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## A STUDY ON INVESTORS ATTITUDE TOWARDS POST OFFICE SAVING SCHEMES WITH SPECIAL REFERENCE TO MAVOOR POST OFFICE

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### ABSTRACT

This study examines the attitude of investors towards Post Office Saving Schemes with a special focus on the Mavoor Post Office. These schemes, backed by the Government of India, are known for their safety, reliability, and guaranteed returns. The research aimed to assess awareness levels, investment preferences, satisfaction, and challenges faced by investors. Data was collected from 30 respondents using questionnaires and interviews. The findings reveal that most investors choose these schemes for secure returns, with the Public Provident Fund being the most preferred. However, a major challenge identified was the lack of clear information about the schemes. Despite this, customer service satisfaction was generally high. The study highlights the importance of increasing financial awareness and improving communication to make these schemes more inclusive and investor-friendly. These insights can help policymakers strengthen the reach and impact of post office saving schemes, especially in rural and semi-urban areas.

**KEYWORDS:** *post office saving schemes, investor attitude, financial awareness, mavoor post office, government-backed investments, risk-averse investors, secure returns, customer satisfaction*

### 1. INTRODUCTION

Savings and investments are fundamental pillars of personal financial planning, playing a crucial role in enabling individuals to achieve both financial security and long-term goals. Among the various investment avenues available in India, post office savings schemes have emerged as a reliable and secure option, especially for conservative and risk-averse investors. These schemes are backed by the Government of India, ensuring both the safety of capital and assured returns features that are increasingly attractive in a volatile market environment.

India's extensive postal network has been instrumental in promoting financial inclusion by providing easily accessible savings instruments to rural and semi-urban populations. Post office savings schemes are uniquely positioned to serve the financial needs of a diverse population due to their

wide accessibility, simplicity, and trustworthiness. Key schemes such as the Public Provident Fund, National Savings Certificate, Recurring Deposit, and the Senior Citizens Savings Scheme offer a range of benefits including tax advantages under Section 80C of the Income Tax Act, fixed interest rates, and government guarantees (Ministry of Finance, Government of India, 2024).

These schemes are particularly favored by individuals who prioritize capital preservation over high returns. Unlike market-linked instruments such as mutual funds or equities, post office schemes are not subject to market volatility. As a result, they provide a sense of financial stability, especially important for retirees, pensioners, and those without access to formal financial education. Furthermore, these schemes have played a significant role in mobilizing small savings and channeling them into national development. According to the Reserve Bank of India (2023), small savings instruments contribute a substantial share to the country's gross domestic savings and support government borrowing programs.

The current study focuses on understanding investor attitudes towards post office savings schemes, with specific reference to the Mavoor Post Office in Kerala. By examining the perceptions, preferences, and behaviors of investors in this region, the study seeks to generate insights into the local efficacy of these schemes. Such analysis is crucial for tailoring future policy decisions and improving service delivery, particularly in semi-urban areas where financial literacy may be limited but saving behavior remains strong. Understanding investor behavior, including the motivations and deterrents influencing participation in post office schemes, is vital for ensuring their continued relevance in India's evolving financial ecosystem. This research aims to identify prevailing trends and challenges in the adoption of post office savings schemes, assess their alignment with investor expectations, and recommend actionable strategies for enhancing their appeal and performance.

Post office savings schemes remain an indispensable component of India's financial landscape. By fostering disciplined savings habits and offering secure investment alternatives, these schemes support both individual financial goals and broader national development objectives. This study aims to contribute to a deeper understanding of investor attitudes, particularly at the micro-level in locations such as Mavoor and to offer insights that may inform more effective policy frameworks and service improvements.

Post office savings schemes in India have played a pivotal role in promoting financial inclusion and encouraging secure savings practices among the public, particularly among rural and low-income populations. Several studies have explored various aspects of these schemes, including investor preferences, satisfaction levels, modernization efforts, and the challenges faced in implementation and outreach.

Mathumitha (2015) conducted a study in Cumbum Town and found that a majority of investors considered post office savings schemes suitable for meeting future family-oriented financial goals, especially those related to children's education and marriage. The Recurring Deposit (RD) scheme emerged as the most preferred option, indicating a preference for disciplined, low-risk savings. The study recommended greater promotional efforts to increase public awareness about the range of available schemes.

Koreshashikant and Teli (2015) analyzed the investment behavior of postal customers in Kolhapur district of Maharashtra and concluded that small and medium investors maintained a clear and positive outlook toward post office schemes. Their research highlighted the importance of enhancing financial literacy, adopting competitive strategies, and improving marketing to maintain relevance in a financial ecosystem increasingly influenced by private institutions. The authors also suggested quicker decision-making and the expansion of customer service capabilities within postal financial services.

Dutta (2014) examined the role of India Post in offering Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI). The study noted that while PLI was originally introduced in 1884 and RPLI in 1995 to meet the needs of rural populations, challenges related to outreach, awareness, and operational inefficiencies still persist. Nevertheless, India Post was recognized as a vital institution contributing to insurance penetration among underserved groups. Vinayagamoorthy and Senthilkumar (2014) investigated the use of postal investment instruments among lower-income groups. Their study observed that while the availability of post office savings schemes has provided essential financial access to the poor, awareness and strategic utilization of these schemes remain limited. They emphasized the need for community-level financial education and outreach to improve engagement and optimize the use of these products.

Anand et al. (2013) focused on the evolution and performance of India Post's financial services, especially its transformation initiatives such as the introduction of core banking solutions (CBS) and alternate service channels. These advancements were aimed at improving service delivery, extending banking facilities to underserved regions, and modernizing India Post's infrastructure to remain competitive with commercial banks and digital platforms. Beriwala, Gupta, and Sharma (2022) studied investor awareness and satisfaction with post office savings schemes. Their findings indicated that, despite the safety and tax advantages offered by these instruments, investor awareness about the full range of schemes was relatively low. They emphasized the need for targeted communication strategies and regular outreach programs to educate potential investors.

Sharma and Gupta (2021) examined the impact of digital transformation on the perception and

utilization of post office savings services. The study suggested that while digital banking adoption is gradually increasing, many customers particularly in semi-urban areas require additional guidance and support to transition to online and mobile platforms. Enhancing staff training and customer education was identified as critical to boosting service adoption. Rao and Ghosh (2019) investigated operational and administrative challenges within the financial services arm of India Post. They identified key areas needing reform, such as upgrading infrastructure, digitizing internal processes, and improving customer service standards. Their study advocated for institutional policy support to address these gaps and strengthen the capacity of India Post to serve as a full-fledged financial service provider.

Patel and Desai (2020) analyzed the broader economic role of small savings schemes, including those managed by India Post. They argued that a collaborative approach involving public-private partnerships, digital innovation, and localized outreach could enhance the effectiveness and reach of these schemes. Their research highlighted the importance of adapting to changing investor behavior and integrating modern technology to ensure long-term sustainability.

## **2. STUDY AREA AND POPULATION**

The study was conducted in Mavoor, located in the Kozhikode district of Kerala, India. The target population consisted of individuals residing in this region who have invested in post office saving schemes.

## **3. METHODOLOGY**

### ***3.1. Research Approach***

This study adopted a qualitative research approach to explore the attitudes of investors towards post office saving schemes. A qualitative design was chosen as it enables the collection of in-depth and detailed insights into participants' experiences, motivations, and opinions. This approach is particularly effective in capturing the contextual and personal factors influencing investment decisions.

### ***3.2. Research Design***

A descriptive research design was employed to systematically observe and describe the attitudes of investors without manipulating any variables. This design facilitates an accurate representation of real-life situations and behaviors, thereby contributing to a better understanding of investor perspectives.

### ***3.3. Sample Design and Size***

The sample consisted of 30 respondents, selected from the target population. Data were collected

using both primary and secondary sources. Primary data were obtained through structured questionnaires and personal interviews, designed to collect information on investor attitudes, satisfaction levels, and experiences with various post office savings products.

### **3.4. Sampling Technique**

A simple random sampling technique was used to select the participants. This method ensures that every individual in the target population had an equal probability of being chosen, which helps to minimize selection bias and enhance the representativeness of the sample.

### **3.5. Data Collection Tools**

- *Primary Data:* Collected through a structured questionnaire and face-to-face interviews. The questionnaire included both closed and open-ended questions focusing on usage patterns, satisfaction levels, and perceptions of post office saving schemes.
- *Secondary Data:* Gathered from relevant books, journals, reports, and published articles. These sources provided background information and supported the analysis of the primary data by offering broader context and previously established findings in the field (Kothari, 2004).

## **4. ETHICAL CONSIDERATIONS**

Informed consent was obtained from all participants prior to data collection. Participants were assured of the confidentiality and anonymity of their responses, and data were used solely for academic purposes.

## **5. LIMITATIONS**

While the qualitative approach allowed for detailed insights, potential limitations include the small sample size and subjective interpretations. Recognizing these limitations ensures a balanced and realistic understanding of the findings and helps to frame the conclusions more accurately.

## **6. RESULTS AND DISCUSSION**

### **6.1. Income Profile of Respondents**

The analysis of the respondents' monthly family income reveals that a significant portion of the sample belongs to the lower to lower-middle income group (Figure 1). A majority of the respondents (56%) reported a monthly income between ₹25,000 and ₹35,000, followed by 37% who earn between ₹18,000 and ₹25,000. Only a small percentage (7%) fall within the income range of ₹35,000 to ₹45,000. Notably, none of the participants reported a monthly income above ₹45,000 (Table 1 & Figure 1).

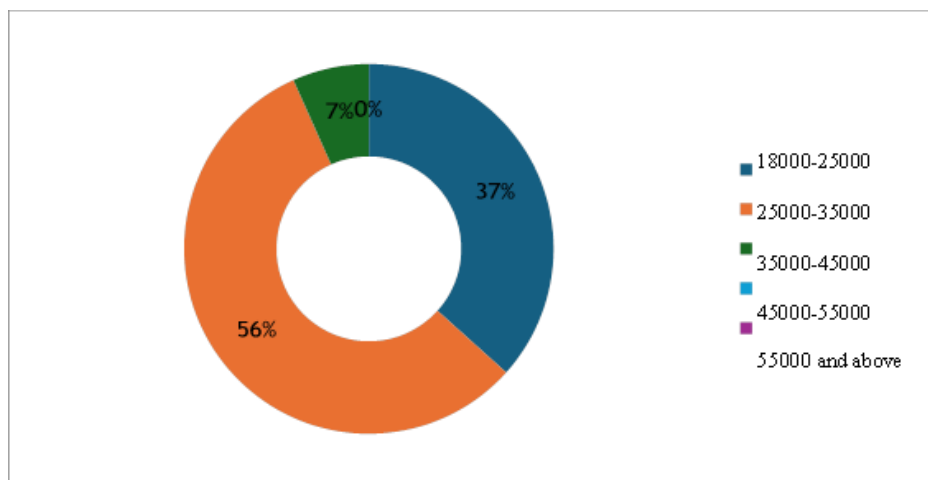
**Table 1 Monthly income of the family**

Attributes (₹)	Respondents	Percentage (%)
18000-25000	11	37
25000-35000	17	56
35000-45000	2	7
45000-55000	0	0
55000 and above	0	0
<b>Total</b>	<b>30</b>	<b>100</b>

(Source: Primary data)

These findings suggest that post office saving schemes are primarily utilized by individuals and families with modest earnings. The popularity of these schemes among this income group can be attributed to several key factors, including safety, guaranteed returns, ease of access, and trust in government-backed financial instruments. Such features are particularly appealing to income-sensitive investors who prioritize capital protection over high returns.

The absence of respondents in higher income brackets indicates that wealthier individuals may not find post office saving schemes attractive, possibly due to their relatively low interest rates and limited investment growth potential. Higher-income investors often seek financial instruments that offer greater returns, even if they involve higher risk, such as mutual funds, equities, or real estate (Figure 1).



**Figure 1 Monthly Income of the Family**

Overall, the income distribution of the sample highlights the crucial role of post office saving schemes in promoting financial inclusion. These schemes serve as a secure and dependable investment option for lower-income households, helping them to save consistently and plan for future financial needs.

### 6.2. Preferred Saving Schemes

The analysis of respondents' preferences for various post office saving schemes highlights specific trends in investment choices. Among the respondents, the Public Provident Fund was the most preferred option, selected by 44% of participants. This indicates a strong inclination towards long-term, government-backed savings instruments that offer tax benefits and attractive interest rates (Table 2).

**Table 2 Preferred saving schemes**

Attributes	Respondents	Percentage (%)
Post Office Monthly Income Scheme	4	13
Senior citizen saving scheme	9	30
Public provident fund (PPF)	13	44
Sukanya samriddhi yojana	4	13
Others	0	0
<b>Total</b>	<b>30</b>	<b>100</b>

(Source: Primary data)

The Senior Citizen Savings Scheme was chosen by 30% of respondents, reflecting its importance among elderly investors or households supporting senior family members. This scheme's appeal likely stems from its assured returns and suitability for retirement income planning.

The Post Office Monthly Income Scheme and Sukanya Samriddhi Yojana each accounted for 13% of preferences. The Post Office Monthly Income Scheme is typically favored by those seeking stable and regular income, while Sukanya Samriddhi Yojana appears to attract families with girl children aiming to save for long-term needs such as education or marriage. No respondents selected saving options outside of these four schemes, indicating limited usage or awareness of other post office saving instruments within the study population (Figure 2).



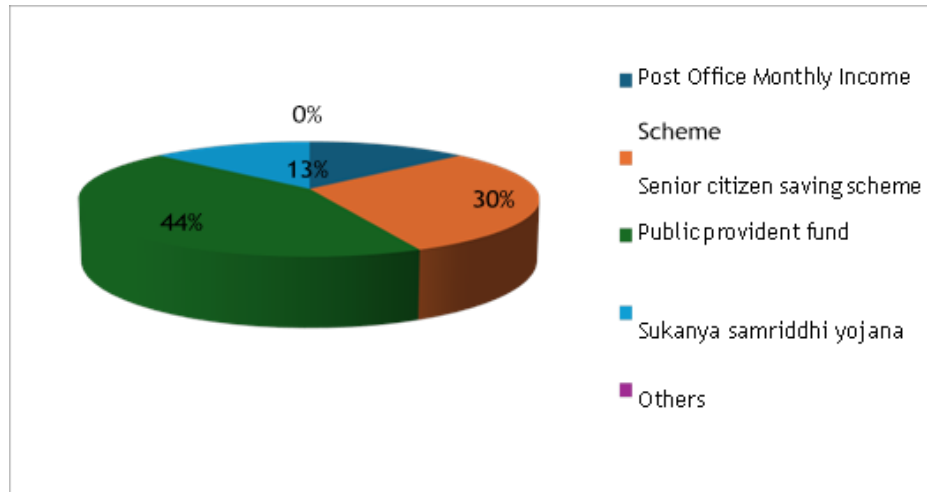


Figure 2 Preferred Saving scheme

### 6.3. Primary benefits of Post Office Saving Schemes

The respondents were asked to identify the primary benefits they associate with post office saving schemes. The most frequently cited benefit was secure investment with guaranteed returns, selected by 53% of the participants (Table 3). This emphasizes the importance of safety and reliability in investment choices, particularly for individuals with limited risk tolerance or those prioritizing capital preservation (Figure 3).

Table 3 Primary Benefits of Post office saving schemes

Attributes	Respondents	Percentage (%)
Savings habit	8	27
Tax saving benefits	4	13
Secure investment with guaranteed return	16	53
Suitable for long term Investment	2	7
<b>Total</b>	<b>30</b>	<b>100</b>

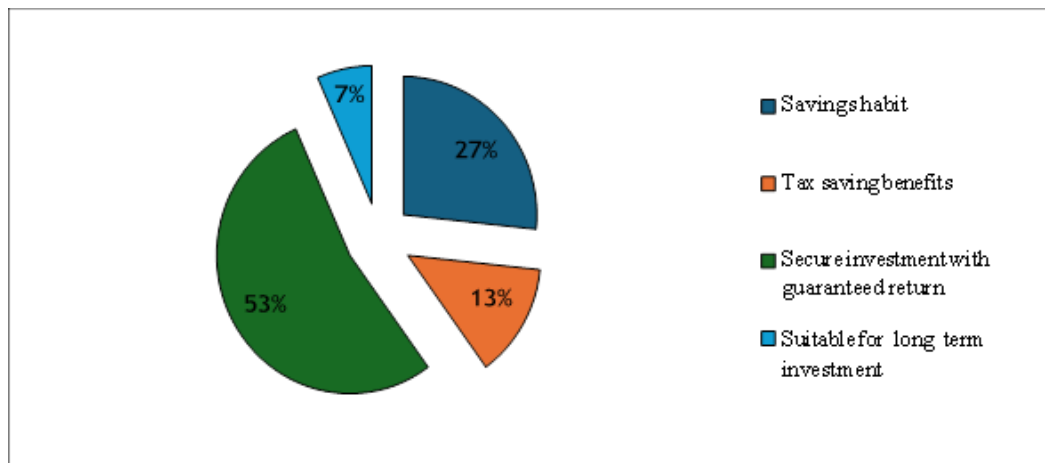
(Source: Primary data)

Savings habit emerged as the second most significant benefit, with 27% of respondents choosing it. This indicates that many individuals view post office saving schemes as a tool for cultivating disciplined savings habits, contributing to regular, structured financial planning.

Tax saving benefits were cited by 13% of respondents, highlighting the appeal of post office



schemes that provide tax advantages, such as the Public Provident Fund. However, this benefit seems to be a secondary concern for the majority of participants, suggesting that security and guaranteed returns take precedence over tax considerations for most investors.



**Figure 3 Primary Benefits of Post office savings scheme**

Finally, suitability for long-term investment was identified by only 7% of respondents (Table 3), indicating that relatively few investors prioritize post office saving schemes for long-term financial goals, possibly due to the lower return rates compared to more growth-oriented investment options.

#### **6.4. Factors influencing investment in Post Office Saving Schemes**

When asked about the factors influencing their investment in post office saving schemes, the majority of respondents highlighted flexibility in withdrawal as the key consideration, with 37% of participants selecting this attribute (Table 4). This suggests that investors value the ability to access their funds as needed, providing a sense of control and security over their investments (Figure 4).

Ease of accessibility and process emerged as another important factor, with 23% of respondents emphasizing this feature. The simplicity and convenience of investing in post office saving schemes, coupled with minimal paperwork, appear to make these schemes particularly attractive to individuals seeking hassle-free investment options.

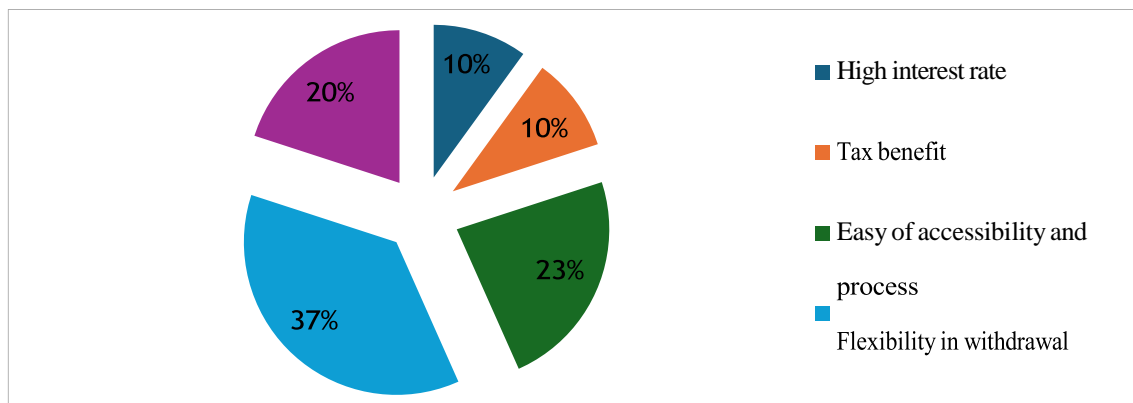
High interest rates and tax benefits were both cited by 10% of respondents, indicating that while these benefits are appealing, they are not the primary drivers for most investors (Figure 4). This suggests that factors related to convenience, flexibility, and ease of access outweigh the financial advantages such as interest rates and tax savings for a majority of the participants. Moreover, 20% of respondents selected the category “Others,” which may encompass factors such as trust in

government-backed schemes or recommendations from family and friends. This points to the role of social and psychological influences in investment decisions.

**Table 4 Factors influencing to investment in post office saving schemes**

Attributes	respondents	Percentage (%)
High interest rate	3	10
Tax benefit	3	10
Easy of accessibility and Process	7	23
Flexibility in withdrawal	11	37
Others	6	20
<b>Total</b>	<b>30</b>	<b>100</b>

(Source: Primary data)



**Figure 4 Factors influencing to investment in post office saving schemes**

#### 6.5. Satisfaction level on customer service provided at the Post Office

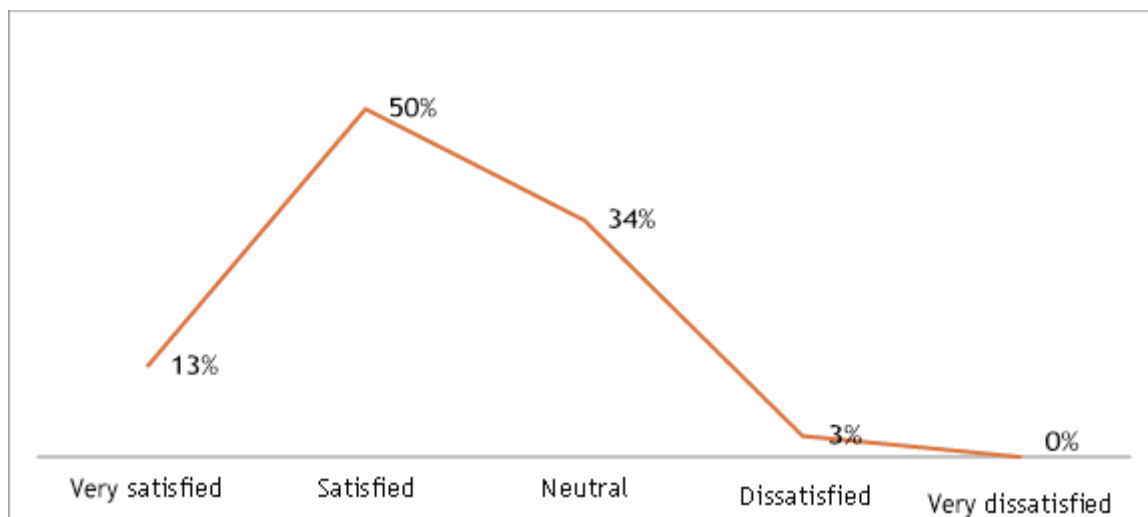
The respondents were asked to rate their satisfaction with the customer service provided at the post office. The results reveal that a majority of respondents (50%) are satisfied with the service, indicating that post office customers generally find the service to meet their expectations (Table 5). Additionally, 13% of respondents reported being very satisfied, reflecting a positive perception of the overall customer experience (Figure 5).

**Table 5 Satisfaction level on customer service provided at the post office**

Attributes	Respondents	Percentage
Very satisfied	4	13
Satisfied	15	50
Neutral	10	34
Dissatisfied	1	3
Very dissatisfied	0	0
<b>Total</b>	<b>30</b>	<b>100</b>

(Source: Primary data)

However, a notable portion of respondents (34%) expressed a neutral stance on the matter, suggesting that while the service may be adequate, it does not stand out in terms of quality or excellence. Only 3% of respondents expressed dissatisfaction, with no respondents reporting being very dissatisfied (Figure 5). This indicates that, while there is some room for improvement, dissatisfaction with post office services is relatively low.



**Figure 5 Satisfaction level on customer service provided at the post office**

These findings suggest that customer service at post offices is generally well-regarded but could benefit from enhancements to increase satisfaction levels, particularly for those in the neutral or dissatisfied categories.

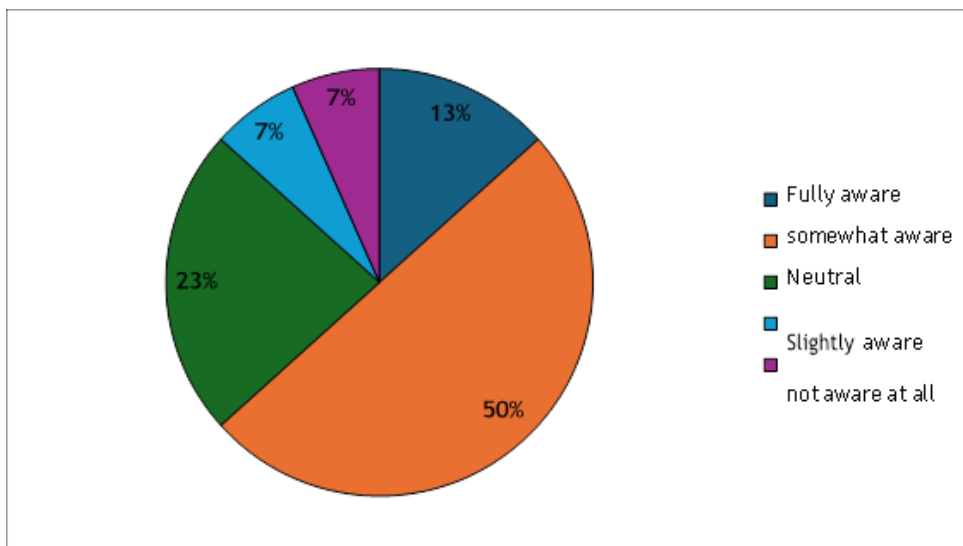
### 6.6. Awareness about Tax exemptions

The level of awareness among respondents regarding tax exemptions associated with post office saving schemes varied (Table 6). The majority of respondents (50%) reported being somewhat aware of the tax benefits, indicating that while they have some knowledge, they may not fully understand the full scope of the tax exemptions available. Additionally, 13% of respondents were fully aware of the tax exemptions (Figure 6), suggesting that a small proportion of participants have a strong understanding of these benefits.

**Table 6 Awareness about tax exemptions**

Attributes	Respondents	Percentage
Fully aware	4	13
Somewhat aware	15	50
Neutral	7	23
Slightly aware	2	7
not aware at all	2	7
<b>Total</b>	<b>30</b>	<b>100</b>

(Source: Primary data)



**Figure 6 Awareness about tax exemptions**

A smaller portion of respondents (23%) remained neutral, indicating that they neither have clear awareness nor complete ignorance of the tax exemptions. Only 7% of respondents reported being slightly aware, and another 7% were not aware at all of the tax exemptions related to post office saving schemes (Table 6 & Figure 6). These figures highlight a gap in knowledge regarding tax-saving benefits, which could potentially influence the decision-making process for investors.

These results suggest that while many participants have some awareness of tax exemptions, there is significant room for improving financial literacy about these benefits. Greater awareness could potentially enhance the attractiveness of post office saving schemes for tax-conscious investors.

### **6.7. Challenges in Post Office saving schemes**

The respondents were asked to identify the challenges they face in using post office saving schemes. The most significant challenge, reported by 80% of respondents, was a lack of clear information about the schemes. This indicates that many investors find it difficult to obtain comprehensive, easy-to-understand details regarding the features, benefits, and processes of these savings instruments. A lack of transparency could lead to confusion or hesitation, particularly among new or less experienced investors (Table 7).

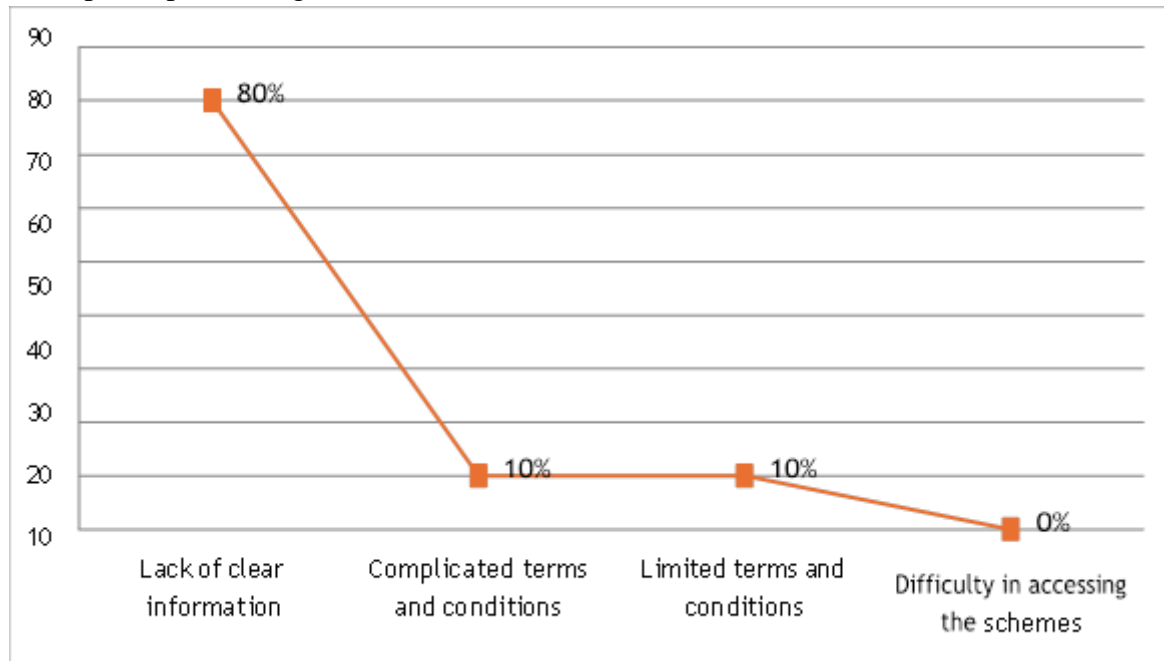
**Table 7 Challenges in post office saving scheme**

Attributes	Respondents	Percentage
Lack of clear information	24	80
Complicated terms and conditions	3	10
Limited terms and conditions	3	10
Difficulty in accessing the schemes	0	0
<b>Total</b>	<b>30</b>	<b>100</b>

(Source: Primary data)

In contrast, only 10% of respondents pointed to complicated terms and conditions as a challenge, while another 10% identified limited terms and conditions as a concern. These responses suggest that while some investors find the terms of the schemes challenging, the majority are more concerned with the overall lack of clear information. Notably, none of the respondents reported

difficulties in accessing the schemes, suggesting that availability and accessibility are not major barriers to participation (Figure 7).



**Figure 7 Challenges in post office saving scheme**

These findings emphasize the need for better communication and more user-friendly resources to ensure that potential investors fully understand the options available to them, which could lead to greater trust and higher participation in post office saving schemes.

## 7. CONCLUSION

This study offers valuable insights into the attitudes of investors towards post office saving schemes. Key findings reveal that these schemes are primarily utilized by lower to lower-middle-income groups, highlighting their role in promoting financial inclusion. Investors prioritize security, guaranteed returns, and ease of access over higher returns, making post office saving schemes attractive to conservative investors. The Public Provident Fund and Senior Citizen Savings Scheme were the most preferred, indicating a strong preference for long-term, government-backed instruments. Tax benefits were a secondary consideration for most respondents, with guaranteed returns and developing a savings habit being the main motivations.

Flexibility in withdrawals and ease of accessibility were key factors influencing investment choices, with customer satisfaction generally positive, although there is room for improvement in service quality. A significant gap in awareness regarding tax exemptions was observed, suggesting the need for better education on the benefits of these schemes. The most notable challenge faced by investors

was a lack of clear information about the schemes, underscoring the need for better communication and transparency. Simplifying terms and improving customer education would help increase trust and participation.

In conclusion, while post office saving schemes are essential for financial planning among lower-income groups, enhancing awareness, improving customer service, and providing clearer information could further strengthen their effectiveness and appeal.

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