



International Journal of Multidisciplinary Research in Science, Engineering and Technology

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)



Impact Factor: 8.206

Volume 9, Issue 4, April 2026



A Study of the Influence of Advertisements on Investors' Awareness and Understanding of Mutual Fund Products

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ABSTRACT: The Abstract section of the document describes its content through a summary. The advertisement industry functions as a crucial tool to develop financial product and service marketing strategies. The mutual fund industry uses advertisements as its primary tool to establish product knowledge, build investor understanding, and drive investment choices. Investors need help because mutual fund products include technical terms which describe investment risks, potential returns, portfolio diversification and methods to generate wealth over time. Advertisements serve as an effective platform which helps businesses present simplified information about their products to potential buyers. The current research investigates how advertisements affect investors' knowledge about mutual fund products. The research studies how various advertising methods which include television and newspapers and digital media and radio and outdoor advertising work to enhance investor knowledge about the products. The research uses both primary data and secondary data to conduct its analysis. The research results show that advertisements help people understand better about the topic but their understanding of the topic requires accessible and trustworthy and frequently presented advertisements.

KEYWORDS: Advertisements, Mutual Funds, Investor Awareness, Financial Literacy, Investment Decision, Marketing Communication

I. INTRODUCTION

The modern financial market presents a wider range of investment options which customers can choose from. Investors prefer mutual funds because this investment option enables them to achieve diverse portfolio distribution through professional fund management and instant access to their assets and straightforward investment process. Investors remain hesitant to invest in mutual funds because they lack understanding of these financial products and their unawareness of the products available in the market. Advertisements function as a connection point between financial institutions and investors because they deliver essential information about mutual fund schemes through their advertising content. Through advertisements, companies can educate potential investors and build confidence in their products. Effective advertising creates product awareness which leads to improved financial understanding and greater investor trust.

II. REVIEW OF LITERATURE

2.1 Literature Review

Research studies establish that advertising methods create specific psychological and demographic impacts which drive investors to form their investment decisions. Dey et al. (2015) and Gupta and Jain (2018) demonstrate that emotional advertisements create brand ties through their use of lifestyle elements while investors who know about financial matters depend on informational material to make rational choices. The effectiveness of these messages is often evaluated through the AIDA model, as seen in Kumar and Bhattacharjee (2016) and Kulkarni et al. (2023), which demonstrates how campaigns like "Mutual Funds Sahi Hai" successfully transition regional populations from basic awareness to active investment. Contemporary research studies show that both the selected media and the chosen content style play essential roles for successful results. Aditi Naidu (2020) highlights that visual storytelling improves perceived quality, while Singh and Sharma (2021) warn that purely rational, risk-heavy ads can induce investor anxiety, whereas emotional appeals foster the optimism needed to commit funds. Social media serves as a powerful tool for outreach to educated female investors because it enables platforms like Instagram to reach this audience according to Sharma and Mishra (2024). The research findings show that advertising needs to provide your audience with both



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positive emotional visuals and detailed factual information to enhance their decision-making process through digital and traditional advertising platforms. Research studies establish that advertising methods create specific psychological and demographic impacts

2.2 Data Collection

- **Primary Data:** Collect through a structured a questionnaire from respondents.
- **Secondary Data:** Collect journals, published research papers, AMFI and SEBI reports, Newspapers, and online articles with regards to mutual fund
- **Sample Size:** 100 respondents
- **Sampling Method:** Random sampling method
- **Sampling Area:** Chandrapur District

2.3 Objectives of the Study

- 1.To assess the level of investors' understanding of mutual fund products through advertisements.
- 2. To analyse the influence of advertisements on investors' understanding of mutual fund schemes.

2.4 Hypothesis:

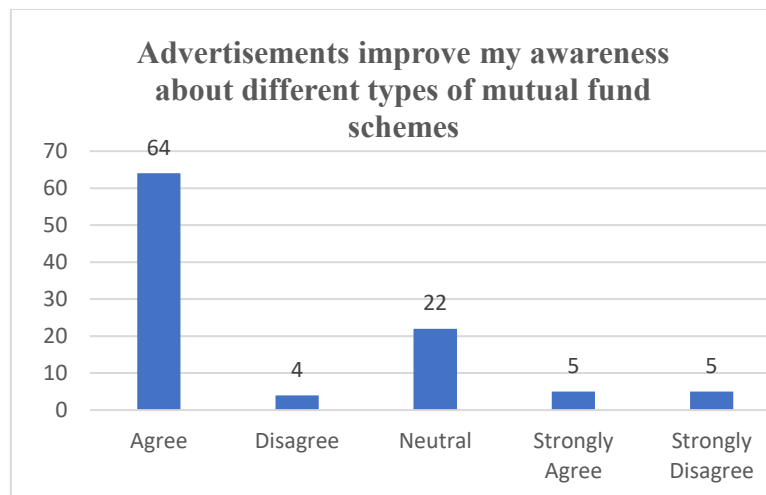
- **H₁:(Alternative Hypothesis)**

Advertisements significantly influence investors' awareness and understanding of mutual fund products.

- **H₀:(Null Hypothesis)**

Advertisements do not significantly influence investors' awareness and understanding of mutual fund products.

III. DATA ANALYSIS

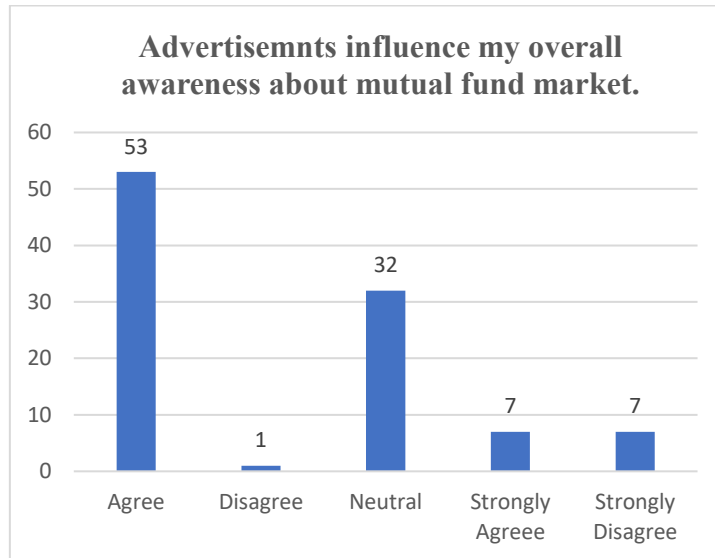


The bar chart shows opinions on advertisements helping people understand and mutual fund schemes. Most respondents, 65%, agreed advertisements provide useful information. Only 5% strongly agreed. Neutral responses were 22%. Few respondents disagreed (4%) or strongly disagreed (5%). Overall, advertisements help most people learn about mutual fund.

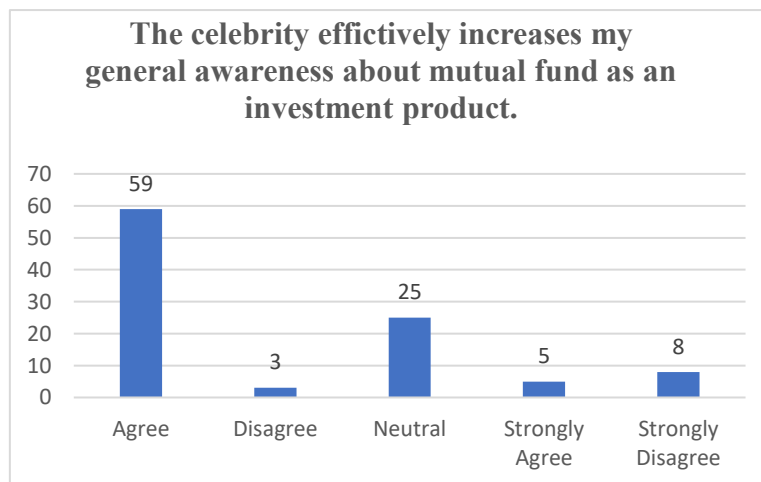


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The data shows respondents' views about advertisements and mutual funds. Most participants (53%) agreed, showing a positive attitude, while 7% strongly agreed. Only 1% disagreed and 7% strongly disagreed. About 32% were neutral. Overall, respondents had positive views, but many need better awareness and information.



The chart shows that celebrity endorsements attract attention toward mutual funds. About 59% respondents agreed that famous personalities help create awareness. Around 25% gave neutral responses, showing uncertainty. Some respondents disagreed. Overall, celebrity endorsements increase popularity, but investors still need proper information before making investment decisions.

Hypothesis Testing
Statistical Test Used
A One Sample t-Test
Formula Used

$$t = \frac{\bar{x} - \mu_0}{s/\sqrt{n}}$$

Calculated Values

- Sample Size (n) = 100
- Mean Score (\bar{x}) = 3.539
- Standard Deviation (s) = 0.635



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- Test Value (μ_0) = 3

IV. RESULT

The calculated **t-value = 8.49**.

Critical Value

At 5% significance level and 99 degrees of freedom, the critical t-value is **±1.984**.

V. DECISION

Since the calculated t-value (**8.49**) is greater than the critical value (**1.984**), the null hypothesis is rejected.

VI. CONCLUSION

The p-value is less than 0.05, so the result is statistically significant. Therefore, advertisements have a significant influence on investors' awareness and understanding of mutual fund products

Hence,

Hence, the **Alternative Hypothesis (H_1) is accepted** and the **Null Hypothesis (H_0) is rejected**.

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