significant

Since the p-value is 0.012 which is less than 0.05 H1 can be accepted. There is an important association between educational qualifications and knowledge of equity-based funds, thus those who have post-graduate/professional qualifications have a good knowledge about equity-based funds. Recent research has found education and financial literacy improve knowledge of mutual fund investment, risk and return awareness and fund selection (Kumar & Singh, 2024; Rao & Reddy, 2024; Singh & Kaur, 2020., Sayeed et.al. 2025) .

H2: Monthly Income and Preference for Equity-Based Funds

Table 9: Cross Tabulation of Monthly Income and Investment Preference

Monthly Income	Prefer Equity Funds	Do Not Prefer Equity Funds	Total
Below ₹25,000	20	28	48
₹25,001 to ₹50,000	38	28	66
₹50,001 to ₹75,000	36	16	52
Above ₹75,000	28	6	34
Total	122	78	200

Table 10: Chi-Square Test for H2

Test	Value
Chi-Square Value	16.72
Degree of Freedom	3
p-value	0.001
Result	Significant

Since p-value is less than 0.05, H2 is accepted. This implies that the relationship of the income level with the preference for equity-based mutual funds is important, which could be because of the high income respondents' capacity for risk, savings ability, and accessibility to investment advice and information. Further, researchers have found that the level of the income of investors and their ability to invest are factors that affect the investments in mutual funds (Meena & Yadav, 2022; Rani & Sinha, 2021; Gupta & Sharma, 2025., Vishwanath, K. N. et.al.2025).

H3: Consumer Perception towards Public and Private Sector Banks

Table 11: Bank Type and Positive Perception

Bank Type	Positive Perception	Neutral or Negative Perception	Total
Public Sector Bank	56	36	92
Private Sector Bank	82	26	108
Total	138	62	200

Table 12: Chi-Square Test for H3

Test	Value
Chi-Square Value	5.49
Degree of Freedom	1
p-value	0.019
Result	Significant

Since the p-value is less than 0.05 at 0.019, H3 is accepted. The perception that the equity fund services by public sector banks (PSBs) are poor compared to private sector banks is stronger because private sector banks are better equipped with digital access, advisory services, communication, and ease of investment for equity funds. Public sector banks continue to be viewed as safe and reliable, confirming earlier studies on how service quality, trust, advisory, and convenience play critical roles in investing in bank-linked mutual funds (Tiwari & Sharma, 2025; Thomas & George, 2024; Khan & Ansari 2023.,).

5. Discussion”

The study found a moderate level of cognizance of the consumers relating to the equity based mutual fund schemes. They were aware of the mutual funds and SIPs but did not have full cognizance regarding the mutual funds especially the details related to expense ratio, exit load, benchmark, fund objective etc. There is an apparent gap

between awareness and knowledge to invest. Awareness is strongly associated with education levels. Individuals with higher educational levels were generally better informed and more likely to understand financial terms and comparisons, and, not surprisingly, they were also more likely to have Internet access. Monthly income was an important factor associated with a preference for equity-based funds. Wealthier respondents would be more willing to invest in equity funds as they would be able to tolerate the market risk. Bank staff and relationship managers are the most preferred source of information on equity funds by respondents. Although this shows banks are a source of awareness, however, it matters what advice is given, and bank staff not providing enough risk information in promoting funds may mislead consumers. Public sector banks are preferred for their reliability and security, while private sector banks are better in terms of digital service, advisory service, follow-up and ease of investment. While public sector banks have their advantages, there is a need for improvement in the advisory communication to clients and digital convenience. Private sector banks should maintain trust and transparency.

The findings of the study indicate that consumers do not have full knowledge of the equity-based funds available in the market and though most of the respondents have heard about mutual funds and systematic investment plans (SIPs), their knowledge is not wide. This is important because equity-based funds are not saving products but market-linked ones, which need a basic understanding of risk, time horizon, cost and suitability of funds. Less informed consumers are more likely to withdraw investments in response to market declines or invest in poor performing funds. The finding is consistent with the view that financial literacy improves with education, but also that education is not sufficient. A postgraduate respondent is unlikely to have heard of equity funds or any financial products unless he or she has undergone financial education. Banks should not assume educated customers know about investment products and should clarify product features. The positive relationship between income and the propensity to invest could be an indication that wealth is positively correlated with risk tolerance, or that wealthy consumers have more frequent investments and have larger capacity for short-term losses. Lower-income consumers may not have

enough capital to take on higher-risk investments. Banks should therefore risk profile consumers before recommending equity-based funds.

In terms of consumer trust and service quality, public sector banks are perceived to excel in consumer trust, while private sector banks are seen to excel in advisory and e-services. Keeping in view the current economic climate, timely updates, electronic access with convenience, explanations that are clear, and regular feedback, are additional key areas where customer expectations lie. At the same time, digital convenience is not enough, if product explanations are insufficient or sales-driven. The study also finds that the understanding of finances has to go beyond sales pitches. In advertisements, many banks fail to explain clearly. They should use simple examples, risk illustrations, comparison charts, and goal explanation, to help people understand what they can expect. For example, instead of saying equity funds can sometimes produce high returns, they might say equity funds are suitable for the long term, with short-term price fluctuations.

6. Conclusion

The study concludes that consumer awareness of equity-based funds in public and private sector banks is moderate with most consumers aware of mutual funds and systematic investment plans (SIPs), but lacking technical knowledge. Awareness and preference vary with education and income. Public sector banks were rated as more trustworthy but private banks were rated better for digital services and advisory services. According to the study, banks have a big responsibility to improve consumer awareness. Equity-based funds are exposed to equity market risks and should not be marketed to consumers as being similar to fixed interest products. Adequate levels of explanation, risk disclosure, financial literacy and responsible financial advisory practices are necessary to support good consumer decision-making and long-term investment behaviour. Increased consumer awareness benefits not just investors but also banks and the mutual fund industry.

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