

INVESTOR'S AWARENESS TOWARDS RECURRING DEPOSIT SCHEMES IN POST OFFICE

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ABSTRACT

Savings are common to all human societies. In India, there are different investment possibilities available to meet the different needs of investors. The investors about saving schemes will have a substantial influence on the saving performance of the people. People who have positive awareness about the scheme in which they have invested will endure investing in the same scheme. Very often, they will start investing in other schemes from the same institutions. The nature of awareness that occurs among investors about saving schemes and institutions offering such instruments were studied.

Keywords: Savings, Post office, Investors and department of post.

Introduction

Post Office Savings schemes play an important role. It provides abundant welfares to the investors. Post office saving is the main savings institution of the country. It plays a major role in rural India. It offers many benefits to investors. There are a number of schemes, well designed to meet the individual necessities of different small savers. The foremost tools of post office saving schemes are enjoying tax welfares such as exemption of investment contribution. It functions under the Postal Department and works as an agent for the Ministry of Finance, Government of India, for which it takes a commission.

Statement of the problem

Savings have become a key tool in poverty alleviation. People want investments to run their daily life. In order to stimulate the economy of our country, numerous post office saving schemes have been hosted by the post office. The depositors face a lot of problems while

depositing money and getting back their deposits. Even today the main problems are uneducated peoples are not aware of the facilities extended by the government. Hence an attempt is made to find out the awareness level and satisfaction level towards the recurring deposit in the post office.

Objectives

- ❖ To study the investors level of awareness towards recurring deposits in post office
- ❖ To identify the purpose of investing in post office recurring deposit.

Research methodology

Area of study

The study covers the respondents from Coimbatore city. Coimbatore is called as Manchester of South India. It is a major metropolitan city in Indian state of Tamil Nadu. It is a city that lives and breathes the essence of Indian culture with its renowned beauty.

Source of data

Both primary and secondary data are used in the study. Primary data have been collected from 100 respondents by administering a well-structured questionnaire schedule. Secondary data have been collected from authorized sources such as RBI database, various Journals, Libraries and Newspaper Articles.

Sampling design

Sampling design is a technique adopted for selecting the samples from a given population. The sampling design used for this study is multi stage sampling method.

Tools

- Percentage analysis
- Kendall's coefficient of concordance – ranking
- Chi- square analysis

Limitations

- The study is confined to Coimbatore city only.
- The results are based on the data collected from 100 investors only.
- The opinion of the investors may vary at different destinations.

Review of literature

Anand.M, et.al(2013), in his paper emphasizes on the enactment features of India Postal Services and its upcoming growth strategy. The power of India Post is its long tradition of controlling financial services, and its influence on the masses. To progress its service quality and operational competence, India post has introduced centralized core banking solutions with different distribution channels enabling any time anywhere banking atmosphere. The growth of Post and its presentation is not impressive but its strategy moving to remove all obstacles and challenges.

Analysis and interpretation

Percentage analysis

Table No.1

Table showing the personal profile of the investors

S.No.	Particulars	Number	Percentage
Age group			
a	Below 20 years	12	12
b	21 years – 40 Years	74	74
c	41 years – 60 years	10	10
d	Above 60 years	4	4
Gender			
a	Male	35	35
b	Female	65	65
Educational qualification			
a	School Level	7	7
b	UG	55	55
c	PG	35	35

d	Professional	3	3
Occupational status			
a	Employed	11	11
b	Business	35	35
c	Agriculture	7	7
d	Professional	18	18
e	Others	29	29
Level of income			
a	Below 20,000	12	12
b	Rs20,001 to Rs30,000	26	26
c	Rs30,001 to Rs40,000	50	50
d	Above Rs 50,000	12	12
Marital status			
a	Married	43	43
b	Unmarried	57	57
Family			
a	Joint family	23	23
b	Nuclear family	77	77

It is evident from the table that out of the total investors taken for the study, 74% of the respondents are between the age group of 21 years – 40 years, 65% of the respondents are female, 55% of the respondents are under graduate, 35% of the respondents are doing business 50% of the respondents income level is between Rs 30,000 to Rs 40,000, 57% of the respondents are unmarried and 77% of the respondents belong to nuclear family.

Kendall's Coefficient of Concordance

Table No: 2
Purpose of opening recurring deposit account in post office

Purpose of opening recurring deposit account in post office	Mean Rank	Rank Order
Future safety	2.38	1
Tax exemption	2.60	2
For education and marriage	3.36	4
To repay borrowings	3.19	3
Stable return at the retirement	3.47	5

Kendall's Coefficient of Concordance

Kendall's W	.094
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It is evident from the table that, out of the various purpose of opening an account in post office most of the investors have given top priority to future safety with a mean value of 2.38 followed by tax exemption, To repay borrowings, education and marriage and Stable return at the retirement. All the five factors were ranked and the Kendalls coefficient yielded a value of 0.094. This shows that, there exists a low similarity among the investors in the order of assigning the rank.

Chi square analysis**Personal factors and source of awareness about recurring deposit scheme in post office**

The table shows the association between the source of awareness about the recurring deposit and the personal factors. The personal factors considered were gender, age group, educational qualification, occupational status, type of family, marital status, number of earning members in the family , monthly family income and area of residence of the investors as well as ,study factor source of income of the investors. For the purpose of studying the relationship between the factors the following hypothesis is formulated and tested using Chi-square Analysis.

Ho: There is no significant relationship between the Personal factors and the source of awareness about post office savings schemes.

Table no:3

Personal factors and source of awareness about recurring deposit schemes in post office

Study factor	Personal factors	Chi square value	Df	Table value	S/NS
Source of awareness	Gender	4.068 ^a	5	0.540	NS
	Age	91.475 ^a	25	0.000	S
	educational qualification	129.998 ^a	20	0.000	S
	Occupational status	113.154 ^a	20	0.000	S
	type of family	15.422 ^a	5	0.009	S
	Marital status	25.289 ^a	5	0.000	S
	Number of earning members	137.812 ^a	15	0.000	S
	monthly income	41.880 ^a	20	0.003	S
place of residence	42.766 ^a	10	0.000	S	

Significant @ 5% level (p-value < 0.05), NS- Not significant @ 5% level (p-value >0.05)

From the table, it is revealed that there exists a significant relationship between the source of awareness and age, educational qualification, occupational status, type of family, marital status, number of earning members and place of residence as the table value is lesser than the chi-square value. Hence, the hypothesis is rejected for the aforementioned variables; whereas, the hypothesis is accepted for the variable like gender.

Suggestions

- ❖ Post offices have to market their features and interest rates in an aggressive manner through TV Ads, Online Ads and paper ads to get more customers for recurring deposit accounts in a short period.
- ❖ Better service to the customers is the only means to retain the existing recurring deposit account holders.
- ❖ The interest rate for the recurring deposit accounts can be increased to pull more accounts from banks to the post office.
- ❖ With an improved ambiance and interest rate, the post office will continue to be the first and foremost choice to have a recurring deposit account.
- ❖ The post office can develop a Mobile App for easy payment transactions for all the recurring deposit account holders.

Conclusion

Small and medium investors have great confidence, very clear awareness and positive attitude towards POSB schemes. Strong funding of union government, rare cases of malpractices and frauds, satisfactory return are the main reasons behind it. But still, it is vital to go for certain alterations and bring a specialized culture in the department. It is also important to upsurge monetary consciousness about postal schemes, affordability, fast choice making, promotion activities and tactical planning to fight against private institutions. Even DoP wants many technical, communal, cultural and economic changes. With these modifications, once again DoP can create control in Indian financial market.

Reference

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