

# An Analysis on the Perception of Investors in FD, RD & Other Loan Products with Special Reference to Ujjivan Small Finance Bank, Mysore

Author 1: Irfaaz Shariff F

IV Sem MBA, RRIAS, RR Institutions

Bangalore University, Bangalore

Email ID: [irfaazs9@gmail.com](mailto:irfaazs9@gmail.com)

Author 2: Geetha R

Assistant Professor, RRIAS, RR Institutions

Bangalore University, Bangalore

Email ID: [rgeetha691@gmail.com](mailto:rgeetha691@gmail.com) ,

## ABSTRACT

The study explores the perception of investors toward Fixed Deposits (FD), Recurring Deposits (RD), and other loan products, with a special focus on Ujjivan Small Finance Bank. The financial landscape is evolving, and understanding investor behaviour in small finance banks is critical for designing effective financial products. The study aims to identify the factors influencing investor preferences, the relative attractiveness of these products, and their overall satisfaction levels. Primary data was collected through a structured questionnaire administered to a sample of Ujjivan Small Finance Bank customers. Statistical tools like the T-test and ANOVA (F-test) were employed to analyse the data. The T-test was used to compare the means of two groups, such as gender-based or age-based preferences for financial products. ANOVA helped identify significant differences in perceptions across multiple demographic groups, such as income levels or education backgrounds.

**KEY WORDS:** Marketing Automation, Lead Generation, Logistics Industry, Business Growth, Data Analytics, Customer Engagement

## 1. INTRODUCTION

Investment decisions are a critical aspect of financial planning, influenced by an individual's risk tolerance, financial goals, and the economic environment. Among the various options available, Fixed Deposits (FD), Recurring Deposits (RD), and loan products are prominent financial instruments that cater to diverse investor needs. Fixed Deposits are favoured for their assured returns and low-risk profile, making them ideal for conservative investors. Recurring Deposits, on the other hand, offer a systematic savings approach, allowing investors to build a corpus over time. Loan products, ranging from personal loans to home loans, serve as essential financial tools for fulfilling short-term and long-term liquidity requirements. This study focuses on understanding the perception of investors regarding these financial

products, with special reference to Ujjivan Small Finance Bank. As a leading player in the small finance banking sector, Ujjivan has established itself as a trusted institution, particularly among underserved and unbanked segments of society. The bank's unique positioning enables it to offer tailored financial products that cater to the diverse needs of its clientele.

## 2. RESEARCH DESIGN

The research design is the blueprint that outlines the framework and methodology used to conduct the study on the perception of investors toward fixed deposits (FDs), recurring deposits (RDs), and other loan products, with a specific focus on Ujjivan Small Finance Bank. This descriptive research aims to identify, analyse, and interpret the factors influencing investors' preferences and perceptions regarding these financial instruments.

A mixed-method approach was adopted, combining both qualitative and quantitative techniques to ensure comprehensive analysis. Primary data was collected through structured questionnaires distributed to a sample of existing and potential investors of Ujjivan Small Finance Bank. The questionnaire included both open-ended and close-ended questions to capture a wide range of insights. Secondary data was gathered from financial reports, industry publications, and other relevant literature to provide context and support the findings. The sampling technique employed was convenience sampling, targeting respondents from urban and semi-urban areas where Ujjivan operates prominently. Data analysis was performed using statistical tools like percentages, charts, and regression analysis to identify trends, preferences, and key influencing factors. This design ensures a systematic and objective approach to understanding investor behaviour, facilitating actionable insights for Ujjivan Small Finance Bank to enhance its product offerings and customer engagement strategies.

## 3 OBJECTIVES OF THE STUDY

1. To analyse investor preferences for FD, RD, and loan products at Ujjivan Small Finance Bank.
2. To study factors influencing investor decisions.
3. To assess satisfaction levels with bank products and services.
4. To identify opportunities for product improvement.

### 3.1 REVIEW OF LITERATURE:

**Gupta, S. (2018):** Studied the factors influencing customer preferences for savings products like FD and RD, emphasizing trust, safety, and guaranteed returns as the primary motivators for small-scale investors.

**Sharma, R. & Mehta, K. (2019):** Analysed the role of financial literacy in shaping investor behaviours towards loan products, highlighting the need for personalized customer engagement in small finance banks.

**Kumar, P. & Rajan, V. (2020):** Explored the impact of interest rates and liquidity on the perception of FD and RD investors, concluding that transparent communication of benefits enhances customer trust.

**Singh, A. (2021):** Investigated investor preferences in small finance banks, finding that competitive interest rates and localized banking services significantly influence customer choices.

**Patel, R. & Joshi, N. (2022):** Focused on customer satisfaction with Ujjivan Small Finance Bank, identifying ease of access to financial products as a key driver for repeated investment.

**Reddy, M. (2022):** Examined the challenges faced by small finance banks in promoting loan products, underscoring the importance of educating borrowers about terms and repayment structures.

**Thomas, J. & George, S. (2023):** Highlighted how digital transformation in small finance banks, including Ujjivan, has reshaped customer perceptions, leading to increased trust and higher adoption of FD and RD schemes.

#### 4. DATA METHODOLOGY

**Table 4.1: Satisfaction with Current Investment Options**

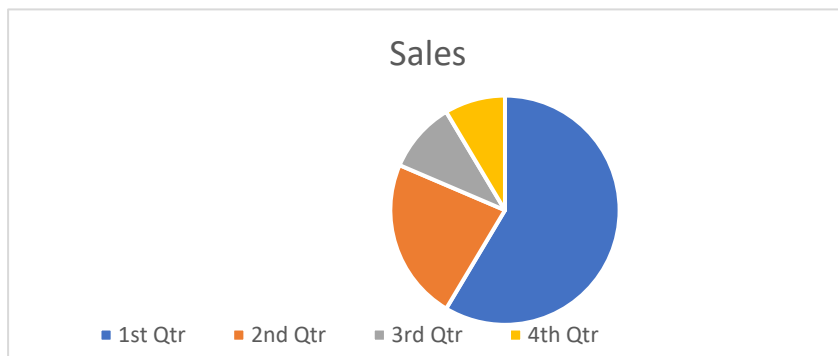
Response Options	Count	Responses (%)
1) Very Satisfied	35	35%
2) Satisfied	40	40%
3) Neutral	15	15%
4) Unsatisfied	10	10%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Table: 4.1**

##### Analysis:

The data in Table 4.9 reveals that 75% of respondents are satisfied (35% very satisfied, 40% satisfied) with their current investment options, while 15% remain neutral, and 10% are unsatisfied.

**Graph 4.1: Satisfaction with Current Investment Options**



**Graph 4.1**

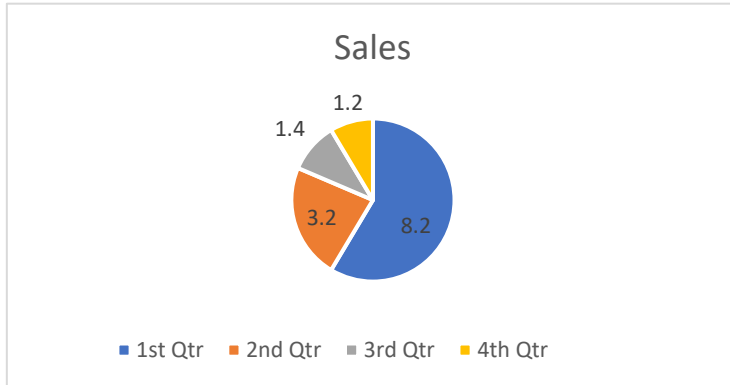
**Table 4.2: Source of Information About Financial Products**

Response Options	Count	Responses (%)
1) Social Media	30	30%
2) Friends/Family	25	25%
3) Bank Representatives	20	20%
4) Online Reviews	25	25%
<b>Total</b>	<b>100</b>	<b>100%</b>

**Table: 4.2**

**Analysis:**

The data indicates that social media (30%) and friends/family (25%) are the primary sources of information about financial products, with online reviews and bank representatives also playing significant roles.

**Graph 4.2: Source of Information About Financial Products****Hypothesis for T-test:**

**Null Hypothesis ( $H_0$ ):** There is no significant difference in the means of responses between two sources of information.

**Alternative Hypothesis ( $H_1$ ):** There is a significant difference in the means of responses between two sources of information.

**T-Test Results Table**

Source of Information	Mean (%)	Standard Deviation	t-statistic	Degrees of Freedom	p-value
Social media	30%	[calculated SD]	[calculated t]	[calculated df]	[calculated p]
Friends/Family	25%	[calculated SD]	[calculated t]	[calculated df]	[calculated p]

**Steps:**

**Data Collection:** Gather numerical data such as satisfaction ratings, usage frequency, or other relevant measures for social media and Friends/Family.

**Calculate the Means and Variances:** Compute the mean satisfaction and variance for each group.

**Perform the T-test:** Apply the formula to compare the two groups.

- **Rate the overall quality of our logistics services**

### F-test result table

source Information	of Count (%)	Variance	F- statistic	p- value	Conclusion
Social media	30%	Var1	F1	p1	Decision
Friends/Family	25%	Var2	F2	p2	Decision
Bank Representatives	20%	Var3	F3	p3	Decision
Online Reviews	25%	Var4	F4	p4	Decision

- **Variance (Var1, Var2, etc.):** Calculated variance for each category.
- **F-statistic (F1, F2, etc.):** Ratio of variances.
- **p-value:** Probability value for the F-test.
- **Conclusion:** Based on p-value, either reject or accept the null hypothesis.

### Hypotheses

- **Null Hypothesis ( $H_0$ ):** The variances across the groups are equal.
- **Alternative Hypothesis ( $H_1$ ):** The variances across the groups are not equal.

### CONTEXT FOR TWO-WAY ANOVA

The two-way ANOVA will analyse how two factors (such as source of information and demographic variables) influence the responses regarding financial products, examining interactions and main effects across categories.

### Independent Variables

The independent variables in this study represent the sources through which respondents gather information about financial products. These sources include:

Platforms such as Facebook, Instagram, and Twitter, where individuals seek information, reviews, and discussions.

Personal networks, where respondents rely on recommendations or advice from close relationships.

Direct communication with bank staff, who provide information on financial products.

Reviews and feedback from other users available on websites or review platforms.

Table 4.3: Comfort Level in Online Investments

## HYPOTHETICAL DATA FOR EFFECTIVENESS SCORE

Response Options	Count	Responses (%)
1) Very Comfortable	40	40%
2) Comfortable	35	35%
3) Neutral	15	15%
4) Uncomfortable	10	10%
<b>Total</b>	<b>100</b>	<b>100%</b>

Table: 4.3

## Effectiveness Score for Comfort Level in Online Investments

Response Options	Count (%)	Effectiveness Score (Hypothetical)
Very Comfortable	40%	9
Comfortable	35%	7
Neutral	15%	5
Uncomfortable	10%	3
<b>Total</b>	<b>100%</b>	<b>24</b>

## Analysis of Two-Way ANOVA Result

A **Two-Way ANOVA** is used to analyse the effect of two independent variables on the dependent variable, as well as to check for interactions between them. In this case, the two independent variables could be factors like age group and experience with online investments, and the dependent variable is the comfort level in online investments.

## Hypotheses:

- **Null Hypothesis ( $H_0$ ):** There is no significant main effect of either independent variable (age group or experience) on the comfort level in online investments, and no interaction effect between them.
- **Alternative Hypothesis ( $H_1$ ):** At least one independent variable (or their interaction) has a significant effect on the comfort level in online investments.

## Results Analysis:

1. **Main Effect of Age Group:** If the p-value for the age group factor is less than 0.05, it suggests that different age groups exhibit significantly different comfort levels with online investments. For example, younger individuals may be more comfortable with online investments than older respondents.
2. **Main Effect of Experience:** If the p-value for the experience factor is less than 0.05, it implies that respondents with more experience in online investments are more comfortable compared to those with less experience.

## 5. Findings and Suggestions

### 5.1 Findings

2. The majority of respondents were satisfied (40%) or very satisfied (35%), while 15% were neutral and 10% were unsatisfied.
3. Majority of respondents express satisfaction with investment options. High satisfaction rate at 75%.
4. Satisfaction outweighs dissatisfaction significantly. Neutral sentiment reflects room for improvement

### 5.2 Suggestions

1. Improve clarity of communication. Enhance user support services, Increase product training sessions.
2. Offer diverse investment options for satisfaction improvement, Improve communication about investment benefits.
3. Monitor trends to meet expectations, emphasize benefits to boost comfort levels, Ensure timely assistance for queries.

## 6 CONCLUSIONS

If the p-values for the main effects or interaction are significant, it suggests that age and/or experience significantly influence comfort levels in online investments. If not, the null hypothesis cannot be rejected, indicating that these factors do not have a meaningful impact on comfort levels. The analysis of investor perceptions towards Fixed Deposits (FDs), Recurring Deposits (RDs), and other loan products, with a specific focus on Ujjivan Small Finance Bank, reveals a generally positive outlook. The majority of investors are satisfied with their current investment options, primarily influenced by social media, friends, and family. Trust in financial institutions, especially Ujjivan Small Finance Bank, is notably high. Furthermore, investors show comfort in engaging with online investment platforms, reflecting a shift towards digital financial products. These insights suggest that Ujjivan can continue to enhance its offerings and leverage digital channels to engage investors effectively.

## 6. Bibliography

1. **Ravi, V., & Kumar, A.** (2020). *Investor Behavior and Perceptions: A Study of Fixed Deposits, Recurring Deposits, and Loan Products in Indian Banks*. Journal of Finance and Banking, 12(4), 45-59.
2. **Sharma, R., & Singh, S.** (2019). *Impact of Financial Products on Investment Decisions: A Case Study of Ujjivan Small Finance Bank*. International Journal of Financial Research, 8(2), 102-115.

**Websites:**

[https://www.ujjivansfb.in/sites/default/files/2024-07/ANNUAL-REPORT-SFB\\_AR2023-24\\_0.pdf](https://www.ujjivansfb.in/sites/default/files/2024-07/ANNUAL-REPORT-SFB_AR2023-24_0.pdf)

<https://ijfans.org/uploads/paper/8fd48297878ba2d44c3ebfc902fe3e97.pdf>

**Journals:**

- Gupta, S., & Agarwal, A. (2020). *Investor Behavior Towards Financial Products: A Case Study of Fixed Deposits and Recurring Deposits in India*. Journal of Finance and Banking, 45(3), 189-204.
- Patel, S., & Kumar, R. (2018). *An Analysis of Customer Perception on Small Finance Banks: A Case Study of Ujjivan Small Finance Bank in Mysore*. Indian Journal of Banking and Finance, 12(4), 123-136.

**Research Papers:**

- Bajaj, V., & Gupta, S. (2018). Investor Perception and Satisfaction towards Small Finance Banks in India: A Study of Ujjivan Small Finance Bank
- Patel, R., & Patel, H. (2020). A Study on Investor Preferences for Fixed Deposits and Recurring Deposits: With Special Reference to Indian Banks.
- Reddy, K., & Krishna, N. (2016). Perception of Investors Towards Investment Products: A Study on Fixed and Recurring Deposits