



‘A STUDY ON INVESTMENT PATTERNS OF INDIVIDUALS INVESTING IN VARIOUS SCHEMES OF RDCC BANK’

Author: Ms. Mansi Mhatre¹

¹Student, Rajeev Gandhi College of Management Studies, Ghansoli

Co Author: Ms. Divya Mahadule²

²Assistant Professor, Rajeev Gandhi College of Management Studies, Ghansoli

ABSTRACT

This research paper examines the investment patterns of individuals investing in various schemes offered by RDCC Bank. As a District Co-operative Central Bank, RDCC plays a vital role in promoting financial inclusion and supporting rural and agricultural communities through diverse investment schemes. This study aims to analyze the factors influencing investment choices, understand the demographic profiles of investors, and evaluate the popularity and performance of different schemes within the bank. By exploring the behavior of investors and their preferences, this research provides insights into how RDCC Bank can enhance its investment offerings and better cater to its clients' financial goals. This study highlights the importance of strategic investment planning within cooperative banks and contributes to a better understanding of rural investment behaviors and financial decisions.

KEYWORDS:

Investment Patterns, Individual Investors, RDCC Bank, Financial Schemes, Savings Behavior, Fixed Deposits, Recurring Deposits, Mutual Funds, Risk Appetite, Financial Literacy.

INTRODUCTION:

Banks play an essential role in maintaining economic stability and promoting financial growth, serving as key financial institutions that accept deposits, provide loans, and facilitate financial transactions. As trusted custodians of public funds, banks operate within a framework of strict regulations and compliance standards, such as the Basel Accords and the Banking Regulation Act, 1949. RDCC Bank, a District Co-operative Central Bank in India, primarily caters to the financial needs of rural and agricultural communities, supporting their economic development through specialized banking and investment services.

In India, cooperative banks like RDCC occupy a unique position in the banking sector by focusing on rural finance and promoting investments among individuals in local communities. Their investment schemes allow people from various backgrounds, particularly in rural areas, to participate in systematic savings and investment activities. This study delves into the investment behavior of RDCC Bank's customers, analyzing the factors influencing their investment choices and the challenges they face. By examining the trends in investment patterns, this research aims to offer a comprehensive view of rural banking's role in shaping financial inclusion and empowering local economies.

RDCC Bank offers a variety of financial schemes to meet diverse customer needs.

- Savings accounts have a low minimum balance and allow unlimited transactions, with interest paid half-yearly.



- Current accounts cater to small businesses with options for customized cash management.
- Term Deposit Schemes of RDCC Bank
 1. Monthly Interest Payout Scheme
 2. Re-Investment Scheme
 3. Recurring (Cumulative) Deposit Scheme
 4. Pigmy (Self Deposit Scheme)
 5. Sahkar Sanvardhini
 6. Shubhachintan Deposit Scheme
 7. Suvarna Mahotsav Deposit Scheme
 8. Jai Kisan Deposit Scheme

OBJECTIVES OF STUDY:

1. To Study the Various Investment Schemes Offered by RDCC (Raigad District Central Cooperative) Bank
2. To Study the Investment Patterns Across Different Income Groups in RDCC (Raigad District Central Cooperative) Bank
3. To Study the Investment Patterns Across Different Age Groups in RDCC (Raigad District Central Cooperative) Bank

LITERATURE REVIEW:

The literature review covers studies on investment preferences and patterns in various regions, revealing a preference for traditional investment options like fixed deposits (FDs) and recurring deposits (RDs) due to their stability and low risk (Shrivastava, 2019). In Bhopal, regional economic factors influence investment choices, with government employees favoring conservative investments, while private sector employees are more open to market-based options (Ahuja, 2021). Orissa shows a gradual shift towards mutual funds, although traditional practices and cautious attitudes still impact decisions (Chakraborty, 2013). Surat District Cooperative Bank demonstrates a balance between financial returns and community goals, leveraging local growth to support investments (Bhumika, 2023). Financial education and targeted outreach can enhance savings and investment behaviors, especially in rural areas (Patil, 2017). Lastly, an analysis of Indian commercial banks highlights that medium-sized public sector banks exhibit higher technical efficiency, correlating with strong capital adequacy and lower non-performing loans (Ghosh, 2006).

RESEARCH METHODOLOGY:

The study titled "A Study of Investment Pattern of Individuals Investing in RDCC Bank" is likely to be categorized as **Descriptive research**.

Population:

The population for this study includes all **customers of RDCC Bank in Raigad district** who invest in the bank's various schemes. This population encompasses individuals across different income levels and age groups who utilize the bank's investment products.



Sample:

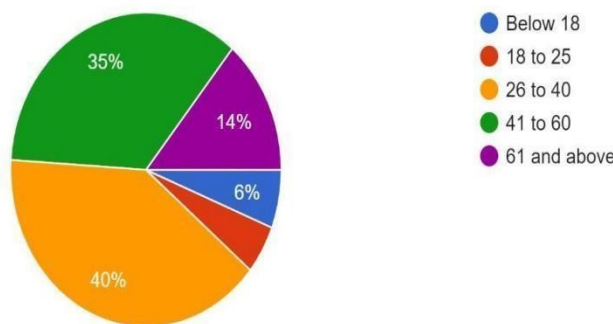
- **Sample Size:**
- **Number of Responses:** The study gathered responses from 100 customers.
- **Sampling Method:** Stratified Sampling was employed to ensure representation from various income levels and age groups.
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Data collection:

- **Primary Data:**
- **Surveys/Questionnaires:**
 1. Structured questionnaires with a mix of closed-ended, check boxes, multiple choices and Likert scale questions to ensure comprehensive data collection.
 2. Distributed in-person at bank branches through social media platform (WhatsApp).
- **Interviews:**
 1. Semi-structured interviews with open-ended questions to allow for detailed responses and follow-up questions.
 2. Face-to-face or via telephone/online video conferencing, depending on participant availability and convenience.
- **Secondary Data:**
- **Bank Records:** Internal reports and records from RDCC Bank.
- **Literature Review:** Academic journals, industry reports, websites and previous studies and research papers relevant to banking and investment

DATA ANALYSIS AND INTERPRETATION:

Age Group
100 responses

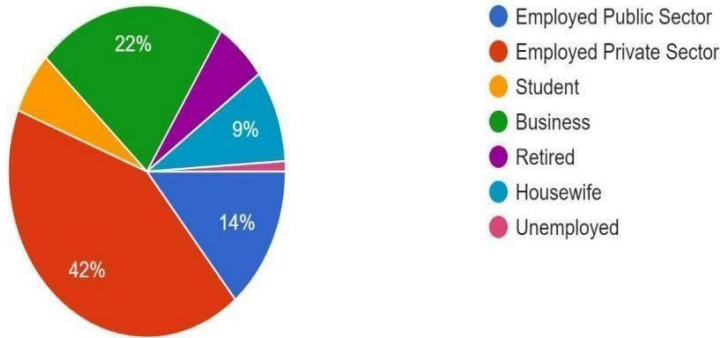


1.

Interpretation:- The investment pattern reveals that RDCC Bank attracts the most investors from the 26 to 40 age group, suggesting that this demographic is the most active or interested in such investments. The relatively lower numbers in the younger age groups might indicate either a lack of interest or financial capacity to invest. Conversely, the higher number of investors in the 41 to 60 age range points to a substantial involvement of middle-aged individuals. The smallest group, 61 and above, may reflect either a lower interest or reduced capacity for new investments among older adults.

2.

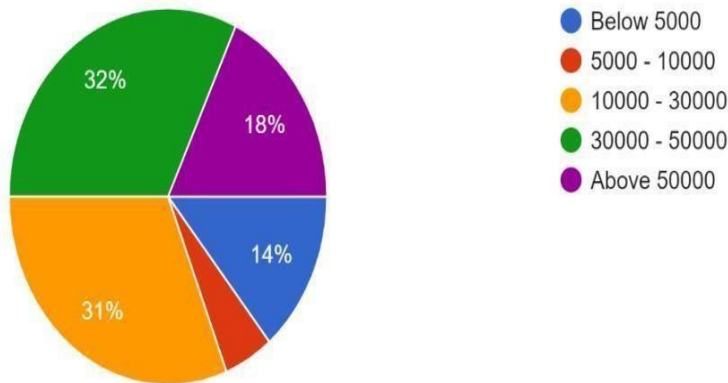
Occupation
 100 responses



Interpretation:- The investment pattern suggests a strong preference among individuals working in the private sector, which has the highest representation. Business professionals also make up a significant portion, indicating active engagement in investments. The low numbers of students and retirees suggest limited involvement or interest in investing. The smallest group, unemployed individuals, shows minimal participation, likely due to financial constraints. This distribution highlights that those in stable, employed positions are more inclined to invest.

3.

Monthly Income
 100 responses

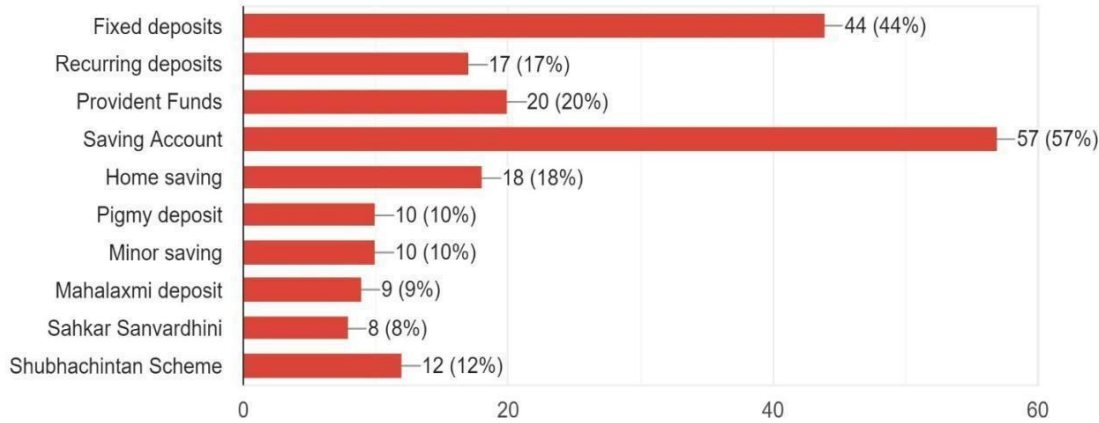


Interpretation: - The income distribution shows a concentration of individuals in the middle to upper income ranges, with the majority earning between 10,000 and 50,000. This indicates that higher-income brackets are more prevalent among the population, suggesting that those with greater financial resources are more likely to be engaged. The relatively few individuals in the lower income brackets might reflect limited financial capacity for investments or less engagement with higher-income investment opportunities.

4.

Which of the following investment schemes do you currently invest in?

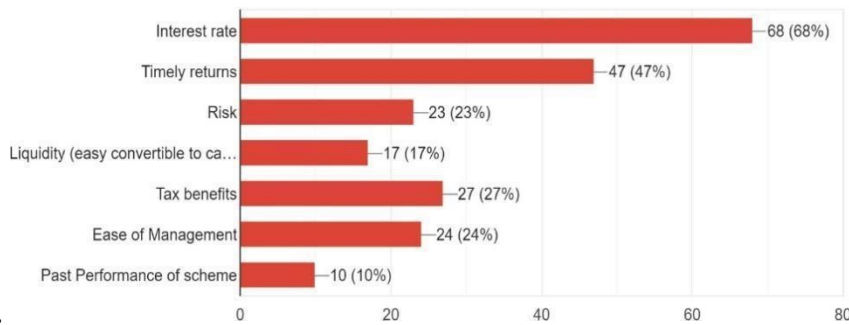
100 responses



Interpretation:- The data indicates that Savings Accounts are the most favoured investment scheme among individuals investing in RDCC Bank. Fixed Deposits also attract a significant number of investors. Provident Funds and Recurring Deposits are also popular but less so compared to Savings Accounts and Fixed Deposits. The relatively lower numbers for schemes like Pigmy Deposits, Home saving, Minor Guardian, Mahalaxmi Deposits, Sahkar Sanvardhini, and Shubhachintan Scheme suggest that these options are less well-known or less appealing. The absence of responses for "Other" suggests either a lack of alternative schemes or that the provided options sufficiently cover the investment preferences of the respondents.

What are the factors most important when you selecting an investment scheme?

100 responses



5.

Interpretation:- Interest Rate is the primary factor driving the choice of investment schemes, indicating that higher returns are a major draw for investors. Timely Returns are also significant, suggesting that investors prioritize receiving their returns promptly. Risk, Liquidity, and Tax Benefits are secondary considerations, with investors balancing these aspects based on their personal preferences and needs. Ease of Management and Past Performance are less influential, showing that while they matter, they are not as critical as the potential financial returns.



FINDINGS:

1. **Most Popular Investment Schemes:** Fixed Deposits (FDs) and Savings Accounts are the most popular among RDCC Bank customers, preferred for their stability and guaranteed returns.

2. **Income Group Preferences:**
 - **High-Income Group:** Tend to invest more in Fixed Deposits and long-term savings like Pigmy Deposits.
 - **Middle/Low-Income Groups:** Prefer Recurring Deposits and Savings Accounts due to lower investment thresholds and higher liquidity.

3. **Age Group Trends:**
 - **Young Adults (Below 18, 18-25 years):** Favor higher-return, moderate-risk schemes like Fixed Deposits, especially in Minor Savings.
 - **Middle-Aged Adults (26-60 years):** Choose safer options like Recurring Deposits, Fixed Deposits, and Pigmy Deposits for capital preservation.
 - **Senior Citizens (61+ years):** Primarily invest in Fixed Deposits and Senior Citizen Savings Schemes, seeking stability and regular income.

4. **Influencing Factors:** Attractive interest rates influence decisions, particularly in Fixed Deposits, Recurring Deposits, and Savings Accounts.

CONCLUSION:

In analyzing the investment patterns at RDCC Bank, it becomes evident that **Saving Accounts** are the most popular investment scheme, reflecting a strong preference for liquidity and safety among customers. **Fixed Deposits** also hold significant appeal, indicating a desire for stable, low-risk investments. Other schemes like **Recurring Deposits** and **Provident Funds** are somewhat popular, showing interest in systematic saving and long-term security.

Age-wise, the **26 to 40 years** age group is the most active in investments, suggesting they are in a stable financial phase and focused on future security. The **41 to 60 years** group also shows considerable engagement, indicating ongoing financial planning as they near retirement. Conversely, the **Below 18** and **61 and Above** age groups show less involvement, possibly due to varying financial priorities or lower engagement in formal investment schemes.

Income-wise, individuals in the **10000 - 30000** and **30000 - 50000** brackets exhibit the highest investment activity, likely due to greater disposable income. Lower income groups, such as those earning **Below 5000** or **5000 - 10000**, show less investment activity, which may be due to financial constraints.

Occupation impacts investment patterns as well, with **Employed Private Sector** individuals and **Business** professionals being the most active investors. This reflects

their relatively higher disposable income and financial stability. In contrast, **Students**, **Retired** individuals, and the **Unemployed** have minimal engagement, likely due to limited or fixed income sources.

Overall, the investment schemes at RDCC Bank are utilized differently across various demographics, with a clear trend toward traditional, secure investment options. Understanding these patterns allows the bank to better cater to the needs of its diverse customer base.

RECOMMENDATIONS:

1. Promote Fixed Deposits and Higher Interest Rates:

The high popularity of Fixed Deposits and Higher Interest Rates on Deposits is suggested for more competitive deposit options. RDCC Bank should introduce higher interest rate tiers and promotional offers for fixed deposits to attract and retain customers seeking secure, high- return investments.

2. Enhance Personalized Investment Services:

The Personalized Investment Advice would be more tailored financial guidance. RDCC Bank should consider offering enhanced advisory services, possibly through dedicated financial advisors or personalized investment planning tools. This could help customers make informed decisions and better align their investments with their financial goals.

3. Upgrade Digital Investment Tools:

With Online Investment Tools, RDCC Bank should invest in upgrading its digital platforms. This includes improving the user interface and functionality of online investment tools to provide a more seamless and user-friendly experience. Integration of features like real-time tracking, portfolio management, and online consultations could be beneficial.

4. Targeted Educational Campaigns:

To address the varying levels of engagement with different investment schemes, the bank should implement targeted educational campaigns. For example, initiatives could focus on explaining the benefits of Recurring Deposits, Home Saving, and Provident Funds to those who have shown interest but are not as actively engaged. Similarly, increasing awareness about the Shubhachintan Scheme and Sahkar Sanvardhini could help boost their adoption. Also, campaigns will help to provide financial literacy for the below 18 and 18 to 25 age group category.

5. Diversify Investment Schemes:

To cater to a wider range of customer preferences, the bank should consider diversifying its investment schemes. Introducing new products or variations of existing schemes that align with current financial trends and customer demands can attract a broader audience.

By implementing these recommendations, RDCC Bank can better align its offerings with customer preferences, enhance engagement, and potentially increase the overall satisfaction and investment activity among its clientele.



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