

RURAL INVESTORS: A STUDY ON PERCEPTION TOWARDS POSTAL INVESTMENTS

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INTRODUCTION

There are a lot of investment choices and one must select the most appropriate one. The person dealing with the planning needs to know all the various investment choices and how these can be chosen for the purpose of attaining the overall objectives. The details of making the investment along with the various ways in which the investment has to be maintained and managed. The developing countries like India face the enormous task of finding sufficient capital in their development efforts. Most of these countries find it difficult to get out of the vicious circle of poverty of the low-income group, low savings, low investment, low employment etc. With high capital output ratio, India needs very high rates of investments to make a leap forward in her efforts of attaining high levels of growth. Since the beginning of planning, the emphasis has been on investment as the primary instruments of economic growth and increase in national income. In order to have production as per target, investment is considered the crucial determinant and capital formation is to be supported by appropriate volume of saving.

Financial services of the Post Office form a profitable business today, although they were started as a supplementary income generating operation. Post offices render a plethora of agency services in addition to their basic duty of mail delivery. These services include savings Bank, Money Order, Postal Order and Postal Life Insurance. This helps the postal Department produce income to the extent of nearly 45% of its budget revenue. Savings bank work was undertaken by post offices on 1 April 1882 and the entire banking operations were kept under the supervision and management of postmasters.

The object of establishing SB was to extend banking facilities to millions of poor and middle-class people living in the farthest corners of the country and to accumulate and invest their savings, and to use the same for the economic development of the country and also to meet the administrative needs and requirements of the Government. It also aimed at encouraging thrift. India Post is committed to provide basic postal facilities throughout the country at an affordable price. A network of 1.55 lakh post offices in the country, the largest in the world, of which more than 1.39 lakh are in the rural areas, is indicative of this commitment. Rapid introduction of information technology has not only changed the way post offices do business the world over, but also the business that post offices do. In this era of fast developing information and communications technology, large scale induction and assimilation has become vital for the sustenance and growth of India Post.

REVIEW OF LITERATURE

Dr .Dhiraj Jain and Ms Ruhika Kothari (2012) on' investors attitude towards post office deposit schemes – empirical study In Udaipur district Rajasthan 'in their study states that Demographic factors have no significant influence over sources of awareness and problem faced regarding post office deposits schemes except monthly income and the major problems faced by investors while depositing in post office deposit schemes are low rate of return and they also analyse that majority of investors were aware about post office deposit schemes through friends and relatives and agent. so, it shows that lack of advertisement. But majority of depositors have good opinion about post office deposit schemes.

A study by Ritika Aggarwal (2012) 'identifying factors influencing preference towards post office saving schemes' her study discloses that post office savings bank in India differentiates its offer by building unique bundle of competitive advantage. It has positioned its postal saving products as differentiating on the important attributes of safety, security and risk-free factor. POSBs are still preferred by investors as it is full backed by government and function for long. The trust is high in investors where safety of deposit money is more important issue than in the returns on investment. One of the important challenges towards Indian post office is the revolution in IT which has provided automation technology to the banks and other financial institution.

Shashikant D and Dr .R.B.Teli (2015) in their study titled 'investment behaviour of postal customers towards post office savings bank schemes' have shown that small and medium investors have a great faith, very clear perception and positive approach towards POSB schemes. Strong support of union government, rare case of malpractices and frauds, satisfactory return are the main reasons behind it. And they also state that there should be certain changes and bring the professional culture in the department. It is also necessary to increase financial awareness about postal schemes, competitiveness, past decision making, marketing activities and strategic planning to fight against private institution. Even DOP needs many technological, social, cultural and economic changes with these changes one again DOP can create a monopoly in Indian financial market.

A study by Dilipankar Malakar 'Role of Indian post in financial inclusion' in his study he states that if Indian post can make coordination with other stake holders, infuse necessary human resource with proper training and technology, bring innovation and other appropriate measures the Indian post can reap the benefits of its huge network, extensive outreach and lower cost and at the same time it will be able to contribute towards the national objective of financial inclusion. Indian post can give a new dimension to the process of financial inclusion and can reach an extra mileage in the field of financial inclusion

Dr.Ganapathi and Ms.s.Anbu Malar(2010) on 'investor attitude towards post office deposits scheme,

assessed in their research, the various small savings schemes are mainly meant to help the small investors and also those who are in high tax brackets. Proper advertisement must be made for post office savings schemes. So that a layman comes to know about this schemes and deposits can be increased. Investing our amount in post office deposits schemes ensures high rate of return and it provides safety and security for the amount invested

A study by S Mathumitha (2015) titled 'Investors attitude secondary method. Primary data was collected in Changanassery Taluk, Kottayam District. The total number of respondents is 80.

K.Senthikumar(2011)'investors attitude towards savings in post offices' in their research, majority of the investors irrespective of their age group, education, income, and opinion of savings, agree that savings are imperative.

Household investment will help for economic development of the country, savings create a feeling of security and investment should be treated as an item of expenditure at the same time majority of depositors irrespective of their opinion strongly agree to economic development and security

Richa(2014) in her study argued that post office continues to be a major attraction for savers. Finance Ministry officials say that the attraction for the post office deposits schemes stems from the higher interest rate they offer vis-a-vis what banks give.

A.Vinayagamoorthy and K.SenthilKumar (2012)'An analysis of postal investment and small savings' have shown that mobilisation of domestic financial resources has remained a major concern in many developing countries. Despite the variety of vehicles that are intended to mobilise and allocate financial resources, only very few offer strategies for the need of poor and lower income people. Savings are increasingly being acknowledged as a powerful tool for poverty reduction. Postal savings funds play a significant role in financing public debt and in a number of countries, the funds are intermediated through a variety of policy based financial institutions with developmental objectives, returning the funds to the direct benefits of the community of savers.

OBJECTIVES OF THE STUDY

1. To measure the level of awareness of the rural investors towards postal investments.
2. To examine the perceived opinion of the rural investors towards postal investments in towards post office savings schemes in Tirunelveli town' he finds that more awareness should be created among the people about the schemes introduce and he suggests that the interest rate of post office savings schemes should be increased. Tax benefits are attached only to few schemes in post office and also can be extended to many schemes Tirunelveli.
3. To identify the rural investor's attitude and to evaluate the different factors influencing postal investment decisions
4. To offer suggestions for the improvement of the features of postal investments and thereby to increase the collections through postal investments.

STATEMENT OF THE PROBLEM

Even though the post office started its operations 150 years back, even today many of the rural people are not aware about the facilities provided by the same. The government comes up with so many new schemes in the post office sector but the rural people are unaware about it. Hence, a study in this area will facilitate the policy makers to know the real problem faced by the investor in the rural part of the country. This study is based on primary as well as on the

METHODOLOGY OF THE STUDY

The data was collected using Primary methods. Questionnaire method was used in this research. The sample size was restricted to 80. The sample was selected using convenient random sampling technique. The percentage analysis and Pearson's Rank Correlation was used to analyze the results. The secondary data was mainly collected from journals, websites and articles published in different websites.

ANALYSIS OF THE STUDY

Gender	No: of Respondents	Percentage
Male	37	46.25%
Female	43	53.75%
Total	80	100

The data was collected from 80 respondents among them 53.75% are of female. Whereas the rest 46.25% are of men.

Income level	No: of respondents	Percentage
Less than 1,00,000	26	32.5%
1,00,001 – 2,50,000	15	18.75%
2,50,001 – 4,00,000	15	18.75%
More than 4,00,001	24	30%
Total	80	100%

The above table exhibits that 38.75% of the respondents receives an annual income of Rs. 60,001 – Rs. 1,50,000. Only 5% of the respondents receive more than Rs.3,00,000 as annual income.

FACTORS MOTIVATING TO INVESTMENT

Factors	Number of respondents	Percentage
Necessity of life	38	47.5%
Provisions and contingencies	12	15%
Status	0	0
Income	3	3.75%
Tax benefits	2	2.5%
Social consideration	6	7.5%
Savings	66	82.5%
Education of children & marriage	30	37.5%
Availability	2	2.5%
Pension scheme	3	3.75%

Factors influenced to invest in post office saving scheme

Factors	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Rank 6	Rank 7	Rank 8	Rank 9	Rank 10	Rank 11	Composite index	Ranking
Weighted score	11	10	9	8	7	6	5	4	3	2	1		
Higher rate of return	3	8	4	10	5	8	11	16	9	3	3	467	5
Safety & security	55	19	6	0	0	0	0	0	0	0	0	849	1
Regular income	3	6	3	4	6	8	11	16	19	4	0	426	8
Loan facility	0	0	0	0	0	0	0	4	5	9	62	111	11
Income tax benefit	2	1	1	3	5	7	11	7	16	15	12	315	10
Transferability	0	3	4	7	15	22	13	7	5	4	0	475	4
Bonus	2	5	6	7	8	9	16	5	7	15	0	443	7
Incentives	1	4	3	5	5	12	6	14	13	16	1	383	9
Liquidity	6	18	20	17	19	0	0	0	0	0	0	695	2
Economic development	8	16	22	14	9	8	3	0	0	0	0	684	3
After investment services	0	0	11	13	8	6	9	11	6	14	2	444	6

The above table exhibits the weighted ranking technique to analyse the factors which influenced the people to invest in the investment schemes. Safety and security are the first and most important factors that

influenced the investors to invest in postal investment scheme and loan facility have lesser influence on investors.

Sl. No.	Statement of the Problem	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total
1	Awareness regarding postal Investment will boost up the same	31	45	4	0	0	80
2	Postal investment scheme plays a vital role in raising country's internal source	22	56	2	0	0	80
3	Betterment of Services may attract more investors towards the scheme	28	45	2	5	0	80
4	Digitalization & Networking should be implemented in Post Offices	28	32	5	10	5	80
5	Advertisement on postal schemes Should be in regional language	22	25	10	8	15	80
6	Atmosphere in post office is better than bank	12	28	8	20	12	80
7	Investments through agents is easier	30	20	10	10	10	80

II SUGGESTIONS AND CONCLUSION

SUGGESTIONS

- More awareness must be created among the people about the schemes introduced.
- The rate of interested offered by the post office should increased.
- Like banks or money lenders, post offices are not offering loan facility to common needy persons. So post office should implemented loans facilities at minimum rate of interest.
- Tax benefits are attached only to few schemes in post office but also can be extended to many schemes.

- Lack of advertisement in postal services, the government has to take necessary steps to adopt advertisement strategy in wider range.
- Latest technology should be incorporated in post office to serve the public in an efficient manner, thereby create good atmosphere to customers.

CONCLUSION

The post office served as a financial institution for millions of people in the rural areas. India Post offices perform their work efficiently and effectively with reference to rural investment. Hence, the postal investment and rural savings have a dual role to play. Primarily they under take the responsibility of postal investors and secondly, they help the nation to

generate the necessary funds resulting in the society's getting overall benefits.

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