

## An Analysis on Investor Perspectives on Post Office Financial Schemes with special reference to Coimbatore District

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### Abstract

*Post office savings schemes have been a vital component of India's financial ecosystem for over a century. However, despite their potential, these schemes face significant challenges, including lack of awareness, low interest rates, outdated technology, and declining investor satisfaction. This study aims to explore the current state of post office schemes and investor perception, highlighting the challenges and opportunities facing this vital component of India's financial landscape. The study reveals that outdated technology, lack of awareness, and low interest rates are significant barriers to the growth of post office schemes. The findings suggest that technological modernization, investor education, and competitive interest rates are essential to revitalize post office schemes. Furthermore, the study emphasizes the need for strategic partnerships, innovative products, and enhanced customer service to attract and retain investors. The study provides valuable insights for policymakers, regulators, and industry stakeholders to strengthen the post office savings schemes and promote financial inclusion in India.*

**Keywords:** *Post office schemes, financial inclusion, investor perception, outdated technology, India.*

### 1. Introduction

The post office has been a cornerstone of India's financial landscape for over a century. The first post office savings scheme, the Post Office Savings Bank, was introduced in 1881. This scheme allowed individuals to deposit small sums of money, making it accessible to people from all walks of life. Over the years, the post office has introduced various schemes to cater to the changing needs of the population.

In recent years, Post Office savings schemes have seen a significant increase in popularity, with millions of investors choosing them as a secure investment option. Post office schemes have been a cornerstone of India's financial landscape for decades, offering a range of investment options to citizens across the country. With their low-risk profile and government backing, post office schemes are often considered a safe haven for investors seeking stable returns. However, despite their potential, post office schemes have struggled to attract investors in recent years.

A significant lack of awareness about the available schemes, coupled with low interest rates and outdated technology, has led to a decline in investor satisfaction, online service disruptions, transaction delays, account management difficulties, and delayed maturity payments. This paper seeks to explore the current state of post office schemes and investor perception, highlighting the challenges and opportunities facing this vital component of India's financial ecosystem.

### 2. Review of Literature

S.no.	Author	Objective and Methodology	Findings and Suggestions
1.	Dr. Hamsalakshmi	Objectives of the study:-	There is an explosion in growth of middle class

		<p>1. To study the awareness among investors about post office savings schemes in the study area.</p> <p>2. To examine the current scenario of various post office schemes</p> <p><b>Country:</b> India</p> <p><b>Year:</b> 2018</p> <p><b>Tools used:</b> Simple percentage method</p>	<p>families due to double income group families and increase in number of working women, hence this group will play a vital role in the investment market. Efforts should be made to attract the women investors by providing right information and knowledge about the post office saving schemes through advertisements.</p>
2.	Ms.Brindha	<p><b>Objectives of the study:</b></p> <p>1.This study is focusing on the preference of Investments by people and it will be helpful to identify the better Investment options in the market.</p> <p>2. This study was aimed to analysing investor's awareness towards post office saving scheme in Chennai District and to know about various schemes offered by post office.</p> <p><b>Country:</b> India</p> <p><b>Year:</b> 2024</p> <p><b>Tools used:</b> Percentage analysis</p>	<p>This study focuses on investment preferences and awareness of post office saving schemes in Chennai. The research aims to identify better investment options and analyze investor awareness. To increase adoption, more awareness programs and innovative promotional strategies are needed. Post offices should also increase interest rates to match other investment institutions. Extending tax benefits to more schemes and investing in advertisements can also help. The incorporation of latest technology, such as online services, can reduce transaction time. Introducing postal ATMs can provide an added advantage. Simplifying account opening procedures can encourage more investors to participate. By addressing these areas, post offices can enhance their services and attract more investors.</p>
3.	Dr.Amutha Tharan	<p><b>Objective of the study:</b> 1.To determine the degree of fulfilment from the respondents</p> <p><b>Country:</b> India</p> <p><b>Year:</b> 2024</p> <p><b>Tools used:</b> Chi square test, Garret Positioning</p> <p><b>Data type:</b> Secondary data</p>	<p>Individuals are aware of various postal services such as the monthly pay plan, repeating deposits, and savings records. The Indian Postal Service needs improvements to compete in the market. It offers unique services like postal insurance</p>

			and savings plans, aiming to adapt to the digital age and better serve clients globally.
4.	<b>Dr.Vijaykumar</b>	<b>Objective of the study:</b> 1. To identify the post office savings scheme preferred by the investors. 2. To examine the awareness of investors towards the terms of post office savings schemes <b>Country:</b> India <b>Year:</b> 2024 <b>Tools Used:</b> Chi-square <b>Data type:</b> Secondary data	The study found that savings accounts are the most popular savings scheme from post offices, followed by recurring deposits and monthly income schemes. Investors show little interest in other schemes. They understand the terms of post office savings, which are influenced by gender, location, and preferred schemes. Additionally, male investors report higher satisfaction than female investors.
5.	<b>Shanmugapriya, Saravanan</b>	<b>Objective of the study:</b> To analyse the investors behaviour in various investment avenues available in post office <b>Country:</b> India <b>Year:</b> 2020 <b>Data type:</b> Secondary data	The table shows that 48% of respondents are aged 31-40, 50. 5% are male, and 28. 67% are graduates. Most respondents (62. 67%) belong to nuclear families, with 82. 67% married and 48. 67% having 4-5 dependents. Agriculture is the background for 32%, and 57. 33% earn ₹1,00,001-₹3,00,000 annually. The majority invest long-term (39. 18%), with Post Office Savings Deposits being the most favored scheme. The study focuses on investor satisfaction with various financial services offered by post banks.

### 3. Objectives

- ❖ To analyse the awareness among investors about post office schemes
- ❖ To assess the satisfaction levels of investors with postal schemes
- ❖ To investigate how technology hinders on the performance and appeal of post office schemes.

### 4. Research Methodology

#### 4.1. Data Collection Methods

- ❖ **Primary Data:** Investors will be surveyed using questionnaires, to assess their awareness, satisfaction, and opinions on technology integration in post office schemes

- ❖ **Secondary Data:** Relevant information on post office schemes will be gathered from published research papers, articles, and government publications.

#### 4.2. Area of Study:

The data were collected from a selected districts in Tamil Nadu.

#### 4.3. Variables for the Study:

The variables are classified as dependent and independent to align with the study objectives:

- ❖ **Independent Variables (IV)**

**Post Office Schemes:** This refers to the various investment schemes offered by the post office, such as Public Provident Fund (PPF), National Savings Certificate (NSC), and Post Office Fixed Deposit.

- ❖ **Dependent Variables (DV)**

**Investor Perspective:** This refers to the attitudes, perceptions, and satisfaction levels of investors who invest in post office schemes, including their investment decisions, risk tolerance, and expectations.

#### 4.4. Sample Size:

The sample size of the respondent is 200.

#### 4.5. Sampling Method:

The sampling method used in the study is simple random sampling.

#### 4.6. Data Analysis Tools:

- ❖ **Percentage Analysis**

Percentage analysis is a statistical method used to express the proportion or percentage of a particular component or attribute within a larger dataset or population.

$$\text{Percentage} = (\text{Part/Whole}) \times 100$$

- ❖ **Chi-Square Analysis**

Chi-Square analysis is a statistical method used to test the independence of two categorical variables. It determines whether there is a significant association between the variables.

$$\chi^2 = \sum [(\text{Observed Frequency} - \text{Expected Frequency})^2 / \text{Expected Frequency}]$$

### 5. Analysis & Interpretation

- **Percentage Analysis:**

#### 5.1. Table showing frequency in investing post office schemes

Frequency in investment in post office schemes	No of respondent	Percentage
Regularly	63	31.5
Occasionally	60	30
Rarely	58	29
Never	19	9.5
<b>Total</b>	<b>200</b>	<b>100</b>

The majority (31.5%) invest in post office schemes regularly, while 30% do so occasionally, and 29% rarely invest.

**5.2. Table showing awareness on post office schemes among respondents**

Awareness on post office schemes	No of respondent	Percentage
Family/Friends	155	77.5
Advertisement	11	5.5
Post office staff	13	6.5
Online research	10	5
Other	11	5.5
<b>Total</b>	<b>200</b>	<b>100</b>

The majority of respondents (77.5%) first learned about post office schemes through family or friends. A smaller portion found out through advertisements (5.5%), post office staff (6.5%), online research (5%), or other sources (5.5%). This suggests that personal networks play a key role in spreading awareness about post office schemes.

**5.3. Table showing interest rate satisfaction level among respondents**

Interest rate satisfaction level	No of respondent	Percentage
Satisfied	133	66.5
Neutral	62	31
Dissatisfied	5	2.5
<b>Total</b>	<b>200</b>	<b>100</b>

Most respondents (66.5%) are satisfied with the interest rates, while 31% are neutral, and only 2.5% are dissatisfied.

- Chi-Square Analysis:**

**H0** - There is no significant relationship between gender and outdated technology.

**H1** - There is a significant relationship between gender and outdated technology.

	Better online Management	Disagreement with older device	Lack of technical knowledge	Total
Male	8	25	20	53
Female	52	35	60	147
<b>Total</b>	<b>60</b>	<b>60</b>	<b>80</b>	<b>200</b>

Observed frequency	Expected frequency	Observed frequency – Expected frequency	(Observed frequency – Expected frequency) <sup>2</sup>	(Observed frequency – Expected frequency) <sup>2</sup> / E
8	15.9	7.9	62.41	3.92
25	15.9	9.1	82.81	5.20
20	21.2	1.2	1.44	0.06
52	44.1	7.9	62.41	1.41
35	44.1	9.1	82.81	1.87
60	58.8	1.2	1.44	0.024

				12.484
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The Chi-Square statistic of 12.484 suggests that gender influences the perception of issues related to post office schemes, such as online management, device disagreements, and technical knowledge. This implies that males and females experience or prioritize these issues differently, indicating a potential need for targeted improvements or educational efforts tailored to each group.

6. Conclusion

To conclude, post office schemes have a significant opportunity to evolve into a more appealing and efficient investment option, but several changes are essential for their growth and success. The most pressing issue is the lack of awareness, which can be tackled through targeted outreach efforts, particularly to younger, digitally-savvy audiences. By focusing on digital education, social media campaigns, and university partnerships, the post office can ensure that more people are aware of the benefits and variety of available schemes. Additionally, dissatisfaction with low interest rates must be addressed by offering more competitive, flexible investment options that cater to a range of financial needs, from short-term savings to long-term investments.

7. Reference

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