

A Study on Investors Attitude Towards Post Office Savings Schemes in Coimbatore

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INTRODUCTION

Various investment opportunities are available for an individual to his savings and he can choose the appropriate investment schemes, which suit his needs. There are different types of opportunities provided by many financial institutions like commercial banks, co-operative banks, post office savings banks, life insurance corporation public limited company. Of all the above mentioned institutions, Post Office Savings Bank play vital role. It provides numerous benefits to the investors.

The post office savings bank is the oldest and by far the largest banking system in the country serving the investment to urban and rural clients. These services are offered as an agency service for the ministry of finance, government of India. It provides various schemes framed by central government. Post office saving bank is the largest savings institutions in the country. With a view to mobilizing savings of people with relatively small income and circulating in them a spirit of thrift and savings, the Central Government has endeavored to make the National Savings Movement popular by offering high returns than those given by scheduled banks. There are a number of attractive schemes, well designed to meet the individual requirements of different investors.

FEATURES OF POST OFFICE:

- **Easy to invest:** The saving schemes are easy to enroll in and are best suited for the rural and as well as the urban investor, anyone who wants to hedge the risk in the Portfolio for a fixed decent return. Their simplicity and availability makes these a much preferred savings option.
- **Simple procedure to enroll :** Limited documentation and proper procedures in post office ensures that these saving schemes are simple to opt for and safe to be locked onto as they are also backed by the government.
- **Investments for long-term:** The investments in the Post Office Schemes are more forward-looking and long-term oriented with the investment period extending upto 15 years for a PPF account. This acts as a huge help in retirement and pension planning.

PROFILE OF POST OFFICE

| | |
|----------------------------|---|
| Native Name | India post भारतीय डाक |
| Type | Department under Ministry of Communications of Government of India |
| Industry | Postal services , courier |
| Founded | 1 April 1764; 254 years ago |
| Headquarters | Dak Bhawan, Sansad Marg , New Delhi – 110001 |
| Number of locations | 155,015 |
| Key people | Ananta Narayan Nanda, IPoS , Secretary, Department of Posts & Chairperson, Postal Services Board Director General, Postal Services |
| Services | Letter post , parcel service , EMS , delivery , freight forwarding, third-party logistics , deposit account |
| Revenue | ▲ ₹129.39 billion(US\$1.8 billion) (2016) |
| Net income | ▼ ₹-60.07 billion(US\$-840 million) (2016) |
| Number of employees | 448,840 (As of 31 March 2016) [1] |
| Website | www.indiapost.gov.in |

Types of Post Office Savings Schemes:

Several Schemes are offer to serve various investment requirements of the people in rural and in urban

- **Post office Savings Account :**

The post office savings account is a deposit scheme provided by the post office departments throughout India, which provides a fixed interest rate. It is a beneficial scheme for individual investors who wish to earn a fixed rate of interest by investing a significant portion of their financial assets.

- **5 year post office Recurring Deposit account (RD):**

The India Post Recurring Deposit Account is an ideal investment option for first time investors or young professionals as it does not require customers to invest large sums of money towards instalments but does earn you handsome interest at the end of the maturity period.

- **Post office Time Deposit account(TD):**

The post office fixed deposit (POFD), also known as ‘post office time deposit’ is a convenient alternative to the fixed deposits provided by banks. Through this fixed deposit scheme that is offered by the Indian Postal Services, an individual can earn a guaranteed return on the money deposited for a fixed period of time. Additionally, the individual also earns an interest with the return during the maturity period.

- **Post office monthly income schemes account (MIS):**

Post office offers POMIS among a host of banking products and services, under the purview of the Finance Ministry. Hence, it is highly reliable. It is a low-risk MIS and generates a steady income

- **Senior Citizen Savings Schemes Account (SCSS):**

The Senior Citizen Savings Schemes (SCSS) is primarily for the senior citizen of India. The schemes offer a regular stream of income with the highest of safety and tax saving benefits. It is an apt choice of investment for those over 60 years of age Investing in SCSS is a good opportunity for senior citizens above 60 years to make money.

REVIEW OF LITERATURE

Vembu .N.R.(2018) et.al, enquire in their study “Rural investors attitude towards post office savings schemes Kodavasaliyaluk”, the main objective was to examine the motivational factors encouraging investors to prefer post office savings schemes. Singh P.K (2018), found in her study, A Study on Service Quality in post office savings schemes, the main objectives was To Identify the various by post office saving schemes, This study was based on primary data. Sukharnjan (2018) et.al Study A Study on Post office savings of middle class people of west Tripura district , the main objective was to find out the To examine the Post office saving pattern of the individual household in west Tripura district , To collect the data they have used both primary and secondary data ,percentage were used to analyse the data, it was found that there is a number of earning members in the family is an important aspect of Post office saving scheme. Sivasakthi. D and Gandhimadhi.S(2016), Found in their study “A study on investors attitude towards post office savings schemes in Chinnaimpalayam”, In this study, the main objective was to find out the different factor considered by customers in selection of the schemes. Gulammohande .S (2016) et.al Study A Study on investment behavior in Post office saving scheme with reference Tiruchirappalli District ,the main objective

was to find out the To highlight the various Post office saving scheme available to investors, To collect the data they have used both primary and secondary data, Percentage were used to analyse the data, More awareness must be created among the people above the scheme introduced.

OBJECTIVES FOR THE STUDY

The basic objectives of the study are

- To know awareness level of the various post office schemes available for the investors.
- To find out the investors attitude towards post office savings schemes.
- To study the motivational factors which encourage investors to prefer post office savings schemes.

LIMITATIONS OF THE STUDY

- The following are the limitations of the present study:
- 1. This study is confined to a particular selected region, that is, Coimbatore District and hence conclusions are drawn with due care when an attempt is made to generalize the results.
- 2. The study covers a sample size of 150 respondents due to limitation of timing. The findings cannot be generalized.
- 3. As this study is concerned with financial matters, investors' reluctance to disclose information on some items in the questionnaire had to be encountered. Many of the responded schedules could not be considered because the respondents were not willing to disclose the amount of investments in various schemes. Hence schedules were drafted in such a way as to elicit qualitative information. Through such data their perception and attitude towards postal investment were measured.

HYPOTHESIS OF THE STUDY

- Ho: There is no Association between age, and investor's attitude towards post office savings schemes.

H1: There is Association between age, and investor's attitude towards post office savings schemes.

RESEARCH METHODOLOGY

Research methodology is a systematic way to solve the research problem. In research, various steps are generally adopted by a researcher in studying the research problem along with the logic behind them. In order to achieve the objective of the study and to analyse the factors considered, an appropriate methodology is developed. The study is undertaken to know the "A study on investors attitude towards post office savings scheme account". A Non probability sampling procedure namely convenient sampling method was used to select 150 respondents for the study. The required primary data for present study was collected through a questionnaire. Simple percentage were calculated to find the Post office savings scheme. To find out the motivational factor on post office schemes, garrets ranking technique was used. As per this respondent have been asked to rank their difficulties faced by them.

DATA ANALYSIS AND INTERPRETATION

TABLE:1 SOCIO ECONOMIC PROFILE OF THE RESPONDENTS

| VARIABLES | | NO.OF RESPONDENTS (150) | | |
|---------------------------|----------------------|-------------------------|------------|-----------------------|
| | | Number of respondents | percentage | Cumulative percentage |
| Age in years | 18-20 | 32 | 21.3 | 21.3 |
| | 20-35 | 66 | 44.0 | 65.3 |
| | 35-50 | 35 | 23.3 | 88.7 |
| | 50&above | 17 | 11.3 | 100.0 |
| Gender | Male | 78 | 52.0 | 52.0 |
| | Female | 72 | 48.0 | 100.0 |
| Educational Qualification | 10 th std | 18 | 12.0 | 12.0 |
| | 12 th std | 45 | 30.0 | 42.0 |
| | Degree holder | 67 | 44.7 | 86.7 |
| | Pg | 20 | 13.3 | 100.0 |
| Occupation | Business | 30 | 20.0 | 20.0 |
| | Employment | 67 | 44.7 | 64.7 |
| | Agriculture | 24 | 16.0 | 80.7 |
| | Profession | 29 | 19.3 | 100.0 |
| Monthly income | 10000-15000 | 46 | 30.7 | 30.7 |
| | 15000-25000 | 7 | 4.7 | 35.3 |
| | 25000-50000 | 77 | 51.3 | 86.7 |
| | 50000&above | 20 | 13.3 | 100.0 |
| Martial status | Married | 73 | 48.7 | 48.7 |
| | Unmarried | 77 | 51.3 | 100.0 |
| Type of family | Nuclear | 83 | 55.3 | 55.3 |

| | | | | |
|--|-------|----|------|-------|
| | Joint | 67 | 44.7 | 100.0 |
|--|-------|----|------|-------|

Source: primary data

Interpretation

Table 1 reveals the socio-economic profile of the respondents. 44 percentage of the respondents are in the age group of 20-35 and 23 percentage of the respondents are in the age group of 35-50 and 21.3 percentage of the respondents are in the age group of 18-20 and 11.3 percentage of the respondents are in the age group of 50 and above. 52 percentage of the respondents are male and 48 percentage of the respondents are female. 44.7 percentage of the respondents are degree holders and 30 percentage of the respondents are 12th standard and 13.3 percentage of the respondents are pg and 12 percentage of the respondents are 10th standard. 44.7 percentage of the respondents are employed and 20 percentage of the respondents are business and 19.3 percentage of the respondents are profession and 16 percentage of the respondents are agriculture. 51.3 percentage of the respondents are belonged to 25000-50000 and 30.7 percentage of the respondents are belong to 10000-15000 and 13.3 percentage of the respondents are belong to 50000& above and 4.7 percentage of the respondent are belonged to 15000-25000. 51.3 percentage of the respondents are unmarried and 48.7 percentage of the respondents are married. 55.3 percentage of the respondents are from nuclear family and 44.7 percentage of the respondents are from joint family.

EXHIBIT-I

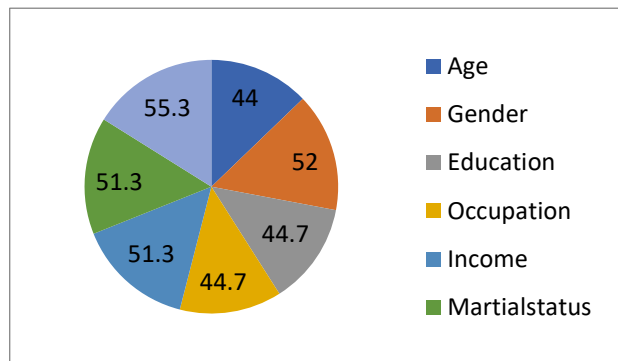


TABLE:2 RESPONDENTS AWARENESS LEVEL OF THE INVESTORS ABOUT VARIOUS SCHEMES OF POST OFFICE

| Variables | Number of respondents | Percentage | Cumulative frequency |
|--|-----------------------|------------|----------------------|
| Post office savings account | 24 | 16 | 16 |
| Recurring deposit account (RD) | 17 | 11.3 | 27.3 |
| Time deposit account (TD) | 10 | 6.6 | 33.9 |
| Monthly income schemes (MIS) | 12 | 8 | 41.9 |
| Senior citizen savings schemes account(SCSS) | 17 | 11.3 | 53.2 |

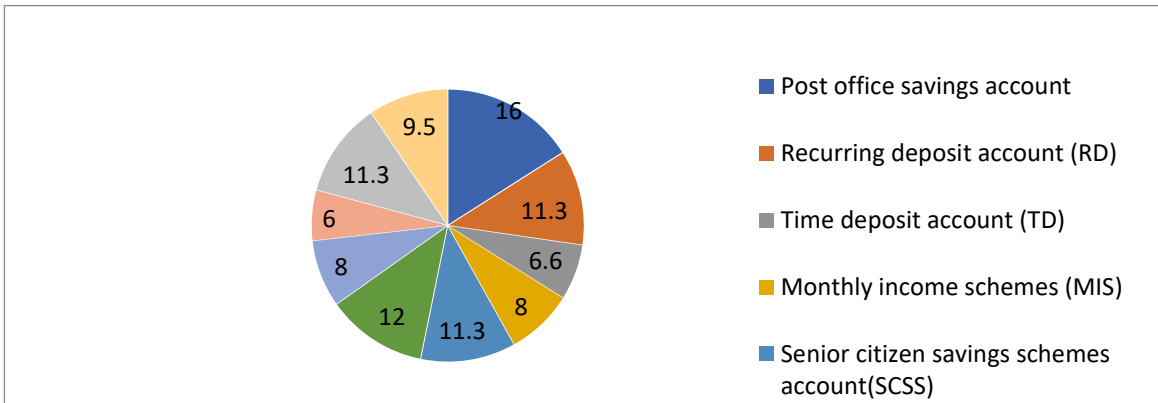
| | | | |
|--------------------------------|----|------|-------|
| Public provident fund (PPF) | 18 | 12 | 65.2 |
| National savings schemes (NSS) | 12 | 8 | 73.2 |
| Kisan Vikas Patra (KVP) | 9 | 6 | 79.2 |
| Sukanya Samridhhi account | 17 | 11.3 | 90.5 |
| Ponmagan Podhuvaippu Nidhi | 14 | 9.5 | 100.0 |

Source: primary data

Interpretation:

Table 7 reveals the Awareness level of the investors about various schemes of post office. 16 percentage of the respondents are invest in post office savings account and 12 percentage of the respondents are invest in public provident fund account and 11.3 percentage of the respondents are invest in recurring deposit account, senior citizen savings scheme account, Sukanya Samridhhi account and 9.5 percentage of the respondents are invest in Ponmagan Podhuvaippu Nidhi account and 8 percentage of the respondents are invest in monthly income scheme account, National savings scheme and 6.6 percentage of the respondents are invest in time deposit account and 6 percentage of the respondents are invest in Kisan Vikas Patra.

Exhibit-II



Awareness level of the investors about various schemes of post office

TABLE: 3 MOTIVATIONAL FACTORS OF THE RESPONDENTS

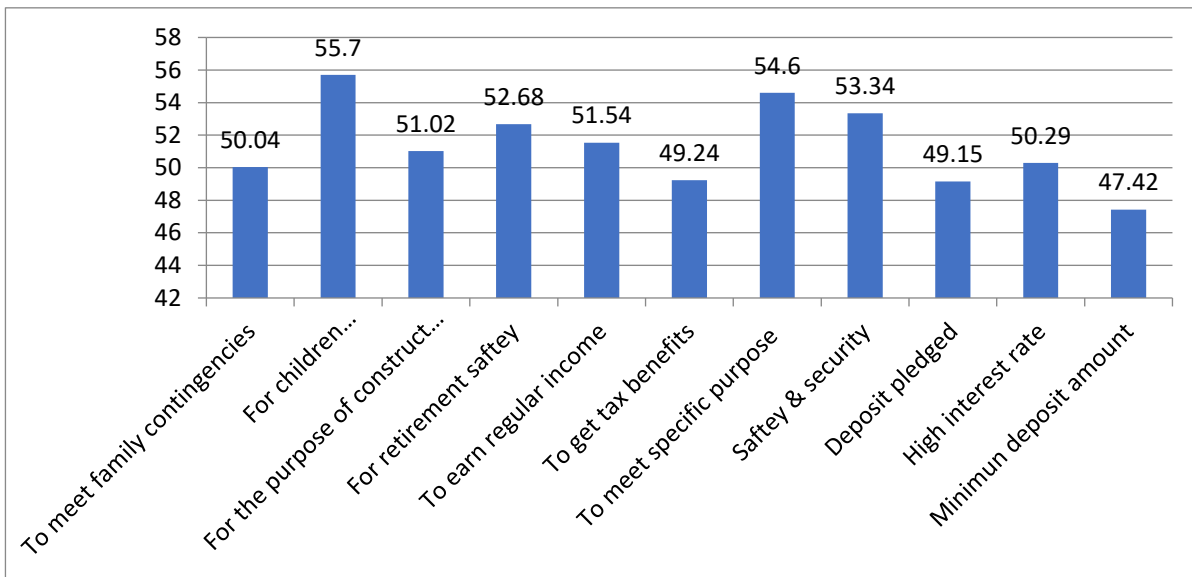
| Factors | Total score | Mean score | Rank |
|--------------------------------------|-------------|------------|------|
| To meet family contingencies | 7507 | 50.04 | 8 |
| For children education/ marriage | 6855 | 55.7 | 1 |
| For the purpose of construct a house | 7653 | 51.02 | 6 |
| For retirement safety | 7802 | 52.68 | 4 |
| To earn regular income | 7731 | 51.54 | 5 |
| To get tax benefits | 7386 | 49.24 | 9 |
| To meet specific purpose | 8170 | 54.6 | 2 |
| Safety & Security | 8001 | 53.34 | 3 |
| Deposit pledged | 7373 | 49.15 | 10 |
| High interest rate | 7544 | 50.29 | 7 |
| Minimum deposit amount | 7113 | 47.42 | 11 |

Source: primary data

Interpretation:

Table 8 reveals that Motivational factor which are encourage you to invest in post office savings scheme analysed using Garrett's ranking table 9 reveals that the for the children education/marriage occupies first rank 55.7. To meet specific purpose occupies second rank 54.6. safety & security is third rank 53.34. For retirement safety is fourth rank 52.68. to earn regular income is fifth rank for the purpose of construct a house is sixth rank 51.02. To meet family contingencies is seventh rank 50.29. high interest rate is eighth rank 50.04.to get tax benefit is ninth rank 49.24. Deposit pledged is tenth rank 49.15 minimum deposit amount is eleventh rank 47.42

Exhibit-III



Motivational factors of the respondents

TESTING OF HYPOTHESIS

The hypothesis framed in the present study is tested by using suitable statistics tools and techniques

Chi-square test have been used to know the association between socio economic profile and investors attitude and level of satisfaction about the benefits of the post office saving schemes

TABLE:4 AGE AND INVESTORS ATTITUDE TOWARDS POST OFFICE SAVINGS SCHEMES

| Particulars | Calculated value | Table value | Degree of freedom | Decision |
|---|------------------|-------------|-------------------|-------------|
| Secure and comfortable life | 10.252 | 21.03 | 12 | Ho Accepted |
| Guaranteed return | 7.077 | 21.03 | 12 | Ho Accepted |
| Awareness among public | 13.913 | 21.03 | 12 | Ho Accepted |
| Accessibility and affordability | 32.454 | 21.03 | 12 | Ho Rejected |
| Availing tax benefits | 8.120 | 21.03 | 12 | Ho Accepted |
| Offer subsidiary service like bank | 17.492 | 21.03 | 12 | Ho Accepted |
| Create awareness about savings among children | 17.756 | 21.03 | 12 | Ho Accepted |

| | | | | |
|---|--------|-------|----|-------------|
| Rate of interest is low | 7.232 | 21.03 | 12 | Ho Accepted |
| Safest form of savings | 8.828 | 21.03 | 12 | Ho Accepted |
| Token to a better future | 23.220 | 21.03 | 12 | Ho Rejected |
| Offer subsidiary service like bank | 5.771 | 21.03 | 12 | Ho Accepted |
| Post office scheme serving the rural people | 7.007 | 21.03 | 12 | Ho Accepted |
| Offer medical policies also | 14.883 | 21.03 | 12 | Ho Accepted |
| Computerized to offer better services | 6.489 | 21.03 | 12 | Ho Accepted |

Source: Primary data

There is a Association between Accessibility and affordability, Token to a better future.

There is no Association between secure and comfortable life, guaranteed return, awareness among public, availing tax benefits, offer subsidiary service like bank, create awareness about savings among children, rate of interest, safest form of savings, offer subsidiary service like bank, Post office scheme serving the rural people, Offer medical policies also, Computerized to offer better services.

SUMMARY OF FINDINGS

Socio economic profile of the respondents

44 percentage of the respondents are in the age group of 20-35 and 23 percentage of the respondents are in the age group of 35-50 and 21.3 percentage of the respondents are in the age group of 18-20 and 11.3 percentage of the respondents are in the age group of 50 and above.

52 percentage of the respondents are male and 48 percentage of the respondents are female.

44.7 percentage of the respondents are degree holders and 30 percentage of the respondents are 12th standard and 13.3 percentage of the respondents are pg and 12 percentage of the respondents are 10th standard.

44.7 percentage of the respondents are employed and 20 percentage of the respondents are business and 19.3 percentage of the respondents are profession and 16 percentage of the respondents are agriculture.

51.3 percentage of the respondents are belong to 25000-50000 and 30.7 percentage of the respondents are belong to 10000-15000 and 13.3 percentage of the respondents are belong to 50000& above and 4.7 percentage of the respondent are belong to 15000-25000.

51.3 percentage of the respondents are unmarried and 48.7 percentage of the respondents are married.

55.3 percentage of the respondents are from nuclear family and 44.7 percentage of the respondents are from joint family.

Respondents Awareness level of the investors about various schemes of post office

16 percentage of the respondents are invest in post office savings account and 12 percentage of the respondents are invest in public provident fund account and 11.3 percentage of the respondents are invest in recurring deposit account, senior citizen savings scheme account, Sukanya Samriddhi account and 9.5 percentage of the respondents are invest in Ponmagan Podhuvaippu Nidhi account and 8 percentage of the respondents are invest in monthly income scheme account, National savings scheme and 6.6 percentage of the respondents are invest in time deposit account and 6 percentage of the respondents are invest in Kisan Vikas Patra.

Motivational factor of the respondents

The rank of respondents were analysed using Garrett's ranking method and results are presented.

children education/marriage occupies first rank 55.7 .To meet specific purpose occupies second rank 54.6. safety & security is third rank 53.34. For retirement safety is fourth rank 52.68. to earn regular income is fifth rank for the purpose of construct a house is sixth rank 51.02. To meet family contingencies is seventh rank 50.29. high interest rate is eighth rank 50.04.to get tax benefit is ninth rank 49.24. Deposit pledged is tenth rank 49.15 minimum deposit amount is eleventh rank 47.42.

Age and attitude of investors towards post office schemes

There is a Association between Accessibility and affordability, Token to a better future

There is no Association between secure and comfortable life, guaranteed return, awareness among public, availing tax benefits, offer subsidiary service like bank, create awareness about savings among children, rate of interest, safest form of savings, offer subsidiary service like bank, Post office scheme serving the rural people, Offer medical policies also, Computerized to offer better services.

SUGGESTIONS

- ❖ In this study know about various post office schemes and awareness level of investors attitude.
- The rate of interest offered by the post office should be increase.
- Tax benefits are attached only to few schemes in post office but also can be extended to many schemes.
- Lack of advertisement in postal service's the government has to take necessary steps to adopt advertisement strategy in wider range.
- Most of the respondents are not aware about the various schemes provided by the post office, so post office department take necessary steps to give more awareness to public about the schemes through awareness campaigns and advertisement.
- 24*7 hours post office ATM services may implement for instant cash requirement of the post office account holders.

CONCLUSION

In this study we have made an attempt to study on 'Investors attitude towards on post office savings scheme's. To study about various post office schemes and awareness level of investor's attitude. In this study we analysed the data on Percentage, Garret ranking, Chi-square. In this study find that majority of the depositor's attitude towards post office savings schemes. Thus post office is the operating agency in investors have great faith and positive attitude towards post office schemes. In post office Majority of the respondents are benefited and their level of satisfaction is better than other investment. Majority of the respondent's opinion regarding post office is tax benefit, various scheme, facilities and interest rate that are available in the post office. In future post office facilitating many schemes and providing better services and more benefits to investors.

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