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Exploring the Factors Affecting investors Perception towards Mutual fund with reference to Financial Literacy and Awareness

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Abstract

Background:

The mutual fund industry in India has seen significant growth, with increased participation from tier-2 cities like Lucknow. Despite regulatory initiatives by SEBI and the availability of digital advisory platforms, a wide gap persists in investor awareness and access to credible information. Many semi-urban investors still rely on informal sources, highlighting the need to examine what drives financial literacy and awareness.

Aim:

This study aimed to identify the determinants influencing financial literacy and awareness among mutual fund investors in Lucknow. It also explored how awareness and use of information sources varied across demographic segments and assessed their impact on investor knowledge.

Methodology:

Adopting a descriptive, exploratory, and cross-sectional design, the study employed a quantitative approach. Data were gathered from 467 mutual fund investors in Lucknow using a structured 5-point Likert scale questionnaire. Analysis was conducted using SPSS 25, applying reliability tests, exploratory factor analysis (EFA), t-tests, ANOVA, and regression analysis.

Results:

EFA revealed a single dominant factor each for awareness and information sources, explaining 56.5% and 48.6% of the variance, respectively. Significant differences were observed across gender, age, education, occupation, and income ($p < 0.05$). Regression analysis showed a strong positive relationship between access to information sources and financial literacy ($r = 0.83$, $R^2 = 0.69$, $\beta = 0.83$).

Conclusion:

Demographic factors and access to credible information significantly influenced awareness and literacy. Core mutual fund knowledge and diverse information channels were critical to informed investment behavior.

Implications:

The findings support targeted financial education, increased digital engagement, and inclusive policy initiatives for semi-urban investors.

Keywords: Financial Literacy, Mutual Funds, Investor Awareness, Information Sources

1.Background of the Study

The mutual fund industry had gained significant momentum in India's financial ecosystem, with cities like Lucknow witnessing a rise in investment activity. Despite this, the level of awareness among investors and their access to reliable information sources had remained uneven. As mutual fund products became increasingly diversified and complex, the need to understand what factors influenced investor awareness and how information sources played a role became more important. Previous research had shown that investment decisions were shaped not only by financial returns but also by behavioral, informational, and psychological factors. Yuvaraj and Venugopal (2024) had applied the Theory of Planned Behavior (TPB) to explain mutual fund investors' behavioral intentions. Their study had demonstrated that subjective norms and perceived behavioral control had a significant effect on investment choices, while financial knowledge had moderated these relationships positively.

Although regulatory bodies like SEBI had introduced multiple reforms to safeguard investors and promote financial literacy, the actual diffusion of these efforts at the grassroots level had varied. Bouddha et al. (2024) had documented the evolution of SEBI's framework from the inception of the Unit Trust of India (UTI) to more recent reforms focused on transparency and investor protection. Yet, studies like those of Sharma et al. (2016) had indicated that many investors in semi-urban areas continued to rely on informal advice due to low awareness. Demographic variables had also influenced awareness levels and access to information. Mishra and Gupta (2025) and Verma et al. (2025) had found that factors such as age, income, education, and occupation played a decisive role in shaping financial literacy and investment decisions. These findings had suggested the need for a more segmented and inclusive approach to investor education.

Further, researchers had identified gaps between the availability of information and its actual utilization by investors. Kumar and Mishra (2025) had observed that individuals with higher financial literacy were more likely to engage in informed decision-making and effective portfolio diversification. Similarly, Chufal et al. (2025) had highlighted that financial well-being and awareness were stronger among the youth when credible information was accessible. With the emergence of technology, AI-based platforms and robo-advisory services had begun to alter how investors consumed financial information. Lu (2025) had discussed how tools like ChatGPT helped reduce behavioral biases and supported informed decision-making. Chandani and Bhatia (2025) had emphasized that such platforms served as useful alternatives to traditional advisors, especially for tech-savvy investors. However, the adoption and effectiveness of such tools in cities like Lucknow had remained underexplored.

In light of these considerations, the present study aimed to explore the key factors that had influenced investor awareness and sources of information among mutual fund investors in Lucknow. It also analyzed how these aspects had varied across demographic groups and examined the effect of information sources on investor awareness. The findings were expected to contribute to more targeted investor education initiatives and improved information dissemination strategies in regional markets.

1.1 Objectives of the Study

1 To explore the most important factors affecting awareness and sources of information for mutual investors in Lucknow.

2 To analyse how the awareness and sources of information differ across demographic factors of mutual fund investors in Lucknow.

3.To examine the impact of information sources on the awareness of mutual fund investors in Lucknow.

1.2 Need and Significance of the Study

The study was needed to address the limited understanding of how mutual fund investors in tier-2 cities like Lucknow accessed and utilized information for investment decisions. Despite the growing popularity of mutual funds, many investors lacked adequate awareness and relied on informal or inconsistent sources. Existing literature had highlighted the role of financial literacy and demographic factors, but localized insights were scarce. There was also a need to examine how emerging digital platforms influenced awareness among different investor segments.

By exploring these gaps, the study aimed to provide practical recommendations for improving investor education and promoting informed financial participation. This study held significance in understanding the dynamics between awareness levels and information sources among mutual fund investors in Lucknow. It provided empirical insights into how demographic factors influenced investment knowledge and behavior. The findings contributed to identifying gaps in investor education and information dissemination in semi-urban settings. Additionally, it highlighted the role of digital tools in shaping informed investment decisions. The study was valuable for policymakers, financial advisors, and mutual fund companies aiming to design targeted awareness programs and improve financial inclusion strategies.

2. Literature Review

Studies related to Information Sources of Investment (External and Internal) determinant: National and International Perspectives:

The mutual fund industry is a vital component of global financial markets, influencing investor behavior, regulatory frameworks, and product development. To understand these dynamics, the Theory of Planned Behavior (TPB) is commonly applied, which suggests that subjective norms, perceived behavioral control, and financial knowledge significantly affect decision-making processes. Yuvaraj and Venugopal (2024) used this theory to examine the behavioral intentions of mutual fund investors. Their study found that subjective norms and perceived behavioral control played pivotal roles in shaping investment decisions, while financial knowledge acted as a moderating variable that enhanced these relationships. This underscores the importance of providing investors with the necessary financial literacy to make informed decisions. A key element in the mutual fund industry is the role of investor education, further supported by regulatory frameworks such as those established by the Securities and Exchange Board of India (SEBI). Bouddha et al. (2024) analyzed the evolution of SEBI's regulatory framework, starting from the establishment of the Unit Trust of India (UTI) in 1963 to the reforms currently in place aimed at safeguarding investor interests. Their research highlights SEBI's efforts to improve transparency, investor protection, and accountability. However, they argue that the regulatory framework must be further strengthened to ensure long-term stability and sustainable growth within the mutual fund sector. This view aligns with the recommendations of Yuvaraj and Venugopal (2024), who emphasized the need for enhanced investor education to complement regulatory improvements.

The successful launch of new mutual fund products is another key factor contributing to industry growth. Bhatti and Gaur (2024) examined the strategies behind the introduction of new mutual fund offerings in India, emphasizing the importance of aligning product strategies with investor preferences and market demands. By providing a conceptual framework, their study offers valuable insights into the dynamics of new fund launches and underscores the necessity of continuously adapting to investor needs to sustain the growth of the mutual fund industry in a rapidly evolving market.

Mittal and Sharma (2022) focused specifically on SEBI's role in ensuring transparency, accountability, and investor protection within the mutual fund industry. Their study examined operational processes, investment strategies, and the impact of regulatory measures on market integrity and investor protection. Ruby (2018) expanded on this by exploring SEBI’s regulatory framework, focusing on the three-tier structure of mutual funds—sponsor, asset management company (AMC), and trustee—designed to protect investor interests. SEBI’s mandatory reporting and reforms significantly enhance transparency and operational efficiency, helping to protect retail investors and build trust in the system. Despite these advancements, financial illiteracy continues to be a significant barrier to informed investment decision-making in India. Sharma et al. (2016) identified this issue, particularly for small investors in Equity-Linked Savings Schemes (ELSS). Their study emphasized that limited access to information and low financial literacy hinder small investors from fully benefiting from mutual fund investments. The authors called for educational initiatives to enhance financial decision-making among small investors, which aligns with the recommendations of Yuvaraj and Venugopal (2024) for enhanced financial literacy.

Globally, financial literacy and technology's impact on investment behavior has been a focus of research. Lu (2025) studied how integrating robo-advising with ChatGPT systems can educate users on financial concepts like beta and alpha in mutual funds. Their study showed that after receiving education, investors shifted their preferences toward ETFs and index funds, illustrating the importance of financial education in enhancing investment outcomes. Similarly, Challoumis (2025) examined the role of wealth management companies in helping investors achieve their financial goals, highlighting the growing importance of FinTech, particularly robo-advisors, in providing personalized advice and supplementing traditional financial advisory services.The rise of socially responsible investment (SRI) funds has also become a significant trend in global mutual fund markets. Belghitar et al. (2017) compared the performance of SRI funds and conventional funds in the UK, finding that both types of funds outperformed the market approximately half of the time, though SRI funds faced challenges during economic downturns. This study highlights the role of fund management companies in influencing the performance of both SRI and conventional funds, suggesting that SRI funds may be more vulnerable to market fluctuations.

Overall, these studies emphasize the interconnected factors influencing mutual fund investments, including investor behaviour, regulatory frameworks, financial literacy, and product strategies. SEBI's regulatory efforts in India, alongside the increasing use of financial education and technology, are pivotal in driving the success of mutual funds. As the mutual fund sector continues to grow and attract a diverse range of investors, enhancing investor education and strengthening regulatory frameworks will be critical to ensuring the industry's long-term stability and sustainability.

Studies Related to Financial Literacy and Awareness

Kumar and Mishra (2025) explored the role of financial literacy in shaping individual investment behavior, finding that individuals with higher financial literacy were more likely to make informed and strategic investment decisions. In contrast, those with limited financial knowledge tended to demonstrate poor financial planning, leading to suboptimal outcomes. Their study underscores the importance of improving financial education to empower individuals to manage their investments effectively. Similarly, Chufal et al. (2025) examined the relationship between financial literacy, financial well-being, and financial concerns among Indian youth. They found a significant positive correlation between financial literacy and financial well-being and a negative correlation between financial literacy and financial concerns. This highlights the need for targeted financial literacy programs to improve the financial well-being of young people.

Yadav (2025) studied the role of the state and civil society in advancing rural livelihoods in Uttar Pradesh, India, particularly in the context of globalization, climate change, and digital transformation. Yadav's research emphasized the importance of skill development for economic growth and highlighted how collaboration between the state and civil society could help transition India into a knowledge-based economy. Chandani and Bhatia (2025) examined the role of robo-advisory services in investment decision-making, noting the growing importance of FinTech in providing automated, AI-driven financial advice, which complements traditional advisory services. Mishra and Gupta (2025) focused on the psychological, economic, and sociodemographic factors that shape investor preferences and attitudes. Their study revealed that demographic factors such as age, income, and education influence how investors approach mutual fund investments.

Similarly, Verma et al. (2025) examined the relationship between financial literacy, risk attitude, and investment preferences among youth in Uttarakhand, India. Their findings showed a strong connection between financial literacy and risk attitude, emphasizing the need to promote financial literacy to help young individuals make informed and confident investment decisions.Pandey et al. (2024) explored the impact of trading experience on behavioral biases such as overconfidence, self-attribution, and loss aversion. Their findings revealed that trading experience was positively related to overconfidence, particularly among experienced investors. Singh and Chakraborty (2024) investigated the social and psychological factors influencing investment decisions, identifying peer influence, social norms, and the fear of missing out (FOMO) as key factors in shaping investment behavior. Vishnani et al. (2024) examined how attitudes, financial self-efficacy, and emotions influence mutual fund investment decisions. Their study showed that negative emotions positively influenced investment decisions, while positive emotions did not.

Further studies on mutual fund investments revealed key factors influencing investor perceptions. Murgai and Shedge (2023) found that salaried investors in Pune city preferred mutual funds as a low-risk investment option, with trust in qualified fund managers being a significant factor in decision-making. Yadav (2023) emphasized the role of investor awareness, investment patterns, and goals in driving the growth of the mutual fund sector in India. Sankar (2023) explored how risk tolerance and financial literacy shaped investor decision-making in Chennai, revealing a significant relationship between risk tolerance and investor attitudes.Arora and Chakraborty (2022) analyzed the impact of socioeconomic factors on financial literacy, concluding that education, income, and access to information play vital roles in shaping financial literacy and investment decisions. Lal (2020) identified attitudes, risk perception, and scheme awareness as critical factors influencing mutual fund investment decisions. Pandey et al. (2022) explored how subjective norms and perceived purchase risk influenced investor behavior, suggesting the importance of information processing and decision involvement in mutual fund investments.

Internationally, studies like those of Pallavi et al. (2025) and Mahmood et al. (2024) emphasize how financial literacy influences investment decision-making across diverse markets. Treu et al. (2024) proposed a framework connecting financial literacy, financial inclusion, and FinTech, emphasizing that financial literacy is essential for enhancing

FinTech adoption and supporting the achievement of the UN Sustainable Development Goals (SDGs) in emerging economies. These studies highlight the critical role of financial literacy in shaping investment behavior, suggesting that increasing financial education is crucial for promoting informed financial participation globally.

3. Methodology of the study

The present study adopted a descriptive, exploratory and cross-sectional research design with a quantitative approach. The primary data was collected with the self-developed questionnaire having demographic factors and dimensions-Awareness level and Financial Literacy & Information Sources of Investment Information. The questionnaire was close ended and based on 5-point likert scale (1 (Strongly disagree) to 5 (Strongly Agree). The samples 467 mutual fund investors were chosen through purposive sampling technique form Lucknow. The collected data was analysed using SPSS by applying statistical tests-reliability analysis, exploratory factor analysis, t test and ANOVA. The level of dimensions was decided in the following manner below-

Table 1-Level Determination

Measure	N	Min	Max	Range	Class interval	VLL	LL	ML	HL	VHL
Awareness / Financial Literacy	05	05	25	20	04	5.00 – 9.00	9.01 – 13.01	13.02 – 17.02	17.03 – 21.03	21.04 – 25.03
Information Sources of Investment	07	07	35	28	5.6	7.00 – 12.60	12.61 – 18.21	18.22 – 23.82	23.83 – 29.43	29.44 – 35.00

4. Data Analysis & Interpretation

4.1 Demographic Profile

Table 2-Demographic Profile

Demographic Variable	Frequency (467)	Percent
Gender: Male	379	81.2
Gender: Female	88	18.8
Age: 18-25	46	9.9
Age: 26-35	201	43.0
Age: 36-45	132	28.3
Age: 46-60	88	18.8
Education: Intermediate	23	4.9
Education: Graduation	45	9.6
Education: Post-graduation	157	33.6

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Education: Technical/Professional	220	47.1
Education: Other	22	4.7
Profession: Private job	135	28.9
Profession: Government job	110	23.6
Profession: Business	156	33.4
Profession: Other	66	14.1
Income: Below ₹2,50,000	66	14.1
Income: ₹2,50,001–₹5,00,000	45	9.6
Income: ₹5,00,001–₹10,00,000	135	28.9
Income: Above ₹10,00,000	221	47.3
Marital Status: Single	112	24.0
Marital Status: Married	355	76.0
Investor Experience: Novice	89	19.1
Investor Experience: Some experience	267	57.2
Investor Experience: Experienced	111	23.8
Location: Urban	313	67.0
Location: Semi-Urban	88	18.8
Location: Rural	66	14.1
Family Type: Joint	267	57.2
Family Type: Nuclear	200	42.8
Earning Members: One	177	37.9
Earning Members: Two	290	62.1

4.2 Reliability Analysis

Table 3- Reliability Analysis

Reliability Statistics		
Scale	**Cronbach's Alpha**	**N of Items**
Awareness level / Financial Literacy of Investors	.886	09
Information Sources of Investment	.876	10

Interpretation- The Cronbach alpha of both the scales was more than 0,85 which signifies high internal consistency.

4.3 Exploratory Factor Analysis: Identifying the most important factor of Awareness level and Financial Literacy from the perspective of investors of Mutual Funds in Lucknow

Table 4-EFA- Awareness level and Financial Literacy

Key Measures	**Variables of Component 1**
KMO and Bartlett's Test .838 (0.000) **Initial Eigen Value** 5.085 **% of variance** 56.500	• 7. I know what a New Fund Offer is when a mutual fund company launches a new scheme. • 5. I know the difference between mutual fund schemes that allow me to invest or withdraw money at any time (open-ended) and those with a specific investment period (closed-ended). • 6. I understand that different types of mutual funds invest in different kinds of assets (like stocks or bonds). • 2. I make sure to read the documents provided by the mutual fund company before investing. • 4. I understand that the Net Asset Value represents the per-unit market value of my mutual fund investment.

Interpretation- EFA revealed a strong factor representing Awareness Level and Financial Literacy among mutual fund investors in Lucknow, supported by a high KMO value of 0.838 and significant Bartlett's test ($p = 0.000$). This factor, with an eigenvalue of 5.085, explained 56.5% of the total variance. Key items included knowledge of New Fund Offers, understanding of open- and closed-ended schemes, awareness of asset types in mutual funds, careful review of investment documents, and comprehension of Net Asset Value, highlighting core investor literacy components.

4.4 Assessment of Difference in Awareness Levels/ Financial Literacy Among Investors by Gender, Age, Education, Occupation, and Income

- **H0 1:** There is no significant Difference in Awareness Levels/ Financial Literacy Among Investors by Gender.
- **H0 2:** There is no significant Difference in Awareness Levels/ Financial Literacy Among Investors by Age.
- **H0 3:** There is no significant Difference in Awareness Levels/ Financial Literacy Among Investors by education qualification.
- **H0 4:** There is no significant Difference in Awareness Levels/ Financial Literacy Among Investors by profession.
- **H0 5:** There is no significant Difference in Awareness Levels/ Financial Literacy Among Investors by annual income.

Table 5-Demographic Differences- Awareness level and Financial Literacy

Variable	Test Used	Test Statistic	p-value	Result
Gender	t-test	6111.500	0.000*	Reject H_0
Age Group	ANOVA	143.597	0.000*	Reject H_0
Education Qualification	ANOVA	39.637	0.000*	Reject H_0
Profession/Occupation	ANOVA	69.780	0.000*	Reject H_0
Annual Income	ANOVA	73.694	0.000*	Reject H_0
*-signifies significant				

Interpretation- The analysis showed significant differences in awareness levels and financial literacy among investors based on gender, age, education, occupation, and annual income ($p < 0.05$). This suggests that these demographic factors play a crucial role in shaping investors' financial knowledge and awareness.

4.5 Exploratory Factor Analysis: Identifying the Most Influential Sources of Investment Information from the Perspective of Mutual Fund Investors in Lucknow

Table 6-EFA- Influential Sources of Investment Information

Key Measures	Variables of Component 1
KMO and Bartlett's Test. .676 (0.000) **Initial Eigen Value** 4.857 **% of variance** 48.575	• 10. Information from financial news websites or portals. • 13. Information from social media platforms. • 15. Seminars or webinars conducted by mutual fund companies or financial institutions. • 14. Opinions or advice from professional investment influencers. • 12. Advertisements (Electronic and Print media) • 11. Recommendations by Friends/relative • 18. I feel confident in my own ability to research and select mutual funds.

Interpretation- EFA identified key sources of investment information for mutual fund investors in Lucknow, with a KMO of 0.676 and significant Bartlett's test (0.000). One main factor explained 48.575% variance, including financial news websites, social media, seminars by mutual fund companies (HDFC, SBI), professional advisors, media advertisements, recommendations from friends/relatives, and investors' confidence in selecting funds.

4.6 Assessment of Difference in Level of Information Sources of Investment Among Investors by Gender, Age, Education, Occupation, and Income

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- **H0 1:** There is no significant Difference in Level of Information Sources of Investment Among Investors by Gender.
- **H0 2:** There is no significant Difference in Level of Information Sources of Investment Among Investors by Age.
- **H0 3:** There is no significant Difference in Level of Information Sources of Investment Among Investors by Educational Qualification
- **H0 4:** There is no significant Difference in Level of Information Sources of Investment Among Investors by profession
- **H0 5:** There is no significant Difference in Level of Information Sources of Investment Among Investors by annual Income.

Table 7-Demographic Differences- Influential Sources of Investment Information

Variable	Test Used	Test Statistic	p-value	Result
Gender	t-test	13.166	0.001*	Reject H_0
Age Group	ANOVA	102.632	0.000*	Reject H_0
Education Qualification	ANOVA	51.267	0.000*	Reject H_0
Profession/Occupation	ANOVA	78.162	0.000*	Reject H_0
Annual Income	ANOVA	68.731	0.000*	Reject H_0
*-signifies significant				

Interpretation- The results revealed statistically significant differences in the level of information sources of investment among investors across all demographic variables—gender, age, education, occupation, and income ($p < 0.05$). This indicates that demographic factors significantly influence where and how investors access investment-related information.

4.7 Regression Coefficient: Impact of Level of Information Sources of Investment on Level of Awareness / Financial Literacy of Investors

- **H_0-1:** There is no significant impact of the Level of Information Sources of Investment (IV) on the Level of Awareness / Financial Literacy of Investors (DV).

Table 8- Impact of Level of Information Sources of Investment on Level of Awareness / Financial Literacy of Investors

Descriptive Statistics				Correlation		Regression		
Variables	N	Mean	Std. D	r	sig	R^2	Beta Coefficient	Sig
Awareness level / Financial Literacy of Investors (DV)	467	3.40	1.70	.83	.00*	.69	.83	.00*

Information Sources of Investment (IV)	46 7	3.63	1.21					
*- signifies highly significant								

Interpretation- The results revealed a strong and statistically significant positive relationship between the level of information sources of investment and the awareness/financial literacy of investors. The correlation coefficient (r = 0.83, $p < 0.01$) indicated a high degree of association, while the R^2 value of 0.69 suggested that 69% of the variance in financial literacy levels could be explained by the information sources. The beta coefficient of 0.83 confirmed a substantial impact leading to rejection of H0, indicating that as access to or reliance on quality information sources increases, so does the investor's awareness and financial literacy. As such, a one-unit increase in investment information sources led to a 0.83-unit rise in investor awareness and financial literacy.

5. Conclusion

This study provides valuable insights into the key factors that influence the awareness and financial literacy of mutual fund investors in Lucknow. The exploratory factor analysis revealed that investors' understanding of fundamental financial concepts plays a pivotal role in shaping their overall financial literacy. These core concepts include awareness of New Fund Offers (NFOs), knowledge of the differences between open-ended and closed-ended mutual fund schemes, comprehension of the types of assets mutual funds invest in, the practice of carefully reading investment documents, and understanding the Net Asset Value (NAV) of mutual funds. Together, these components reflect the essential knowledge base that investors need to make informed decisions about their investments. The results emphasize that financial literacy is not merely about superficial awareness but requires a deeper understanding of key investment principles.

Moreover, the study highlights that demographic factors such as gender, age, educational qualification, occupation, and income significantly impact the level of awareness and financial literacy among mutual fund investors. These findings suggest that investors are a heterogeneous group with varying levels of knowledge and access to information, shaped by their personal and socioeconomic backgrounds. For instance, younger investors or those with higher educational qualifications tend to show greater financial literacy compared to older or less educated groups. Similarly, differences in occupation and income levels contribute to disparities in financial understanding. This demographic variation calls for more tailored financial education programs that address the specific needs of different investor segments rather than adopting a one-size-fits-all approach. Personalized interventions can bridge the knowledge gaps and empower diverse groups of investors. In addition to the awareness level, the sources from which investors obtain investment-related information play a crucial role in enhancing their financial literacy.

The study identifies a range of influential information sources, including financial news websites, social media platforms, seminars and webinars conducted by mutual fund companies, advice from professional investment influencers, advertisements in electronic and print media, as well as recommendations from friends and relatives. These sources collectively contribute to investors' ability to stay informed and confident in making mutual fund investment decisions. Notably, investors' confidence in their own ability to research and select mutual funds independently was also highlighted as an important aspect of financial literacy. This confidence can motivate investors to seek out information actively and engage more deeply with their investments.

The impact of demographic variables extends to the use and preference of these information sources as well. Factors like age, education, and income influence how investors seek, process, and trust investment information. For example, younger and more educated investors may rely more heavily on digital platforms such as financial websites and social media, while others might depend more on traditional sources or word-of-mouth recommendations. Understanding these patterns can help mutual fund companies and financial educators design effective communication strategies tailored to the information consumption habits of different investor groups. Finally, the study establishes a strong and positive relationship between the extent of investors' access to diverse and reliable investment information and their overall financial literacy and awareness. This finding underscores the critical importance of promoting quality information sources and encouraging investors to utilize multiple channels for gathering investment knowledge. Enhancing access to trustworthy and varied information can significantly improve investors' understanding, leading to better financial decisions and outcomes.

6. Suggestions

1. Develop Targeted Financial Literacy Programs: Design educational initiatives tailored to different demographic groups to address specific knowledge gaps.
2. Simplify Core Investment Concepts: Create easy-to-understand materials focused on fundamental mutual fund concepts to boost investor comprehension.
3. Increase Use of Digital Media: Utilize trusted financial news websites and social media platforms to spread accurate and timely investment information.
4. Host Interactive Sessions: Encourage mutual fund companies to organize regular seminars and webinars for direct investor engagement and learning.
5. Support Independent Research: Provide tools and resources that help investors build confidence in evaluating mutual fund options on their own.
6. Promote Credible Influencers: Collaborate with qualified financial experts to offer trustworthy advice and counteract misinformation.

7. Encourage Peer-to-Peer Learning: Facilitate investor forums or groups where individuals can share insights and experiences.
8. Maintain Continuous Education: Ensure ongoing investor training to keep pace with market changes and emerging investment opportunities.

Implementing these recommendations can improve financial literacy and empower mutual fund investors in Lucknow to make well-informed investment choices.

7. Practical Implications

Based on the study's results, several practical implications emerge for enhancing mutual fund investors' financial literacy and investment decision-making in Lucknow. First, financial educators and mutual fund companies should focus on strengthening foundational knowledge related to key concepts such as New Fund Offers, differences between open- and closed-ended schemes, asset types, investment documents, and Net Asset Value. Tailored educational programs and simplified, clear communication can help bridge knowledge gaps, especially for investors with lower awareness levels. Second, recognizing the significant influence of demographic factors, investor education initiatives must be customized to address the unique needs of different groups, such as women, older adults, or those with lower education and income levels. This targeted approach can ensure inclusivity and effectiveness. Third, since diverse sources of investment information critically shape investor literacy, financial institutions should enhance their digital presence through reliable websites, social media engagement, and interactive webinars, while also maintaining traditional outreach through seminars and trusted professional advisors. Additionally, promoting investor confidence in their own research abilities through workshops and practical guidance can empower investors to make informed choices independently. Finally, regulators and policymakers should encourage transparency and standardization in investment communications to reduce misinformation and enhance trust. Together, these measures can foster a more informed investor base, ultimately contributing to better financial outcomes and market participation.

8. Limitations and Future scope of the study

This study has certain limitations that should be acknowledged. The research focused exclusively on mutual fund investors in Lucknow, which may limit the generalizability of the findings to other regions or types of investors. Additionally, the data relied on self-reported measures, which can be subject to biases such as social desirability or inaccurate recall. The cross-sectional design also restricts the ability to infer causality between information sources and financial literacy. Future research could expand the scope by including investors from diverse geographic areas and investment products to provide a broader perspective. Longitudinal studies would help in understanding how financial literacy evolves over time with changing information environments. Moreover, qualitative investigations could explore deeper insights into how demographic factors influence information-seeking behavior and decision-making processes, enabling the development of more targeted and effective financial education interventions.

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