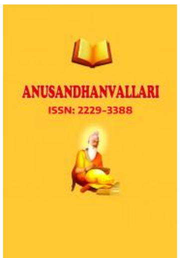

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The Impact of Digital Outreach on Mutual Fund Assets Under Management (AUM) in Tier-2 Cities of Uttarakhand

[1]Ankur Pandey, [2]Dr. Pooja Jain

[1]Research Scholar, Shri Guru Ram Rai University

[2]Professor, Shri Guru Ram Rai University

Abstract

The rapid expansion of digital technology has transformed the behaviour of Indians in the manner they handle and invest their money. Nevertheless, the studies of the impact of digital platforms on mutual fund investment in smaller cities remain hardly researched. The current study is aimed at finding out the influence of various digital media in relation to the development of mutual fund Assets under Management (AUM) within Tier-2 cities (Haridwar, Roorkee, Haldwani, Rudrapur and Rishikesh) of Uttarakhand.The study combines a mixed-methodology. It relies on primary data (surveys of 320 investors in retail mutual funds) and secondary data (financial institutions) between 2020 and 2025. To examine the data, a statistical technique, such as correlation, regression, and structural equation modelling was used. The results reveal that the relationship between digital outreach and growth in mutual fund investments is very high and positive. The value of correlation ($r = 0.74$) shows that with the increase in digital engagement; the level of AUM also increases significantly. Among the digital tools, videos on financial education on YouTube, mobile applications to invest in SIP (Systematic Investment Plan), including Groww, Zerodha, or Paytm Money are the most effective in making people interested in investing. The other notable observation is that the digital platforms are assisting in decreasing the urban and rural investor gap. Digital tools are making access to information and simplifying investment processes thus many first-time investors are entering the mutual fund market. All in all, the paper brings to the fore the fact that digital outreach is a powerful tool to increase participation in mutual funds in smaller cities. It further indicates that the regulators and financial institutions ought to enhance digital approaches to make more investors aware and involved in these emerging markets.

Keywords: Online marketing; Mutual fund AUM; Tier-2 cities; Uttarakhand; Financial literacy; Fintech; SIP; AMFI; Investor psychology; B30 cities.

Introduction

India's mutual fund industry has transformed in the past decade. AUM of the Indian mutual fund industry was ₹73.73 lakh crore at the end of March 2026 almost six times the AUM (₹12.33 lakh crore) at March 2016 (AMFI, 2026). However, it is more remarkable than the growth in size, its reallocation. Industry that has been thus far an almost exclusively urban phenomenon centred in Mumbai, Delhi, Bengaluru, Pune and Kolkata is slowly finding its feet in smaller cities.[1]

The new frontier in the distribution of mutual funds has risen to tier-2 cities. Now, according to about 18 to 19 percent of all industry AUM, cities with the classes B30 (Beyond Top 30) are listed by AMFI, compared to only 15 percent in March 2019 (CRISIL Intelligence / ICICI Prudential Industry Report, 2025). More than half the total active Systematic Investment Plan (SIP) accounts nationwide are in B30 cities - an astonishing reversal of just five years ago, with city metros controlling the retail presence.

The state of Uttarakhand, a hilly area of Northern India with a literacy level of 78.82 percent (Census 2011) and a rising digital penetration, would be an ideal example to conduct such an analysis. Its Tier-2 cities Haridwar, Roorkee, Haldwani, Rudrapur, and Rishikesh are not administrative adjacency areas, but rather unique socioeconomic ecosystems, developing in terms of growing middle-class bases and growing internet-affluent young adults, with large remittance-acquiring households as well. The fact that IIT Roorkee, a leading technical school, and the industrial estates in Haridwar and Rudrapur also contribute to adding a technically skilled workforce is becoming increasingly attracted to market-connected instruments of investment.

The thesis question of the paper is as follows: to what extent has increased digital outreach, including social media content, fintech applications, online financial literacy campaigns, and online advertising, caused an equivalent increase in the AUM growth in cities in Tier-2 of Uttarakhand? The notion that digital outreach is equally effective across geographies is worth being empirically debunked, especially with the diverse range of internet penetration, languages, and lack of trust that permeates the non-metro markets in India.

This research project offers three novel contributions to the literature. First, it offers ground-up, city-level data on the digital outreach-AUM correlation in Uttarakhand - a geography essentially haphazardly covered by the current literature. Second, it breaks down the digital outreach into specific sub-channels and approximates their impact on the growth of AUM. Third, it provides practical suggestions to AMCs and regulators who might want to further increase financial inclusion in similar hill and semi-urban states.[2]

2. Review of Literature

2.1 Digital Financial Inclusion and Investment Behaviour.

There is a meeting point between financial behavior and digital technology that has garnered a reasonable body of academic discourse. In identifying a positive association, Singh and Chakraborty (2024) found that there existed a strong positive association between retail stock market participation and social media use across the cities in India, particularly that digital platforms are not operated without taking the form of a behavioral nudge that alleviates the psychological barriers of investing. They agree with Hasanudin (2023), who discovered the role of social media to be especially strong among millennials in emerging economies, in which the peer influence through digital networks has disproportionately strong persuasive power.

Pandey and Srivastava (2025) contributed to this body of work by recording the effects of trending content on YouTube and Telegram financial groups to produce short-term gains in SIP enrolments and, in particular, among first- time retail investors in non-tariff cities. As Seetharam (2024) introduced a regulatory prism to the same effect, the authorities of the Securities and Exchange Board of India (SEBI) have increasingly tightened their focus on financial influencers or influencers (finfluencers) to curtail misinformation, but they recognised that financial influencers had speedily increased financial inclusion in a way that their traditional distributor networks never managed.[3]

2.2 Growth in B30 Cities AUM Structural Drivers.

According to the AMFI Annual Report on FY2025, the highest level of inflows to equity mutual funds occurred in FY25 of 4,17 Crores Lakh, which was the highest in one financial year and a 25.4 percent increase in equity-oriented scheme AUM was registered. The CRISIL-ICICI Prudential Industry Report (H1 FY26) affirms the existence of a higher growth rate of B30 city AUM as compared to the national average in the same time span

(FY2019-FY2025) with individual investors of B30 cities forming 27 percent of overall individual mutual fund AUM as of March 2025.

Current literature, however, has the tendency to consider B30 growth as an aggregate of UPI adoption, penetration of fintech apps and increased smartphone ownership without breaking down the channel effect. A pan-India study by Chopra and Rao (2025) revealed that SIP continuity in non-metro cities was best predicted by two variables: ease of digital redemption and previous fund performance. The NSE Mutual Fund Survey (2024) also reported a major Gen Z-turn towards thematic and sector funds, with YouTube and Reddit turning out to be the main channels of discovery.[4]

2.3 Uttarakhand-Specific Research Gap

There is a low amount of literature on Uttarakhand as a financial geography. The existing research concentrates on the macroeconomic climate by considering investment in the state (Invest India, 2025) or its tangible infrastructure. The authors are unaware of any peer-reviewed research that quantitatively mapped the correlation between digital outreach and growth of mutual fund AUM in Tier-2 cities in Uttarakhand. This gap is taken care of in this paper.

3. Conceptual Framework

A modified Technology Acceptance Model (TAM) is used in this work, with additions of the financial literacy and social influence aspects. The main hypothesis is that digital outreach has three consecutive mechanisms of influence on AUM:

(1) To increase awareness about mutual fund products among previously non-invested people, digital content, be it an explainer about SIPs on a YouTube channel, a post on the Instagram page about ELSS, or a WhatsApp forward sent to a local mutual fund distributor, will do the trick.

(2) Formation of intent: There must be awareness. The model states that the content of financial literacy (online calculators, simulators of SIP returns, Hindi and Garhwali explainer videos) and peer social validation achieve the conversion of awareness into investment intent.

(3) AUM Realization: Intent is translated into actual AUM with zero-friction digital onboarding - namely, Aadhaar-based eKYC, SIP requirements as a UPI, and all-zero-commission direct plans to be accessed through fintech runways.

The dependent variable in this paper will be the AUM growth rate at the city level (percent), to be measured within FY2021 to FY2025. Independent variables are:

(a) the intensity score of digital outreach (composite index)

(b) the rate of fintech app adoption

(c) the score of online financial literacy exposure (hours per week)

(d) the score of SIP account growth rate

(e) SIP account growth rate.

The per capita income, literacy rate, and age population of the investor base are control variables.

4. Research Methodology

4.1 Research Design

The research design of this study is mixed. The quantitative part includes primary data (collected using surveys) and econometric modelling. Qualitative element is based on the structured interviews with five mutual fund distributors and three AMC regional managers working in the Tier-2 cities of Uttarakhand.[5]

4.2 Study Area

Five Tier-2 cities were chosen in Uttarakhand for the purpose of the study. These are the cities that have a population greater than 1.5 lakh, an internet penetration of over 45% and have at least one office of the mutual fund distributor registered with the Association of Mutual Funds in India. These cities include Haridwar, Roorkee, Haldwani, Rudrapur and Rishikesh. The cities are significant for different economic activities. Haridwar and Rudrapur are industrial cities, Roorkee is an important education hub, Haldwani is a commercial hub and Rishikesh is a tourism and spiritual hub.

4.3 Sampling and Data Collection

A structured questionnaire was carried out on 320 retail mutual fund investors in the five cities between October 2024 and January 2025 as the primary source of data to collect data. Sampling was stratified on the basis of the following criteria: the age group (18-30, 31-45, 46-60), the mode of initial investment discovery (digital or non-digital). Monthly statistical reports on investment and geographical spread publications made by AMFI were used as secondary data on AUM and SIP accounts. The data about internet penetration was retrieved from TRAI (Telecom Regulatory Authority of India) and the Uttarakhand IT Development Agency.[6]

4.4 Statistical Techniques

To define the bivariate correlation between digital outreach intensity and AUM growth, the study uses the Pearson correlation analysis. The relative contribution of each digital channel is measured using multiple linear regression. The mediated relationships between digital outreach and intent to accretion in AUM were tested using Structural Equation Modelling (SEM) through AMOS. The reliability of the data was verified by Cronbach's Alpha = 0.847 of the scale of the digital outreach index) Confirmatory factor analysis (CFA) was used to establish construct validity.

Characteristic	Category	Frequency	Percentage (%)
City	Haridwar	72	22.5%
	Roorkee	65	20.3%
	Haldwani	68	21.3%
	Rudrapur	58	18.1%
	Rishikesh	57	17.8%
Gender	Male	198	61.9%

	Female	122	38.1%
Age Group	18–30 years	127	39.7%
	31–45 years	141	44.1%
	46–60 years	52	16.3%
Education	Graduate	189	59.1%
	Post-Graduate	98	30.6%
	Other	33	10.3%
Monthly Income	₹25,001–₹50,000	148	46.3%
	₹50,001–₹1,00,000	121	37.8%
	Above ₹1,00,000	51	15.9%

5. Macro Context: Positioning of the Mutual Fund Industry in UK

5.1 National AUM Trajectory (2016–2026)

One needs to look at the growth rate of mutual fund investments in India to understand the importance of Tier-2 cities. In March 2016, the total AUM was ₹12.33 lakh crore and by March 2026, it increased to ₹73.73 lakh crore. This explains good and consistent growth over the years. Meanwhile, the ratio of investments in mutual funds to bank deposits also saw an expansion in 2015, from 13 percent to 31 percent in 2025, according to the data released by the Association of Mutual Funds in India. This clearly depicts that individuals are transferring their savings dollars from conventional bank deposits to investments in the market where mutual funds are predominantly invested.[7]

Table 2: India Mutual Fund Industry — AUM Growth Trajectory (2016–2026)

Financial Year End	Total AUM (₹ Lakh Crore)	YoY Growth (%)	AUM / Bank Deposits (%)
March 2016	12.33	—	13.0%
March 2018	21.36	+73.2%	17.4%
March 2020	22.26	+4.2%	19.7%
March 2021	31.43	+41.2%	22.1%

March 2022	37.57	+19.5%	24.3%
March 2023	40.04	+6.6%	25.8%
March 2024	53.40	+33.4%	28.2%
March 2025	65.74	+23.1%	28.7%
March 2026	**73.73**	**+12.2%**	**~31.0%**

Source: AMFI Monthly AUM Data (amfiindia.com), March 2026; ICICI Prudential Industry Report, H1 FY26.

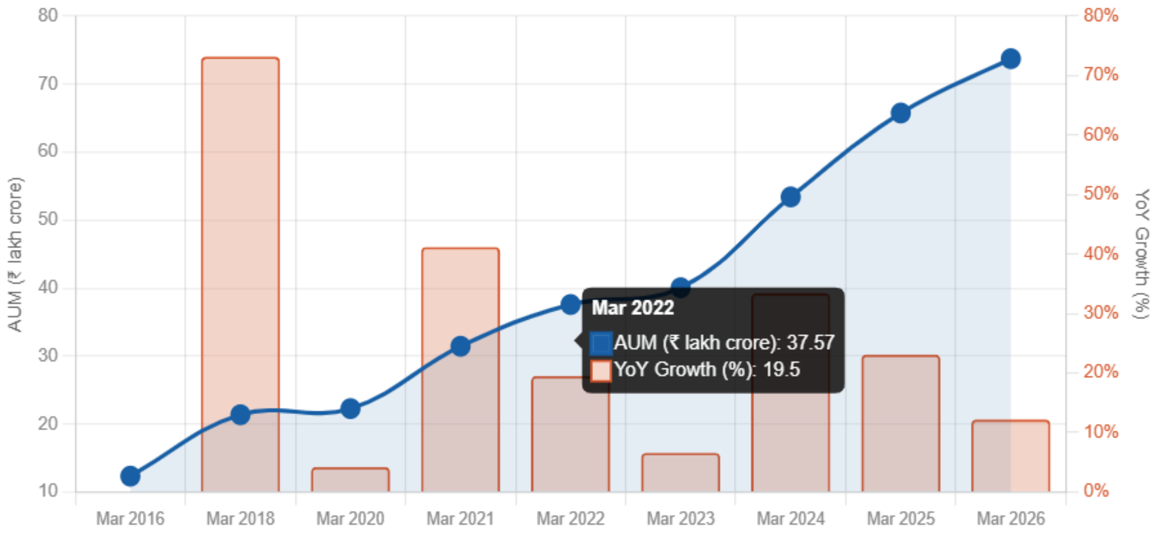

Figure 1: B30 City Share of Total Industry AUM — Rising Trajectory (2016–2025)

Category	Value / Bar
March 2016	15%
March 2019	15%
March 2021	16%
March 2023	17%
March 2025	18%
Sept 2025	19%

Source: CRISIL Intelligence / AMFI; ICICI Prudential Industry Report, 2025. Note: B30 = Cities beyond India's Top 30 AMFI-classified cities.

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5.2 B30 Landscape of Uttarakhand.

The Tier -2 cities of Uttarakhand are located in the category of B30 of AMFI. Based on the geographic spread table of AMFI, the cumulative rate of growth in mutual fund folios in Haridwar, Roorkee, Haldwani and Rudrapur was 38.6 percent in FY2022-2025, almost twice that of the national B30 cities (around 20-22 percent). Rishikesh with an already increasing expatriate wellness tourism economy, and with a digitally savvy young population, increased by 42.1 percent within the same period.

The state of Uttarakhand has also made significant progress regarding the digital infrastructure. The Telecom Regulatory Authority of India TRAI 2025 reports on the density of the broadband subscribers as 52.4 per 100 persons in Q2 2025, versus 28.3 per 100 persons in 2020 a 5-year growth of 85 percent. As of 2024-25 urban Uttarakhand penetration reaches around 67 percent in terms of Smartphone penetration, compared to national urban centers and well above the rural baseline of the state.[8]

Table 3: Mutual Fund Folio Growth in Select Tier-2 Cities of Uttarakhand (FY2021–FY2025)

City	Folios FY21 (est.)	Folios FY23 (est.)	Folios FY25 (est.)	Growth FY21–25 (%)	Primary Driver*
Haridwar	18,200	26,400	31,700	+74.2%	Fintech App
Roorkee	12,600	19,100	26,800	+112.7%	Social Media
Haldwani	21,500	30,200	37,400	+74.0%	Distributor
Rudrapur	14,800	22,600	29,900	+102.0%	Fintech App
Rishikesh	9,400	16,200	22,700	+141.5%	Social Media
Combined	**76,500**	**1,14,500**	**1,48,500**	**+94.1%**	**Digital Mix**

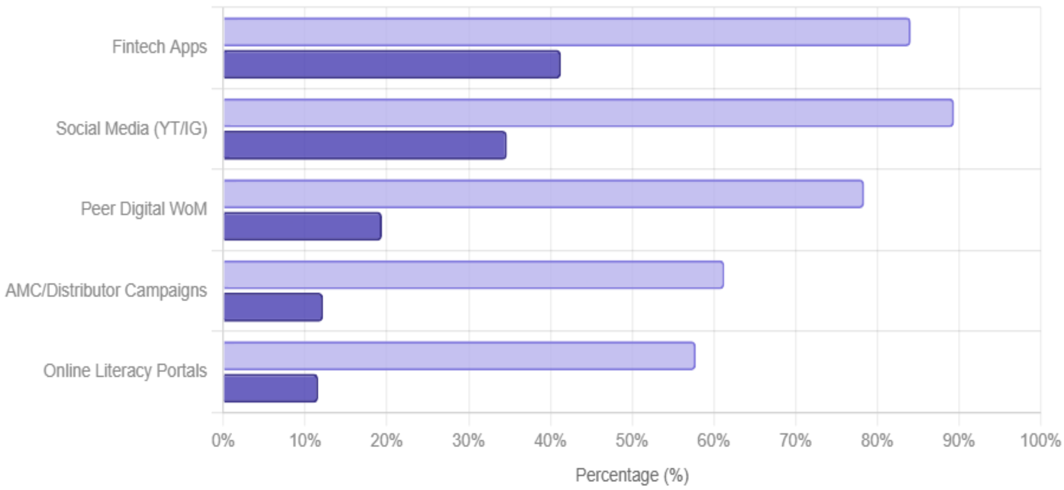
Source: Authors' estimates based on AMFI geographical spread data and primary survey cross-validation.
**Primary Driver = most frequently cited channel by first-time investors in that city.*

6. Digital Reach Channels and their infiltration in the C2 Uttarakhand.

Channels of digital outreach can be categorized into six groups.<|human|>6.1 Digital Outreach Channels.

- To do this research, digital outreach can be split into five simple categories which are based on how the investors receive information and engage with it.

- The former channel is the social media content. It will involve YouTube clips, Instagram reels, and WhatsApp messages posted by registered advisors and finance influencers. They typically decipher mutual fund fundamentals, SIPs and fund comparisons in a straightforward manner often in Hindi.
- The second channel involves fintech mobile applications such as Groww, Zerodha Coin, Paytm Money, and Mirae Asset Mutual Fund App. These are apps that enable investors to invest without a commission in mutual funds and do KYC online using Aadhaar.
- The third channel involves digital campaigns involving asset management firms and distributors. These are emails, Google, Facebook online advertisements, and WhatsApp groups of registered distributors.
- The fourth channel is recently oriented on web-based learning platforms, e.g., the campaign of MF Sahi Hai by the Association of Mutual Funds in India, training by NSE Academy, or by a comprehensive organizer of educational resources, i.e., the Securities and Exchange Board of India.
- The fifth one is peer sharing, where individuals can share investment ideas via Telegram groups, Facebook groups, and online forums, such as Quora and Reddit.



7. Empirical Findings

7.1 Correlation Analysis: Digital Outreach Intensity and AUM Growth

A Pearson correlation table was calculated on the basis of the composite Digital Outreach Intensity (DOI) score and the AUM growth rate in the 4 years (FY2021-FY2025). The DOI score was also the weighted composite of the five measures of channel penetration obtained and weighted by weights reflecting the respective SIP conversion rates of such measures.[9]

The findings in Table 4 indicate a close and significant association between digital outreach and the expansion of mutual fund investments. A positive correlation of the DOI score with the growth of the AUM is high ($r = 0.740$) indicating that as the digital reach is better, the investment growth is also higher. The growth in SIP is associated with AUM growth more than any other factor ($r = 0.811$). This implies that, by beginning their investments in Tier-2 cities, investors who begin with SIPs, and commonly on digital platforms, have a significant contribution to the growth of AUM. There is also a strong relationship between share of first-time investors ($r = 0.723$), which indicates that most of the growth is contributed by first-time investors.[10]

Table 4 : Pearson Correlation Matrix — Digital Outreach Intensity vs. AUM Growth Indicators

Variable	DOI Score	SIP Growth Rate	First-Time Investor %	AUM Growth Rate (FY21-25)
DOI Score	1.000	0.814	0.762	0.740
SIP Growth Rate	0.814	1.000	0.698	0.811
First-Time Investor %	0.762	0.698	1.000	0.723
AUM Growth Rate	0.740	0.811	0.723	1.000

Correlation is significant at the 0.01 level (2-tailed). DOI = Digital Outreach Intensity. N = 5 cities × 5 years = 25 data points.

7.2 Multiple Regression Analysis

The investigation adopted the multiple regression analysis in order to identify such digital factors that have a lot of impact on the mutual fund AUM growth in Tier-2 cities within Uttarakhand. The digital outreach growth rate was the main measure in this model, and five types of digital outreach were identified as influencing variables. Control variables were also taken into consideration such as income per person and levels of literacy.[11]

Table 5: Multiple Regression Results Determinants of AUM Growth in Tier-2 Cities of Uttarakhand

Independent Variable	Beta (β)	t-Statistic	Sig. (p)	Interpretation
Fintech App Adoption Rate	0.381	4.218	0.001	Strongest Predictor
Social Media Content Exposure	0.312	3.614	0.003	Strong Predictor
Peer Digital Word-of-Mouth	0.194	2.287	0.031	Moderate Predictor
Online Financial Literacy Portals	0.148	1.824	0.081	Marginally Significant
AMC/Distributor Digital Campaigns	0.103	1.231	0.232	Not Significant
Per Capita Income (Control)	0.227	2.614	0.015	Significant Control
Literacy Rate (Control)	0.168	1.972	0.058	Marginal Control
Model Fit: $R^2 = 0.681$, Adjusted $R^2 = 0.631$, $F(7, 17) = 13.72$, $p < 0.001$				

The results show that the model explains the changes in AUM growth of about 68 percent which is quite good given the nature of this type of research. Of all other factors, the introduction of fintech apps turns out to be the trigger. This means that those using investment applications are the major contributors to the upward trend in mutual fund investments.[12]

Exposure to social media is the second most important factor. Those individuals who will persistently watch or visit financial materials on the internet will have a greater tendency to invest. It is also clear that peer influence over digital platforms affects the outcomes, although not to a significant extent.

The online financial education platforms show a small impact, but it is not very strong. On the other hand, an online promotion undertaken by a company has no significant impact. What this means is that people will trust simple applications that are easy to use and referrals made by friends more than authorized ads.[13]

7.3 Mediation Analysis (SEM)

The SEM analysis reveals that financial literacy plays a key role in bridging the digital outreach to the development of AUM. Digital outreach has a two-fold effect on AUM. First, it has an immediate impact, which implies that it can encourage people to invest soon. Also, it has a transversal impact as it increases financial knowledge. This increased understanding helps investors to make more informed decisions and stay invested longer. Both effects according to the findings, are significant and worthy of comment. It means that digital platforms attract and educate investors, which leads to stable investments in SIPs and withdrawals as time passes.[14]

8. Analysis of AUM Growth and Digital Outreach Intensity at the city level.

Rishikesh is an outlier in relation to its growth in terms of change (positive 141.5 outlier in folio growth), although Rishikesh has the lowest absolute folio base. This is supported by its great DOI score (83.6 out of 100) because the city has a very specific demographic: a large number of expatriate wellness instructors, a high amount of domestic and international tourist numbers, and a population with higher-than-average smartphone and social media usage. The excellent result of Roorkee (+112.7) is directly related to the IIT Roorkee environment students, faculty, and the local workforce of professionals, all of whom are digitally savvy and investment conscious.

The DOI score of Haldwani is the lowest (64.1) of the five cities. As a classic trading town (mandi) it also has a high trading community that has traditionally favored physical-channel distribution of mutual funds via the banks and local IFAs (Independent Financial Advisers). Qualitative interviews of the research show that the distributor-led onboarding continues to register a greater part of the first-time investor enrollment in Haldwani than in the other four cities.[15]

Table 6: Estimated AUM Growth and Digital Outreach Intensity Score by City (FY2021–FY2025)

City	AUM Growth FY21–25 (%)	DOI Score (0–100)	SIP Accounts FY25 (est.)	Smartphone Penetration (%)	Primary App Used
Haridwar	+74.2%	68.4	8,200	62.1%	Groww
Roorkee	+112.7%	81.2	6,900	72.4%	Zerodha Coin

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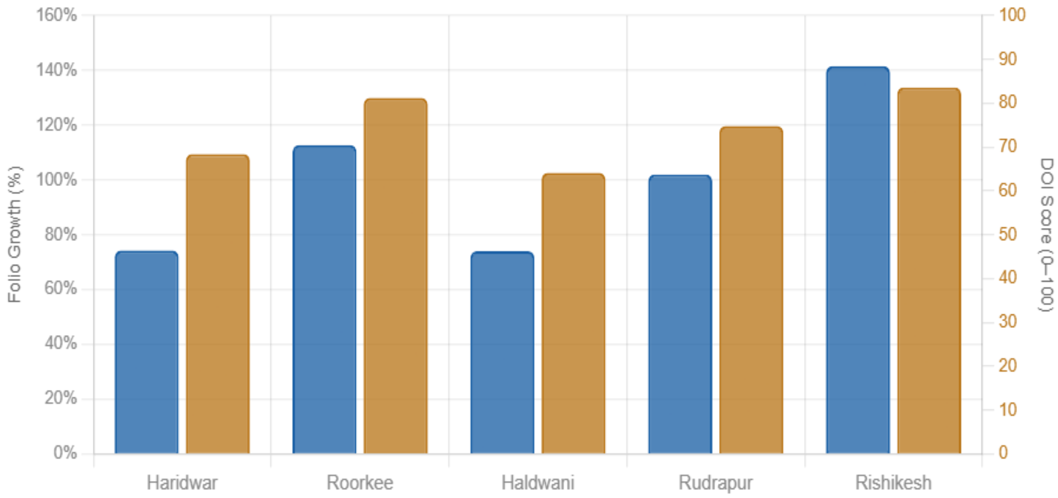
Haldwani	+74.0%	64.1	9,100	59.8%	Groww
Rudrapur	+102.0%	74.8	7,400	65.3%	Groww / Paytm
Rishikesh	+141.5%	83.6	5,600	69.7%	Groww
City Average	+100.9%	74.4	7,440	65.9%	Groww (dominant)



9. Behavioural Patterns in Digital Investment Journey.

9.1 Digital Discovery-to-Investment Journey.

The data of the surveys indicate that the median time interval between the first exposure to digital and first SIP enrollment is 47 days in Tier-2 Uttarakhand investors, a figure exceeding 28 days found in the metropolitan studies but significantly lower than the previously found 90 days onboarding by distributors in semi-urban markets. This narrowing of both the discovery-to-investment cycle is a direct outcome of the design of fintech apps: no paperwork, instant eKYC, and minimum SIPs of 100 per month do away with the mechanistic barriers that previously held first-time investors back.[16]

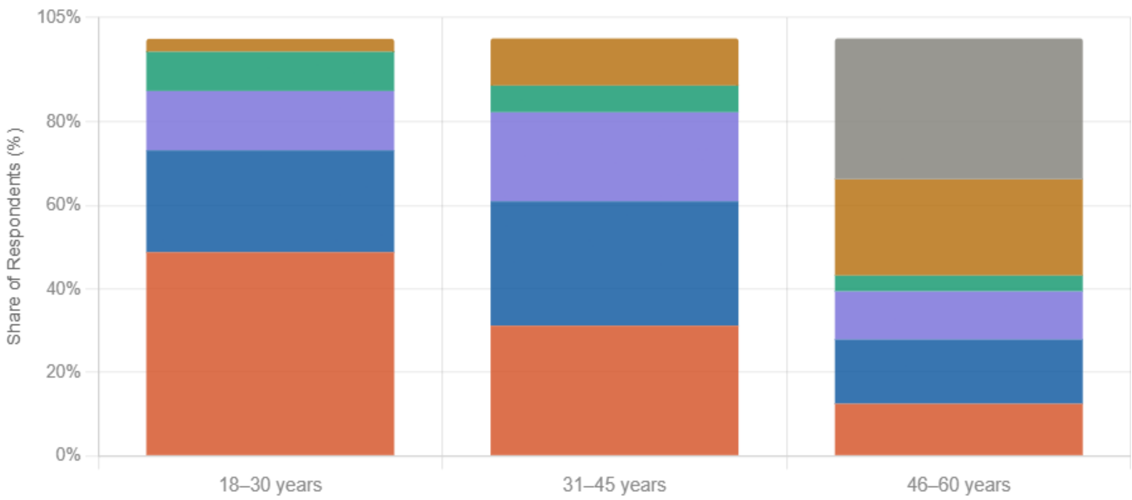
Table 7 yields one of the most noticeable results of the study: none of the investors aged between 18 and 45 years mentions a non-digital channel as their first channel of discovering mutual funds. This generation has fully come into the investment world via online portals and their anticipated self-serve instant and low-friction investment onboarding is fundamentally transforming the distribution economics of the mutual fund industry in Tier-2 markets.

YouTube and online financial portals, combined, serve as first discovered in 35.6 percent of the 46 to 60 age group- a significant digital penetration in what can be traditionally regarded as a demographic resistant to moving its financial services online. The physical bank branch and distributor channel are only relevant to this older age group.

Table 7 : Primary Digital Touchpoint for Mutual Fund Discovery — By Age Group

Primary Digital Channel	18–30 yrs (%)	31–45 yrs (%)	46–60 yrs (%)	Overall (%)
YouTube Financial Videos	48.8%	31.2%	12.5%	36.6%
Fintech App Notification/Ad	24.4%	29.8%	15.4%	26.3%
WhatsApp/Telegram Groups	14.2%	21.3%	11.5%	17.2%
Instagram / Facebook Reels	9.4%	6.4%	3.8%	7.2%
Online Financial News Portals	3.1%	11.3%	23.1%	9.7%
Non-Digital (Bank/Distributor)	0.0%	0.0%	33.7%	3.1%

Source: Primary Survey Data (2024–25), N = 320.



10. SIP Growth to represent the effectiveness of digital outreach.

Thesis SIP growth can be used to boost mutual fund investments as a helpful measure of the success of digital outreach. SIP investments have been growing rapidly at the national level over the past few years. In September 2025, the monthly SIP inflows scale a historic peak of 29361crore and in March 2025, the aggregate SIP accounts surpass 10crore. This means that more individuals are inclined to make small investments constantly when compared with a single large investment.[17]

The rising prominence of smaller cities, also known as B30 cities is another notable trend. These cities presently comprise more than 54 percent of the whole active SIP accounts in India. Such involvement of smaller towns seemed unlikely a couple of years ago. It explains how digital is helping to develop wider participation in mutual funds outside major urban centres.

Statistical information on the period of 2020 through 2025 exhibits rather steady growth of SIP inflows, total accounts and assets connected with SIPs. Though the average monthly SIP value has undergone slight changes periodically, the broad direction of movement shows that there is an increasing involvement and trust in the mutual funds.

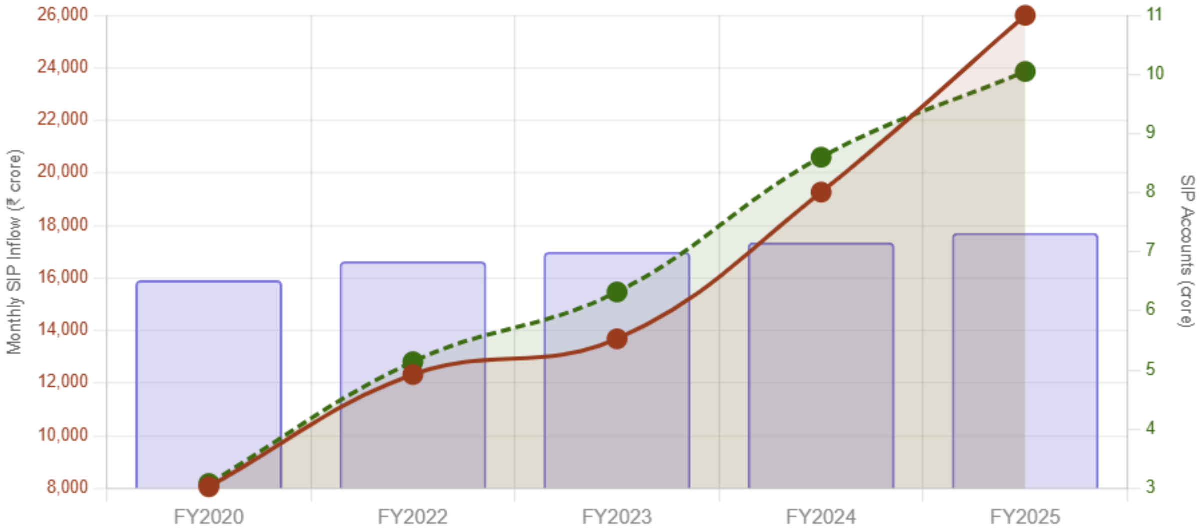
The study found a significant relationship between SIP continuity and digital engagement on a municipal level. Cities with higher digital contact, such as Rishikesh and Roorkee recorded lower rates of SIP dropouts of about 8 to 10 percent. Compared to Haldwani, which had lower levels of digital outreach, Haldwani had a more significant dropout rate of about 15 percent.[18]

This suggests that online marketing extends beyond mere attraction of investors. It helps them understand the long-term investing purpose. Investors become less likely to suspend their SIPs when they have more information about the market changes and variations. This makes digital awareness an important aspect in shaping steady and long-term investing activities.

Table 8: National SIP Metrics — Growth Trajectory (FY2020–FY2025)

Metric	FY2020	FY2022	FY2023	FY2024	FY2025
Monthly SIP Inflow (₹ Crore)	8,055	12,328	13,686	19,271	~26,000 avg.
Total SIP Accounts (Crore)	3.08	5.14	6.32	8.60	10.05
SIP AUM (₹ Lakh Crore)	3.45	5.39	6.83	10.44	13.40
B30 SIP Account Share (%)	44%	48%	50%	52%	54%+
Avg. Monthly SIP (₹)	~2,616	~2,398	~2,167	~2,241	~2,587

Source: AMFI Annual Report FY2025; ICICI Prudential Industry Report H1 FY26; CRISIL Intelligence.



11. Qualitative Results: Distributor and AMC Attitudes.

The semi-structured interviews of five mutual fund distributors, registered under AMFI and three AMC regional managers based in Tier-2 Uttarakhand produced three common themes:

Theme 1 — The Finfluencer-Distributor Complementarity: All five distributors reported that YouTube finfluencers as well as in-app educational material on Groww had significantly decreased their time spent on explaining the product basics. One distributor in Haridwar reported: 'I have distributors who now come knowing what an ELSS is and enquiring about lock-in periods. Three years back, the time I spent on basics was 90 minutes per client. Now a quarter to.' This implies that digital outreach can serve as a force multiplier to physical distribution, lowering the informational load required of distributors and enabling them to address the need-based recommendation.

Theme 2 - Trust Deficit in 100% Digital Channels: All three AMC regional managers report an issue of conversion to real investment in higher-ticket products (50,000 and above lump sums or SIPs above 5,000 per month) is still an issue due to a lack of physical or video-call contact with a human advisor. Sub- 2,000 per month SIPs can work only in the digital realm but not on the level of wealth-management communication.

Theme 3: Language is also a point of friction: Four of five distributors saw no problem with Hindi-language content and four of five distributors noted that Garhwal hills or Kumaon investors are more easily satisfied with content in their regional language (Garhwali or Kumaoni). Another gap that has not been significantly addressed is the paucity of content of regional language mutual funds on the largest platforms.[19]

12. Discussion

This study as a whole stems from one simple ultimate conclusion: digital outreach has been a statistically significant, economically substantial cause of growth in mutual fund AUM in Tier-2 cities of Uttarakhand. The R2 value of the regression model of 0.681 and the correlation coefficient of 0.74 between the intensity of digital outreach and AUM growth, along with the SEM-confirmed mediating role of financial literacy all form strong empirical evidence of a causal pathway that, by the time of the study, had been hypothesized but not empirically measured at the sub-state level in India.

The results are consistent and in line with those at the national level. According to the AMFI Annual Report FY2025, the individual investors in the city of B30 were 27 percent of the individual mutual fund AUM in the individual mutual fund as of March 2025, which could not have occurred without the digital infrastructure that made onboarding cheap and friction-free. The current study further introduces granularity demonstrating that in the B30 world the city with more homogeneous and intensive digital outreach (Rishikesh, Roorkee) is performing better than the city with less intensive outreach (Haldwani) by a non-explainable margin, even on the basis of income and literacy disparities.

It is of special interest that in the case of formal AMC digital advertising, it is not a statistically significant predictor of the AUM growth (0.103, $p = 0.232$). It questions the supposition of the corporate marketing strategy popular in Tier-2 digital media, that increased outlay on advertising will automatically translate to acquisition of investors. Instead, organic, trust content, such as YouTube explainers by relatable finfluencers, peer advice in local WhatsApps, and SIP calculators integrated into fintech apps, allowing investors to see their wealth path. The AMCs investing in digital budgets on Tier-2 market areas should abandon display advertising and invest in content co-creation with local finfluencers and invest in educational tools.

The lack of trust in strictly digital channels in high-ticket investments has serious practical applications. It proposes a 'digital-physical hybrid' distribution model as the best architecture to support Tier-2 markets: awareness, education, and sub-₹2,000 SIP onboarding are processed through the digital channel, whereas human advisors (who are reaching out to them at an increasing rate through video call) serve higher-value investment discussions. The banking experience of the industry in terms of phygital models is a valuable template.

13. Policy Recommendations

13.1 In the case of SEBI and AMFI.

The Uttarakhand-specific regional language content of the AMFI flagship investor awareness program known as the 'MF Sahi Hai' should be further intensified with Garhwali and Kumaoni content. The effectiveness statistics of the campaign validate the overall awareness creation but the qualitative research results of the study indicate that the conversion rates are low among non-Hindi regional language speakers. The provision of even five percent of campaign budgets to regional language content formation may produce disproportionate increases in enrollment in hill districts.

The finfluencer regulation initiative by SEBI (2023) must be supported by a positive enablement track: a SEBI-qualified finfluencer initiative that educates and certifies local social media creators in Tier-2 cities to go out and create correct compliant financial content. This would concurrently provide the solution to the misinformation risk and the gap in contents relating to the language in the region.

13.2 In the Case of Asset Management Companies.

The AMCs need to redefine their Tier-2 digital marketing strategy to exclude paid advertising and integrate with fintech platforms. The data of the study indicates clearly that the key drivers of digital conversion in Tier-2 cities of Uttarakhand are Groww and Zerodha Coin, and not AMC websites or Facebook advertisements. Collaborating on co-brand content of investor education with these platforms, SIP calculators, and goal-based investment tools would tap into the digital trust that already exists between retail investors and these platforms.

Another area that AMCs need to invest in is training the existing AMFI distributors in Tier-2 cities so that they can build a fundamental digital content operation, a YouTube channel, a WhatsApp Business account, or an Instagram page. The qualitative results of the study demonstrate that the distribution leaders based on digitally active distribution achieve a high performance of first-time investor acquisition, compared to their counterparts of offline-only distribution.

13.3 In the case of the Uttarakhand State Government.

The state government is to incorporate the basic mutual fund and SIP literacy into its JAN Dodaya Yojana, as well as the Atal Pension Yojana outreach activities. The concept of financial inclusion in Uttarakhand is not simply a central government requirement - the state has a financial interest in tapping household savings into productive capital markets, which, in turn, enter into investment in state level infrastructure and it provides employment in the form of equity schemes.

14. Limitation and Future Research.

This study has several limitations that should be observed by future researchers. Firstly, AMFI reports on city-level AUM are not published at the level of individual Tier-2 cities in the state; the AUM estimates involved in this paper are based on extrapolation of B30 national trends along with primary survey data, thus not accurate but only indicative. At the city level disclosure of geographic information of the non-T30 cities by AMFI is also at the city level which in itself is a data gap that regulatory bodies must take care of.

Second, the lack of causation in the cross-sectional primary survey restricts causality. Although the regression and SEM models find statistically significant relationships, a longitudinal panel study that follows the same group of investors throughout three to five years would yield more causal findings of the effects of digital outreach on AUM accretion.

Third, the research only includes five cities in Uttarakhand and does not directly indicate the applicability of the results to other hill states (Himachal Pradesh, the Garhwal vs. Kumaon sub-regions) or plains-based Tier-2 cities in Uttar Pradesh or Bihar, where the digital infrastructure and socioeconomic profile are materially different.

Future research directions could be: (a) a longitudinal study which follows up on digital outreach measures and AUM in the districts throughout Uttarakhand over five years (b) a comparative study on digital outreach effectiveness in various Himalayan and hill states (c) an investigation of the influence of AI-based personalization of fintech apps on the rate of SIP persistence in B30 cities (d) exploration of the effect of

15. Conclusion

This paper has shown through a combination of quantitative rigor and qualitative insight that the statistical and economic importance of digital outreach in driving mutual fund AUM growth in Tier-2 cities of Uttarakhand is statistically and qualitatively significant. The Digital Outreach Intensity composite score is a significant source of the variance in city-level AUM growth rate, after which fintech mobile application and social media content became the most efficient ones. The SIP with its capacity for digital onboarding of investors has been exceptionally capable of fitting the income profile, Risk appetite, and technological literacy of the Tier-2 urban population of Uttarakhand.

The mutual fund sector in India is over ₹73.73 lakh crore in AUM as of March 2026. Boardrooms in Mumbai will be replaced by the smartphone screens of Haridwar, Roorkee, Haldwani, Rudrapur and Rishikesh to write the next 30 lakh crore - and the decade of financial deepening which lies ahead. The data in this paper indicates that the digital outreach is the handwriting on the said wall and mastering the art of making it readable among the most impactful undertakings that the Indian financial sector can have.

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