

“Does Experience of Distributor Has Moderating Effect on The Mediating Factors Affecting the Performance of Mutual Fund Distributors?”

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Abstract:

The purpose of this paper is to find out that does fund distributors experience in the field of mutual fund has a vital importance? And if so, how does the experience of distributors have any effect on the performance of mutual fund. The structured questionnaire has been administered to 1007 respondents. Experience being the categorical moderator is been study in this research. The moderating and mediating effect of experience is been studied in this paper specifically on Indian Mutual fund Industry. The results showed very interesting facts about the overall direct and mediating impact of factors and the moderating effect of experience.

1. Introduction:

The purpose of this paper is to understand the moderating effect of experience and to check the impact of "No Entry load" on mutual fund distribution channel and to understand does "No entry load" has any impact on distributor's performance. Distribution channel being the key factor of penetration of mutual fund and considering the different construct of channel(Sheth & Bhatt, 2019) such as Return of Distributor, Distributor Expenses, Investment flow and Number of Investors which have Maximum impact on Distributors Performance in compare of Advisory's moderate impact (Sheth & Bhatt, 2019) we have tried to develop a model on same measuring the impact of various construct post No entry load or No entry load regime

Mutual Funds, the fund of funds or small funds was born from a financial crisis that staggered Europe in the early 1770s⁴. It was Adriaan Van Ketwich, a Dutch merchant whose brain child was mutual fund, he had the foresight to make a pool of money from a number of investor's to form an investment trust named EendragtMaaktMagt – the Maxim of the Dutch Republic which turned out to be the world's first mutual fund in 1774 with an aim to provide an opportunity to diversify for small investors with limited means (Rouwenhorst, December 2004). It took almost two and half centuries from the first mutual fund which was been created to reach to present era.

It all initiated from 1774 and the long journey of mutual fund started and in 1924 the first open-ended mutual fund concept was introduced by United States in year 1924(Makwana & Pandit, 2016). Then the concept of mutual fund became more popular and was accepted worldwide by the investors. The funds were getting mobilized towards development of the economies. After the establishment of UTI in 1964 in India new industries entered the market. The Mutual fund industry opened for public sector banks, Institutions (1987) and private Sector (1993) which has shown a spectacular growth in recent year (Makwana & Pandit, 2016). "The retail mutual fund market is segmented where unsophisticated investors rely on financial advisers and sophisticated ones invest directly"(Sun, 2020), but in Indian scenario investors opt for portfolio managers on higher side to invest money on their behalf.(Saini, Anjum, & Saini, 2011)

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⁴<https://www.ific.ca/en/articles/who-we-are-history-of-mutual-funds/#:~:text=Against%20this%20backdrop%2C%20a%20Dutch,first%20mutual%20fund%20%E2%80%93%20in%201774.&text=The%20early%20mutual%20funds%20spread,a%20fixed%20number%20of%20shares.>

Evaluation of No Entry Load Regime

A mutual fund firms on the basis of their past performance charges for marketing funds, Front-end loads as annual fund marketing charges which are levied on the investors. Further mutual fund investors demands for high levels of services in exchange for high marketing charges (Kihn, 1996). But it was observed that low expenses funds have significantly outperformed high and very high expenses funds, funds with similar expenses, the load funds do not produce returns sufficient to offset the load versus no-load funds (Hooks, 1996). Mutual fund being one of the best investment option many investors purchase mutual funds as investment. With lack of proper evidences supporting performance persistence in funds return, it's advisable for the investors to consider expenses as a fund selection tool, since fund expenses has a negative effect on fund returns.(Livingston & O' Neal, 2014). That is how the drawback of entry load would have initiated the systematic process of removal of entry load or no entry load regime.

2.1 Literature Review

2.1.1 Financial Advisors

Financial advisors, must take responsibility to lead with empathy as their daily responsibilities continue to become more digitally transformed (Artley, 2019). An active financial advisor is a professional who earns a fee by providing financial guidance to clients based on their needs and goals (Fontinelle, 2019). Consumers value certified professionals over uncertified, yet they are generally unaware of the differences between the credentials (Arman & Shackman, 2012).The central role of financial planning is for advisors to use their competence in technical knowledge of investment planning, taxation, or insurance to counsel clients (Parish, 2018)

2.1.2 Performance of mutual funds

Prior research (Ippolito, 1992) finds that the link between fund performance and net new cash flows is only meaningful for the very best performers.(Bregstresser, Chalmers, & Tufano, 2009)Showed that fund cash inflow is positively correlated with broker compensation levels, suggesting that distributors place a disproportionate emphasis on selling funds with higher distribution fees in the United States mutual fund industry.Brokered channels serve as the primary source of product information and selection criteria in the mutual fund industry(Alexander, Jones, & Nigro, 1998). In (Baek & Park, 2014), fund performance was negatively affected by the strong vertical relations between fund distributors and their affiliated AMCs.(Guercio, Reuter, & Tkac, 2010)Argued that investor heterogeneity in the demand for broker services could drive market segmentation and cause differences in before-fee returns; competition for investors who value broker services led broker-sold funds to invest more in costly-to-provide investor services and less in portfolio management.

2.1.3 Experience

(Porter & Trifts, 1998) found that managerial tenure is not a factor in mutual fund performance, (Costa & Porter, 2003) show that neither performance nor performance-persistence differ between funds run by managers with lengthy tenure (ten years or more) and funds with less experienced management (less than ten years).Tenure could also proxy for effort, because junior managers might need to work harder to signal their type (Chevalier, & Glenn , 1999)

2.2 Conceptual Structural Model

From the literature and previous research work the conceptual structure of the Overall impact of the Independent Variable on the dependent variables can be carried out considering the role of Advisory services, post no-entry load, which has made any impact on the performance of mutual fund distributors in India. Apart from Advisory Services there are other factors also which plays the crucial

role in the overall impact such as Distribution Expenses, No of Investors, Investment Flow having its impact on Return of Distributors which leads to overall impact of investment in mutual fund. Here along with the same variable researcher wants to identify rather any significant impact is been created by experience of the distributor on overall impact of the investment in mutual fund.

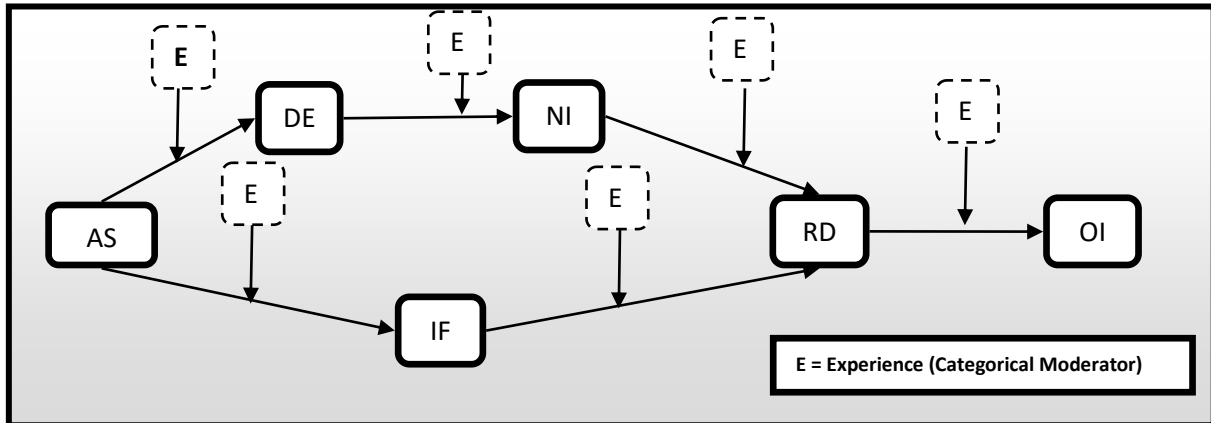


Figure 01: Proposed Conceptual Framework

(**AS:** Advisory Services, **DE:**Distributors Expenses, **NI:** No of Investors, **IF:** Investment Flow, **RD:** Return of Distributors, **OI:** Overall Impact)

2.3 Research Gap

Considerable research on Distributors perspective is not been taken into account so far for deriving the overall impact of investment in mutual fund in India. Further no models are been formulated and validated on the performance of mutual fund distributors post no entry load regime in India

2.4 Research Objective

1. To Study the Factors which are affecting the mutual fund distributors with respect to post no entry load regime in India
2. To Measure the Impact of Factors influencing the performance of the mutual fund distributors with respect to post no entry load regime in India.

3. Research Process (Research Methodology)

3.1 Research Design

Research Design defined by Aaker (2001) as the detailed outline of the study which helps in achievement of the research objectives and decisions related to research process and data collection methods used. Descriptive research design is used when the researches wants to find out improved results on existing work. So here in this study, the researcher has used descriptive research design. This is unique attempt made by researcher trying to derive new conclusions with fresh collection of data in different geographical region, demographic profile and with different techniques.(Malhotra & Das, 2019)

3.2 Measurement Development (Instrument/Questionnaire Design)

We developed an online questionnaire to collect data. Measurement scales of the research model constructs were adopted from previous related studies. We used 5-point Likert scales, moving from “strongly agree” to “strongly disagree”, to measure the construct items. The research had six constructs with 28 statements: Advisory Services (5), Distributors Expenses(4), Investment Flow (6),

Number of Investors (4), Return of Distributors (4) and Overall Impact (5). Moreover, the questionnaire contained a few questions related to demographic characteristics of Indian users such as age, marital status, education, association with mutual funds industry, Average AUM of firm and SIP input value by the client.

3.3 Data Collection / Sample Design / Sampling

Data was collected through structured questionnaire survey conducted in India during 2019-2020 through online and physical mode, following a purposive non-probabilistic procedure. The sample of the current study was from all the major cities of India. Hence, the sample may be considered as representative of the country. Total 1600 questionnaires were distributed to consumers in two different modes (Online Mode: 800 and Offline Mode: 800); more than 1150 responses were received back from consumers (Online Mode: 507 and Offline Mode: 600). Finally, 1007 responses were found valid and considered for the study (Online Mode: 472 and Offline Mode: 535). Rest of the forms were rejected due to incomplete information. Considering the wider geographic urban large number of distributors the determination of sample size is challenging. While dealing with the multivariate regression analysis,

- 1) 58 respondents should be considered for One Independent variable (Krejcie & Morgan,, 1970)
- 2) 10 respondent should be considered for One Statements framed in structured questionnaire (James Gaskin)

This sample size is considered sufficient to evaluate the research, since the sample size derived by the formulae is 384.16⁵ approx.(Soper, 2015) 385 whereas researcher has taken (Table 01) explains demographic details of the sample.

Table 01			
Demographic statistics of Respondents			
		Frequency	Percent
Age	Less than 30	100	9.9
	31-50	503	50.0
	Above 50	404	40.1
	Total	1007	100.0
Marital Status	Married	907	90.1
	Unmarried	100	9.9
	Total	1007	100.0
Education	Commerce	603	59.9
	Science	200	19.9
	Arts	204	20.3
	Total	1007	100.0
Association with mutual fund industry	<5	492	48.9
	>5	515	51.1
	Total	1007	100.0
Average AUM of firm	Less than 10	53	5.3
	10-25	150	14.9
	25-50	350	34.8
	50-100	404	40.1
	Above 100	50	5.0
	Total	1007	100.0
SIP input value by client	Less than 10	53	5.3
	11-25	200	19.9

⁵<https://www.calculator.net/sample-size-calculator.html?type=1&cl=95&ci=5&pp=50&ps=&x=65&y=16>

	26-50	504	50.0
	51-100	200	19.9
	Above 100	50	5.0
	Total	1007	100.0

3.4 Tools and Techniques for Data analysis procedure

The collected data were coded into SPSS 25 and Ms Excel program for descriptive statistical analysis in which the values of frequency and percentage are been calculated before running the available data on PLS-SEM analysis. (Amin, Azhar, Amin, & Akter, 2015) To test the hypothesis SMART PLS 3.0 was employed. The path analysis is applied in structural model and significance of direct and mediating relationships evaluated through the bootstrap techniques (5000). Further Multi Group Analysis has been performed keeping experience as categorical moderator.

3.5 Measurement Model: Reliability and Validity

3.5.1 Reliability

The first thing was to analyse the internal consistency of structured questionnaire, whether respondents understand the meaning of the statements and they are consistent while giving the response of the various statements. According to (Cavana, 2001), A popular and widely accepted approach to measure reliability is to use the Cronbach alpha. The value of Cronbach alpha with the range of greater than 0.70 is considered acceptable and good (Cavana, 2001).

Reliability of the scales was checked by computing Cronbach alpha (Table 02), a measure of reliability which found to be satisfactory. All the variables' coefficient of alpha was above 0.7 specifying a satisfactory internal consistency.

The outcome concluded that the stability and consistency of measurement scales of the constructs were stable and consistent in measuring the constructs. The Average Variance Extracted Criterion should be higher than 0.50 (Fornell & Larcker, 1981). From the (Table 02) we can say that the AVE value of all the constructs are above required minimum level of 0.50. Thus the measures of the six reflective constructs have high level of convergent validity.

The composite reliability, as a measure of internal consistency should be higher than 0.70 (Henseler, 2009), we can conclude that the composite reliability value of all the constructs demonstrate high levels of internal consistency reliability.

Here CR is greater than AVE and while analysing the tables of Fornell and Larckers and HTMT, researcher doesn't violate the assumption of convergent validity and discriminant validity

Reliability of the Construct				
	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Advisory	0.783	0.785	0.761	0.525
Distributor Expenses	0.798	0.731	0.727	0.535
Investment Flow	0.900	0.904	0.898	0.597
No of Investor	0.787	0.810	0.772	0.571
Overall Impact	0.901	0.908	0.901	0.648

Return of Distributors	0.902	0.903	0.903	0.699
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3.5.2 Discriminant Validity

As suggested by Fornell – Larckerto establish discriminant validity, square root of AVE must be higher than the correlations of the constructs with all other constructs in the structural model. Following Table indicates square root values of all AVE which have been calculated, and placed diagonally. Here all HTMT values is less than 0.85, so we can conclude that the discriminant validity is well established.

Table 03
Discriminant Validity of the Construct
Fornell-Larcker Criterion

	Advisory	Distributor Expenses	Investment Flow	No of Investor	Overall Impact	Return of Distributors
Advisory	0.671					
Distributor Expenses	0.275	0.798				
Investment Flow	0.425	0.276	0.773			
No of Investor	0.299	0.481	0.115	0.706		
Overall Impact	0.454	0.348	0.337	0.340	0.805	
Return of Distributors	0.278	0.609	0.160	0.686	0.434	0.836

Here CR is greater than AVE and while analysing the tables of Fornell and Larckers and HTMT, researcher doesn't violates the assumption of convergent validity and discriminant validity

4. Data Analysis

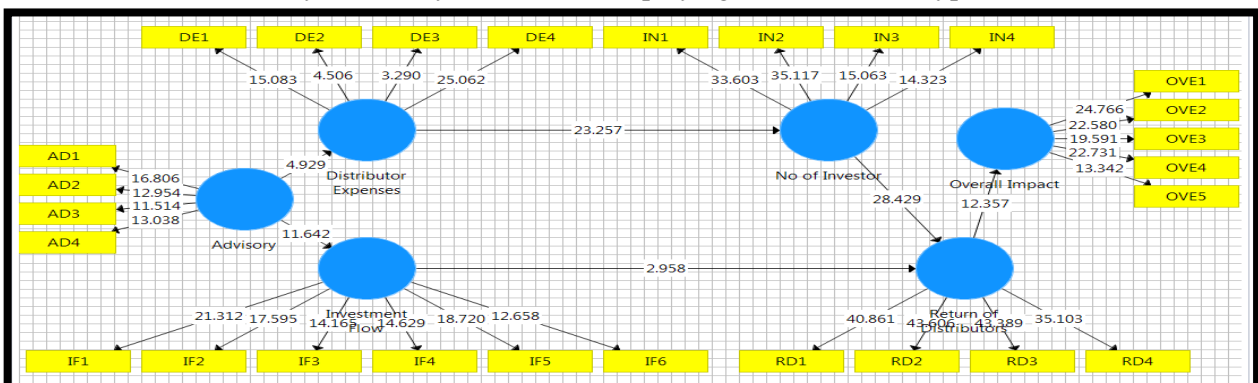
4.1 Structural Model/ Path Analysis (On Screen Results)

Researcher has used PLS-SEM to analyse the hypothesized framework. Measurement model and Structural model is been carried out for confirmatory factor analysis (CFA).(Shin, et al., 2013)PLS-SEM has an edge over other techniques because it does not require multivariate normal distribution of data, large sample sizes and interval scales.

“PLS only requires a sample size of 10 times the most complex relationship within the research model that is the larger value between

- (1) The construct with the largest number of formative indicators if there are formative constructs in the research model (LME); and
- (2) The dependent latent variable (LV) with the largest number of independent LVs influencing it (LSE)

Data analysis was conducted using a two-step approach. First, researcher has authenticated validity and internal consistency (reliability) of the data, employing CFA, and then hypothesis were estimated,



using structural model.

4.2 Hypothesis

4.2.1 Simple Hypothesis & Testing Research Hypothesis

Table 04							
Testing Research Hypothesis							
	Mean, S.T.Dev, t-Value, P-Values					Confidence Interval	
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values	2.5%	97.5%
Advisory -> Distributor Expenses	0.275	0.277	0.056	4.929	0.000	0.166	0.387
Advisory -> Investment Flow	0.425	0.426	0.037	11.642	0.000	0.355	0.498
Distributor Expenses -> No of Investor	0.798	0.800	0.034	23.257	0.000	0.729	0.866
Investment Flow -> Return of Distributors	0.079	0.079	0.027	2.958	0.003	0.025	0.132
No of Investor -> Return of Distributors	0.697	0.697	0.025	28.429	0.000	0.648	0.744
Return of Distributors -> Overall Impact	0.434	0.435	0.035	12.357	0.000	0.365	0.501

H.1.1: Advisory services in mutual fund investment is positively impacting on distribution expenses

Here the Advisory Services is positively impacting on distribution expenses while evaluating the relationship it shows positive impact of 0.275. Here researcher simulates the boot strapping process with sample of 5000 that indicates average of impact 0.277 which is marginally higher than the original impact between the two variable and Average variation 0.056 with t-statistics 4.929 and having significance value 0.000

H.1.2: Advisory services in mutual fund investment is positively impacting in increase of Investment Flow

Here the Advisory Services is positively impacting on increase of Investment flow, while evaluating the relationship it shows positive impact of 0.425. Here researcher simulates the boot strapping process with sample of 5000 that indicates average of impact 0.426 which is marginally higher than the original impact between the two variable and Average variation 0.037 with t-statistics 11.642 and having significance value 0.000

H.1.3: Distributors Expenses in mutual fund investment is positively impacting in increase of Number of Investors

Here the Distributors Expenses is positively impacting in increase of Number of Investors, while evaluating the relationship it shows positive impact of 0.798. Here researcher simulates the boot strapping process with sample of 5000 that indicates average of impact 0.800 which is marginally higher than the original impact between the two variable and Average variation 0.034 with t-statistics 23.257 and having significance value 0.000

H.1.4: No of Investors in mutual fund investment is positively impacting on Return of Distributors

Here the No of Investors is positively impacting on Return of Distributors, while evaluating the relationship it shows positive impact of 0.079. Here researcher simulates the boot strapping process with sample of 5000 that indicates average of impact 0.079 which is same to original impact between the two variable and Average variation 0.027 with t-statistics 2.958 and having significance value 0.003

H.1.5: Investment Flow in mutual fund investment is positively impacting on Return of Distributors

Here the Investment Flow is positively impacting on Return of Distributors, while evaluating the relationship it shows positive impact of 0.697. Here researcher simulates the boot strapping process with sample of 5000 that indicates average of impact 0.697 which is same to original impact between the two variable and Average variation 0.025 with t-statistics 28.429 and having significance value 0.000

H.1.6: Return of Distributor in mutual fund is positively impacting on Overall Impact

Here the Return of Distributor is positively impacting on Overall Impact, while evaluating the relationship it shows positive impact of 0.434. Here researcher simulates the boot strapping process with sample of 5000 that indicates average of impact 0.435697 which is marginally higher than the original impact between the two variable and Average variation 0.035 with t-statistics 12.357 and having significance value 0.000

Here in all the above mentioned cases considering 5% level of significance, all t statistics are greater than 1.96 and significance value less than 0.05 indicates the significant effect.

4.2.2 Mediation Hypothesis & Testing Research Hypothesis

Table 05							
Testing Research Hypothesis							
	Mean, S.T.Dev, t-Value, P-Values					Confidence Interval	
	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	t Statistics (O/STDEV)	P Values	2.5%	97.5%
Advisory -> Distributor Expenses -> No of Investor	0.220	0.221	0.045	4.832	0.000	0.132	0.310
Investment Flow -> Return of Distributors -> Overall Impact	0.034	0.034	0.012	2.769	0.006	0.010	0.060
Advisory -> Investment Flow -> Return of Distributors -> Overall Impact	0.015	0.015	0.006	2.627	0.009	0.004	0.027
No of Investor -> Return of Distributors -> Overall Impact	0.303	0.303	0.027	11.354	0.000	0.251	0.356
Distributor Expenses -							

> No of Investor -> Return of Distributors -> Overall Impact	0.241	0.242	0.024	10.086	0.000	0.196	0.290
Advisory -> Distributor Expenses -> No of Investor -> Return of Distributors -> Overall Impact	0.066	0.067	0.016	4.164	0.000	0.038	0.100
Advisory -> Investment Flow -> Return of Distributors	0.034	0.034	0.012	2.807	0.005	0.010	0.058
Distributor Expenses -> No of Investor -> Return of Distributors	0.556	0.557	0.031	18.169	0.000	0.497	0.617
Advisory -> Distributor Expenses -> No of Investor -> Return of Distributors	0.153	0.154	0.032	4.728	0.000	0.092	0.218

H.2.1: Distributor Expenses is significantly mediating the impact between Advisory and No of Investor (Advisory -> Distributor Expenses -> No of Investor)

Here the mediating impact of Distributors Expenses between the Advisory Services and Increase in number of Investor is 0.22. Here researcher simulates the boot strapping process with sample of 5000 that indicates mediating effect 0.221 which is very close to the original effect and Average variation 0.045 with t-statistics 4.832 and having significance value 0.000

H.2.2: Return of Distributors is significantly mediating the impact between Investment flow and Overall Impact on Mutual Fund (Investment Flow -> Return of Distributors -> Overall Impact)

Here the mediating impact of Return on distributors between the Investment Flow and Overall Impact is 0.034. Here researcher simulates the boot strapping process with sample of 5000 that indicates mediating effect 0.034 which is same to the original effect and Average variation 0.012 with t-statistics 2.769 and having significance value 0.006

H.2.3: Investment Flow and Return of Distributors is significantly mediating the impact between Advisory and overall impact on Mutual Fund (Advisory -> Investment Flow -> Return of Distributors -> Overall Impact)

Here the mediating impact of Investment flow and Return on distributors between the Advisory and Overall Impact is 0.015. Here researcher simulates the boot strapping process with sample of 5000 that indicates mediating effect 0.015 which is same to the original effect and Average variation 0.027 with t-statistics 2.627 and having significance value 0.009

H.2.4: Return of Distributors is significantly mediating the impact between No of Investor and Overall Impact on Mutual Fund (No of Investor -> Return of Distributors -> Overall Impact)

Here the mediating impact of Return of distributors between the No of Investor and Overall Impact is 0.303. Here researcher simulates the boot strapping process with sample of 5000 that indicates mediating effect 0.303 which is same to the original effect and Average variation 0.006 with t-statistics 11.354 and having significance value 0.000

H.2.5: No of Investor and Return of Distributors is significantly mediating the impact between Distributors Expenses and overall impact on Mutual Fund(Distributor Expenses -> No of Investor -> Return of Distributors -> Overall Impact)

Here the mediating impact of No of Investor and Return of Distributors between the Distributors Expenses and Overall Impact is 0.241. Here researcher simulates the boot strapping process with sample of 5000 that indicates mediating effect 0.242 which is very close to the original effect and Average variation 0.024 with t-statistics 10.086 and having significance value 0.000

H.2.6: Distributors Expenses, No of Investor and Return of Distributors is significantly mediating the impact between Advisory and overall impact on Mutual Fund(Advisory -> Distributor Expenses -> No of Investor -> Return of Distributors -> Overall Impact)

Here the mediating impact of Distributors, No of Investor and Return of Distributors between the Advisory and Overall Impact is 0.066. Here researcher simulates the boot strapping process with sample of 5000 that indicates mediating effect 0.067 which is very close to the original effect and Average variation 0.031 with t-statistics 18.169 and having significance value 0.000

H.2.7: Investment Flow is significantly mediating the impact between Advisory and overall impact on Mutual Fund (Advisory -> Investment Flow -> Return of Distributors)

Here the mediating impact of Investment Flow between the Advisory and Overall Impact is 0.034. Here researcher simulates the boot strapping process with sample of 5000 that indicates mediating effect 0.034 which is same to the original effect and Average variation 0.012 with t-statistics 2.807 and having significance value 0.005

H.2.8: No of Investor is significantly mediating the impact between Distributors Expenses and Return of Distributors on Mutual Fund (Distributor Expenses -> No of Investor -> Return of Distributors)

Here the mediating impact of No of Investor between the Distributors Expenses and Return of Distributors is 0.556. Here researcher simulates the boot strapping process with sample of 5000 that indicates mediating effect 0.557 which is very close to the original effect and Average variation 0.016 with t-statistics 4.164 and having significance value 0.000

H.2.9: Distributors Expenses and No of Investor is significantly mediating the impact between Advisory and Return of Distributors from Mutual Fund (Advisory -> Distributor Expenses -> No of Investor -> Return of Distributors)

Here the mediating impact of Distributors Expenses and No of Investor between the Advisory and Return of Distributors is 0.153. Here researcher simulates the boot strapping process with sample of 5000 that indicates mediating effect 0.154 which is very close to the original effect and Average variation 0.032 with t-statistics 4.728 and having significance value 0.000

Here in all the above mentioned cases considering 5% level of significance, all t statistics are greater than 1.96 and significance value less than 0.05 indicates the significant mediating effect.

4.3 R square and adjusted R square F square

Table 06		
	R Square	R Square Adjusted
Distributor Expenses	0.076	0.075
Investment Flow	0.181	0.180
No of Investor	0.637	0.636
Overall Impact	0.189	0.188
Return of Distributors	0.504	0.503

R square is coefficient of determination indicates variance explained by independent variable on the dependent variable. Researcher has come across the data as mentioned in (Table 06) which is explained as follow.

Distributor Expenses shows 7.6% increase due to Advisory services, whereas Advisory services is having role in increase of Investment flow by 18.10 %.Advisory services along with mediating effect of Distribution expenses combine contributes by 63.70% on increase in number of Investor in mutual funds. On the other hand advisory service along with mediating effect of Investment flow and mediating effect of Distributor expenses and number of investor together contributes by 50.40% on Returns of distributors. 18.90% is the contribution of all the independent variable on the Overall Impact (Dependant Variable) on mutual fund. Further adjusted R square of all the constructs are marginally less than R square which shows that all the independent variables are contributing significantly

4.4 Multi Group Analysis

While framing a structural model Questionnaire researcher wants to understand the behaviour of those distributors on the bases of their experience, and does experience more than 5 years create significantly additional impact in the structural model. Therefore researcher considered experience as a categorical moderator and wants to compare the direct and mediating effect in the path analysis of those distributor respondent having less than 5 years and more than 5 years of experience. Here Researcher has applied multi group analysis with Smart PLS -3

4.4.1 Comparison between Low and High Experience

Table 07				
	(01)	(02)	(03)	(07)
Advisory -> Distributor Expenses	0.249	0.139	0.110	0.376
Advisory -> Investment Flow	0.380	0.394	-0.014	0.869
Distributor Expenses -> No of Investor	0.543	0.619	-0.076	0.287
Investment Flow -> Return of Distributors	0.079	0.110	-0.031	0.666
No of Investor -> Return of Distributors	0.663	0.589	0.075	0.193
Return of Distributors -> Overall Impact	0.457	0.385	0.072	0.430
(01)	Path Coefficients Original (low<2EXPERIANCE(1.0)EXPERIANCE(1.0))			

(02)	Path Coefficients Original (highGROUP_>2EXPERIANCE(2.0)EXPERIANCE(2.0))
(03)	Path Coefficients Original Difference (low<2EXPERIANCE(1.0)EXPERIANCE(1.0) - highGROUP_>2EXPERIANCE(2.0)EXPERIANCE(2.0))
(04)	Permutation p-Values

From the above table Experience of less than 5 years distributors is shown in column 01 along with Experience of more than 5 years distributors shown in column 02

1. The impact of Advisory to Distributor Expenses:

Advisory services leads to increase in Distributor expenses by 0.249 in less than 5 years experienced distributors in compare of 0.139 of more than 5 years experienced distributors, with p-value of 0.376. Which clearly shows that experience of distributors more than 5 years has less distributor expenses in compare of other category.

2. The Impact of Advisory on Investment Flow:

Advisory services leads to increase in Investment flow by 0.543 in less than 5 years experienced distributors in compare of 0.394 of more than 5 years experienced distributors, with p-value of 0.869 which is on higher side shows the lessor variation in the impact result of both categories. Which clearly shows that there is marginal difference between the investments flows of both the distributors' categories

3. The Impact of Distributor Expenses on No of Investors:

Distributors Expenses leads to increase No of Investors by 0.543 in less than 5 years experienced distributors in compare of 0.619 of more than 5 years experienced distributors, with p-value of 0.287 which is on lower side shows the higher variation in the impact result of both categories. Which clearly shows that there is a difference between the Distributors expenses and its impact on the No of investors.

4. The Impact of Investment flow on Return of Distributors:

Investment flow leads to increase on Returns of Distributors by 0.079 in less than 5 years experienced distributors in compare of 0.110 of more than 5 years experienced distributors, with p-value of 0.666. Here also it shows clearly that there is a difference between the Return of Distributors and expenses and its impact on Investment flow.

5. The Impact of Number of investor on Return of Distributors:

Number of Investors leads to increase on Returns of Distributors by 0.663 in less than 5 years experienced distributors in compare of 0.589 of more than 5 years experienced distributors, with p-value of 0.193 which is on the lower side which reflect marginal difference in the impact. Here it can be seen that there is marginal difference between the Return of Distributors because of Number of Investor.

6. The Impact of Return of Distributors on Overall Impact:

Return of Distributors leads to increase on Overall Impact of investment on Mutual Fund by 0.457 in less than 5 years experienced distributors in compare of 0.385 of more than 5 years experienced distributors, with p-value of 0.430. Here it can be said that Return of Distributor have significant difference in the overall impact of investment but no vast difference is seen in the performance of both the categories.

4.4.2 Specific Indirect Effect

Table 08				
	(01)	(02)	(03)	(04)
Advisory -> Distributor Expenses -> No of Investor	0.135	0.086	0.049	0.490
Investment Flow -> Return of Distributors -> Overall Impact	0.036	0.042	-0.006	0.839
Advisory -> Investment Flow -> Return of Distributors -> Overall Impact	0.014	0.017	-0.003	0.816
No of Investor -> Return of Distributors -> Overall Impact	0.303	0.227	0.077	0.219
Distributor Expenses -> No of Investor -> Return of Distributors -> Overall Impact	0.165	0.140	0.025	0.531
Advisory -> Distributor Expenses -> No of Investor -> Return of Distributors -> Overall Impact	0.041	0.020	0.021	0.301
Advisory -> Investment Flow -> Return of Distributors	0.030	0.043	-0.013	0.644
Distributor Expenses -> No of Investor -> Return of Distributors	0.360	0.364	-0.004	0.953
Advisory -> Distributor Expenses -> No of Investor -> Return of Distributors	0.090	0.051	0.039	0.374
(01)	Indirect Effects Original (low<2EXPERIANCE(1.0)EXPERIANCE(1.0))			
(02)	Indirect Effects Original (highGROUP_>2EXPERIANCE(2.0)EXPERIANCE(2.0))			
(03)	Indirect Effects Original Difference (low<2EXPERIANCE(1.0)EXPERIANCE(1.0) - highGROUP_>2EXPERIANCE(2.0)EXPERIANCE(2.0))			
(04)	Permutation p-Values			

Table 08 presents the mediating impact of the variables on the dependant variable while considering the experience as the categorical moderating variable. It can be clearly seen that post no entry load regime there has been no significance difference between the distributors performance on the basis of experience. Gradual growth is expected amongst both the category of distributors along with growth of experience. There are certain things where the benefits are seen in the initial stages but in long run the experience has the upper hand, but that benefits are not contributing in the overall impact of the investment in the mutual funds. The p values mentioned in the table are more than 0.05 which shows that there is marginal difference in the impact of both the categories based on experience does not indicate the significant difference. Therefore researcher firmly believes that there is no unobserved heterogeneity evidence found in the study of structural path analysis of post no entry load regime in mutual fund investment with experience as a categorical moderator.

5. Discussion of result, Theoretical and Practical Contribution

5.1 Discussion of result

The results so derived from the study indicates that various independent variable like Advisory Services, Distributors expenses, Investment Inflow, No of Investor & Returns of Distributors have significant impact on the Overall investment in mutual fund. The results so derived in the study has helped the researchers to understand the real impact of individual factors on the dependent variable. The Role of Advisory Services is been the initiator of the new dimension to the field without charging any entry load, which has shown considerable increase in the distributors expenses but on the other

hand the inflow of the fund is also being increased. The Increase in Distribution expenses has created positive impact on increase in No of Investors, which has significantly contributed to the Returns of Distributors. Parallel mediating effect is seen in increase of investment flow which leads to increase in returns of distributors. Overall impact on the mutual fund investment has shown a positive outcome from Returns of distributor's point of view, which has significant impact on overall mutual fund investment in post no entry load regime.

Using the Experience as a categorical moderator it has been observed that experience has not played any significant role in short term comparison. Experience of Distributor has led to high investors in flow, less expenses in compare of less experienced firm, while less experienced firm are concentrating more on return of distributors, however the difference between these two categories is marginal not indicating any significant differences. Both the categories based on experience fails to show serious heterogeneity amongst the respondent of the distributors.

5.2 Theoretical Contribution

It was been observed from the above research that no entry load funds have significantly performed positively in the last decade with the successful performance of distributors, the load funds do not produce returns sufficient to offset the load versus no-load funds (Hooks, 1996) So the decision of cutting short the entry load is having the positive impact on the mutual fund industry. With the no entry load the educated investors has shown inclination towards the investment with direct involvement in compare of the financial advisories services(Sun, 2020)

5.3 Practical Contribution

The role of less experienced distributors has shown the consistent progress but that is not the overall observation here. Experience when studied as a categorical variable has shown that experience is not a major requirement in the Indian Mutual fund, but established distributor firms are having an upper hand on the newly established firms on various ground. Certain factors such as "Number of Investor" has shown inclination towards the more advance distributors rather than experienced or unexperienced distributors. Distributor's expenses in various activities such as promotion, marketing and advertising can leads to awareness and establishing contact which in return increases the number of Investors.Established Distributors with high expense appetite are able to attract more number of Investors.

6. Conclusion, Limitation & Future Research

6.1 Conclusion

The mutual fund industry hasseen the boom in Indian Market and Systematic Investment Plan (SIP) are playing a crucial role in the Indian Mutual fund. People above the age group of 30 years has shown high investment in mutual fund. Considering the new trend in the Indian Economy the flow of the investor has also shown the new scenario the adult ranging from the age group above 50 years have made a considerable investment in mutual fund along with 30to 50 years of age group.

Post no entry load, various factors such as Advisory Services, Distribution Expenses and Investment flow has shown upward trend and that can be concluded from the direct impact of all the above mentioned factors on the overall impact of Investment in Indian mutual funds. The Distributors expenses have direct impact on the No of investors which has led to positive impact on Returns of Distributor. The Investment flow is been increased by the performance of Advisory Services which has led to positive impact on Returns of Distributors. Considering the mediating effect of all the variable, they are having a significant overall impact of investment in mutual funds.

6.2 Limitation of Research

Under the research so conducted the sample which has been collected is from the Tier-1 and Tier-2 cities of India, so there can be considerable difference in the outcome if Tier-3 cities are been studied along with rural and urban economies for combine investment habits. Further the research was directed on the No entry load regime and policy framework of the mutual fund industry which has restricted the scope of research to limited aspects only.

6.3 Future Research

The behavioral finance of the investors should also be considered in this model, as the researcher has studied the experience aspect of the distributor in the study which as overlooked the investors perception and the factors investors are considering for the investment. Risk, Return, Tax Shelter, Wealth Creation and Trust factor which are crucial elements for the investment can also be studied for Advisory services and its impact on overall performance of the Distributors.

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