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Awareness, Utilisation and Investor Behaviour towards Post Office Savings Schemes in India: An Empirical Study

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Abstract

Post Office Savings Schemes play a significant role in promoting financial inclusion and encouraging savings behaviour among individuals in India. These government-backed schemes provide safe investment options with assured returns and are particularly beneficial for rural and middle-income households. The present study examines the level of awareness, utilisation patterns, and investor satisfaction regarding Post Office Savings Schemes. Primary data were collected from 120 respondents through a structured questionnaire. Statistical tools such as percentage analysis, correlation analysis, chi-square test, and one-way ANOVA were used to analyse the data. The results indicate that most respondents prefer Post Office Savings Schemes due to safety, government backing, and accessibility. However, awareness levels of certain schemes remain limited. The findings suggest that improving digital infrastructure and conducting financial awareness campaigns can significantly increase participation in these schemes. The study highlights the importance of Post Office Savings Schemes in strengthening financial security and promoting financial inclusion in India.

Keywords: Post Office Savings Schemes, Financial Inclusion, Investment Behaviour, Investor Awareness, India Post, Small Savings.

1. Introduction

Savings and investments are fundamental components of economic stability and long-term financial security. In developing countries such as India, encouraging household savings is essential for capital formation and economic growth. Financial institutions play a crucial role in mobilizing savings by offering secure and accessible investment opportunities. The Post Office Savings Bank is one of the oldest and most trusted financial institutions in India and provides a wide range of small savings schemes.

India has one of the largest postal networks in the world, which allows financial services to reach rural and remote populations where banking facilities may be limited. Post Office Savings Schemes include instruments such as Savings Accounts, Recurring Deposits (RD), Time Deposits (TD), Public Provident Fund (PPF), National Savings Certificate (NSC), Sukanya Samriddhi Yojana (SSY), and Kisan Vikas Patra (KVP). These schemes offer guaranteed returns and are considered low-risk investment options.

2. Literature Review

Several researchers have examined savings behaviour and investment preferences in relation to Post Office Savings

Schemes. Ganapathi and Anbumalar (2010) found that safety, tax benefits, and assured returns significantly influence investor decisions. Rajeshwari and Sunmista (2011) reported that customers generally have a positive perception of postal services due to reliability and accessibility.

Agarwal (2012) concluded that factors such as education level, occupation, and income significantly affect the choice of investment schemes. Vembu (2018) emphasized that rural investors prefer post office schemes because of accessibility and government backing. More recent studies highlight the importance of digital transformation in improving postal services and increasing customer satisfaction.

3. Conceptual Model of the Study

The conceptual model of the study is based on behavioural finance theories, particularly the Theory of Planned Behaviour. According to this theory, behaviour is influenced by awareness, attitudes, and behavioural intentions. In this study, awareness of Post Office Savings Schemes influences investor attitudes and perceptions. Positive perceptions lead to stronger investment intentions, which ultimately result in the utilisation of savings schemes. Investor satisfaction then influences future investment behaviour.

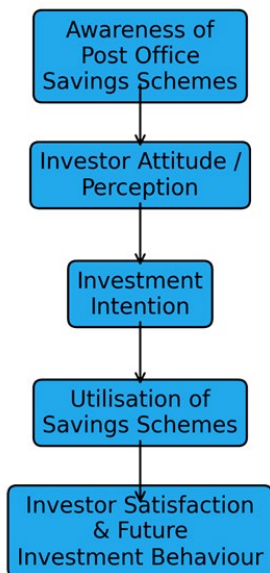


Fig 1: Conceptual Model of Awareness and Utilisation of Post Office Savings Schemes

4. Objectives of the Study

- i). To examine the level of awareness of Post Office Savings Schemes.
- ii). To analyse the investment behaviour of individuals.
- iii). To study investor satisfaction towards postal financial services.
- iv). To identify factors influencing investment decisions.

5. Research Methodology

The study follows a descriptive research design to analyse awareness, utilisation, and satisfaction levels among investors regarding Post Office Savings Schemes.

Data Sources: Primary data were collected through a structured questionnaire administered to respondents. Secondary data were obtained from books, journals, and government publications.

Sampling Technique: Convenience sampling was used to select respondents based on accessibility and willingness to participate in the survey.

Sample Size: 120 respondents.

Tools Used for Analysis:

- Percentage Analysis
- Chi-square Test
- Correlation Analysis
- One-way ANOVA

6. Data Analysis and Results

The collected data were analysed using statistical techniques such as percentage analysis, chi-square test, correlation analysis, and ANOVA.

Demographic Profile: The analysis revealed that most respondents belong to the 18–30 age group. Female respondents slightly outnumber male respondents.

Awareness Levels: Most respondents are aware of basic schemes such as Savings Accounts and Time Deposits. However, awareness regarding Sukanya Samridhi Yojana and Kisan Vikas Patra is relatively lower.

Investment Behaviour: Savings Accounts are the most preferred scheme among investors. Most respondents invest relatively small amounts, indicating that Post Office Savings Schemes mainly attract small investors.

Investor Satisfaction: The majority of respondents reported high satisfaction with post office services due to safety, accessibility, and government backing.

Hypothesis Testing

ANOVA Results: ANOVA results indicate that awareness levels differ significantly across age groups.

Correlation Analysis: Correlation analysis shows a positive relationship between awareness and satisfaction.

Chi-Square Test: The chi-square test reveals that gender does not significantly influence awareness levels

7. Major Findings

- Majority of respondents belong to the young adult age group.
- Savings Accounts are the most preferred investment option.
- Post office staff are the primary source of awareness.
- Safety and government backing influence investment decisions.
- Investor satisfaction levels are very high.

8. Suggestions

Awareness campaigns should be strengthened to educate the public about different savings schemes. Digital services and online accessibility within the postal network should be improved to attract younger investors.

9. Conclusion

Post Office Savings Schemes continue to play an important role in promoting savings and financial inclusion in India. The study indicates that investors trust these schemes due to their safety and government backing. Enhancing awareness and improving digital infrastructure can further increase participation in these schemes.

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