INTERNATIONAL JOURNAL OF ENGINEERING MANAGEMENT AND SOCIAL SCIENCES (IJEMSS)

e-ISSN : 3139-065X

www.ijemss.com

editor@ijemss.com

Vol. 01, Issue 2, June2026, pp :465-473

Investor's Perception on Systematic Investment Plan (SIP) in Hyderabad City

[1]J. Sandeep Kumar [2]Dr. G. Aruna

[1]MBA 2nd Year Student, Department of Master of Business Administration, MLR Institute of Technology

[2]Associate Professor, Department of Master of Business Administration, MLR Institute of Technology

ABSTRACT

Systematic Investment Plans (SIPs) have become one of the most preferred investment routes for retail investors in India due to their affordability, disciplined investment approach, rupee cost averaging, and long-term wealth creation potential. This study examines retail investors' perception toward SIPs in Hyderabad City, a market influenced by both a fast-growing IT/ITES economy and a strong traditional preference for real estate and gold. The study is based on primary data collected from 116 respondents through a structured questionnaire. The data were analyzed using frequency analysis, percentage analysis, and chart-based interpretation. The results indicate that investors in Hyderabad hold a moderately positive perception toward SIPs. About 67.2% of respondents believe SIPs help achieve long-term financial goals, 62.9% are satisfied with SIP returns, and 63.8% trust financial advisors for SIP guidance. However, more than 84% of respondents possess only low to medium investment knowledge. The study recommends localized investor education, promotion of flexi-SIPs, ELSS awareness, and goal-based advisory services to improve SIP adoption.

Key Words: Systematic Investment Plan, Investor Perception, Mutual Funds, Hyderabad, Financial Literacy, Retail Investors.

1. INTRODUCTION

The Indian financial system has witnessed a significant transformation over the last decade. Traditionally, Indian households preferred savings in fixed deposits, gold, land, and insurance products. However, with rising income levels, improved financial awareness, digital platforms, and growing participation in capital markets, retail investors are increasingly considering mutual funds as an important investment avenue. Among various mutual fund investment methods, the Systematic Investment Plan (SIP) has emerged as one of the most popular and disciplined approaches.

A Systematic Investment Plan is not a separate investment product but a method of investing a fixed amount regularly, usually monthly, in a selected mutual fund scheme. SIPs help investors benefit from rupee cost averaging, reduce the need for market timing, and encourage long-term disciplined investing. The minimum investment amount is often as low as ₹500 per month, making SIPs accessible to small and middle-income investors.

Hyderabad provides a unique context for studying SIP perception. On one side, the city has a rapidly growing IT/ITES sector, especially in areas such as HITEC City, Gachibowli, Madhapur, and Financial District, where young salaried professionals have higher disposable income and greater exposure to digital financial platforms. On the other side, Hyderabad has a deep-rooted cultural preference for real estate and gold. Many investors still consider land and property as superior wealth creation assets due to high appreciation in areas such as Kokapet, Tellapur, Mokila, Shadnagar, and Adibatla.

This dual investment mindset creates an interesting research problem. While SIPs are widely promoted as long-term wealth creation tools, investors in Hyderabad may compare SIP returns not only with fixed deposits but also with real estate returns. Therefore, understanding how investors perceive SIPs in Hyderabad is important for mutual fund companies, financial advisors, banks, fintech platforms, and policy makers.

2. NEED FOR THE STUDY

The need for the study arises from the changing investment behavior of urban retail investors. Hyderabad has become one of India's fastest-growing metropolitan cities with rising income levels, expansion of the technology sector, and increased participation in financial markets. However, despite this growth, many investors still lack adequate financial literacy regarding mutual funds and SIPs.

The study is necessary for the following reasons:

1. **Real Estate Influence:** Hyderabad investors often compare SIP returns with real estate appreciation. This creates a perception that SIPs are slow wealth creators, even though they provide better liquidity and

INTERNATIONAL JOURNAL OF ENGINEERING MANAGEMENT AND SOCIAL SCIENCES (IJEMSS)

e-ISSN : 3139-065X

www.ijemss.com

editor@ijemss.com

Vol. 01, Issue 2, June2026, pp :465-473

diversification.

2. **Financial Literacy Gap:** Many investors are aware of SIPs but do not fully understand concepts such as rupee cost averaging, compounding, risk-return trade-off, and fund selection.
3. **Digital Investment Growth:** Apps such as Groww, Zerodha Coin, ET Money, Paytm Money, and bank platforms have made SIP investments easier. However, digital convenience may not always guarantee informed investment decisions.
4. **Advisor Dependence:** Many investors continue to rely on financial advisors, bank relationship managers, or mutual fund distributors for SIP guidance. Therefore, advisor trust plays an important role.
5. **Long-Term Wealth Creation:** SIPs can support important financial goals such as children's education, home purchase, retirement planning, and tax saving through Equity Linked Savings Scheme (ELSS).

Thus, this study helps understand the awareness, satisfaction, risk perception, and behavioral attitude of Hyderabad investors toward SIP investments.

3. OBJECTIVES OF THE STUDY

The major objectives of the study are:

1. To evaluate the perception and knowledge of investors about SIPs in Hyderabad City.
2. To identify the factors motivating investors to start, continue, or discontinue SIP investments.
3. To examine investor satisfaction with SIP returns, convenience, and advisory services.
4. To study the risk-taking attitude of investors and their expectations from SIPs compared to other investment avenues.
5. To provide suggestions to mutual fund companies, financial advisors, and financial institutions for improving SIP participation in Hyderabad.

4. SCOPE OF THE STUDY

The scope of the study is limited to retail investors residing in Hyderabad City, particularly within the Greater Hyderabad Municipal Corporation region and surrounding urban areas. The study covers salaried employees, business persons, professionals, and students.

The geographical focus includes major investment and employment zones such as HITEC City, Gachibowli, Financial District, Kukatpally, Ameerpet, Banjara Hills, Jubilee Hills, Secunderabad, Begumpet, and nearby areas.

The study focuses only on investor perception toward SIPs and not on the actual performance evaluation of specific mutual fund schemes. It considers aspects such as investment knowledge, long-term goals, returns, comfort with fixed monthly investment, advisor trust, tax benefit awareness, low active management, and risk suitability.

5. REVIEW OF LITERATURE

Investor perception toward SIPs has been studied in the broader context of mutual fund investment behavior, financial literacy, behavioral finance, and risk-return preferences.

Behavioral finance explains that investors are not always rational. Their decisions are influenced by fear of loss, herd behavior, overconfidence, past investment experience, and market volatility. SIPs help reduce some behavioral errors by promoting disciplined investment and avoiding the need to time the market.

S. Thasneem Banu and Dronadula Divya studied investment behavior among young investors and found that individuals with limited financial knowledge prefer fixed deposits, while financially aware investors are more open to SIPs because they offer a balance between risk and return.

Dr. Gitika Sehgal, Dr. Vikesh Kumar Sharma, and Dr. Bela Thakur examined investor perception toward bank-distributed mutual funds. Their study highlighted that although investors trust banks, many do not fully understand mutual fund

INTERNATIONAL JOURNAL OF ENGINEERING MANAGEMENT AND SOCIAL SCIENCES (IJEMSS)
e-ISSN : 3139-065X
www.ijemss.com
editor@ijemss.com
Vol. 01, Issue 2, June2026, pp :465-473

products. Therefore, banks can play a major role in improving SIP awareness.

Elita Khriam and Nandini Borah examined the role of personality traits in SIP investment behavior. They found that investors who are open to new financial ideas are more likely to invest in SIPs.

Dhara Bhalodia, Chintan Rajani, Vinaya Laxmi Kasani, and Bindu Madhavi studied investment behavior in Rajkot and observed that SIP investors are influenced by market conditions, financial goals, and risk considerations.

Amit Kumar Sharma found that many investors still prefer banks and post office schemes due to lack of awareness about mutual funds. However, investors who understand SIPs consider them suitable for regular and disciplined investment.

Dr. Sindhu K. P. studied the impact of COVID-19 on mutual fund investments and observed that many investors shifted toward safer instruments during uncertain market conditions. This shows that SIP continuation depends on investor confidence during market volatility.

Sindhu, Y. Rama Krishna, and Adavelli Sagar Reddy studied mutual fund perception in Hyderabad and found that age influences perceived safety of investment. However, other demographic factors such as education, occupation, and income had limited influence.

The review indicates that although many studies have examined mutual funds, limited research specifically focuses on SIP perception in Hyderabad. This study attempts to fill that gap by analyzing SIP perception in the unique economic and cultural environment of Hyderabad.

6. RESEARCH METHODOLOGY

6.1 Research Design

The study follows a quantitative and descriptive research design. It is descriptive because it attempts to describe investors' perception, awareness, satisfaction, and attitude toward SIPs in Hyderabad.

6.2 Nature of Data

The study is mainly based on primary data collected directly from respondents through a structured questionnaire. Secondary data were collected from reports, websites, journals, and published articles related to mutual funds, SIPs, LIC, AMFI, and the Indian financial sector.

6.3 Sample Size

The total sample size of the study is **116 respondents**.

6.4 Sampling Method

Convenience sampling was used for collecting responses from investors residing in Hyderabad.

6.5 Data Collection Tool

A structured questionnaire was used. The questionnaire included questions related to age, occupation, investment knowledge, SIP perception score, long-term goals, SIP returns, advisor trust, tax benefit awareness, confidence level, and risk suitability.

6.6 Tools for Analysis

The collected data were analyzed using frequency analysis and percentage analysis. PSPP/statistical tools were used for preparing tables and charts.

7. INDUSTRY AND COMPANY OVERVIEW

7.1 Mutual Fund and SIP Industry in India

The mutual fund industry in India has grown significantly due to increasing retail participation, improved financial awareness, digital platforms, and regulatory support. SIPs have played an important role in expanding mutual fund participation among small investors. Through SIPs, investors can start investing with small amounts and gradually build wealth over time.

The Association of Mutual Funds in India (AMFI) has continuously promoted the slogan "Mutual Funds Sahi Hai," which has improved awareness about mutual fund investing. SIP inflows have remained strong in recent years, indicating rising investor confidence in long-term market-linked products.

7.2 Insurance and Financial Services Sector

India's insurance and financial services industry is one of the fastest-growing sectors. Rising income, growing financial literacy, digital distribution, and regulatory reforms have supported the expansion of insurance, mutual funds, pensions,

INTERNATIONAL JOURNAL OF ENGINEERING MANAGEMENT AND SOCIAL SCIENCES (IJEMSS)

e-ISSN : 3139-065X

www.ijemss.com

editor@ijemss.com

Vol. 01, Issue 2, June2026, pp :465-473

and investment products.

7.3 Life Insurance Corporation of India Profile

Life Insurance Corporation of India (LIC) was established on 1 September 1956 after the nationalization of 245 private insurers and provident societies. LIC has played a major role in promoting financial security and savings among Indian households.

LIC offers a wide range of products such as endowment plans, whole life plans, term insurance, money-back plans, pension plans, ULIPs, micro-insurance, health plans, and group schemes. LIC also has subsidiaries such as LIC Housing Finance Ltd., LIC Mutual Fund, LIC Pension Fund Ltd., and LIC Cards Services Ltd.

LIC remains one of the most trusted financial institutions in India due to its brand value, large agency network, and government ownership. Although the present study focuses on SIP perception, LIC's presence in the financial services ecosystem provides a relevant institutional background for understanding investor behavior.

8. DATA ANALYSIS AND INTERPRETATION

8.1 Demographic Profile of Respondents

The study included 116 respondents from Hyderabad. Most respondents belonged to the age group of 25 to 45 years, indicating that SIP perception is strongly influenced by individuals in their earning and wealth-building stage.

Table 1: Occupation of Respondents

Occupation	Frequency	Percentage
Salaried	53	45.7%
Professional	27	23.3%
Business	23	19.8%
Student	13	11.2%
Total	**116**	**100%**

Interpretation:

The majority of respondents are salaried employees, followed by professionals and business persons. This indicates that SIPs are more popular among regular income earners because SIPs match their monthly salary pattern and encourage disciplined saving.

8.2 Investment Knowledge Level

Table 2: Investment Knowledge of Respondents

Investment Knowledge	Frequency	Percentage
High	18	15.5%
Medium	54	46.6%
Low	44	37.9%
Total	**116**	**100%**

Interpretation:

The majority of respondents possess medium investment knowledge, while 37.9% have low investment knowledge. Only 15.5% have high investment knowledge. This shows that although SIP awareness exists, detailed financial knowledge is still limited among many Hyderabad investors.

8.3 SIP Perception Score

Table 3: SIP Perception Score Distribution

Perception Score	Frequency	Percentage
3	5	4.3%
4	21	18.1%
5	23	19.8%
6	23	19.8%
7	22	19.0%

INTERNATIONAL JOURNAL OF ENGINEERING MANAGEMENT AND SOCIAL SCIENCES (IJEMSS)

e-ISSN : 3139-065X

www.ijemss.com

editor@ijemss.com

Vol. 01, Issue 2, June2026, pp :465-473

Perception Score	Frequency	Percentage
8	11	9.5%
9	11	9.5%
Total	**116**	**100%**

Interpretation:

Most respondents scored between 5 and 7, indicating a moderate to positive perception toward SIPs. Very few respondents recorded low perception scores, which suggests that negative perception toward SIPs is limited in Hyderabad.

8.4 SIPs and Long-Term Financial Goals

Table 4: SIPs Help Achieve Long-Term Financial Goals

Response	Frequency	Percentage
Strongly Agree	33	28.4%
Agree	45	38.8%
Neutral	27	23.3%
Disagree	5	4.3%
Strongly Disagree	6	5.2%
Total	**116**	**100%**

Interpretation:

A total of 67.2% of respondents agree or strongly agree that SIPs help achieve long-term financial goals. This indicates that investors recognize SIPs as useful for goals such as children's education, house purchase, retirement planning, and wealth creation.

8.5 Comfort with Fixed Monthly SIP Investment

Table 5: Comfort with Fixed SIP Contribution

Response	Frequency	Percentage
Strongly Agree	21	18.1%
Agree	47	40.5%
Neutral	15	12.9%
Disagree	29	25.0%
Strongly Disagree	4	3.4%
Total	**116**	**100%**

Interpretation:

About 58.6% of respondents are comfortable investing a fixed amount regularly through SIPs. However, 28.4% are uncomfortable, possibly due to irregular income, financial commitments, or uncertainty about market returns. This indicates the need for flexi-SIP and step-up SIP options.

8.6 Opinion on SIP Returns

Table 6: SIP Returns Opinion

Response	Frequency	Percentage
Strongly Agree	33	28.4%
Agree	40	34.5%
Neutral	20	17.2%
Disagree	16	13.8%
Strongly Disagree	7	6.0%
Total	**116**	**100%**

INTERNATIONAL JOURNAL OF ENGINEERING MANAGEMENT AND SOCIAL SCIENCES (IJEMSS)

e-ISSN : 3139-065X

www.ijemss.com

editor@ijemss.com

Vol. 01, Issue 2, June2026, pp :465-473

Interpretation:

A total of 62.9% of respondents believe that SIPs provide satisfactory returns. However, nearly one-fifth of respondents are dissatisfied, which may be due to unrealistic expectations, short investment duration, market corrections, or lack of understanding of equity market volatility.

8.7 Confidence and Information Need

Table 7: Confidence in Making SIP Decisions

Confidence Level	Frequency	Percentage
High	27	23.3%
Moderate	67	57.8%
Low	22	19.0%
Total	**116**	**100%**

Interpretation:

Most respondents have moderate confidence in making SIP decisions. This indicates that investors are not completely unaware, but they still require better guidance regarding scheme selection, risk level, investment horizon, and expected returns.

8.8 Trust in Financial Advisors

Table 8: Advisor Trust

Response	Frequency	Percentage
Strongly Agree	23	19.8%
Agree	51	44.0%
Neutral	26	22.4%
Disagree	10	8.6%
Strongly Disagree	6	5.2%
Total	**116**	**100%**

Interpretation:

About 63.8% of respondents trust financial advisors for SIP guidance. This shows that advisors, mutual fund distributors, bank relationship managers, and digital advisory platforms play an important role in SIP adoption in Hyderabad.

8.9 Awareness of Tax Benefits

Table 9: Awareness of Tax Benefits Associated with SIPs

Response	Frequency	Percentage
Yes	82	70.7%
No	34	29.3%
Total	**116**	**100%**

Interpretation:

A majority of respondents are aware of tax benefits, especially those associated with ELSS mutual funds under Section 80C. However, 29.3% are unaware, showing that there is still scope for tax-saving awareness campaigns.

8.10 SIPs Require Low Active Management

Table 10: Low Active Management Agreement

Response	Frequency	Percentage
Strongly Agree	38	32.8%
Agree	41	35.3%
Neutral	24	20.7%
Disagree	9	7.8%
Strongly Disagree	4	3.4%

INTERNATIONAL JOURNAL OF ENGINEERING MANAGEMENT AND SOCIAL SCIENCES (IJEMSS)

e-ISSN : 3139-065X

www.ijemss.com

editor@ijemss.com

Vol. 01, Issue 2, June2026, pp :465-473

Response	Frequency	Percentage
Total	**116**	**100%**

Interpretation:

A total of 68.1% of respondents agree that SIPs require low active management. This is an important reason for SIP popularity among salaried and professional investors who may not have time to actively track stock markets.

8.11 Suitability of SIPs for Low-Risk Investors

Table 11: Low Risk Suitability

Response	Frequency	Percentage
Strongly Agree	36	31.0%
Agree	37	31.9%
Neutral	32	27.6%
Disagree	8	6.9%
Strongly Disagree	3	2.6%
Total	**116**	**100%**

Interpretation:

About 62.9% of respondents believe SIPs are suitable for low-risk investors. However, SIPs in equity mutual funds are still subject to market risk. This indicates that investors may perceive SIPs as low risk because of regular investment and rupee cost averaging, but they need better education about actual market-linked risks.

9. MAJOR FINDINGS

The major findings of the study are:

1. Most respondents belong to the age group of 25 to 45 years, indicating that SIP perception is mainly shaped by working-age investors.
2. Salaried employees form the largest respondent group with 45.7%, showing that SIPs are preferred by individuals with regular monthly income.
3. Only 15.5% of respondents possess high investment knowledge, while 84.5% have low to medium investment knowledge.
4. The overall SIP perception score is moderate to positive, with most scores falling between 5 and 7.
5. About 67.2% of respondents believe SIPs are useful for achieving long-term financial goals.
6. Around 58.6% of respondents are comfortable investing a fixed amount regularly through SIPs.
7. About 62.9% of respondents are satisfied with SIP returns.
8. Most respondents have moderate confidence in making SIP investment decisions, suggesting a need for further guidance.
9. About 63.8% of respondents trust financial advisors for SIP-related advice.
10. A high percentage, 70.7%, are aware of tax benefits associated with SIP investments, especially ELSS.
11. Around 68.1% of respondents believe SIPs require low active management.
12. About 62.9% of respondents consider SIPs suitable for low-risk investors.
13. Hyderabad investors show positive interest in SIPs, but the influence of real estate and gold remains strong.

INTERNATIONAL JOURNAL OF ENGINEERING MANAGEMENT AND SOCIAL SCIENCES (IJEMSS)

e-ISSN : 3139-065X

www.ijemss.com

editor@ijemss.com

Vol. 01, Issue 2, June2026, pp :465-473

14. Financial literacy is the most important area requiring improvement.

10. SUGGESTIONS

Based on the findings, the following suggestions are offered:

1. **Hyderabad-SpecificInvestorEducation:**
   Mutual fund companies should create awareness programs specifically for Hyderabad investors by comparing SIPs with real estate, gold, and fixed deposits.

2. **PromoteGoal-BasedSIPPlanning:**
   Advisors should connect SIP investments with specific goals such as children's education, house down payment, retirement, foreign education, and wealth creation.

3. **IncreaseAwarenessofFlexi-SIPs:**
   Since some investors are uncomfortable with fixed monthly commitments, AMCs should promote flexi-SIPs and step-up SIPs for people with irregular income.

4. **ImproveELSSAwareness:**
   Tax-saving SIPs through ELSS should be promoted during the January–March tax planning period.

5. **UseITCompanyPartnerships:**
   Since Hyderabad has a large IT workforce, AMCs can conduct SIP awareness programs in IT companies at HITEC City, Gachibowli, and Financial District.

6. **StrengthenAdvisorTraining:**
   Financial advisors should be trained to explain risk, returns, fund selection, compounding, and rupee cost averaging in simple language.

7. **UseDigitalPlatformsEffectively:**
   Fintech platforms should improve investor education through videos, calculators, SIP goal planners, and risk profiling tools.

8. **ConductRegularPortfolioReviews:**
   Advisors should review SIP portfolios periodically and prevent investors from stopping SIPs during market corrections.

9. **EducateInvestorsAboutRisk:**
   Investors should be clearly informed that SIPs reduce timing risk but do not eliminate market risk.

10. **PromoteLong-TermDiscipline:**
    Investors should be encouraged to continue SIPs for longer periods to benefit from compounding and market cycles.

11. CONCLUSION

The study concludes that retail investors in Hyderabad have a moderately positive perception toward Systematic Investment Plans. SIPs are increasingly viewed as useful tools for disciplined saving, long-term wealth creation, and financial goal achievement. The findings show that a significant proportion of investors are satisfied with SIP returns, trust financial advisors, and understand the convenience of regular investment.

However, the study also reveals that investment knowledge remains limited among many respondents. More than 84% of the sample falls under low to medium investment knowledge categories. This indicates that awareness of SIPs may exist, but deeper understanding of risk, fund selection, market volatility, and investment horizon is still inadequate.

Hyderabad's investment environment is unique because investors compare SIPs not only with traditional products like

INTERNATIONAL JOURNAL OF ENGINEERING MANAGEMENT AND SOCIAL SCIENCES (IJEMSS)

e-ISSN : 3139-065X

www.ijemss.com

editor@ijemss.com

Vol. 01, Issue 2, June2026, pp :465-473

fixed deposits and gold but also with real estate. Therefore, SIP promotion in Hyderabad must focus on liquidity, diversification, long-term compounding, and goal-based investing rather than only return comparison.

The study suggests that mutual fund companies, financial advisors, banks, fintech platforms, and educational institutions should work together to improve financial literacy and promote disciplined SIP investing. With proper education, advisory support, and digital convenience, SIP participation in Hyderabad can increase significantly in the coming years.

ACKNOWLEDGEMENT

The author expresses sincere gratitude to Dr. G. Aruna, Associate Professor, Department of Master of Business Administration, MLR Institute of Technology, for her valuable guidance and support. The author also thanks Dr. N. Ramanjaneyulu, Head of the Department, MBA, MLR Institute of Technology, for his encouragement. Special thanks are extended to Life Insurance Corporation of India and all respondents who participated in the survey and provided valuable information for the successful completion of this study.

REFERENCES

1.Association of Mutual Funds in India. “Mutual Fund and SIP Monthly Data.” AMFI Reports, 2024–2026.

2.Life Insurance Corporation of India. “68th Annual Report 2024–25.” LIC of India, Mumbai.

3.Insurance Regulatory and Development Authority of India. “Annual Report.” IRDAI, 2024–25.

4.India Brand Equity Foundation. “Insurance Industry in India.” IBEF Report, 2025.

5.Securities and Exchange Board of India. “Investor Awareness and Mutual Fund Guidelines.” SEBI Publications.

6.Banu, S. T., and Divya, D. “Investment Behaviour and Financial Awareness among Young Investors.” 2025.

7.Sehgal, G., Sharma, V. K., and Thakur, B. “Investor Perception towards Bank-Distributed Mutual Funds.” 2025.

8.Khriam, E., and Borah, N. “Personality Traits and SIP Investment Behaviour.” 2024.

9.Bhalodia, D., Rajani, C., Kasani, V. L., and Madhavi, B. “Investor Perception towards SIP Investment in Rajkot City.” 2025.

10. Sharma, A. K. “Investor Awareness and Preference towards Mutual Funds.” 2023.

11. Sindhu, K. P. “Impact of COVID-19 on Mutual Fund Investments in India.” 2023.

12. Fernando, T. S., and Aathilakshmi, R. “Investor Attitude towards SIPs in Thoothukudi Region.” 2023.

13. Venkates, P., and Murugan, K. “Framework for Measuring Investor Perception towards SIPs.” 2023.

14. Sindhu, Y., Rama Krishna, Y., and Sagar Reddy, A. “Personal Factors and Mutual Fund Investment Perception: Evidence from Hyderabad.” Indian Journal of Finance, 2017.