

## A COMPARATIVE ANALYSIS OF INVESTMENT OPTIONS IN STATE BANK OF INDIA WITH SPECIAL REFERENCE TO COIMBATORE DISTRICT

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### ABSTRACT

*Investment plays a significant role in personal financial planning and economic development. Banks act as important intermediaries in mobilizing savings and channelizing them into productive investments. The present study focuses on analyzing various investment options offered by the State Bank of India (SBI) and understanding the investment behaviour of customers in Coimbatore District. The study examines investment products such as Savings and Fixed Deposits, Mutual Funds, Insurance Plans, Pension Schemes, Public Provident Fund (PPF), and Sukanya Samriddhi Yojana. Primary data was collected from 78 respondents through a structured questionnaire, and the data was analyzed using percentage analysis and chi-square test. The findings indicate that most investors prefer safe investment options with assured returns such as fixed deposits and savings schemes. The study also reveals that income level, awareness, and risk tolerance influence investment decisions. The research highlights the importance of improving financial awareness and advisory services to encourage diversified investment behaviour among bank customers.*

**Keywords:** *Investment behaviour, SBI investment products, fixed deposits, mutual funds, financial awareness, banking investments.*

### INTRODUCTION

Investment is an essential aspect of financial planning that helps individuals achieve long-term financial security and wealth creation. Individuals invest their savings in various financial instruments to generate returns while balancing risk and liquidity. The banking sector plays a crucial role in facilitating investment by offering a wide range of financial products designed to meet different investor needs.

The State Bank of India (SBI), being the largest public sector bank in India, provides a variety of investment options including fixed deposits, mutual funds, insurance policies, pension schemes, and government-backed savings schemes. These investment products help individuals meet financial goals such as wealth creation, retirement planning, tax savings, and capital protection.

In recent years, changes in economic conditions, financial literacy levels, and technological advancements have significantly influenced the investment behaviour of individuals. While some investors prefer safe investment options such as fixed deposits, others are gradually exploring market-linked investments such as mutual funds.

This study attempts to analyze the investment options offered by SBI and examine the factors influencing customer investment decisions in Coimbatore District.

### REVIEW OF LITERATURE

1. **Rajan & Krishnan (2022)** – *Study on Bank Investment Behaviour in Tamil Nadu.* The study examined bank investment behaviour in Tamil Nadu and found that demographic variables (age, income, education) significantly affected investment choices and risk tolerance patterns.

2. **Reddy & Rao (2021)** – *Study on Investment Choices of Bank Customers*. The study analysed the investment choices of bank customers and found a positive relationship between income level and preference for equity-linked investment options.
3. **Thomas & Jacob (2021)** – *Study on Investment Behaviour of Urban Investors*. The study investigated the investment behaviour of urban investors and found that income and education are significant predictors of diversified portfolios.
4. **Kumar & Suresh (2020)** – *Comparative Study on Fixed Deposits and Mutual Funds*. The study compared fixed deposits and mutual funds as investment choices and found that mutual funds offered higher returns but were perceived as riskier than fixed deposits.
5. **Singh & Kaur (2020)** – *Study on Customer Awareness and Satisfaction of Bank Investment Products*. The study examined customer awareness and satisfaction regarding bank investment products and highlighted that awareness positively influenced investment diversification.

## OBJECTIVES OF THE STUDY

1. To study and compare the various investment options offered by State Bank of India (SBI) such as deposits, mutual funds, insurance, and pension schemes in terms of return, risk, liquidity, and tenure.
2. To analyze the level of awareness, preference, and investment behavior of SBI customers in Coimbatore District towards different SBI investment products.
3. To evaluate the factors influencing the selection of SBI investment options among investors in Coimbatore District, including income level, risk appetite, financial goals, and demographic characteristics.

## RESEARCH METHODOLOGY

### Research Design

The study adopts a **descriptive research design** to understand the investment behaviour of SBI customers.

### Data Collection

Both **primary and secondary data** were used for the study.

### Primary Data

Primary data was collected from **78 respondents** using a structured questionnaire.

### Secondary Data

Secondary data was collected from:

- Books
- Journals
- RBI reports
- Websites
- Banking publications

### Sampling Technique

Convenience sampling method was used to select respondents.

### Tools for Analysis

The collected data was analyzed using:

- Percentage analysis
- Chi-square test

## INVESTMENT OPTIONS OFFERED BY SBI

### Savings and Fixed Deposits

Savings accounts and fixed deposits are the most common investment options offered by banks. Fixed deposits provide guaranteed returns with low risk and flexible tenure options.

### **Mutual Funds**

Mutual funds are market-linked investment options that offer higher return potential compared to traditional savings instruments. SBI provides mutual fund investment opportunities through SBI Mutual Fund schemes.

### **Insurance Plans**

Insurance plans combine protection with investment benefits. SBI offers life insurance products through SBI Life Insurance.

### **Pension Schemes**

Pension schemes help individuals build retirement funds by making regular contributions.

### **Public Provident Fund (PPF)**

PPF is a government-backed long-term investment scheme that provides tax benefits and guaranteed returns.

### **Sukanya Samridhi Yojana**

This scheme is designed to promote savings for the education and marriage of girl children.

## **DATA ANALYSIS & INTERPRETATION**

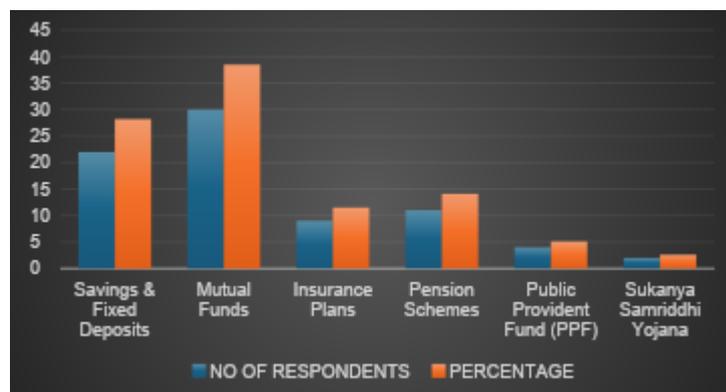
### **SBI INVESTMENT PRODUCT MOST PREFERRED BY RESPONDENTS**

<b>OPINION OF RESPONDENTS</b>	<b>NO OF RESPONDENTS</b>	<b>PERCENTAGE</b>
Savings & Fixed Deposits	22	28.2
Mutual Funds	30	38.5
Insurance Plans	9	11.5
Pension Schemes	11	14.1
Public Provident Fund (PPF)	4	5.1
Sukanya Samridhi Yojana	2	2.6
<b>TOTAL</b>	<b>78</b>	<b>100</b>

Source: Primary Data

From the above table, it is observed that 38.5% of the respondents have mostly invested in Mutual Funds, followed by 28.2% in Savings and Fixed Deposits. About 14.1% prefer Pension Schemes, while 11.5% invest in Insurance Plans. A smaller proportion of respondents invest in Public Provident Fund (5.1%) and Sukanya Samridhi Yojana (2.6%), indicating that mutual funds and traditional deposits are the most preferred SBI investment options among the respondents.

### **SBI INVESTMENT PRODUCT MOST PREFERRED BY RESPONDENTS**



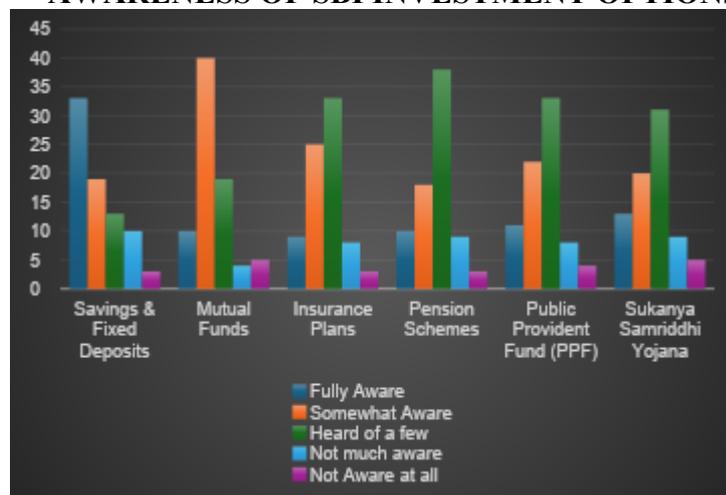
**AWARENESS OF SBI INVESTMENT OPTIONS AMONG RESPONDENTS**

	Fully Aware	Somewhat Aware	Heard of a few	Not much aware	Not Aware at all
Savings & Fixed Deposits	33	19	13	10	3
Mutual Funds	10	40	19	4	5
Insurance Plans	9	25	33	8	3
Pension Schemes	10	18	38	9	3
Public Provident Fund (PPF)	11	22	33	8	4
Sukanya Samriddhi Yojana	13	20	31	9	5

Source: Primary Data

From the above table, it is observed that Savings and Fixed Deposits have the highest awareness among respondents, while mutual funds, insurance plans, pension schemes, PPF, and Sukanya Samriddhi Yojana have moderate to low awareness. This indicates that respondents are more familiar with traditional SBI investment options than other financial products.

**AWARENESS OF SBI INVESTMENT OPTIONS AMONG RESPONDENTS**



**CHI-SQUARE CALCULATION TABLE**

Income Level	Investment Option	O	E	$(O-E)^2/E$
Below ₹15,000	Savings & FD	18	22.69	0.97
	Mutual Funds	20	18.91	0.06
	Insurance	10	8.32	0.34
	Pension	5	4.54	0.05
	PPF	6	4.54	0.47
₹15,000–₹30,000	Savings & FD	8	4.62	2.47
	Mutual Funds	2	3.85	0.89
	Insurance	1	1.69	0.28
	Pension	1	0.92	0.01
	PPF	0	0.92	0.92
₹30,001–₹50,000	Savings & FD	2	1.15	0.63
	Mutual Funds	1	0.96	0
	Insurance	0	0.42	0.42
	Pension	0	0.23	0.23
	PPF	0	0.23	0.23
₹50,001–₹75,000	Savings & FD	1	0.77	0.07
	Mutual Funds	1	0.64	0.2
	Insurance	0	0.28	0.28
	Pension	0	0.15	0.15
	PPF	0	0.15	0.15
Above ₹75,000	Savings & FD	1	0.77	0.07
	Mutual Funds	1	0.64	0.2
	Insurance	0	0.28	0.28
	Pension	0	0.15	0.15
	PPF	0	0.15	0.15

## RESULT

Particular	Value
Calculated $\chi^2$ Value	<b>8.42</b>
Degree of Freedom	<b>16</b>

Table Value (5% level)
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26.3
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Since the calculated value (8.42) is less than the table value (26.30), the null hypothesis is accepted. Hence, it is concluded that income level has a significant influence on the investment decisions of SBI customers.

## FINDINGS OF THE STUDY

1. Majority of respondents are students and belong to the younger age group.
2. Most respondents have income below ₹15,000.
3. Mutual funds and fixed deposits are the most popular investment options.
4. Capital safety and regular income are the major reasons for investment.
5. Many respondents prefer short-term investment periods.
6. Awareness about certain investment schemes is limited.
7. Friends and relatives are the primary source of investment information.
8. Investors prefer low to moderate risk investments.

## CONCLUSION

Investment decisions play a crucial role in financial security and wealth creation. The study reveals that most SBI customers in Coimbatore District prefer safe investment options such as savings accounts and fixed deposits due to their stability and assured returns. Although mutual funds are gaining popularity, investors remain cautious due to risk concerns and limited awareness. The findings highlight the importance of financial literacy and investor education in promoting diversified investment behaviour. SBI plays a vital role in mobilizing savings and providing investment opportunities to individuals. By strengthening financial awareness programs and improving advisory services, banks can help investors make informed financial decisions and achieve their long-term financial goals.

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