



A STUDY ON THE ROLE OF BANKS IN PROMOTING RETAIL BANKING INVESTMENT PRODUCTS WITH SPECIAL REFERENCE TO INDIAN OVERSEAS BANK

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Abstract – Retail banking has become a key driver in the growth of the financial sector by offering a wide range of investment products to individual customers. These products include fixed deposits, mutual funds, insurance policies, recurring deposits, and pension schemes, which help customers achieve their financial goals and ensure future security. This study focuses on analyzing the role of banks in promoting retail banking investment products, with special reference to Indian Overseas Bank. The research aims to examine the level of awareness among customers, their perception towards investment products, and the factors influencing their investment decisions.

The study also highlights the importance of digital banking, financial literacy, and promotional strategies adopted by banks to attract and retain customers. It further evaluates how effectively banks communicate investment-related information and provide advisory services. The findings of the study indicate that while banks have made significant efforts in promoting investment products, there is still a lack of awareness and understanding among certain sections of customers. Factors such as risk perception, income level, and trust in banks play a crucial role in shaping investment behavior.

The study concludes that banks need to focus more on customer education, simplified procedures, and personalized financial services to increase participation in investment products. Strengthening digital platforms and improving customer engagement can further enhance the effectiveness of retail banking services.

Keywords: Retail Banking, Investment Products, Customer Awareness, Financial Literacy, Digital Banking, Indian Overseas Bank

INTRODUCTION

Retail banking refers to the provision of banking services to individual customers rather than corporate clients. It includes a variety of financial services such as savings accounts, current accounts, loans, credit facilities, and investment products. In recent years, the scope of retail banking has expanded

significantly, with banks offering a wide range of investment options to meet the diverse needs of customers. These investment products not only help individuals grow their wealth but also contribute to the overall economic development of the country.

The role of banks in promoting investment products has become increasingly important due to rising competition and changing customer expectations. Banks are no longer limited to traditional functions but have evolved into financial service providers offering comprehensive solutions. They play a vital role in mobilizing savings and channeling them into productive investments, thereby supporting economic growth. Through effective marketing strategies, customer relationship management, and digital platforms, banks are able to reach a wider audience and promote investment opportunities.

Indian Overseas Bank, as a leading public sector bank, plays an important role in promoting retail banking investment products through its extensive branch network and digital services. The bank offers a variety of investment options tailored to meet the needs of different customer segments. However, the effectiveness of these efforts depends on factors such as customer awareness, trust, and financial literacy.

OBJECTIVES:

PRIMARY OBJECTIVE:

To Study the role of banks in promoting retail banking investment products.

SECONDARY OBJECTIVES:

- To identify customer awareness towards retail investment products and their features offered by banks.
- To understand the sources of investment information to retail banking investors.
- To evaluate the customer perception towards the role of bank officials in educating customers about investment options.



- To assess customer satisfaction with bank investment products based guidance and advisory services.

REVIEW OF LITERATURE

Ramesh Kumar and Priya Sharma (2023), in their study titled “Role of Retail Banking in Investment Promotion”, examined how banks influence customer investment behaviour. The study found that banks play a significant role in promoting investment products through awareness programs, relationship management, and advisory services. The authors suggested that banks should focus more on personalized services and customer education to improve participation in investment products.

Anitha S. and Rajesh K. (2022) conducted a study on “Customer Awareness towards Banking Investment Products”. The study revealed that although customers are aware of traditional products like fixed deposits, their awareness about advanced products such as mutual funds and insurance is limited. The authors suggested that banks should strengthen their communication strategies and conduct financial literacy programs to improve customer knowledge.

Arjun Mehta and Neha Singh (2024), in their study titled “Impact of Digital Banking on Investment Decisions”, analyzed the role of technology in influencing customer behaviour. The study found that digital banking platforms such as mobile banking and internet banking have a positive impact on investment decisions by providing easy access, transparency, and convenience. The authors recommended that banks should further improve their digital infrastructure.

Karthik R. and Lavanya M. (2021) studied “Factors Influencing Investment Behaviour in Retail Banking”. The findings showed that factors such as risk perception, income level, return expectations, and financial knowledge significantly influence investment decisions. The study suggested that banks should consider these factors while designing investment products and marketing strategies.

Suresh Babu and Kavitha R. (2023) conducted a study on “Customer Perception towards Bank Investment Services”. The study found that customer trust, service quality, and transparency are key factors influencing the adoption of investment products. The authors suggested that improving customer service and building trust can enhance customer participation.

Manoj Patel and Kiran Desai (2022), in their study titled “Awareness and Preference of Investment Products in Banks”,

found that fixed deposits are the most preferred investment option due to their safety and guaranteed returns. However, awareness about mutual funds and market-linked products remains low. The study suggested increasing promotional efforts for such products.

Rahul Jain and Pooja Agarwal (2024) studied “Role of Technology in Retail Banking Growth”. The findings indicated that technological advancements such as AI and digital platforms improve customer engagement and facilitate better investment decisions. The study recommended that banks should adopt advanced technologies to stay competitive.

Deepak Gupta and Shalini Verma (2020), in their research on “Financial Literacy and Investment Behaviour”, found that financial literacy plays a crucial role in shaping investment decisions. Customers with higher financial knowledge tend to invest more in diversified financial products. The study emphasized the need for banks to promote financial education among customers.

Venkatesh P. and Divya S. (2021), in their study on “Investment Behaviour of Bank Customers”, found that demographic factors such as age, income, education, and occupation significantly influence investment behaviour. The authors suggested that banks should segment customers based on these factors to provide customized investment solutions.

Nitin Arora and Simran Kaur (2025), in their study titled “Marketing Strategies in Promoting Banking Products”, found that effective marketing strategies, including digital marketing, advertisements, and awareness campaigns, play a vital role in promoting investment products. The study suggested that banks should adopt innovative marketing techniques to attract and retain customers.

RESEARCH METHODOLOGY

The Study “A STUDY ON THE ROLE OF BANKS IN PROMOTING RETAIL BANKING INVESTMENT PRODUCTS WITH SPECIAL REFERENCE TO INDIAN OVERSEAS BANK” adopts descriptive in nature, as it aims to describe and analyze the role of banks in promoting retail banking investment products. The study is conducted among customers of Indian Overseas Bank. The target respondents include individuals who use retail banking services and have knowledge of investment products. A sample size of around 100 to 120 respondents is selected for the study using the convenience sampling method.

Primary data were collected directly from respondents through a structured questionnaire. The questionnaire were designed to gather first-hand information from customers regarding their perceptions, satisfaction levels and experiences with investment products. Respondents from different age groups and occupations were asked about their awareness, usage patterns, trust, convenience, and challenges referred to retail banking investment products. This direct approach helped in obtaining original, reliable, and specific data relevant to the research objectives.

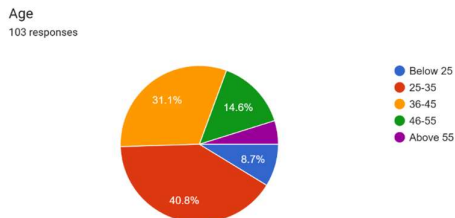
Secondary data were collected from journals, research articles, websites, and banking reports to support the study. The collected data is analyzed using statistical tools such as percentage analysis, ANOVA, and regression analysis. Charts and tables are also used to present the data in a clear and understandable manner.

The study considers variables such as age, purpose of investment, and factors influencing investment as independent variables, while customer awareness of investment products is treated as the dependent variable. This methodology helps in understanding the relationship between variables and drawing meaningful conclusions.

DATA ANALYSIS

Percentage Analysis: Percentage analysis is used to understand the distribution and proportion of responses collected from the respondents. It helps in analyzing the demographic profile of customers such as age, gender, occupation, income level, and education, as well as their usage patterns of banks in promoting investment products.

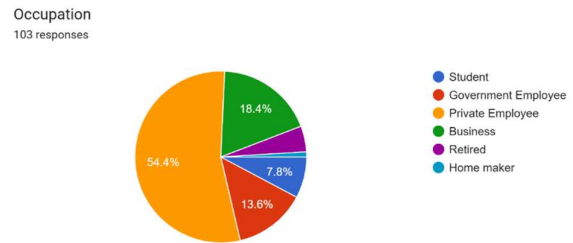
Percentage Analysis for Age of the Respondents



INFERENCE: The above percentage analysis shows the distribution of respondents based on their age group. It is observed that the majority of respondents (40.8%) belong to the age group of 25–35 years, followed by 36–45 years (31.1%). This indicates that most of the respondents are from the young and middle-aged category, who are more actively involved in financial activities and investment decisions. The age group of

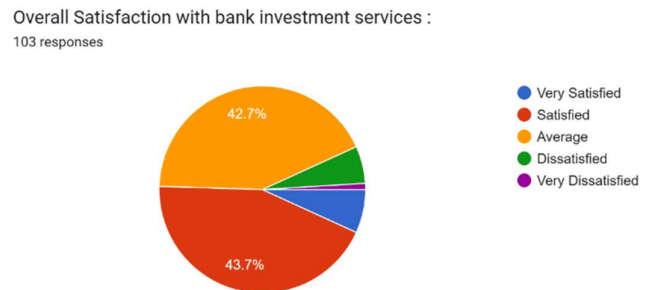
46–55 years accounts for 14.6% of the respondents, showing a moderate level of participation.

Percentage Analysis of Occupation



INFERENCE: The above percentage analysis represents the occupational distribution of the respondents. It is observed that the majority of respondents (54.4%) are private employees, indicating that most participants belong to the working professional category. This suggests that private sector employees are more actively involved in banking and investment activities. Business people constitute 18.4% of the respondents, showing a moderate level of participation, likely due to their financial engagement and investment interest.

Percentage Analysis of Overall Satisfaction with bank investment products



INFERENCE: The above percentage analysis represents the overall satisfaction level of respondents with bank investment services. It is observed that a majority of respondents are either satisfied (43.7%) or rate the services as average (42.7%), indicating that most customers have a moderately positive perception of the bank’s investment services. This shows that the bank is able to meet customer expectations to a certain extent, but there is still scope for improvement.

ANOVA ANALYSIS

ANOVA stands for Analysis of Variance. It's a statistical test used to compare the means of three or more groups to see if at least one group mean is significantly different from the others. In this study Anova is applied to examine differences in awareness of investment products offered by banks among different age groups.

NULL HYPOTHESIS (H₀): There is no significance difference between awareness of investment products offered by banks among different Age groups.

ALTERNATIVE HYPOTHESIS (H₁): There is a significance difference between awareness of investment products offered by banks among different Age groups.

ANOVA

awareness

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	16.869	4	4.217	2.061	.098
Within Groups	114.573	56	2.046		
Total	131.443	60			

INTERPRETATION:

Since the Sig. value (0.098) is greater than the typical significance level of 0.05, we fail to reject the Null Hypothesis (H₀). This suggests there is no significant difference in awareness of investment products offered by banks among different age groups at a 95% confidence level.

REGRESSION

Regression Analysis is a statistical tool used to examine the relationship between a dependent variable (outcome) and one or more independent variables (factors). It helps to understand how changes in independent variables influence the dependent variable. In this study Regression analysis is used to find the purpose of investments, factors influencing investment decisions, and the average amount invested per year.

Null Hypothesis (H₀): There is no significant relationship between the purpose of investments, factors influencing

investment decisions, and the average amount invested per year.

Alternative Hypothesis (H₁): There is a significant relationship between the purpose of investments, factors influencing investment decisions, and the average amount invested per year.

REGRESSION						
Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.713	.243		11.180	.000
	PurposeofyourInvestments	-.026	.072	-.037	-.354	.724
	Factorsinfluencing	.027	.090	.031	.296	.768

INTERPRETATION:

Since P Value: .000 lesser than 0.05, Null Hypothesis is rejected. There is a significance difference between the purpose of investment, Factors influencing investment decisions and the average amount invested per year.

Correlations			
		Durationofinvestments	OverallSatisfaction
Durationofinvestments	Pearson Correlation	1	.208*
	Sig. (2-tailed)		.035
	N	103	103
OverallSatisfaction	Pearson Correlation	.208*	1
	Sig. (2-tailed)	.035	
	N	103	103

CORRELATION ANALYSIS

Correlation analysis is a statistical method used to measure the relationship between two variables specifically, how strongly they are related and in what direction. In this study correlation analysis is used to find Duration of investments and overall satisfaction with bank investment services.

NULL HYPOTHESIS (H₀): There is no significant relationship between Duration of investments and overall satisfaction with bank investment services.

ALTERNATIVE HYPOTHESIS(H₁): There is a significant relationship between Duration of investments and overall satisfaction with bank investment services.

INTERPRETATION

Since, P value is 0.035 which is lesser than 0.05 ,Hence Null Hypothesis is rejected

There is a significance difference between Duration of investment and Overall Satisfaction.

CHI-SQUARE ANALYSIS

Chi-Square Analysis is a non-parametric statistical test used to examine the relationship or association between two categorical variables. In this study Chi-Square analysis used to find the Main sources of investment information and Trust level in digital platforms for investment transactions.

Correlations			
		Durationofinvestments	OverallSatisfaction
Durationofinvestments	Pearson Correlation	1	.208*
	Sig. (2-tailed)		.035
	N	103	103
OverallSatisfaction	Pearson Correlation	.208*	1
	Sig. (2-tailed)	.035	
	N	103	103

NULL HYPOTHESIS: There is no significance difference between Main sources of investment information and Trust level in digital platforms for investment transactions.

ALTERNATIVE HYPOTHESIS : There is a significance difference between Main sources of investment information and Trust level in digital platforms for investment transactions.

CHI-SQUARE		
	trustdigitalplatforms	mainsourcesofInformation
Chi-Square	60.835 ^a	74.039 ^b
df	2	4
Asymp. Sig.	.000	.000

INTERPRETATION

Since, P Value is .000 which is lesser than 0.05 Hence, Null Hypothesis is

Rejected. There is a significance difference between trust digital platforms and Main sources of information.

FINDINGS

- The study reveals that a majority of respondents are aware of basic retail banking investment products such as fixed deposits ,recurring deposits, and public provident fund,while awareness of advanced products like mutual funds and insurance schemes is comparatively lower.
- The percentage analysis indicates that most customers prefer safe and low-risk investment options, showing a conservative investment attitude. It is also observed that bank staff guidance and promotional activities play an important role in influencing customer awareness and decision-making.
- The study indicates that age and income level influence investment decisions, with middle-aged and higher-income groups showing more interest in investment products.
- Many respondents prefer short-term investments over long-term investments due to liquidity needs and financial security concerns.
- Overall, there is a need for financial education and awareness programs to improve customer understanding and participation in various retail banking investment products.

SUGGESTIONS

- Based on the findings of the study, it is suggested that banks should take more initiatives to improve customer awareness regarding various investment products. Special focus should be given to educating customers about advanced investment options such as mutual funds, digital gold, national pension schemes and insurance schemes. Banks should conduct financial literacy programs, workshops, and awareness campaigns to help customers make informed decisions.
- Banks should also provide personalized investment advice based on customer needs, income level, and risk preferences. Improving digital banking platforms and making them more user-friendly can encourage customers to explore and invest in different products. Ensuring proper guidance and support from bank staff can further enhance customer trust and satisfaction.

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