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Intention Towards Investing in Mutual Funds Using the Extended Theory of Planned Behaviour

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Abstract

The key objective of this study is to investigate the intention towards investing in mutual funds using the extended theory of planned behaviour. This study targeted individual investors and investors' decision-making using a variable from the Theory of planned behavioural. It is assumed that information structure and market dynamics have a systematic influence on individuals' investment decisions and market results. Consequently, it is critical to investigate how the five factors influence the intention towards investing. The number of investment markets is steadily growing, and investors must understand which characteristics allow them to stand out and improve their decision-making. For this study, data was gathered from 100 respondents with investment experience. PSPP was used to analyse the collected data. The five dimension that intention towards investing in mutual funds is attitude, subjective norm, perceived behavioural control, financial literacy, risk tolerance. As a result, investors should adopt tactics to strengthen these factors and investing decision-making.

Key words: Investment Intention, Mutual Funds, Attitude, Subjective Norm, Perceived Behavioural Control, Financial Literacy, Risk Tolerance.

Introduction

This chapter aim to discuss about the intention towards investing in mutual funds using the extended theory of planned behaviour. After that, will explore about problem statement, research objectives, research questions, significant of study, scope of study. This created to prove the significance of this research and its purpose. Other than that, in this chapter the definition of the terms stated to get a better understanding of the dimensions. In the end of this chapter concluded with a conclusion to summaries the whole chapter.

One of the major advantages of investing in mutual funds is diversification. Mutual funds able to invest in a wide range of assets by pool money from various participants. This makes reduce the danger of losing their money on a single investment. Diversification able to help to spread out the risk across the industries and the geographies which is a key strategy from a long-term investing success. The other reason to invest in mutual fund is liquidity. Most mutual funds are meant to be purchase and sold this provides the investors to have the flexibility to access their money whenever they needed. This bale to ensures that the investors able to redeem their shares at the current net asset value. This makes the mutual funds a convenient option for those who may need to access their funds on short notice (Remy Smith, 2025).

Apart from the benefit, mutual funds remain relatively low among the retail's investors. Many individuals continue to prefer the traditional saving methods such as fixed deposit, real estate, gold which is the safer options and more familiar to them. This shows that the potential investors still have insufficient understanding and knowledge or trust in mutual fund investing. Previous study found that the individuals have different behavioural that will influence them to invest which includes of attitude, risk tolerance and perceived behavioural control. By understanding the causes behind this low

involvement is critical to increase the investor engagement and development towards being more effective in the financial education programs (Müller & Weber, 2010).

The intention for investing in mutual funds is a combination of financial and behavioural viewpoints. Even mutual funds have various of advantages, but the low participant rate suggests that theory of planned behavioural play a significant influence in the investment decisions. This study will discover the intention to invest in the mutual funds. The findings of the study can help investment firms to develop effective method to increase the mutual fund investment and overall financial inclusion.

The purpose of the study is to fill these gaps by using the extended theory of planned behaviour to examine how the attitude, subjective norms, perceived behavioural control, financial literacy and risk tolerance influence the intentions to invest in mutual funds. This study seeks to contribute to both theoretical and practical understanding to apply the future trends such as the sustainable investing, digital platforms. The finding valuable for the fund managers, educators to develop up and focus to increase the mutual fund investors.

Literature Review

Theory of Planned Behaviour

The Theory of Planned Behavior (TPB), established by Ajzen (1991), serves as the primary theoretical basis for this study. According to TPB, three important components influence an individual's desire to conduct a behaviour: attitude, subjective norm, and perceived behavioural control. Perceived behavioural control represents a person's view of how easy or difficult it is to conduct a behaviour given their available resources and talents. TPB provides a strong framework for explaining how investors' beliefs, social factors, and perceived control determine their investment intention. This study uses these components to better understand the psychological and social aspects that influence investing decisions.

Intention to Invest in Mutual Funds

According to the study the investment intention is defined as an individual's preparedness or desire to engage in the investment activities soon (Atmaya Fitra Alfathya et al., 2025). The intention serves as the immediate antecedent of actual behaviour, implying that higher intention enhances the chance of action. Previous research has found that attitude, subjective norm, and perceived behavioural control have a substantial impact on investing intention (Natalia & Sihombing, 2025). In this study, the dependent variable is intention to invest in mutual funds, which represents the combined influence of behavioural, social, and personal variables.

Attitude

According to research, investors who think mutual funds provide competent management and appealing returns are more likely to have good views regarding investing (Singh, 2011). The more positive attitude towards the certain behaviour is the stronger that should be the intention to perform the behaviour. Based on the previous study, found out that the investors had a good and positive attitude towards the investment in mutual funds (Amsaveni & Ranjini, 2018). Whenever choosing the mutual fund, there is the specific attitude such as the investor’s knowledge, confidence, high return and safety should be considered.

Subjective Norm

According to Ajzen (2020) says that a person's subjective norm is how they feel about the social pressure to do or not do the behaviour in question. In short, subjective norm seems to mean that a person

thinks that most of the people who matter to him think he should or shouldn't do something. The theory of planned behaviour says that subjective norms depend on what people believe. Normative beliefs are the beliefs that support the subjective norm. So, if a person thinks that their most important referents or people think that the behaviour should be done, the subjective norm should make them less likely to do the behaviour in question. For example, customers more likely to buy halal products if they think that important people think they are of high quality. This shows that the intention to do a certain behaviour is affected by the subjective norm. Teo (2011) support the TPB concept by defining subjective norm as "one's sense of whether significant others believe the behaviour should be undertaken."

Perceived Behavioural Control

According to Ajzen (2020), a person's control beliefs about the existence of elements that might help or impede the performance of a behaviour affect their perceived behavioural control. These control beliefs have to do with opportunities, resources, and abilities like time, money, talents, and other people's support that affect how well a behaviour can be executed. Based on the perceived ability of each control belief to either facilitate or inhibit behaviour, each control belief contributes to perceived behavioural control. As a result, those who think they have enough resources and skills are more likely to think they have greater control over carrying out a certain behaviour.

Financial Literacy

According to Lodhi (2014), the phrase "financial literacy" refers to the collection of skills and information that is required for an individual to be able to make decisions that are both productive and well-informed because of their understanding of finances. In contrast, the concept of investors' decision-making can be described as the act of investors and the way they comprehend, anticipate, investigate, and evaluate the processes and transactions that are involved in decision making. The concept of financial literacy can be articulated through the expression of knowledge and awareness. According to (Alaaraj and Bakri's 2020), this encompasses topics such as investment risk, investment decision models, and investment decision procedures.

Risk Tolerance

De Bondt and Thaler (2015) conducted a study that demonstrated a noteworthy association between investors' risk propensity and their investment decisions. In a study conducted by Obamuyi in 2013, it was determined that socio-economic factors exert a substantial influence on the investment decisions undertaken by individuals inside the capital market. Therefore, these relationships give rise to changes for various individuals, including those who belong to higher socioeconomic classes or have greater financial resources. These individuals may have a higher ability to tolerate increased risks due to their superior financial means, in comparison to investors from lower socioeconomic backgrounds who encounter limitations in terms of available financial resources for investment. The study conducted by Leon and Aprilia (2018) revealed a significant association between risk-taking tendencies and investment behaviour within the investor population. This correlation has been demonstrated in respect to several criteria, such as personality traits, level of education, income and financial status, and a proclivity for engaging in risky behaviour.

Previous studies on the Relationship between Factors Intention Towards Investing in Mutual Funds Using the Extended Theory of Planned Behaviour

Based on the research, attitude has a significant positive impact on mutual fund investment. The findings indicates that attitude has a strong positive impact on the investment intention. The attitude impacts the intention to engage in the online trading. In addition, attitude is the most important part of the investment. It suggests that an individual’s decision to invest in a mutual fund is based on their own

opinion. Therefore, attitude was able to increase the intention to invest in the mutual fund. (Safira Amalia Hapsari, 2021).

According to Mwanza et al. (2021) study also confirms that there is a positive relationship between attitude and investment in mutual funds. This finding is contrary to Sivaramakrishnan et al. (2017) but resonates with findings of (Kumar, & Abdulla, 2020), who found that attitude was quite important when it comes to investment behaviour. This is due to the fact that investors frequently consult reference groups and beliefs on the challenges and opportunities in the absence of financial knowledge on returns from investing in mutual funds (Ajzen, 1991). The decision to make an investment are based on the attitude that is subsequently developed.

Based on the study, coefficient is positive indicating that the better the attitude, the more the intention to invest in (Rahadjeng & Fiandari, 2020). Other than that, Gopi and Ramayah (2007) stated that attitude contributes to share purchase intentions. (Ajzen, 1991) attitudes toward the various behaviours made significant contributions to the pre-diction of intentions.
Based on the findings shows that attitude toward behaviour has a positive effect on investment intentions, is declared supported. It can be seen in that the p-values which show the results <0.001 (<0.05) and the path coefficient is 0.244. It can be concluded that the attitude of millennial investors towards stock investment will determine their intention to invest in shares. A positive view of investment tends to increase their interest in investing (Mahardhika & Zakiyah, 2020).

The intention to invest in mutual funds is significantly impacted by subjective norms (Muharika Dewi & Ronny, 2023). This indicates that mutual fund investment intention is significantly impacted by an individual's impression of social influence which is friends, family, and coworkers in forming certain behaviours. According to Setyorini & Indriasari (2020) explains that subjective norms refer more to the notion of perceived social pressure to do or not do a behaviour. Moreover, Sumiati, Ati, et al. (2021) found that the Subjective Norm factor has a significant positive effect on Investment Intention, which is also evident in the results of this research data analysis. Other than that, based on the studies test results show the value of Subjective Norms on the intention to invest in with a path coefficient of 0.18 and p-value = 0.02. The p value obtained is 0.02, so it is said to be significant (Rahadjeng & Fiandari, 2020).

The research shows the importance of attitude, subjective norm, and perceived behavioural control in the prediction of intention is expected to vary across behaviours and situations (Ajzen, 1991). There are some applications shows that only attitudes have a significant impact on intentions, in others that attitudes and perceived behavioural control are sufficient to account.

According to Mahardhika & Zakiyah (2020) states that the subjective norms have a positive effect on investment intention, is declared supported. It can be seen in p-values show the results of 0.037 (<0.05) and a path coefficient of 0.255. It can be concluded that the perception of the investors related to the support of the surrounding environment which is the relatives and colleagues will determine their intention to invest in shares. Support from the people closest to investing in shares, tends to increase the intention of investors.

Based on the findings, Perceived Behavioural Control (PBC) has a significant effect on Mutual Fund Investment Intention. The study's data analysis demonstrates that perceived behavioural control has motivational consequences for intentions. Mutual fund investment intention may be greatly influenced by the freedom to make decisions from inside, the simplicity and opportunities of investing, and the conviction that investing in mutual funds would improve financial life and modify a number of aspects of life (Muharika Dewi & Ronny, 2023).

Other than that, based on Rahadjeng & Fiandari (2020) research Perceived Behaviour Control said to be highly significant. The path coefficient on perceived behaviour control is 0.40, which is

positive and suggests that the desire to invest in stocks will rise as perceived behaviour control improves. The study's findings are consistent with studies Cucinelli et al., (2016) that showed the desire to invest in stocks is influenced by perceived behaviour control. Research on investing intentions makes use of the Theory of Planned Behaviour.

Based on Ajzen, (1991), It shows that the relative significance of attitude, subjective norm, and perceived behavioural control in predicting intention would differ depending on the behaviours and circumstances. As a result, it may be discovered that attitudes alone significantly influence intentions in certain applications, that attitudes plus perceived behavioural control are adequate in others, and that each of the three predictors contributes independently to yet others.

The findings from Mahardhika & Zakiyah (2020) states that perceived behaviour control has a positive effect on investment intention, is declared supported. the p-values show the results of 0.019 (<0.05) and the path coefficient of 0.226. It can be concluded that investor's perception of their ability to invest in shares will determine their intention to invest in shares. The investors who feel that they are capable and competent in stock investment are likely to increase their interest.

According to earlier studies, the recent significant increase in active management may be explained by a lack of financial understanding. Financial literacy has a beneficial impact on the chance of investing in low-cost fund alternatives, according to our analysis of the relationship between financial literacy and mutual fund investment behaviour and the creation of an objective financial literacy score (Müller & Weber, 2010).

According to Singh Manku (2025), investor hesitation was significantly positively correlated with financial literacy and confidence. This implies that investors who favour conventional investment alternatives like fixed deposits or real estate are less likely to investigate communal fund investments, while individuals with lesser financial literacy are more likely to feel unprepared to interact with mutual funds. These results are consistent with earlier research emphasizing how financial knowledge influences investing behaviour. Another important factor is financial literacy investors with higher levels of education are less hesitant to use mutual funds. To overcome investor resistance to mutual funds, financial literacy is essential. Financial institutions may promote more mutual fund investor participation by concentrating on these important areas, which may lead to improved financial inclusion and economic expansion. The study's findings demonstrate that investment decisions are positively impacted by financial literacy, which is determined by financial knowledge, financial skills, and financial attitude (Wendy, 2024).

According to Nurul Shahnaz Mahdzan et al. (2021) show that there is significance in investment decisions, financial literacy and risk tolerance are found to be considerable factors in investment decision-making. Retirement planning, family support, and financial well-being are all positively impacted by financial knowledge. Here, they concluded that obsessive buying behaviour is positively impacted by financial literacy. According to Fedorova et al. (2015), investors who were financially literate actively engaged in the market.

The actual data demonstrates how important financial literacy is for managing debt, saving money, and making investments. Following the Global Financial Crisis, there have been intense discussions on how investors who lacked financial literacy were more exposed (Guiso & Viviano, 2014). Accessing financial literacy is therefore essential and still relevant because financial firms are always introducing more complex financial solutions. Therefore, removing potential obstacles between consumers and financial institutions requires increasing financial literacy and expertise among consumers and financial market players.

According to Aren and Zengin (2016), people's investing selections were effectively influenced by their perceptions of risk. The investments made in equities, the money market, savings accounts, or portfolios will depend on the degree of risk aversion or tolerance. This study presents the following

hypothesis based on earlier research. The market discipline of Sharia mutual funds is positively impacted by financial risk tolerance.

According to Chou et al. (2010), investors' actions are impacted by their prior experiences. An experienced investor is more likely to choose a hazardous portfolio since he has learned how to handle it. An investor's level of risk tolerance and investing choices are influenced by their experience. large-risk tolerances that clearly provide large returns are encouraged by successful prior investment experience. Thus, risk tolerance and historical investing behaviour are strongly correlated, which influences investment choices.

According to Roszkowski and Davey (2010), experienced investors are better able to hold hazardous investments than inexperienced investors. An experienced investor is self-assured about his abilities and background, which enable him to be familiar with the situation. Investors that possess sufficient financial qualifications, knowledge, and experience will assist in managing pool investments in line with intended objectives, time alignment, and a higher level of risk tolerance. As a result, there is a strong association between risk tolerance and investing experience. An investor with more investment expertise tends to have a greater risk tolerance.

Based on Mahardhika & Zakiyah (2020), investment intentions are positively impacted by risk tolerance, as evidenced by the p-value of 0.197 (<0.05). This may infer that the dangers associated with investing in shares are not considered by young investors. Therefore, although being aware of the hazards associated with investing, individuals frequently engage in transactions. Nonetheless, the route coefficient value is 0.165, indicating a good link between purpose and risk tolerance (Mahdzan and Nurul Shahnaz, 2021). Individual financial risk tolerance and investment choices are often positively correlated, according to prior research.

Hypothesis Development

This study develops five hypotheses regarding the factors that influence that influencing individual' intention to invest in mutual funds based on the prior research discussed. The hypotheses appear as follows:

H1: There is a significant relationship between attitude and intention to invest in mutual funds.

H2: There is a significant relationship subjective norm and intention to invest in mutual funds.

H3: There is a significant relationship between perceived behavioural control and intention to invest in mutual funds.

H4: There is a significant relationship between financial literacy and intention to invest in mutual funds.

H5: There is a significant relationship between risk tolerance and intention to invest in mutual funds.

Conceptual Framework

The conceptual framework for this study is outline in Figure 1, which highlights the elements that influencing individual' intention to invest which includes attitude, subjective norm, perceived behavioural control, financial literacy and risk tolerance.

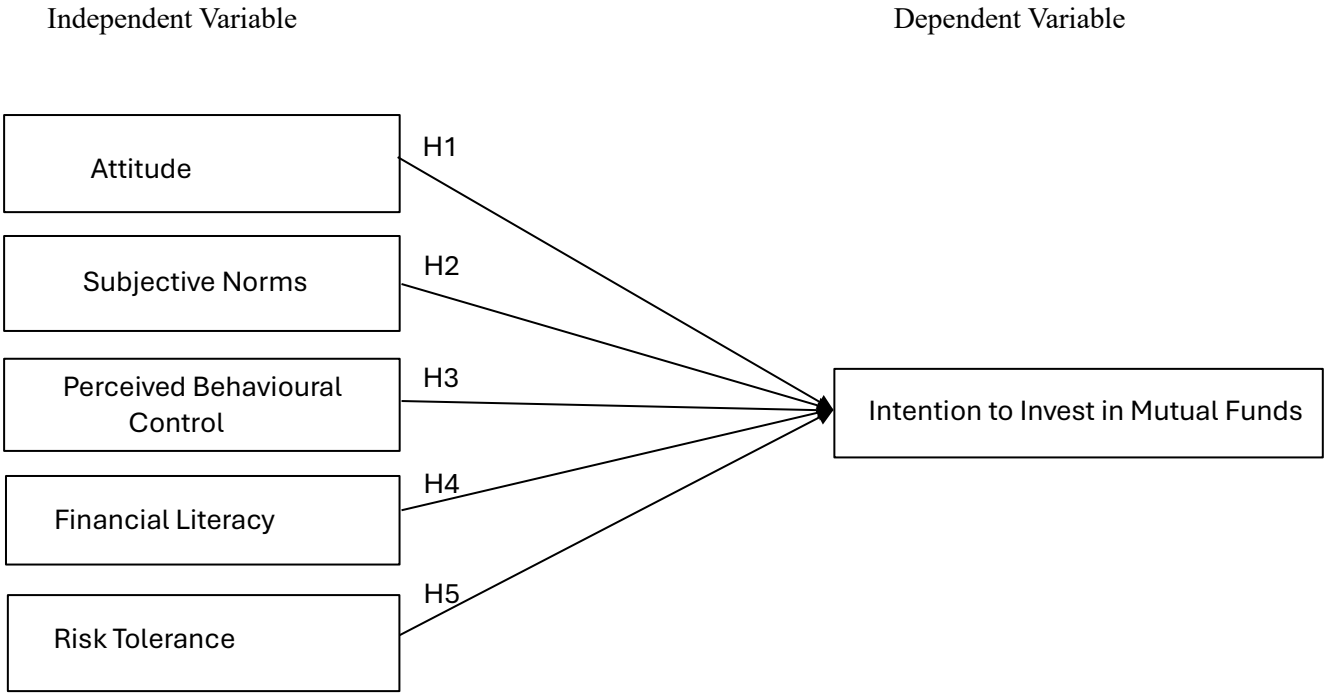


Figure 1: Conceptual Framework

Research Methodology

Research Design: To this investigation, the quantitative research method chosen from among the available research methods. According to Williams (2007), the reason for this is that the quantitative research approach is utilised to investigate the variables by the collection of data, which is often numerical data, and the subsequent analysis of the data through the utilisation of statistical and mathematical models. According to Leedy and Ormrod (2001), quantitative research is characterised by its specificity in terms of the surveys and experiments it conducts because it is based on already established hypotheses. In addition, quantitative research must start with a statement of the problem, and it must also entail the formulation of a hypothesis, the investigation of the pertinent literature, and the analysis of quantitative data. Additionally, (Chandra & Kumar, 2012) stated that quantitative research makes use of methods of inquiry such as experiments, surveys, and the collecting of data using pre-set instruments. This is in addition to the points mentioned above. Statistical data will then be generated after that conclusion.

Sampling Method: Examining intention towards investing in mutual funds is the primary objective of this study. Those who have experience in invest in the mutual funds are the ones who complete this survey. There would also be safeguards in place to prevent the disclosure of respondents' private information. The relationship between the independent variables and investment choice was investigated in this study using a survey approach. One popular approach to estimating minimum sample sizes is known as the "10-times rule" (Kock & Hadaya, 2016). This rule states that the sample size should be greater than ten times the maximum number of variables in the model. Compared to the

40 respondents obtained after ten iterations with the four factors, the 100 respondents expected for this study are a significant increase. The next step in gathering data for this study is to make Google Form surveys and send them out to the people who are likely to fill them out.

Research Instrument: In this study, the instrument utilised to collect information from respondents is a questionnaire. Google Form used to produce questionnaires that delivered online. In addition, respondents must have prior investment knowledge or experience and reside in Malaysia, as the study focuses on this country's population. This study's questionnaires contain structured questions since the questions are specific, concrete, and predetermined (Kothari, 2004). The survey is conducted using structured questions because it is simpler to analyse the results. Moreover, the questionnaires are divided into three portions which are Section A, B and C. The respondents' general data are presented in Section A. Section B consist of five categories which is attitude, subjective norm, perceived behavioural control, financial literacy, risk tolerance. Information on the intention towards investing in mutual funds was the focus of Section C.

Table 1: Classification of Research Questions

Questions	Variables	Adapted from
Q1-Q6	Demographic profile	(Sharma & Rajput, 2021)
Q7-Q10	Attitude	()
Q11-Q14	Subjective Norm	(Mutswenje, 2009)
Q15-Q18	Perceived Behavioural Control	(Ahmad, 2017)
Q19-Q22	Financial Literacy	(Mutswenje, 2009)
Q23-Q26	Subjective Norm	(Mutswenje, 2009)
Q27-Q30	Intention to Invest in Mutual Funds	(Dr. Taqadus Bashir, 2013)

Results of the Study

Data Analysis and Findings

The types of analysis software used to create the data analysis is PSPP.

Demographic Profile of Respondents

Table 2 presents the results of the general demographic profile of the respondents, which were obtained from the completed questionnaires. It includes information about the respondent's gender, age, education level, age, employment status, monthly income, and number of years of investment experience of the respondents. As a result, every questionnaire that was distributed out was completed by respondents, giving the study a 100% response rate. In order to examine the outcomes, a data analysis conducted using 100 completed questionnaires.

Table 2: Demographic Profile of Respondents

Background	Categories	Frequency	Percentage (%)
Gender	Male	56	56
	Female	44	44
Education Level	High school	6	6
	Diploma	13	13
	Bachelor's degree	63	63
	Master's and above	18	18
Age	15-19	6	6
	20-25	28	28
	26-30	22	22
	31-35	23	23
	Above 35	21	21
Employment Status	Employed Fulltime	68	68
	Employed Part time	4	4
	Freelancer /Contractor	4	4
	Self Employed	6	6
	Student	16	16
	Unemployed	2	2
Monthly Income	Above RM5000	29	29
	RM3000-RM5000	32	32
	RM1000-RM3000	18	18
	RM500-RM1000	3	3
	RM500	18	18
Number of Years	1-2 years	48	48
Investment Experience	3-4 years	36	36
	More than 5 years	13	13
	More than 10 years	3	3

Reliability Test

Table 3 reveals the result of Cronbach's Alpha for each variable. Based on Table 3, the Cronbach's Alpha value for attitude is 0.71, subjective norm has a value of 0.92, perceived behavioural control has a value of 0.91, financial literacy has a value of 0.83, risk tolerance has a value of 0.81, and intention towards mutual fund has a value of 0.86. Each variable is considered acceptable and reliable as the Cronbach's Alpha values are close to 1.0 and greater than 0.7 (Awang, 2012).

Table 3: Cronbach's Alpha Reliability Test

Variables	Number of Items	Cronbach's Alpha
Attitude	4	0.71
Subjective Norm	4	0.92
Perceived Behavioural Control	4	0.91
Financial Literacy	4	0.83
Risk Tolerance	4	0.81
Intention Towards Mutual Funds	4	0.86

Regression Analysis

Table 4 illustrates that two components, subjective norm and perceived behavioural control have a significant influence on intention towards investing in mutual funds. Perceived behavioural control has the largest beta value and are extremely important, indicating a strong and significant relationship between individual investors' investing selections. The beta value for perceived behavioural control requirements is 1.04. The study's findings indicate that attitude, financial literacy and risk tolerance have no meaningful impact on investment decision making. The variables attitude, financial literacy and risk tolerance have no statistical significance, as demonstrated by p-values greater than 0.05. Attitude ($p = 0.649$), financial literacy ($p = 0.463$), and risk tolerance ($p = 0.463$). As a result, it has been demonstrated that attitude, financial literacy and risk tolerance have no substantial impact on investment decision-making.

Table 4: Regression Analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.91	0.82	0.81	0.09

Coefficients Model	Unstandardized Coefficients B	Std.Error	Standardized Coefficients Beta	t	Sig.
(Constant)	4.34	0.30	0.00	14.50	0.006
Attitude	-0.03	0.06	-0.03	-0.46	0.649
Subjective Norm	0.26	0.06	1.02	4.07	0.000
Perceived Behavioural Control	0.37	0.02	1.04	15.62	0.000
Financial Literacy	-0.01	0.01	-0.03	-0.74	0.463
Risk Tolerance	0.05	0.07	0.05	0.74	0.463

Standardized Coefficient and Hypotheses Testing

Table 5 for this study shows the outcome for this objective. the R square value is 0.82 which means that 82% of the variance in the investment decision making can be explained by the five dimensions of the factors which is attitude, subjective norm, perceived behavioural control, financial literacy and risk tolerance. The Beta value for attitude is -0.03, subjective norm is 1.02, perceived behavioural control is 1.04, financial literacy is -0.03 and risk tolerance is 0.05 which indicates that all these variables are significant and is considered acceptable if the Beta value is above 0.1 (CFI Team, 2023). Besides that, the results show that subjective norm ($t > 1.645$, $p < 0.05$) and perceived behavioural control ($t > 1.645$, $p < 0.05$) have a positive impact on investment decision making as the t value of the variables which greater than 1.645 and the p value which is less than 0.05 reveals that there is a positive relationship between independent variables and dependent variables (Dey, 2021).

Table 5: Standardized Coefficient and Hypotheses Testing

Hypotheses	Relationship	Std.Beta	T-value	P-value	Decision	R^2
H1	Attitude -> Investment Decision Making	-0.03	-0.46	0.649	Not Supported	
H2	Subjective Norm -> Investment Decision Making	1.02	4.07	0.000	Supported	
H3	Perceived Behavioural Control -> Investment Decision Making	1.04	15.62	0.000	Supported	
H4	Financial Literacy -> Investment Decision Making	-0.03	-0.74	0.463	Not Supported	
H5	Risk Tolerance -> Investment Decision Making	0.05	0.74	0.463	Not Supported	

Discussion The relationship between Attitude and Intention to Invest in Mutual Funds

The first research objective is to examine the relationship between attitude and intention to invest in mutual funds. According to Table 4.6 shows that attitude does not has a significant relationship with investment intention. The Beta value for attitude is $\beta = 0.03$, $p > 0.05$, $t < 1.645$. This shows that an individual does not necessarily want to invest in mutual funds just because they have a positive opinion of them and see them as a useful or advantageous financial instrument. As a result, H1 is not supported, suggesting that attitude is not the main driver of financial behaviour for this particular sample of 100 respondents.

According to Amsaveni & Ranjini (2018), stated result deviates significantly from the conventional Theory of Planned Behaviour (TPB) and runs counter to the findings who contended that investment commitment is based on favourable views. In further explanation for the study's lack of significance might be cognitive dissonance or market scepticism. Although investors like the prospect of large returns and expert management, they might be deterred by a preference for conventional saving strategies like fixed deposits or a lack of instant trust. According to Sivaramakrishnan et al. (2017), who observed that in developing markets, a positive attitude is frequently a passive attribute that needs a bigger external trigger to become the real investment activity.

The relationship between Subjective Norms and Intention to Invest in Mutual Funds

The second objective of the study is to examine the relationship between subjective norms and intention to invest in mutual funds. Based on the data shows that the Beta value for subjective norms was $\beta = 1.02$, $p < 0.05$, $t > 1.645$. Subjective norms have significantly positive impact towards mutual fund which influences their intention to invest. This statistical significance shows that the respondent's inclination to invest in mutual funds is highly influenced by the social environment rather than being a solitary decision. An individual is far more likely to be inclined to invest if individuals of their inner circle, particularly family members or well-respected coworkers, support mutual funds.

Based on Muharika Dewi & Ronny (2023) and Sumiati et al. (2021) statement, who stress that social validation is a crucial predictor in financial intention, is well supported by this data. Social proof serves as a risk-reduction strategy in a collectivist culture such as Malaysia. Respondents' psychological barrier to entry decreases when they witness their peers making money using mutual funds. According to Ajzen (1991), when a conduct is viewed as socially acceptable, subjective standards gain strength. This implies that a recommendation from a friend or relative is more credible to your target audience than a typical advertisement from a bank or fund house. As a results of this study, the findings indicate that the H2 is supported.

The relationship between Perceived Behavioural Control and Intention to Invest in Mutual Funds

The third purpose of this study is to examine the relationship between Perceived Behavioural Control and intention to invest in mutual funds. According to the findings in Table 4.6, the Perceived Behavioural Control have significant positive relationship to the towards mutual fund influences their intention to invest. This is where an individual's perception of how easy or difficult it is to perform the investment. This variable emerged as the most dominant factor in your entire research, with an exceptionally high Beta value. The Beta value was $\beta = 1.04$, $p < 0.05$, and $t > 1.645$. This suggests that the respondent's desire to invest is nearly totally reliant on whether they believe they have the power to do so, if they have sufficient discretionary cash, access to digital apps, and time to manage it.

Based on the finding supports the statement of Ajzen's (1991) that claim when people encounter internal or external restrictions, PBC is a direct predictor of intention. These results are in line with the claims made by Rahadjeng & Fiandari (2020). According to Cucinelli et al. (2016) that investment intention increases exponentially when the financial and technical barriers to entry are reduced. No amount of encouragement or peer pressure will persuade people to invest if they believe they have no control over these resources. The findings indicate that the H3 is supported.

The relationship between Financial Literacy and Intention to Invest in Mutual Funds

The fourth purpose of this research is to investigate the relationship between financial literacy and intention to invest in mutual funds. It was found that financial literacy doesn't have a positive connection to investment intention which has shown by the Beta value of $\beta = -0.03$, $p > 0.05$, $t < 1.645$. This was discovered by looking at Table 4.6. This suggests that a person's technical knowledge such as comprehending inflation, interest rates, or how a fund manager selects stocks does not always motivate them to begin investing. This research indicates that although literacy is crucial for managing an investment, it is not the primary motivator.

To support this finding, it seems that the responders could have experience information overload or analysis paralysis as the research suggests. According to Singh Manku's (2025) stated that a high level of knowledge might occasionally result in a greater awareness of market dangers, which may actually induce a hesitation to invest. Other than that, according to Lodhi (2014) argue for the value of education. This shows a disconnect between academic understanding and real-world application understanding how a mutual fund operates is not the same as being motivated or intending to invest money in it. As a results of this study, the findings indicate that the H4 is not valid.

The relationship between Risk Tolerance and Intention to Invest in Mutual Funds

The fifth objective is to examine the connection between risk tolerance and intention to invest in mutual funds. According to Table 4.6, which shows the risk tolerance has no significant impact on and intention to invest in mutual funds. The Beta value for risk tolerance is $\beta = 0.05$, $p > 0.05$, $t < 1.645$. It suggests that risk tolerance won't have an impact on intention to invest in mutual funds. The outlined study question and objective are not met as a result. This implies that a person's inclination to invest in mutual funds is mostly unaffected by whether they are a risk-taker or risk averse. Mutual funds are probably seen by this group as a safe or middle-ground investment that doesn't elicit the usual risk-reward psychological reaction associated with stock trading. H5 is thus not supported.

The traditional finance theories of De Bondt & Thaler (2015) and Leon & Aprilia (2018), which often associate risk appetite with market involvement, are at odds with this conclusion. The marketing of mutual funds as diversified and professionally managed. However, this may cause the respondents to see them as a low-risk gateway rather than a high-risk endeavour, which would account for this result. As a result, their individual risk tolerance or comfort level with losing money is not the decisive factor. Rather, as the earlier research indicates, they are far more concerned with their own capacity to handle the investment (PBC) and societal acceptance (Subjective Norms). Therefore, the findings thus showed that H5 is not supported.

Managerial Implication

This research objective of this study is examining the relationship of the factors that influence the intention towards investing in mutual funds among the individual investors. From the data analysis, it showed that the two dimensions which are perceived behavioural control and subjective norms tends to

affect the investment intention. Therefore, it is important for potential investors to emphasize on these two variables which have a positive relationship towards investment intention.

Limitation of Study

There are a few limitations that the researcher encountered while collecting the research data for completing the process of this study. Other than that, it is very time constraints. Data collection and analysis may be time intensive. It takes a great amount of effort to ensure that responders completely comprehend the problems under consideration. This entails creating clear and comprehensive survey questionnaires and sometimes following up with respondents for clarification. Moreover, there are researcher bias. Respondent may not completely disclose their genuine financial behaviours or may respond in ways that are socially desirable. This distortion may influence the results and the validity of the findings. Researchers must construct their experiments to reduce biases and appropriately evaluate results. Finally, there is a lack of generalisability. Focusing on certain variables such as attitude, subjective norms, perceived behavioural control, financial literacy, risk tolerance may not capture the entire set of elements impacting investment decisions. This constraint raises ethical questions regarding the generalizability and fairness of the study findings, which might lead to inadequate or biassed policy recommendations.

Recommendations for Future Research

This study looked at the factors that appear to have the greatest influence on the individual intention towards investing in mutual funds, including not only the factors investigated in previous studies and derived from prevailing behavioural finance theories, but also additional factors discovered through personal interviews to influence investors investment intention. First, future research should seek to explain the relative impact of decision factors for individual intention towards investment choices. Further study might focus on the southern portion of Malaysia to obtain more detailed data. Furthermore, it is suggested that future study devote greater attention to the corporate governance structure. This is because prospective investors like to invest in organisations that have solid governance processes, which allows them to maximise shareholder value. Finally, future researchers may investigate the potential development and incorporation of additional factors, such as advocate suggestion, technological aspects, social relevance, and others. These dimensions may lead to a better understanding of the complicated relationship between the different factors that impact investment decisions.

Conclusion

In conclusion, the examination of the data appears to provide a very realistic picture of intention towards investing in mutual funds. Experienced and informed investors will readily accept that the structure and relative weights of the chosen categories reflect, on average, an ignorant and immature investor profile. this research is aimed to examine the between attitude, subjective norms, perceived behavioural control, financial literacy, risk tolerance and investment decision making in Malaysia. The findings of 100 respondents suggest that there appears to be some degree of association, with perceived behavioural control and subjective norms having a substantial effect on investing decisions. On the other hand, attitude financial literacy and risk tolerance have not resulted to have a positive impact to investment decision making. Perceived behavioural control and earlier empirical research highlight the characteristics that influence the typical equities investor and the individual behaviour of active investing in mutual funds.

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Appendix: Questionnaire

Attitude

No	Questions	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
7	Investing in mutual funds is a good financial decision					
8	Investing in mutual funds able to provide me with good returns					
9	I feel positive about investing in mutual funds					
10	Mutual funds are beneficial ways to grow my savings					

Subjective Norm

No	Questions	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
11	People who are important to me would approve if I had intention to invest in mutual funds					
12	My friends would think that I should invest in mutual funds					
13	People's opinion that who matters to me would encourage me to invest in mutual funds					
14	Key financial advisors in my life recommend investing in mutual funds					

Perceived Behavioural Control

No	Questions	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
15	I have enough knowledge to invest in mutual funds					
16	I can easily find information about mutual funds when I need it					
17	I am confident that I can make the right investment decisions					
18	I have sufficient resources to invest in mutual funds					

Financial Literacy

No	Questions	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
19	I know how mutual funds operate and how returns are generated					
20	I understand basic investment concepts such as risk and return					
21	I can differentiate between high risk and low risk investment					
22	I regularly update myself with financial or investment news					

Risk Tolerance

No	Questions	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
23	I am willing to take financial risks when investing					
24	I prefer investments with higher returns even if it involve high risk					
25	I can handle short term losses in exchange for potential long-term gains					
26	I believe taking financial risks I necessary to achieve financial success					

Investment Intention

No	Questions	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
		1	2	3	4	5
37	I intend to invest in mutual funds within the next 12 months					
38	I am willing to recommend mutual funds investment to others					
39	I plan to increase my investment in mutual funds in the future					
40	I will make mutual fund investments my preferred investment option					