

'Social media key to spreading awareness about mutual funds'

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Social media has been playing a significant role in spreading awareness about mutual funds, particularly among India's millennials and GenZers, a recent report by Edelweiss Mutual Fund titled 'Social Media Sahi Hai' said.

The data reveals a parallel increase in India's social media users and mutual fund investors, with social media subscribers growing from over 40 crores in 2017 to 83+ crores by 2022.

Additionally, SIPs now contribute nearly 20 per cent of the total Mutual Fund Assets Under Management (AUM), marking a notable growth of 500 basis points from March 2022, it said.

The mutual fund (MF) industry's assets under man-



agement (AUM) crossed Rs 50 lakh crore at end-December 2023 as retail investors continued to participate in the India growth story through the capital market, turning their gaze further away from traditional investment avenues.

Wider dissemination of the benefits of investing in MFs among investors via social media seems to have played a bigger role, the report highlighted.

Notably, investors are using information widely available on social media,

especially from influencers, to make investment decisions.

According to a study by Edelweiss Mutual Fund, social media was the fifth-most important source of information and driver of investment decisions among investors. This is reflected in the growing subscriber base of influencers in the country.

Within the MF space, as per an analysis by Edelweiss Mutual Fund, systematic investment plan (SIP) was the most searched key word by investors in the country. SIPs featured in seven of the top 20 search items when searching for information on the MF industry. Further, the share of SIP AUM has grown to nearly 20 per cent of the industry size Vs ~15 per cent in March 2022 – a growth of 500

bps – thereby adding long-term 'sticky' money to the money flow into MFs.

In an industry, which is seeing growing interest from millennials and GenZ investors, it is imperative that distributors broaden their social media footprint, the report said. As per data by the Association of Mutual Funds in India, nearly 50% of individual investors were in the 25-35-year bracket in March 2023 Vs just ~35 per cent 10 years ago.

Highlighting the significance of artificial intelligence (AI) in the MF industry, the report said the benefits of AI cannot be overstated. Even in the MF industry, participants, especially distributors, can harness its potential to cultivate their social media presence among investors.