

# A Study on Level of Awareness and Problems faced by Investor's Towards Post Office Saving Schemes

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## ABSTRACT

*Post office saving bank has been emerging with new pattern of schemes to attract investors. It provides an opportunity and habit for the poor and rural people to invest in various schemes. The study focused on the rural investor's level of awareness, motivational factors to invest their savings in post office bank. The study also identify the various problems faced by investors with the post office financial saving schemes like post office saving deposit, Post office Recurring Deposit and Post office Monthly Income Scheme.*

**Keywords:** Rural Investors, Postal Saving bank, financial services

## I. INTRODUCTION

India post is one of the biggest financial institutions which playing a crucial task in providing financial support and services to the public. For more than 150 years, the Department of Posts (DoP) has been the backbone of the country's communication and has played a crucial role in the country's social economic development. People have a habit of saving attitude for better future. They expect maximum return with less risk. Poor people needs safety and secured place to invest their money. The government of India provides such a trustworthy financial bank through post office. It's available to everyone especially in rural area. Hence the study covers the motivational factors and the problems faced by investors towards post office saving schemes in Aluva taluk in Ernakulam District of Kerala.

## II. OBJECTIVE OF THE STUDY

- To analyze the investors level of awareness towards various investment avenues available in post offices.
- To analyze the intensity of problems faced by investors in post office financial Services.

### **III. SCOPE OF THE STUDY**

The study focused on the behavior of rural people in several financial services offered by post office. It highlighting the intensity of problems towards post office financial saving schemes in Aluva taluk in Ernakulam district of Kerala. This analysis is restricted only investors of postal saving scheme in the geographical area of Aluva.

### **IV. STATEMENT OF PROBLEM**

Post office serves different functions to the peoples living throughout the country. Financially it supports to Indian economy by making people investing money as savings. In the aspects of investments, the poor people need safety and others need maximum return with minimum risk. Government has encouraged the public to save their money for future needs through Post office bank. Post office saving schemes giving best returns for future and some of the scheme's return is very less but the people have used to save. It is a reason to analyze the investor's awareness and level of problems towards post office saving schemes.

### **V. RESEARCH METHODOLOGY**

The study area was confined to Aluva taluk in Ernakulam district of Kerala. . Total of 54 Post offices are located in Aluva taluk and the sample size is taken as 80. For the collection of data, questionnaire was prepared and circulated to the investors of post office in the area of Aluva randomly. The Secondary data of Resources used for this research including the various journals, magazines and also official website of India post. Random sampling has been resorted to the focus was to identify the intensity of problems of the respondent towards postal saving schemes among the rural people. Statistical Tools used for Analysis are Simple Percentage Analysis, Garrett's Ranking Method, and Weighted Average Ranking Method

### **VI. ANALYSIS AND INTERPRETATION**

#### **1. DEMOGRAPHIC PROFILE OF THE RESPONDENTS**

The following table shows demographic profile of the respondents.

**Table.1**  
**Demographic Profile of The Respondents (Sample size 80)**

<b>Sl.No</b>	<b>Demographics</b>	<b>No. of Respondents</b>	<b>percentage</b>	
1	Age (in years)	Below 20	12	15.00
		21-40	39	48.75
		41-60	23	28.75
		61 and above	06	7.50
2	Gender	Male	22	27.50
		Female	58	72.50
3	Educational qualification	Illiterate	03	3.75
		School level	24	30.00
		Graduation	43	53.75

		Professional	08	10.00
		Others	02	2.50
4	Occupational status	Agriculture	20	25.00
		Employee	42	52.50
		Professional	10	12.50
		Business	08	10.00
5	Monthly income (in ₹)	Below 10000	13	16.25
		10001-20000	38	47.50
		20001-30000	22	27.50
		Above 30000	07	8.75
6	Number of earning members in family	1	3	3.75
		2	36	45.00
		3	25	31.25
		Above 3	16	20.00
7	Amount of savings per month (in ₹)	Below 1500	22	27.50
		1501-3000	30	37.50
		3001-6000	12	15.00
		Above 6000	16	20.00

Regarding the age level 12(15.00%) respondents age is less than 20, 39(48.75%) respondents age ranges between 21-40,23(28.75%) respondents age ranges between 41-60and the remaining 6(7.50%) respondents age is more than 61 and above. Thus most of the respondent's age ranges between 21 – 40 years.

Among the 80 respondents 22(27.50%) are male and 58 (72.50%) are female. Thus majority of the respondents are female.

About the educational qualification 3(3.75%) respondents are illiterate, 24(30.00%) educated up to school level, 43(53.75%) are graduated, 8(10.00%) are professionals and the rest 2 (2.50%) respondents are others. Thus, majority of the respondents are graduated.

Regarding to the occupational status 20(25.00%) respondents doing agriculture, 42(52.50%) are employees, 10(12.50%) are professionals and the remaining 8(10.00%) are doing their own business. Thus majority of the respondents are employees.

It is clear from the above table that, among the respondents 13(16.25%) have monthly income less than Rs.10000, 38(47.50%) respondents income ranges between Rs.10001-20000, 22(27.50%) respondents have income ranges between 20001-30000, and the remaining 7(8.75%) respondents have income more than Rs.30000 per month. Thus most of the respondent's income ranges between Rs.10001-20000 per month.

Regarding the number of earning members 3(3.75%) respondents have only single member earning, 36(45.00%) respondents have two earning members, 25(31.25%) respondents have three earning members and the remaining 16(20.00%) respondents have more than three earning members. Thus most of the respondents have two earning members in their family.

About the amount of monthly savings 22(27.50%) respondents are saves up to 1500 per month, 30(37.50%) saves between 1501-3000 per month, 12(15.00%) saves between 3001-6000 per month and the remaining 16(20.00%) respondent's saves above 6000 per month.

## **2. SOURCES OF INFORMATION ABOUT POST OFFICE SCHEMES**

Following table shows the different sources of information about post office schemes.

**Table 2**  
**Source of information**

<b>Sl. No</b>	<b>Source of information</b>	<b>No. of respondents</b>	<b>Percentages</b>
1	Friends and relatives	22	27.50
2	Agents	20	25.00
3	Post Office staffs	18	22.50
4	Self interest	10	12.50
5	Others	10	12.50
	Total	80	100.00

*Source: Primary Data*

The table shows that 22(27.50%) of the respondents are knowing various Post Office schemes through their friends and relatives, 20(25.00%) of them are known through post office agents, 18(22.50%) of them are known through post office staffs, 10(12.50%) of them are knowing through self-interest and the rest 10 (12.50%) of them knowing through others like internet, books, newspapers etc....

## **3. AWARENESS ABOUT VARIOUS POST OFFICE SCHEMES**

Following table shows the level of awareness among investors in Post Office Saving Schemes.

**Table 3**  
**Various schemes in post office**

<b>Sl. No</b>	<b>Various schemes</b>	<b>Very high</b>	<b>High</b>	<b>Moderate</b>	<b>Low</b>	<b>Very low</b>
1	Post office savings deposit	40	26	10	4	-
2	Post office recurring deposit	15	25	20	14	06
3	National savings certificate	15	18	8	19	20
4	Kissan vikas patra	8	10	19	21	22
5	Sukanya samridhi account	10	21	24	12	13
6	Senior citizen savings scheme	12	10	30	16	12
7	Fixed deposit	38	24	08	06	04

*Source: Primary Data*

The above table clearly shows that, majority of the respondents have high level of awareness about post office savings deposit, post office recurring deposit, post office fixed deposit and Sukanya samridhi account. The table also shows that respondents have low level of awareness about National savings certificate and Kissan vikas patra.

#### **4. MOTIVATIONAL FACTORS FOR JOIN IN POST OFFICE SCHEMES**

Following are the motivating factors to join in Post Office Saving Schemes.

**Table 4**

##### **Motivating Factor – Garrett’s ranking Technique**

<b>Sl. No</b>	<b>Particulars</b>	<b>Mean</b>	<b>Rank</b>
1	Get tax benefits	67.56	4
2	Meet emergency needs	33.21	9
3	Earn regular income	34.27	8
4	Easy formalities	45.83	7
5	Risk free investment	78.87	2
6	Well-being of my children	57.01	5
7	Family protection	68.14	3
8	Getting security during old age and retirement safety	56.20	6
9	Promote savings	79.83	1

**Source: Primary Data**

From the following table, it is clear that majority of the respondents prefer post office savings schemes because of promotion of savings with a mean score of 79.83 (rank 1<sup>st</sup>), followed by risk free investment 78.87 (rank 2<sup>nd</sup>), family protection with a mean score 68.14 (rank 3<sup>rd</sup>) and for getting tax benefit with a mean score 67.56 (ranked 4<sup>th</sup>), well-being of my children with a mean score 57.01 (ranked 5<sup>th</sup>), retirement safety with a mean score 56.20 (ranked 6<sup>th</sup>), easy formalities with mean score 45.83 (ranked 7<sup>th</sup>), earn regular income with mean score 34.27 (ranked 8<sup>th</sup>) and for meeting emergency needs with a mean score of 33.29 (ranked 9<sup>th</sup>).

#### **5. INTENSITY OF PROBLEMS**

Following table shows the intensity of problems of investors in Post Office Saving Schemes.

**Table 5**

##### **Intensity of problem (weighted Average Ranking Method)**

<b>Sl. No</b>	<b>Particulars</b>	<b>Mean score</b>	<b>Rank</b>
1	Poor response from staffs	2.17	6
2	Delay in processing	4.63	4
3	More procedural formalities	5.39	2
4	Lack of customer friendly attitude	3.13	5
5	Lack of information	6.78	1

6	Low rate of interest	5.12	3
7	High risk	1.18	7

**Source: Primary Data**

From the above table it is observed that the major problems faced by the investors from post office schemes are lack of dissemination of information with a mean score of 6.78 (rank 1<sup>st</sup>), more formalities with a mean score 5.39 (rank 2<sup>nd</sup>) and low rate of interest with mean score 5.12 (rank 3<sup>rd</sup>).

## **VII. FINDINGS**

The following are the various findings of the study.

1. Majority of the respondents are female.
2. Most of the respondent's age ranges between 21 – 40 years.
3. Majority of the respondents are graduated.
4. Majority of the respondents are employees.
5. Most of the respondent's income ranges between Rs.10001-20000 per month.
6. Most of the respondents have two earning members in their family.
7. Friends and relatives, Post office agents and Post office staffs are the major source of information providers regarding to various schemes of post office.
8. Majority of the respondents have high level of awareness about post office savings deposit, post office recurring deposit, post office fixed deposit and Sukanya samridhi account.
9. Respondents have low level of awareness about National savings certificate and Kisan vikas patra.
10. Majority of the respondents prefer post office savings schemes because of promotion of savings, provides risk free investment and for family protection.
11. The major problems faced by the investors from post office schemes are lack of dissemination of information, low rate of interest.

## **VIII. SUGGESTIONS**

1. 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.
2. Some of the respondents said that the rate of interest is low when compared to other investment avenues, so postal department try to increase their interest rates.
3. Few of the respondents are facing a problem of poor response from the employees. So the government should appoint proper official to monitor all these issues.

4. In some of the rural post office, lack of computerization and technological issues are exists. Due to this customers are waiting for long time. So government should take care these issues.

## **IX. CONCLUSION**

In India postal department plays a vital role to boost the development of Indian economy. There are various financial activities introduced and encourages the people to invest their money to fulfilling their future needs. The present study concentrates on motivational factors that lead to invest in post office savings scheme, level of awareness among investors about the various schemes, also the study focused on the investor's behavior with various investment avenues available in the post office. The study concluded that investors have high level of awareness about fixed and recurring deposits but low level of awareness regarding to sukanya samridhi scheme and kisan vikas patra'. In some of the rural post office, lack of computerization and technological issues are exists. Due to this customers are waiting for long time. So government should take care these issues.

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*Technology and Engineering (IJRTE)* ISSN: 2277-3878, Volume-8 Issue-6, March 2020.