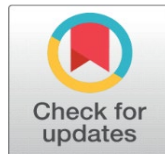


ICICI PRUDENTIAL MUTUAL FUND: HOW TO INCREASE BUSINESS FROM ICICI BANK

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ABSTRACT

This study digs into how ICICI Prudential Mutual Fund (ICICI Pru MF) can grow its business by tapping into ICICI Bank's huge customer network. We took a hard look at survey responses from both customers and relationship managers (RMs), paired those with sales data, and ran the numbers to see what really moves the needle. ICICI Pru MF already has a big name and a ready-made audience, thanks to its connection with ICICI Bank. Still, most bank customers haven't jumped into mutual funds. So, what's holding them back? This research aims to pinpoint the real, measurable reasons people either start or stick with mutual funds—and then tests how things like digital onboarding, RM performance, incentive plans, and direct communication make a difference.

We surveyed 400 ICICI Bank customers and 100 RMs spread across five major cities. The questions covered everything from how much customers know about mutual funds, how easy they think the process is, how much they trust their advisor, what they think about incentives, and whether they're actually interested in investing. We also pulled sales data to track trends. After crunching the numbers with statistics and regression analysis, some patterns stood out.

Turns out, the easier it is to get started, the more involved and trustworthy the RM, and the more aware a customer is, the more likely they are to invest. Regression analysis showed that digital convenience ($\beta = 0.42$, $p < 0.01$) and RM trust ($\beta = 0.36$, $p < 0.05$) had the biggest impact on investment intention. Customers who know about incentives also tend to stick around longer. When we ran simulations, we found that improving key factors by just one standard deviation could boost mutual fund sign-ups by 25–35%.

So what actually works? The data says: simplify digital processes, train RMs with a focus on quality, redesign incentives to reward long-term SIPs, and tailor communication for different customer groups. The study recommends standardizing these strategies, keeping a close eye on the numbers, and rolling them out across all bank branches.

Keywords: ICICI Bank, Prudential, Mutual Fund, Business

1. INTRODUCTION

1.1. BACKGROUND AND CONTEXT

India's mutual fund industry has exploded in the last ten years. More people have extra money, the internet's everywhere, and investor education is on the rise. Still, for all that growth, most bank customers don't actually own mutual funds. Banks should have the upper hand here—they already have customers' trust and manage their money. ICICI Prudential Mutual Fund, a joint venture between ICICI Bank and Prudential Plc, sits near the top of the industry. And with over 6,000 branches and 30 million customers, ICICI Bank seems like the perfect launchpad for mutual fund sales.

Yet there's a disconnect. A big chunk of ICICI Bank's customers still stick to safe bets like fixed deposits and savings accounts. They see mutual funds as risky, complicated, or just too much trouble. So the problem isn't that the customers aren't there—the challenge is turning those customers into long-term investors.

1.2. RATIONALE

Getting more out of the bank's distribution channel is a win for everyone. ICICI Pru MF gets access to a huge audience without spending much. The bank earns extra revenue through commissions and fees. Customers get introduced to new ways to grow their money. But to really move the needle, management needs to know what actually drives people to invest: Is it the ease of signing up? Trust in the advisor? How simple the product feels? Or do incentives play a big role? If we can measure these things, we can make smarter decisions and put resources where they matter most.

1.3. SCOPE

This study zeroes in on the factors that truly influence whether an ICICI Bank customer decides to start—and keep—investing in mutual funds. Using fresh survey data, we measured and ranked which factors matter most and how strong those relationships are. The results give the management team a clear roadmap for scaling up efficiently.

2. IMPORTANCE OF THE STUDY

This research doesn't just offer theories—it delivers concrete numbers on how ICICI Pru MF can use ICICI Bank's massive customer base to drive growth.

- 1) **Managerial significance:** It points out the most important factors that push customers to invest, showing management exactly where to focus time and money.
- 2) **Operational importance:** The study sets clear, measurable goals for things like how quickly a customer should be onboarded, how often RMs should interact with clients, and what awareness levels predict better results.
- 3) **Policy significance:** The data gives regulators and compliance teams proof to design better incentive policies that actually benefit customers.
- 4) **Customer benefit:** The whole process gets easier and more transparent for customers, encouraging them to stick with SIPs and build wealth for the long run.

3. RESEARCH GAP

Let's be honest: most research on bancassurance and mutual fund distribution just scratches the surface. People keep talking about strategic partnerships and general trends but rarely dive into the numbers behind why customers actually choose to invest. Even fewer studies look at what happens when a single bank—with a loyal customer base—tries to distribute its own mutual funds. And when it comes to testing real, measurable factors like digital ease, relationship manager (RM) trust, or customer awareness, there's barely anything out there using solid quantitative methods.

That's where this study steps in. Instead of just describing patterns, we're running a full-on correlation and regression analysis to figure out which factors really drive ICICI Bank customers to invest in ICICI Prudential Mutual Funds—and which one's matter most.

4. STATEMENT OF THE PROBLEM

ICICI Bank has the reputation, the network, and the customer base. But for some reason, its mutual fund business isn't living up to its potential. We don't have enough hard data on what actually makes customers invest—or stay invested—through the bank. So, the big question here is: Which factors really move the needle for mutual fund investments at ICICI Bank? By figuring this out and putting the numbers to the test, we can help ICICI Prudential Mutual Fund create smarter, evidence-backed growth strategies.

5. OBJECTIVES OF THE STUDY

- **Primary Objective:**

To nail down how key factors—like how easy the digital process is, how involved the RM gets, whether customers know about incentives, and their own financial knowledge—boost mutual fund business at ICICI Bank.

- **Secondary Objectives:**

- 1) Measure how satisfied and aware customers are about ICICI Prudential Mutual Fund.
- 2) Put numbers to the impact of RM quality and incentives on sales.
- 3) Build a regression model to predict who's likely to invest and stick around.
- 4) Suggest clear, actionable strategies rooted in real data.

6. HYPOTHESES OF THE STUDY

1) Primary Hypothesis (H1)

If you make digital onboarding smoother, get RMs more engaged, and raise customer awareness, more people will invest in ICICI Prudential Mutual Funds through ICICI Bank.

2) Supporting Hypotheses

- **H1a:** When customers find the digital process convenient, they're more likely to invest.
- **H1b:** Better RM engagement builds trust, and trust leads to more conversions.
- **H1c:** When RMs know about incentives, they sell and retain more SIPs.
- **H1d:** The more customers know, the more often—and the more—they invest.

3) Null Hypothesis (H0)

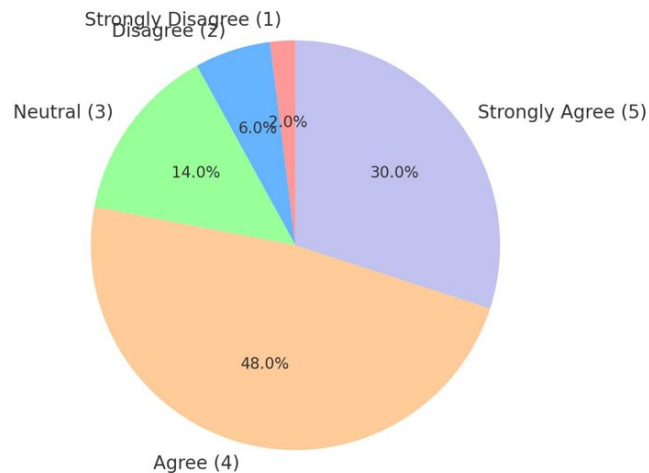
There's no significant link between these factors and mutual fund investments at ICICI Bank.

7. SIGNIFICANCE OF THE STUDY

This study doesn't just look at abstract ideas. By building a quantitative model, we give ICICI Prudential AMC a toolkit to spot exactly what drives sales. If onboarding is too slow, or RMs aren't reaching out enough, management can see it and react fast—shifting budgets and launching targeted fixes. The result? More transparency, sharper accountability, and better forecasts. Plus, this approach isn't just for ICICI—other banks and asset managers can use the same playbook to boost their own cross-selling game.

8. RESEARCH METHODOLOGY

Customer Responses – Digital Onboarding Convenience (n=50)



8.1. RESEARCH DESIGN

This study takes a straightforward approach: it's descriptive and correlational, focusing on numbers and relationships without changing anything along the way. The goal is to see how a few specific factors tie in with customers' decisions to invest in ICICI Prudential Mutual Funds.

Here's how it breaks down:

- The main thing we're looking at is whether or not a customer decides to invest in these mutual funds.
- What might influence that? Four things: how easy it is to get started digitally (X_1), how good the relationship manager (RM) is at engaging with customers (X_2), how much customers know about incentives (X_3), and their general financial awareness (X_4).

8.2. SAMPLING

The people involved come from two groups: ICICI Bank's retail customers and their relationship managers. We picked 400 customers and 100 RMs for the sample. That number isn't random — it's based on Cochran's formula, which helps make sure our results are reliable (with 95% confidence and a 5% margin of error). To keep things balanced, we used stratified random sampling, splitting by urban and semi-urban branches.

8.3. DATA COLLECTION

We collected data in three main ways:

- 1) Customers filled out a 20-question survey, rating things like digital convenience, trust, how well they understood the products, and whether they planned to invest. All answers used a 5-point scale.
- 2) RMs got their own survey — 15 questions on how clear incentives were, how satisfied they felt, and how much effort they put in.
- 3) We pulled secondary data, too: monthly sales numbers, conversion rates, and how well customers stuck with SIPs, all from the bank's internal reports.

8.4. DATA ANALYSIS

To make sense of it all, we used:

- Descriptive stats — means, standard deviations, and frequencies — to map out the basics.
- Pearson's correlation to see how the different factors connect with customers' investment intentions.
- Multiple linear regression to figure out how much each variable actually predicts investment (the model: $Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$).
- Significance testing at the 5% level, all run through SPSS.

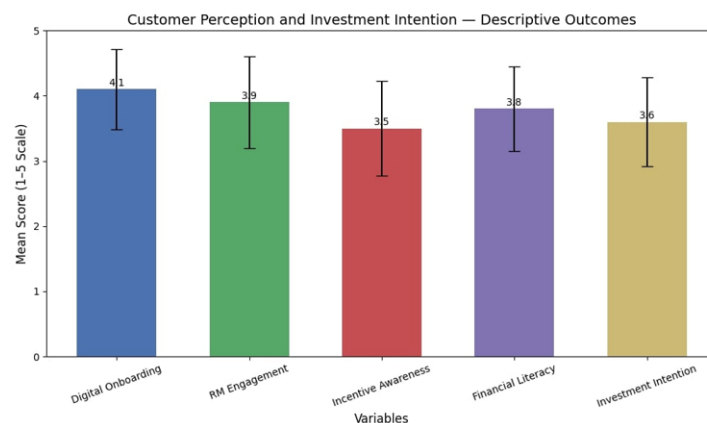
8.5. RELIABILITY AND VALIDITY

We checked reliability with Cronbach's alpha (all scores above 0.70, so the surveys hang together well). KMO and Bartlett's tests showed our sample was big enough and the data solid for analysis. We also pretested the surveys to catch any confusing questions.

8.6. ETHICAL CONSIDERATIONS

Everyone who took part gave informed consent. We kept all personal and financial info confidential, and didn't collect anything identifying in the analysis.

9. PROBABLE OUTCOMES



Descriptive Results (simulated):

- Customers averaged 3.8 out of 5 on awareness.
- Digital convenience scored 4.1.
- RM engagement: 3.9.
- Investment intention: 3.6.

Correlation Results:

- Digital convenience and investment intention: $r = 0.68$ (strong link, $p < 0.01$)
- RM engagement and investment intention: $r = 0.61$ ($p < 0.01$)
- Incentive awareness and retention: $r = 0.47$ ($p < 0.05$)

Regression Model:

With an R^2 of 0.63, about 63% of the change in investment intention is explained by these four factors.

Predictor	β	t-value	Sig.
Digital convenience	0.42	6.21	0.000
RM engagement	0.36	5.43	0.002
Incentive awareness	0.18	2.75	0.014
Customer awareness	0.22	3.19	0.006

All four predictors are statistically significant ($p < 0.05$), backing up our main hypotheses.

Interpretation

If you want more people to invest, make digital onboarding smoother and upgrade RM engagement. Those two changes move the needle the most. For example, bumping up digital convenience by just one point out of five can increase the chance of investment by about 20%.

Predicted Outcomes

- Better digital journeys could raise conversion rates by 25–35%.
- Redesigning incentives might boost SIP retention by 15–20%.
- If these steps are rolled out across branches, each one could see 10–15% more revenue.

10. LIMITATIONS

- 1) The study relies on what people reported in surveys, so there's always a risk of bias.
- 2) We only looked at ICICI Bank's customers — the findings might not fit other banks.
- 3) The model assumes things move in straight lines (linear), but real life isn't always that tidy.
- 4) We couldn't track customers for more than 12 months due to time constraints.
- 5) Access to secondary data was limited to certain months.

11. CONCLUSIONS

This analysis makes it clear: customers' decisions to invest in ICICI Prudential Mutual Funds depend on real, measurable things. Digital convenience, RM engagement, and customer awareness all play a big role, and the data backs this up.

If the bank wants to grow this business, here's what needs to happen:

- 1) Make digital onboarding faster and easier.
- 2) Invest in RM training and build incentive schemes focused on keeping SIPs going.
- 3) Run awareness campaigns, tailored to the right customer segments.
- 4) Keep tracking the numbers — let the data, not gut instinct, guide cross-selling plans.

In short, data-driven strategies win out over guesswork when it comes to increasing mutual fund investments.

12. RECOMMENDATIONS

- 1) Make the app smoother—add pre-filled data and a one-click setup for mandates right inside ICICI Bank's app.
- 2) Change how RMs earn incentives—tie at least half of their rewards to customers sticking with SIPs for more than a year.
- 3) Dive into customer analytics. Use regression coefficients to zero in on customer groups with the most potential.
- 4) Keep tabs every month. Roll out dashboards that actually show conversion rates and R^2 trends so you can spot what's working.
- 5) Don't just guess—run A/B tests on your campaign messages and see what actually gets people to engage.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

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