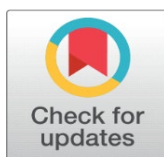


# A STUDY ON PROBLEMS FACED BY INVESTORS TOWARDS POSTAL SCHEMES WITH REFERENCE TO THOOTHUKUDI CITY

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## ABSTRACT

Based on their own savings, the investors are making the investment. Before making any investments, the investors will carefully review. Any form of investment that is to be made involves challenges for the investor. The postal scheme is a secure way to save money that offers consistent returns. This study examined the problems faced by investors while investing in postal schemes in Thoothukudi city. Garrett's Ranking Method has been used to analyse the problems faced by investors. Primary data were collected from 104 sample investors through Questionnaire.

**Keywords:** Postal Schemes, Savings, Investors

## 1. INTRODUCTION

India has the world's largest postal network, with 1,59,251 post offices, 90 percent of which are in rural areas. At the time of the American Revolution, there were 23,344 post offices, the majority of which were located in urban areas. Rapid expansion was carried out due to demand and with the primary goal of connecting rural areas and rural development. Thus, post offices in rural and semi-urban areas provide basic local services while also assisting with savings through banking and insurance services. Since 1882, the Post Office Savings Bank (POSB) facility has been available to the most remote parts of the country. The Department of Posts manages POSB Schemes on behalf of the Government of India's Ministry of Finance. The service is available through a network of 1.59 lakh post offices spread across the country. The operation has transitioned from a completely manual mode to a fully interconnected mode that allows for Any Time Any Where Banking. The IPPB is utilising the extensive postal network, which includes about 1.59 lakh Post Offices and more than 4 lakh postal workers in every district, town, and hamlet across the nation, to approximately 2.5 times enhance the size of rural banking infrastructure. In order to enable Paperless, Cashless, and Presence-less banking in an easy and safe manner at the clients' doorstep using a CBS-integrated smartphone and

biometric device, IPPB's reach and operational model are built on the fundamental pillars of India Stack. IPPB provides straightforward & economical banking solutions with user-friendly interfaces that are available in 13 languages, using frugal innovation and placing a strong priority on convenience of banking for the general public. The IPPB is dedicated to advancing the goal of Digital India and fostering a less cash-dependent economy. India will thrive until every individual has an equal opportunity to achieve financial security and personal empowerment.

## 2. STATEMENT OF THE PROBLEM

The country is now digital, so people don't bother seeking financial guidance. When we didn't have access to the internet many years ago, choosing the greatest savings for oneself or one's family was really challenging. These days, however, the internet gives you everything you need to know. The Indian Postal Service provides a variety of savings schemes for various types of people. Sukanya Samriddhi Account for Girls, Senior Savings Program for Our Elderly Citizens, Time Deposit for One, Three, or Five Years, NSC Tax Benefit Program, etc. Currently, many choose to invest their money primarily in banks as opposed to Post Office Savings Schemes, which results in a decline in post office deposits. Hence the researcher had made an attempt to find out the problems faced by the investors and satisfaction level of the investors towards postal schemes.

## 3. OBJECTIVES

- To study the problems of investor's while accessing post office savings schemes.
- To provide suitable suggestions and ideas for improving the effectiveness of postal schemes.

## 4. REVIEW OF LITERATURE

Anila Balan (2020)<sup>1</sup>in his study titled, "Role of post office savings in financial inclusion in Thrissur district with special reference to Thalikulam panchayat in Kerela", reveals that the Indian post have played an important role in providing access point to financial services. From this study it is evident that majority of respondents in Thalikulam village have deposit in post office and the deposit scheme preferred are recurring deposit scheme. The major problems faced by investors are low interest rate and inadequate information about financial services offered by post office.

Usha & Mavy Miranda (2020)<sup>2</sup>in their study titled, "Customer perception towards investment in post office schemes", explored that due to the absence of appropriate advertisements for the various schemes, the primary objective of this study was to investigate investors' awareness of post office savings plans. The majority of investors are persuaded to invest in post office deposits schemes solely for tax benefits. Low return was a major issue for respondents when depositing money in post office deposits schemes. India Post Office can definitely meet the challenges posed by other financial institutions by providing better services.

Thaker (2021)<sup>3</sup>in his paper titled, "Trouble for investors from the Indian post office", he suggested that the latest mobile banking and ATM technology should be used by the post office so that customers can save time. The interest rate should rise at the post office. A computerized post office lake gives the government priority and attention. The Indian government and post office ought to attempt to resolve post office issues.

Dhivya jothi (2021)<sup>4</sup>in her study titled, "A study on problems faced by their vestors and investors' satisfaction towards post office savings schemes", found that 36.63% of investors are highly satisfied with post office savings schemes, compared to 63.37% of investors who are only somewhat satisfied and the main issue that investors are dealing with is the low interest rate.

Jeyaratna & Annaraj (2022)<sup>5</sup> in their paper titled, "Decline in the interest of the investors in post office savings scheme" suggested that majority of respondents believed that the withdrawal of Sanchayika was the reason for the decline in investor interest in savings schemes. As a result, it must be implemented again to emphasize the importance of saving to students. Employees' levels of awareness must be raised. Thoothukudi Postal Division has provided excellent service to its postal customers. With 90.17% of its post offices in rural areas, it is able to successfully provide all bank services to the rural people.

Ibha Rani & Vipulkumar (2022)<sup>6</sup> in their article titled, "Study on awareness of post office savings scheme among rural investor in Bangalore" recommends that post office saving scheme is effective in and around Bangalore rural.

It has made large impact on increase in the savings habit among people living there. Post office savings scheme has many advantages and specialties when compared to other saving schemes. From the offered scheme most people preferred post office monthly savings scheme. There are reasons behind the satisfaction of the schemes are the return from the scheme is effective and satisfactory. Most of the people are not much aware about post office savings schemes, if government takes any initiative to aware the people about postal schemes, then saving habit of people can be increased through post office savings schemes.

Shiney & Harihara kumar (2023)<sup>7</sup> in their study titled, "Investors preferences towards select post office savings schemes" observed that most preferred schemes are monthly income schemes, savings accounts, time deposit accounts, and KVP and NSC are preferred by a few segments of investors. Finally, when compared to banks, investors prefer to receive the maturity amount for future investments because they are satisfied with the safety, liquidity, and ease of operations.

## 5. RESEARCH METHODOLOGY

This study was mainly based on primary data. Primary source of data were collected through questionnaire. The questionnaire were collected from 104 respondents. Secondary source of data were collected from various journals, websites and also over the internet. Purposive sampling techniques had been used for data collection. The study utilized purposive sampling methodology for participant selection, ensuring that respondents met specific criteria relevant to the research objectives. This non-probability sampling technique allowed for targeted data collection from individuals who possessed the knowledge and experience necessary to address the research questions effectively.

### 5.1. TOOLS FOR ANALYSIS

The tools applied in this study were percentage analysis and Garrets ranking technique.

## 6. LIMITATIONS OF THE STUDY

A few hardships were faced while conducting the research paper such as:

- 1) The study is limited to 104 respondents from Thoothukudi city.
- 2) This study is confined to the Post Office Saving Schemes only.

## 7. ANALYSIS AND DATA INTERPRETATION

**Table 1**

	DEMOGRAPHIC PROFILE	NO.OF. RESPONDENTS	PERCENTAGE
AGE	Below 25 years	30	29
	25-40 years	46	44
	41-55 years	21	20
	Above 55 years	7	7
GENDER	Male	45	43
	Female	59	57
EDUCATIONAL QUALIFICATION	Illiterate	5	5
	School education	12	11
	College education	60	58
	Professionals	20	19
	Diploma / Other certified degree	7	7
OCCUPATIONAL STATUS	Agriculture	4	4
	Professionals	8	8
	Business	4	4
	Government employee	27	26
	Pensioner	2	2
	Private employee	34	32

MONTHLY INCOME	Daily wages	10	10
	House wife	15	14
	Upto 20,000	42	40
	20,000- 40,000	33	31
	40,000-60,000	8	8
	Above 60,000	21	21
	<b>TOTAL</b>	<b>104</b>	<b>100</b>

From the above table 1 it is inferred that out of 104 respondents, 29% of the respondents belong to the age group of below 25 years, 44% of the respondents belong to the age group of 25-40 years, 20% of the respondents belong to the age group of 41-55 years and 7% of the respondents belong to the age group of above 55 years. 43% of the respondents are male and 57% of the respondents are female. 58% of the respondents have completed their college education, 19% of the respondents were professionals, 11% of the respondents have completed their school education, 7% have completed their diploma/other certified degree, 5% of the respondents were illiterate. 32% of the respondents were private employee, while 26% of the respondents were government employee, 14% of them were housewife, 10% of them were daily wages, 8% of them were professionals, 4% of them were doing agriculture and business, 2% of them were pensioners. 40% of the respondent's monthly family income were upto ₹20,000, 31% of the respondents earn about ₹20,000 – ₹40,000, 21% of the respondents earn above ₹60,000, 8% of the respondents earn ₹40,000 - ₹60,000 as monthly family income.

**Table 2****RANKING FOR THE PROBLEMS FACED BY INVESTORS WHILE INVESTING IN POSTAL SCHEMES**

PROBLEMS	I	II	III	IV	V	VI	VII	TOTAL SCORE	MEAN SCORE	RANK
More formalities	44 (3432)	12 (792)	5 (290)	12 (600)	4 (172)	24 (840)	3 (66)	6192	59.53	I
Slow document processing	36 (2808)	24 (1584)	3 (174)	5 (250)	12 (516)	20 (700)	4 (88)	6120	58.84	II
Lack of employee service	4 (312)	8 (528)	8 (464)	12 (600)	24 (1032)	32 (1120)	16 (352)	4408	42.38	VII
Non- availability of grievances redressing	12 (936)	20 (1320)	15 (870)	8 (400)	16 (688)	16 (560)	17 (374)	5148	49.5	V
Lack of knowledge to access mobile banking services	8 (624)	32 (2112)	28 (1624)	8 (400)	16 (688)	4 (140)	8 (176)	5764	55.42	III
Poor Awareness	11 (858)	12 (792)	20 (1160)	16 (800)	24 (1032)	12 (420)	9 (198)	5260	50.57	I V
Network Issues while accessing E-banking services	10 (780)	6 (396)	2 (116)	9 (450)	20 (860)	56 (1960)	1 (22)	4584	44.07	VI

**Source** Primary data

Table 2 indicates the problems faced by investors while investing in postal schemes. It clearly brings on More formalities with highest mean score (59.53) is ranked first, whereas followed by Slow document processing with the mean score (58.84) ranked second, followed by Lack of knowledge to access mobile banking services (55.42) ranked third, Poor Awareness (50.57) ranked fourth, Non availability of grievances redressing (49.5) ranked fifth, Network issues while accessing e-banking services (44.07) ranked sixth, and the least rank is given to Lack of employee service (42.38).

From the above table, it is concluded that More formalities (59.53) was the important problem faced by the investors while investing in postal scheme.

**8. FINDINGS**

The following are the important finding of this study,

- 1) In this study majority 44% of the respondents are in the age of group 25-40 years and 57% of them were female.
- 2) Majority 58% of the respondents have completed their college education and 32% of the respondents were private employee.
- 3) Majority 40% of the respondent's monthly income were up to 20,000
- 4) More formalities (59.53) was the important problem faced by the investors while investing in postal scheme.

## 9. SUGGESTION

- 1) Efforts should be made to attract investors by providing accurate information and understanding about the post office savings schemes through more advertisements and campaigning.
- 2) The DOP must take action to introduce new schemes with catchy titles.
- 3) Encourage individuals to use new technology to access banking services offered by the India Post.

## 10. CONCLUSION

The Indian postal service is the world's largest and most widespread postal system. When compared to other savings plans, Indian Post Office Savings has many advantages and numerous beneficial features. The post office should publicise the schemes through advertisements, campaigns, seminars, campaigns for public awareness, social networking sites, etc.

## CONFLICT OF INTERESTS

None.

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