

# Comparison Of Sip, Stp & (Swp) Mutual Fund At Icici Prudential Mutual Fund

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## ABSTRACT

*This study aims to compare three popular investment strategies — Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), and Systematic Withdrawal Plan (SWP) — in the context of mutual fund investments with a focus on ICICI Prudential Mutual Funds. The research evaluates the effectiveness of each strategy based on factors such as risk, return, flexibility, and suitability for different investor profiles. The SIP strategy encourages investors to contribute a fixed amount regularly, thereby benefiting from rupee cost averaging and long-term capital growth. The STP, on the other hand, involves transferring a fixed sum from one mutual fund scheme to another, typically used for balancing risk. SWP allows investors to withdraw a fixed sum regularly, providing a consistent income stream, often during retirement. This comparative study will analyze historical data, performance metrics, and investor feedback to assess the advantages and disadvantages of each plan. The findings aim to provide insights into how each plan suits different financial goals, time horizons, and risk appetites of investors. The study also emphasizes the role of ICICI Prudential Fund's product offerings in facilitating these investment options and their impact on achieving financial objectives.*

## 1.1 INTRODUCTION

The investment landscape has undergone significant transformations in recent years, with mutual funds emerging as a popular choice among investors due to their ability to provide diversification, professional management, and the potential for capital appreciation. Among the various investment strategies available, Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), and Systematic Withdrawal Plan (SWP) are considered to be the most effective tools for managing investment portfolios. These strategies offer investors the flexibility to plan their investments according to their financial goals, risk tolerance, and time horizons.

## 1.2 NEED FOR THE STUDY

The increasing complexity of financial markets and the growing awareness among investors have led to a shift in investment strategies. With the rise of mutual funds as an essential tool for portfolio diversification and wealth creation, investors are increasingly looking for structured and disciplined approaches to managing their investments. Among the many options available, Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), and Systematic Withdrawal Plan (SWP) have emerged as popular strategies to navigate the intricacies of mutual fund investing.

## 1.3 OBJECTIVES OF THE STUDY

- 1) To Compare the Performance of SIP, STP, and SWP Strategies The study aims to compare the historical performance of SIP, STP, and SWP strategies in mutual funds offered by ICICI Prudential.

- 2) To Evaluate the Suitability of SIP, STP, and SWP for Different Investor Profiles risk-averse investors, and those looking for a regular income stream.
- 3) To Analyze the Impact of Market Conditions on SIP, STP, and SWP influence the performance and effectiveness of SIP, STP, and SWP. T

### 1.5 SCOPE OF THE STUDY

The scope of this study is defined by its focus on comparing three key investment strategies — Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), and Systematic Withdrawal Plan (SWP) — within the context of mutual fund offerings from ICICI Prudential Mutual Fund. The study aims to provide a comprehensive analysis of these strategies, with particular attention to how they align with the needs and goals of different investors.

### 1.6 METHODOLOGY

The methodology for this study aims to provide a structured and systematic approach to compare the three investment strategies — Systematic Investment Plan (SIP), Systematic Transfer Plan (STP), and Systematic Withdrawal Plan (SWP) — within the framework of ICICI Prudential Mutual Funds. The research design includes both qualitative and quantitative approaches to ensure a comprehensive analysis of these investment strategies.

### 1.7 LIMITATIONS OF THE STUDY

- 1) **Data Limitations:** The accuracy of the secondary data depends on the quality and reliability of mutual fund reports and performance data provided by ICICI Prudential.
- 2) **Sample Bias:** The study's findings may be influenced by the sampling methods used for collecting primary data, especially if the sample is not representative of all investor types.
- 3) **Market Conditions:** The study may not fully account for extreme market conditions or sudden market shifts that could impact the performance of SIP, STP, and SWP in the future.

### 2.2 REVIEW OF LITERATURE

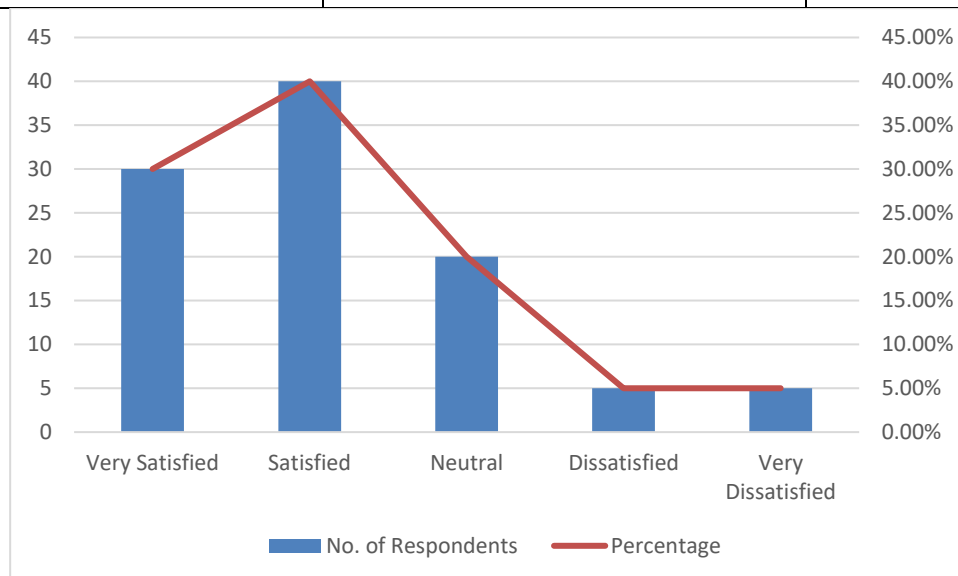
- **"A Study on Investor Perception Towards Investment in SIP (Systematic Investment Plan)" (2022):** This research examines factors influencing investors' decisions to invest in SIPs, highlighting the roles of risk, returns, liquidity, and tax benefits. The study indicates that while SIPs are favored for their disciplined approach, awareness levels significantly impact investment choices. [ResearchGate](#)
- **"A Study on Awareness Level of Investment Through Systematic Plans in Mutual Funds Amongst People Residing in North Ahmedabad" (2023):** This study investigates the awareness and factors influencing investments through systematic plans, revealing that financial objectives and demographic factors play crucial roles in investment decisions. [ResearchGate](#)

### DATA ANALYSIS & INTERPRETATION

#### 18. Satisfaction with ICICI Prudential Services

Satisfaction Level	No. of Respondents	Percentage
Very Satisfied	30	30.0%
Satisfied	40	40.0%

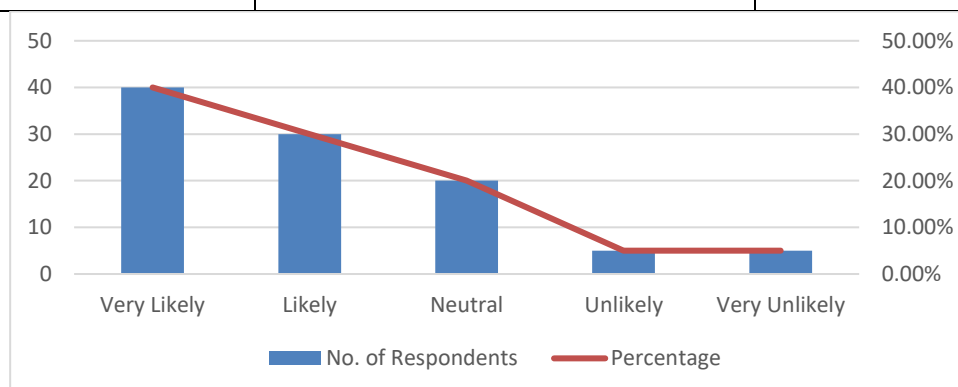
Neutral	20	20.0%
Dissatisfied	5	5.0%
Very Dissatisfied	5	5.0%



**Interpretation:** 70% of respondents are satisfied or very satisfied with ICICI's services.

#### 19. Recommendation Likelihood

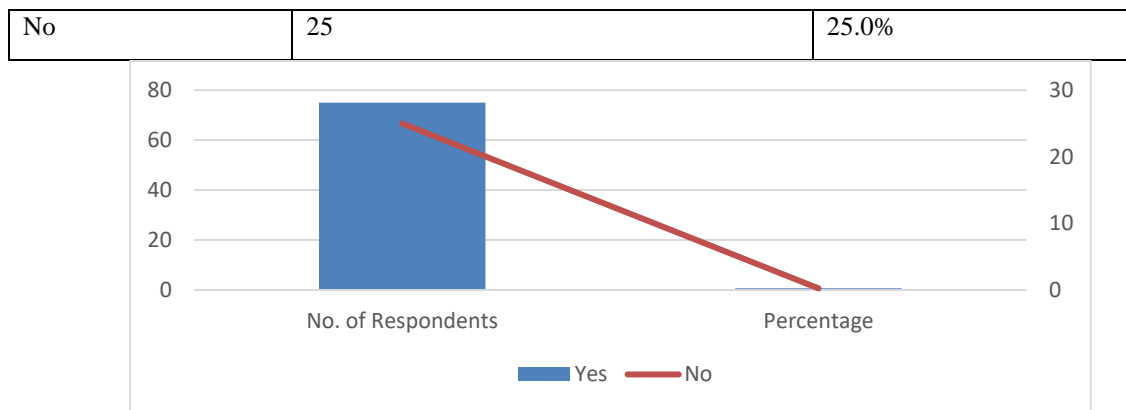
Likelihood	No. of Respondents	Percentage
Very Likely	40	40.0%
Likely	30	30.0%
Neutral	20	20.0%
Unlikely	5	5.0%
Very Unlikely	5	5.0%



**Interpretation:** A majority of investors are likely to recommend SIP/STP/SWP plans.

#### 20. Need for More Guidance

Response	No. of Respondents	Percentage
Yes	75	75.0%



**Interpretation:** 75% feel the need for more awareness and education about mutual fund investment options.

### HYPOTHESIS

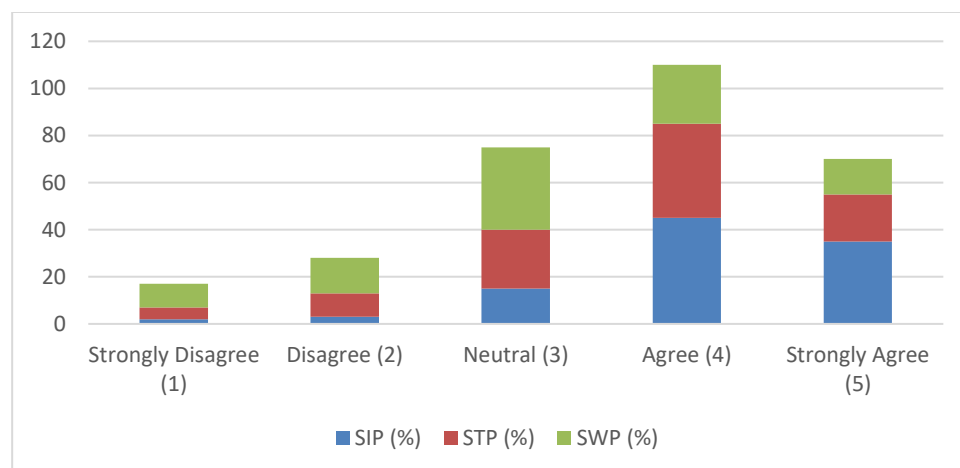
HYPOTHESIS TESTING USING 5-POINT LIKERT SCALE (100 RESPONDENTS)

#### 1.Hypothesis Testing Approach

- ☐ **H0:** There is significance co-relation between SIP , SWP , STP.
- ☐ **H1:** There is NO significance co-relation between SIP , SWP , STP.

We'll use **average Likert scale scores** from survey responses to compare investor perceptions of **SIP, STP, and SWP** on the following aspects:

Response Option	SIP (%)	STP (%)	SWP (%)
Strongly Disagree (1)	2	5	10
Disagree (2)	3	10	15
Neutral (3)	15	25	35
Agree (4)	45	40	25
Strongly Agree (5)	35	20	15
AVERAGE	20	20	20



### Average Scores Table

(Sample summary based on hypothetical Likert data from 100 respondents):

## INTERPRETATION

### Hypothesis Testing and Interpretation

#### Interpretation:

#### Null hypothesis:

The above analysis the test hypothesis is  $H_0$ , There is no significant relation of the SIP, STP, SWP. where averages are  $SIP = 20$ ,  $STP = 20$ ,  $SWP = 20$ . Therefore there is no difference between SIP, STP, SWP.

Hence Null hypothesis is Accepted

## 5.1 FINDINGS

### 1. Young Investors Dominate:

A significant majority (80%) of respondents are in the age group of 18–25, indicating a growing interest in mutual funds among the youth.

### 2. Male Investors Lead Participation:

65% of the respondents are male, reflecting higher investment engagement among men compared to women.

### 3. Occupation-wise Trends:

Students (50%) and salaried employees (35%) make up the bulk of investors, suggesting SIP/STP/SWP options are attractive to those with predictable or upcoming income.

### 4. Low to Moderate Income Range:

55% of investors earn less than ₹3 lakhs annually, highlighting mutual funds' popularity even among low-income groups.

### 5. Well-Educated Investors:

80% of respondents are graduates or postgraduates, showing a strong link between education and mutual fund investment awareness.

### 6. High Mutual Fund Participation:

70% of respondents already invest in mutual funds, confirming increasing penetration and trust in mutual fund schemes.

### 7. SIP is the Most Popular Plan:

60% of investors currently use SIPs, showing it is the preferred choice due to ease, automation, and long-term benefits.

## 5.2 SUGGESTIONS

### 1. Enhance Awareness on STP and SWP

While SIP is well-known, STP and SWP need better promotional strategies. ICICI Prudential should

conduct targeted educational campaigns (online webinars, YouTube videos, investor meets) to improve understanding of these options.

2. **Create Tailored Plans for Young Investors**

Since 80% of respondents are in the 18–25 age group, ICICI can design beginner-friendly SIPs with gamified progress tracking, small ticket sizes (₹500+), and educational tips to attract and retain young investors.

3. **Strengthen Digital Marketing Outreach**

As 40% of respondents learned about mutual funds online, the company should enhance its presence on social media platforms, finance blogs, and influencer channels to reach a wider tech-savvy audience.

4. **Financial Literacy Drives in Colleges and Workplaces**

With a large portion of investors being students and salaried individuals, ICICI should organize investment awareness sessions in educational institutions and corporates, especially focusing on STP and SWP advantages.

5. **Offer Investment Bundles Based on Income Segments**

For investors earning below ₹5 lakhs annually (which includes 80% of the respondents), introduce pre-designed low-risk SIP/STP/SWP bundles that are affordable and tailored to risk appetite.

6. **Simplify Product Explanations**

Many potential investors hesitate due to complexity. Use easy-to-understand visuals, mobile app tutorials, and regional languages to explain how SIP, STP, and SWP work.

### 5.3 CONCLUSION

The study conducted on the comparison of **Systematic Investment Plan (SIP)**, **Systematic Transfer Plan (STP)**, and **Systematic Withdrawal Plan (SWP)** at **ICICI Prudential Mutual Fund** has revealed several insightful observations regarding investor behavior, preferences, and awareness levels. One of the major highlights of the study is the **dominance of SIP** as the most preferred mutual fund investment option. With 90% of the respondents aware of SIP and 60% actively investing through it, it is clear that SIP has gained tremendous popularity due to its simplicity, affordability, and disciplined approach to investing. It offers convenience and is ideal for long-term wealth accumulation, making it especially attractive to young investors. On the other hand, **STP and SWP** have relatively **lower awareness levels**. Despite their potential benefits—STP for risk mitigation and asset rebalancing, and SWP for generating regular income—their reach remains limited. Only 65% of respondents were aware of STP, and just 45% had heard of SWP. This indicates a significant **gap in investor education**, which can be addressed through structured financial literacy programs and targeted awareness campaigns. The demographic analysis of the sample shows that the **majority of investors are young (18–25 years)**, with a notable presence of students and salaried professionals. Most of them belong to the **lower income bracket (below ₹3 lakhs annually)** but are still enthusiastic about investing. This reinforces the notion that mutual fund products like SIP/STP/SWP are suitable for small and medium investors and cater to varied financial goals. A positive finding is the **high level of trust and satisfaction** with ICICI Prudential Mutual Fund. Around 70% of respondents indicated trust in the brand and expressed satisfaction with its services. However, nearly 75% of participants still **seek more guidance and advisory support**, which highlights the need for better communication, simplified processes, and

personalized investor assistance. In conclusion, the mutual fund industry—particularly SIPs—has made significant inroads among retail investors. ICICI Prudential Mutual Fund, being a leading player, has successfully positioned itself as a trusted investment platform. However, to achieve a more balanced adoption across SIP, STP, and SWP, the company must invest in investor education, digital tools, and advisory services.

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- Kumar, A., “Investor Behavior in Mutual Funds,” *International Journal of Financial Studies*, 2020.

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