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A STUDY ON INVESTORS AWARENESS TOWARDS POST OFFICE SAVINGS SCHEMES

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ABSTRACT

Everyone saves, even though there are a lot of different ways to accomplish it. Though there are a variety of reasons why people decide to save money, caution, peer pressure, and the desire to consume in the future are the key drivers. Postal savings funds have a big say in how governmental debt is funded. The fund is managed by several policy-focused financial institutions across several countries, with the goals of return on investments and community development. This study looks into how investors see the Postal Savings Plan. Post offices have provided banking services in addition to being essential in uniting the country. Nevertheless, its purpose has changed with time, making it one of the greatest options for investors today.

Keywords:

Savings behavior, Postal savings, Government debt, Financial institutions, Return on investments, Community development, Banking services, Investor perception, Post office evolution, Investment options.

INTRODUCTION

Plans for savings are an essential part of any nation's economy. With the various options available to them, savings accounts act as the catalyst for the growth of the country. There are numerous prospects for investors in India due to the country's financial outlook. For the normal person, there are sufficient options to employ these savings, even though it is definitely not the greatest or largest market in the world. To earn a return on their idle resources, produce a certain amount of cash for a specific life goal, and set money aside for unanticipated situations, investors must make investments. Because of this, determining preferences and levels of satisfaction is crucial when creating guidelines for the expansion and management of savings.

In general, and for the protection and promotion of small and household investors specifically, the financial outlook for India offers one. India Post offers a variety of post office savings options. These are low-risk, secure investment options that provide capital gains to investors without requiring tax withholding at the

source (TDS). For his money, a person can choose from a wide range of investment options and investment strategies.

STATEMENT OF THE PROBLEM

Lack of awareness about saving schemes.

Programs offered by Post Office Savings Bank rank among the most significant by the aforementioned institutions. It provides a plethora of benefits to investors. Post Office Savings Bank is the biggest savings institution in the country. In an effort to spread awareness of the National Savings Movement, the federal government has provided rates that are greater than that offered by scheduled banks in an effort to encourage saving and frugality among those with generally modest incomes. The purpose of this study is to investigate depositors' perceptions of Post Office Savings Plans, as well as to pinpoint any problems and possible fixes. A study on investors' awareness of post-office risks has been defined as the research question for the exploratory study, which has been chosen in light of this.

OBJECTIVES OF THE STUDY

- To find the satisfaction of depositors with the postal schemes.
- To identify the different type of savings schemes preferred by the investors.
- To Assess How Well Postal Systems Are Performing.

REVIEW OF LITERATURE

Dr. R. Ganapathi (2010) identified that various Small Saving Schemes were mainly meant to help at one hand the small investors and at the other hand also those who are in high tax brackets. The study concluded that proper advertisements must be made for Post Office Savings Schemes, so that even a layman could know about these Schemes and deposits can be increased. They stated that investing their amount in Post Office deposits provides safety and security for the amount invested making it a sheltered option for investment.

Rajeswari (2017) examined customer preferences of recurring deposits in post office over banks. This study was conducted to examine the major drawback of recurring deposit in post office. For this study, the required primary data have been collected from 100 customers. Such collected data have been analysed with the help of various statistical tools like correlation and ANOVA. She found that majority of the customers feels that waiting in long queues act as a major drawback of recurring deposit in post office.

Gayathri (2014) made a study with the objective of identify the problems of investors while investing in post office. For this study, the required primary data have been collected from 120 sample investors through Interview Schedule. Such collected data have been analysed with Percentage and Rank Analysis. She found that a poor response from employees is considered as major problem felt by investors.

Indubala (2014) examined the study on post office savings schemes in Kanyakumari district. This study was conducted to examine the satisfaction level of depositors towards post office savings scheme. For this study, the required primary data have been collected from 500 investors (125 investors from each taluk) through Interview Schedule. Such collected data have been analysed with Kruskal-Wallis test and Mann-whitney test. She found that 79.1% of the investors have medium level of satisfaction, 11.9% of the investors have low level of satisfaction, only 9% of the investors have high level of satisfaction. She suggested that post office may also provide some online facilities

Selva Tharangini (2009) made a study with the objective of examine the problems faced by investors while investing in post office savings schemes. For this study, the required primary data have been collected from 500 sample investors through Interview Schedule. Such collected data have been analysed with various statistical tools like Percentage and Chi-square test, Z-test and Kruskal-Wallis test. She found that major problem felt by sample investors is delay in processing and low rate of interest.

RESEARCH METHODOLOGY

SOURCE OF DATA	Primary data and secondary data
AREA OF THE STUDY	Coimbatore city
SAMPLE SIZE	122
SAMPLING TECHNIQUES	Simple Random Sampling

STATISTICAL TOOLS

- Percentage Analysis.
- Rank Correlation.
- Chi Square Test.

ANALYSIS AND INTERPRETATION**PERCENTAGE ANALYSIS****Age**

S.no	Particulars	No of Responses	Percentage
1	18 to 24	88	72.10%
2	25 to 34	20	16.40%
3	35 to 44	8	6.60%
4	45 to 54	2	1.60%
5	55 & above	4	3.30%
	TOTAL	122	100

Source: Primary Data

The data reveals a strong predominance of younger participants, with the 18 to 24 age group comprising the majority (72.10%) of responses. The 25 to 34 age bracket follows with 16.40%. Participation declines sharply in older age groups, with only minimal representation from those aged 45 and above. This distribution highlights a significant generational gap in engagement with the survey or study.

Gender

	Particulars	No of Responses	Percentage
1	Male	86	70.50%
2	Female	36	29.50%
	TOTAL	122	100

Source: Primary Data

The data presents the gender distribution of respondents, showing that 70.50% identify as male and 29.50% as female. This breakdown provides insights into the demographic composition of the respondents, which can be valuable for understanding gender-specific perspectives and needs in financial matters.

Income

S.no	Particulars	No of Responses	Percentage
1	Less than 120000	61	50%
2	120000 to 220000	27	22.10%
3	220000 to 500000	25	20.50%
4	Above 500000	9	7.40%
	TOTAL	122	100

Source: Primary Data

The data provides a breakdown of respondents' annual income levels. A significant majority (50%) reported earning less than 120,000 units, followed by 22.10% with incomes ranging from 120,000 to 220,000 units. Additionally, 20.50% reported incomes between 220,000 and 500,000 units, while only 7.40% reported incomes exceeding 500,000 units. This distribution highlights the varying income levels among respondents, which is crucial for understanding their financial capabilities and needs.

Occupation

S.no	Particulars	No of Responses	Percentage
1	Student	70	57.40%
2	Profession	16	13.10%
3	Employee	27	22.10%
4	Self employed	9	7.40%
	TOTAL	122	100

Source: Primary Data

The data provides insights into the occupational status of respondents. The majority (57.40%) are students, followed by employees (22.10%), professionals (13.10%), and self-employed individuals (7.40%). Understanding the occupational distribution of respondents helps in assessing their financial situations, preferences, and potential investment capabilities.

Qualification

S.no	Particulars	No of Responses	Percentage
1	SSLC	2	1.60%
2	Higher secondary	21	17.20%
3	UG	78	63.90%
4	PG	21	17.20%
	TOTAL	122	100

Source: Primary Data

The data indicates the educational qualifications of respondents, showing that the majority (63.90%) have undergraduate degrees. A smaller proportion have completed higher secondary (17.20%) or postgraduate (17.20%) education, while a negligible percentage have SSLC qualifications (1.60%). This breakdown highlights the educational diversity among respondents, which can influence their financial knowledge and decision-making processes.

Marital

S.no	Particulars	No of Responses	Percentage
1	Married	30	24.60%
2	Unmarried	92	75.40%
	TOTAL	122	100

Source: Primary Data

The data reveals that the majority of respondents (75.40%) are unmarried, while a smaller portion (24.60%) are married. Understanding this demographic breakdown can offer insights into how marital status might influence financial behaviors, priorities, and investment decisions among respondents.

Family

S.no	Particulars	No of Responses	Percentage
1	2 to 4	61	50%
2	5 to 10	46	37.70%
3	Above 10	15	12.30%
	TOTAL	122	100

Source: Primary Data

The data shows respondents' preferences for investment horizons. A significant majority (50%) prefer a shorter-term horizon of 2 to 4 years, indicating a focus on relatively immediate returns. A considerable portion (37.70%) opt for a medium-term horizon of 5 to 10 years, suggesting a balance between short-term gains and long-term growth. A smaller group (12.30%) aims for investment horizons exceeding 10 years, indicating a focus on long-term wealth accumulation. Overall, the data highlights diverse investment preferences, ranging from short to long-term horizons, reflecting varied financial goals and risk tolerances among respondents.

What aspects of the Post Office small savings schemes appeal to you when making investments

S.no	Particulars	No of Responses	Percentage
1	Tax advantages	31	25.40%
2	Time of Maturity	58	47.50%
3	Previous results	15	12.30%
4	Investing simplicity	18	14.80%
	TOTAL	122	100

Source: Primary Data

The data reflects respondents' considerations when selecting an investment option. The time of maturity is the most significant factor, with 47.50% of respondents prioritizing it. Tax advantages are also important, cited by 25.40% of respondents. Investing simplicity and previous results are less prominent considerations, with 14.80% and 12.30% of respondents mentioning them, respectively. Overall, the data suggests that the maturity period and tax advantages heavily influence investment decisions, while simplicity and past performance play lesser roles.

If yes, please select the types of investments you currently have

S.no	Particulars	No of Responses	Percentage
1	Stocks	21	17.20%
2	Mutual funds	37	30.30%
3	Real estate	26	21.30%
4	Post office small saving schemes	25	20.50%
5	Other (please specify)	13	10.70%
	TOTAL	122	100

Source: Primary Data

The data illustrates respondents' investment preferences across various options. Mutual funds are the most favored choice, selected by 30.30% of respondents, followed closely by real estate (21.30%) and post office small saving schemes (20.50%). Stocks are chosen by 17.20% of respondents, while 10.70% indicated "Other" investment options. Overall, the data indicates a diverse range of investment preferences, with mutual funds being the most popular choice among respondents.

If yes, please select which post office small saving schemes you are aware of:

S.no	Particulars	No of Responses	Percentage
1	Public Provident Fund	37	30.30%
2	Senior Citizens Savings Scheme	34	27.90%
3	Monthly Income Scheme	31	25.40%
4	National Savings Certificate	12	9.80%
5	Kisan Vikas Patra	8	6.60%
	TOTAL	122	100

Source: Primary Data

The data indicates respondents' preferences for various savings schemes. The Public Provident Fund (PPF) is the most favored, with 30.30% of respondents selecting it. The Senior Citizens Savings Scheme and Monthly Income Scheme closely follow, with 27.90% and 25.40% of respondents, respectively, opting for these options. The National Savings Certificate and Kisan Vikas Patra are less popular, garnering 9.80% and 6.60% of responses, respectively. Overall, the data suggests a preference for long-term saving instruments like PPF and schemes offering regular income like the Monthly Income Scheme.

What factors influence your decision to invest in post office small saving schemes

S.no	Particulars	No of Responses	Percentage
1	High interest rates	25	20.50%
2	Safety of investment	42	34.40%
3	Tax benefits	33	27%
4	Maturity period	16	13.10%
5	Past performance	6	4.90%
	TOTAL	122	100

Source: Primary Data

The most prominent factor, cited by 34.40% of respondents, is the safety of the investment, indicating a strong emphasis on security. High interest rates follow closely behind, with 20.50% of respondents considering this factor significant in their decision-making process. Tax benefits and the maturity period are also important considerations, with 27% and 13.10% of respondents mentioning them, respectively. Past

performance ranks the lowest, with only 4.90% of respondents viewing it as a significant factor. Overall, the data highlights the importance of safety and returns, along with tax considerations, in investment decision-making.

On a scale of 1 to 5, how would you rate your perception of the safety of post office small saving schemes

S.no	Particulars	No of Responses	Percentage
1	1(Not at all safe)	18	14.80%
2	2	26	21.30%
3	3	43	35.20%
4	4	21	17.20%
5	5(Very safe)	14	11.50%
	TOTAL	122	100

Source: Primary Data

The data presents respondents' perceptions of the safety level of a specific entity, service, or product on a scale from 1 to 5, with 1 indicating "Not at all safe" and 5 indicating "Very safe." The majority (35.20%) rated it as a "3," signifying a neutral stance. Ratings of "2" and "4" suggest varying degrees of safety concerns or confidence, while fewer respondents expressed extreme views at either end of the spectrum with ratings of "1" and "5." Overall, the data indicates a mixed range of safety perceptions, emphasizing the importance of addressing any concerns to build trust and confidence among stakeholders.

If no or not sure, please select the reasons or concerns you have about post office small saving schemes compared to other options

S.no	Particulars	No of Responses	Percentage
1	Lower returns	19	15.60%
2	Lack of liquidity	39	32%
3	Higher risk	35	28.70%
4	Lack of flexibility	17	13.90%
5	Not familiar with post office schemes	12	9.80%
	TOTAL	122	100

Source: Primary Data

Lack of liquidity is the most cited reason (32%), followed by concerns about higher risk (28.70%). Other factors include lower returns (15.60%), lack of flexibility (13.90%), and limited familiarity with post office schemes (9.80%). Overall, the data indicates that individuals prioritize factors such as liquidity, risk, and familiarity when considering investment options, influencing their decisions regarding post office schemes.

How did you learn about post office small saving schemes

S.no	Particulars	No of Responses	Percentage
1	Advertisement	23	18.90%
2	Friends or family	30	24.60%
3	Financial advisors	38	31.10%
4	Post office representatives	20	16.40%
5	Online sources	11	9%
	TOTAL	122	100

Source: Primary Data

The majority (31.10%) rely on financial advisors, followed by friends or family (24.60%) and advertisements (18.90%). Post office representatives (16.40%) are also consulted, while online sources (9%) are the least utilized. This indicates a diverse range of channels through which individuals gather financial knowledge, highlighting the importance of tailored communication strategies across various platforms.

On a scale of 1 to 5, how well do you think the post office communicates information about their small saving schemes

S.no	Particulars	No of Responses	Percentage
1	1(Poor)	15	12.30%
2	2	25	20.50%
3	3	47	38.50%
4	4	21	17.20%
5	5(Excellent)	14	11.50%
	TOTAL	122	100

Source: Primary Data

The data represents respondents' ratings of a particular entity, service, or product on a scale from 1 to 5, where 1 is "Poor" and 5 is "Excellent". The majority of respondents (38.50%) rated it as a "3", indicating a neutral stance. Ratings of "2" and "4" suggest varying degrees of dissatisfaction or satisfaction, while "1" and "5" represent extreme ends of the spectrum, with fewer respondents expressing such views. Overall, the data suggests a mixed range of opinions, with room for improvement in certain areas.

What are your primary considerations when choosing an investment option

S.no	Particulars	No of Responses	Percentage
1	Low interest rates	18	14.80%
2	Lack of awareness	34	27.90%
3	Unclear terms and conditions	40	32.80%
4	Difficulty in accessing funds	19	15.60%
5	Concerns about the economic environment	11	9%
	TOTAL	122	100

Source: Primary Data

The data outlines barriers that deter individuals from engaging with certain financial products or services. Lack of awareness (27.90%) is the most prominent factor, followed by unclear terms and conditions (32.80%) and difficulty in accessing funds (15.60%). Low interest rates (14.80%) and concerns about the economic environment (9%) are also cited but to a lesser extent. Overall, the data emphasizes the importance of transparency, accessibility, and awareness in fostering financial engagement.

What are your primary considerations when choosing an investment option

S.no	Particulars	No of Responses	Percentage
1	Risk tolerance	19	15.60%
2	Liquidity	24	19.70%
3	Returns	50	41%
4	Tax implications	14	11.50%
5	Ease of management	15	12.30%
	TOTAL	122	100

Source: Primary Data

The data provides insights into respondents' considerations when making investment decisions. It shows that returns are the top priority for the majority (41%) followed by liquidity (19.70%). Risk tolerance, tax implications, and ease of management also play roles, but to a lesser extent. Overall, the data underscores the significance of returns and liquidity in shaping investment strategies.

In your opinion, how important is the social or community impact of an investment option, such as post-office small saving schemes, in influencing your decision to invest

S.no	Particulars	No of Responses	Percentage
1	Very Important	13	10.70%
2	Somewhat Importan	35	28.70%
3	Neutral	44	36.10%
4	Not Very Important	18	14.80%
5	Not Important at All	12	9.80%
	TOTAL	122	100

Source: Primary Data

The majority hold a neutral stance (36.10%), suggesting a significant segment remains undecided. Some consider the subject somewhat important (28.70%), while others lean towards seeing it as either very important (10.70%) or not very important (14.80%). A minority believes it to be unimportant at all (9.80%). Overall, the data showcases diverse opinions, highlighting the subject's varying degrees of significance among respondents.

RANK CORRELATION

FACTOR	RANK	1	2	3	4	5	TOTAL	RANK SCORE	RANK
		SCORE	SCORE	SCORE	SCORE	SCORE			
VERY LIKELY	NO. OF RESPONDENTS	57	12	21	13	19	122		
	SCORE	57	24	63	65	76	285	2.33	5
LIKELY	NO. OF RESPONDENTS	18	44	24	24	12	122		
	SCORE	18	88	72	120	48	346	2.83	4
NEUTRAL	NO. OF RESPONDENTS	21	21	49	19	12	122		
	SCORE	21	42	147	95	48	353	2.89	3
UNLIKELY	NO. OF RESPONDENTS	12	35	20	42	13	122		
	SCORE	12	70	60	168	52	362	2.96	2
VERY UNLIKELY	NO.OF RESPONDENTS	26	20	26	19	31	122		
	SCORE	26	40	78	76	155	375	3.07	1

Source: Primary Data

Respondents that, "Very Likely" ranks lower than other variables on average, as evidenced by its 2.33 average rank score. "Likely" got a rather low average rank score of 2.83. "Neutral" has an average rank score of 2.89. "Unlikely" received a 2nd higher average rank score of 2.96. " Very Unlikely" earned a highest average rank score of 3.07.

CHI-SQUARE

CHI SQUARE TEST RESULT	CHI SQUARE STATIC	DEGREE OF FREEDOM	SIGNIFICANCE LEVEL	CRITICAL CHI-SQUARE VALUE	CONCLUSION
VALUE	4.457	16	0.05	26.296	Not significant

Source: Primary Data

The chi-square test was performed to analyze categorical data, resulting in a chi-square statistic of 4.457 with 16 degrees of freedom. With a significance level set at 0.05, the critical chi-square value was found to be 26.296. Upon comparison, the chi-square statistic was notably lower than the critical value. Consequently, the test yielded a non-significant result. In practical terms, this indicates that there is insufficient evidence to reject the null hypothesis, suggesting that no significant difference exists between the observed and expected frequencies within the data.

Findings:

- Demographic Distribution:** The study revealed a predominance of younger participants, indicating a potential generational gap in engagement with savings schemes. Additionally, a majority of respondents were male, unmarried, and students, suggesting specific demographic groups that could be targeted for financial literacy programs.
- Income and Occupation:** The majority of respondents reported lower income levels and were students, indicating potential challenges in financial planning and investment for individuals with limited financial resources.
- Awareness and Perception:** Lack of awareness was identified as a significant issue among investors, impacting their decision-making regarding post office savings schemes. Despite this, the majority of respondents considered post office schemes as safe investment options, highlighting the need for targeted educational campaigns to bridge the awareness gap.
- Investment Preferences:** Mutual funds emerged as the most favored investment option among respondents, followed by real estate and post office small saving schemes. Factors such as safety of investment, time of maturity, and tax advantages were crucial considerations influencing investment decisions.
- Barriers to Investment:** Concerns such as lack of liquidity, higher risk, and unclear terms and conditions were identified as primary barriers to investing in post office schemes compared to other options. Addressing these concerns could help increase investor confidence and participation.

SUGGESTIONS:

Boost marketing efforts to advertise post office savings plans via a range of platforms, such as print, digital, and community engagement initiatives. Increase post office branch accessibility by adding more locations in outlying areas and increasing hours to better serve working people. Provide clear and concise informational materials that outline the advantages and qualifying requirements of the various savings plans that post offices provide. Use digital channels like social media, smartphone applications, and websites to spread the word about post office savings plans and make online transactions easier. Work together with banks and other financial organisations to make it easier for consumers to transfer money between accounts and to learn about the advantages of post office savings plans

CONCLUSION:

Positive and negative elements are revealed by the study on investors' awareness of post office savings schemes. While some investors appear to have a solid grasp of these techniques, many others are ignorant of them. This awareness gap is caused by a number of factors, including insufficient information diffusion, restricted accessibility, and a lack of marketing activities. However, by using digital channels to reach a larger audience and launching focused awareness efforts, there is room for progress. Positive and negative elements are revealed by the study on investors' awareness of post office savings schemes. While some investors appear to have a solid grasp of these techniques, many others are ignorant of them. This awareness gap is caused by a number of factors, including insufficient information diffusion, restricted accessibility, and a lack of marketing activities. Nonetheless, there's a chance for development with focused awareness.

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