



STATE OF **INCOME TAX**
SAVING INVESTMENTS IN
INDIA

21st Dec 2021

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April

Monday

Tuesday





AGENDA

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AROSCOPI SOLUTION SUITE

The logo for 'aski' is centered within a dark blue circle that has a yellow ring around its perimeter. The word 'aski' is written in a lowercase, sans-serif font. The letters 'a', 's', and 'k' are white, while the 'i' is a light blue color. The dot above the 'i' is a white circle.

aski

Aroscop **Ask1** is a Consumer Insights tool specifically designed to identify a micro cohort of users that have a certain behaviour and ask them questions using **specially designed interactive creatives**.

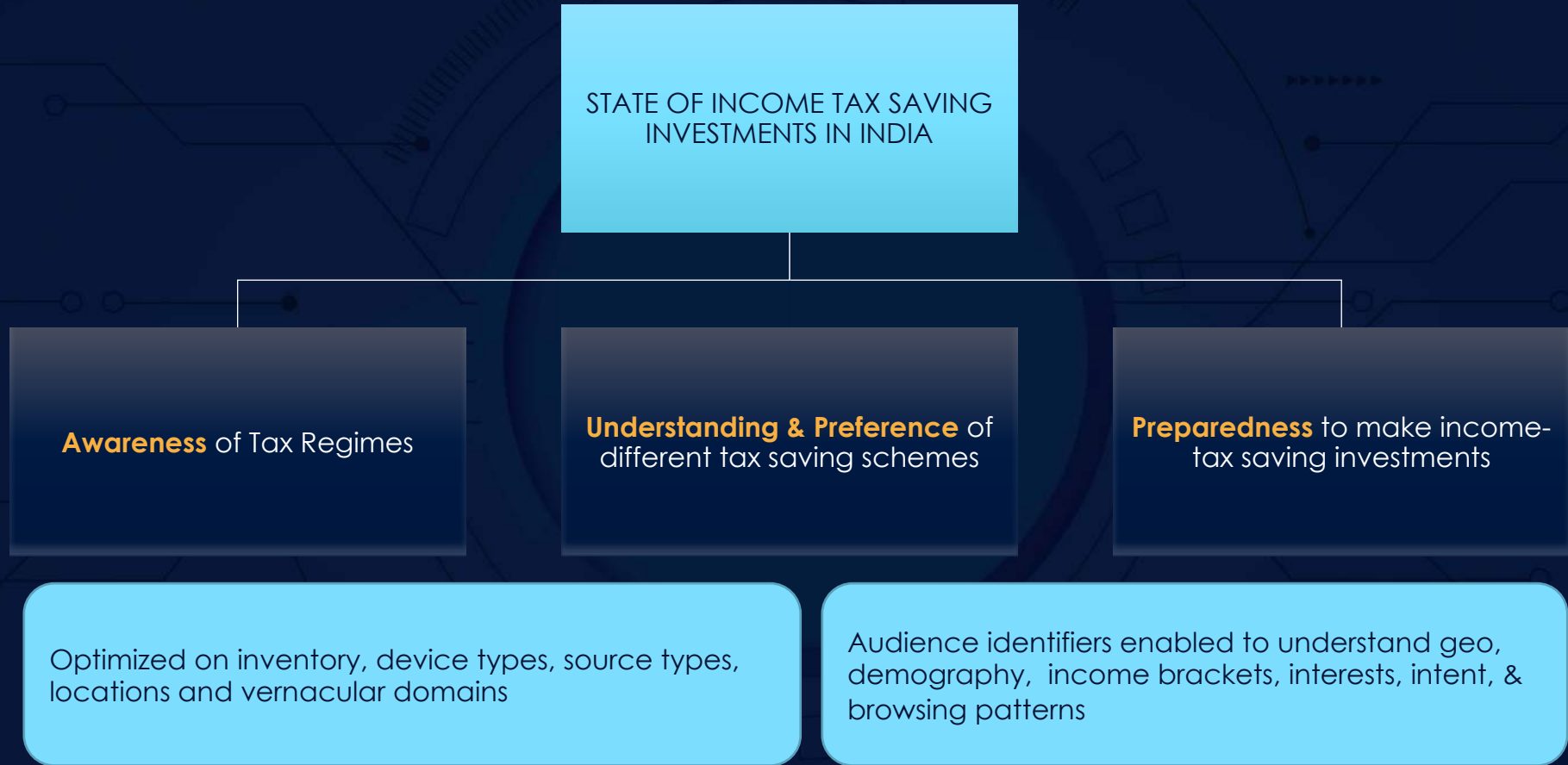
Backed by Aroscop's data science (DART), audience and contextual cohorts (COMPASS), and programmatic advertising platform (DSP), the solution aims to create highly relevant target or test groups, reach the right users at the right time (based on several signals), and programmatically deliver interactive display ads to generate credible responses.



RESEARCH OBJECTIVE

To understand user behaviour around income tax-saving related investment schemes and identify different user cohorts based on their preferences of the schemes, understanding of the income tax regimes, and their outlook towards completing their tax rebate quota.

RESEARCH SETUP



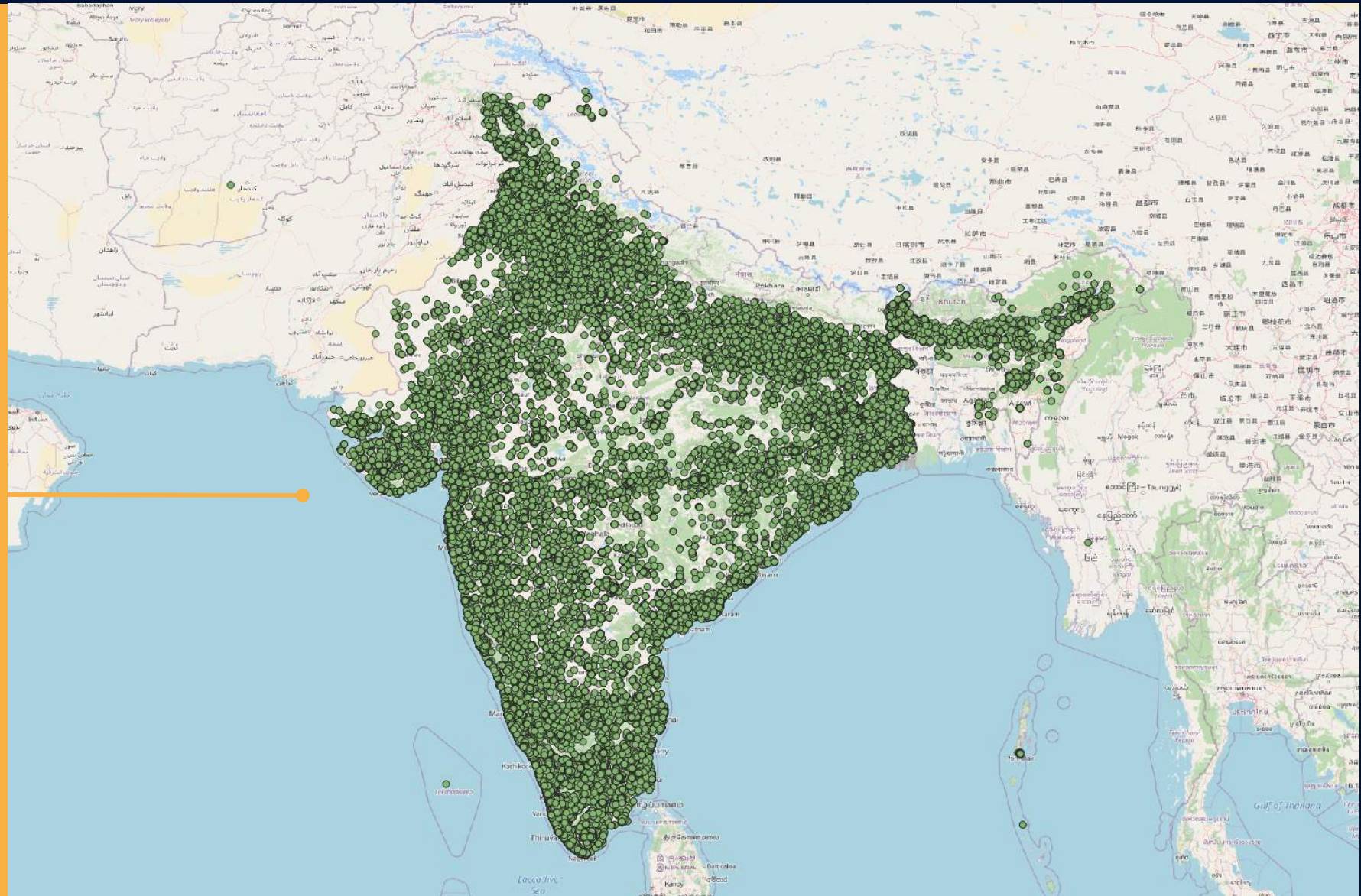
compass

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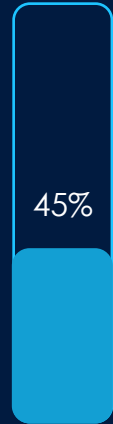
aroscop



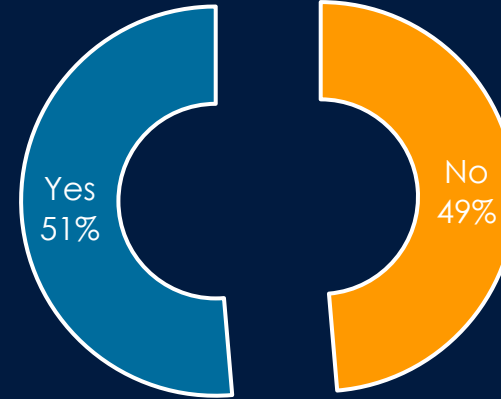
THE STUDY COVERED THE LENGTH & BREADTH OF INDIA



STATE OF INCOME TAX SAVING INVESTMENTS IN INDIA



45% of the respondents weren't sure of the total tax rebate that they can avail under various tax saving schemes.



Respondents were split equally on whether they would like someone (an expert) explain the income tax savings and related investments.



Life insurance, fixed deposits, & national savings certificate (NSC) are the most popular tax saving investments (under 80C). ELSS (Equity-Linked Savings Scheme) Mutual Funds don't seem to be very popular.

KEY TAKEAWAYS & INSIGHTS

— ELSS MF

ELSS Mutual Funds are overall the least popular income tax saving choices though have better acceptance in older age groups.

— NPS

78% of the respondents said either they are not aware of the tax-saving investment scheme, or they don't invest in it.

— RURAL INDIA

Seems to be more aware of the tax saving schemes and income tax regimes. Yet they invest in the last quarter to save taxes

— URBAN INDIA

37% of the urban residents say that they themselves make their insurance related investments through online portals

— IT REBATE

West & north Indian states seem to be most prepared to achieve their IT related investments for this financial year.

— 35-44 YRS

35-44 year olds are most aware of the IT regimes and various schemes for tax exemption and they tax related investments at the start of the year

— 18 – 24 YRS

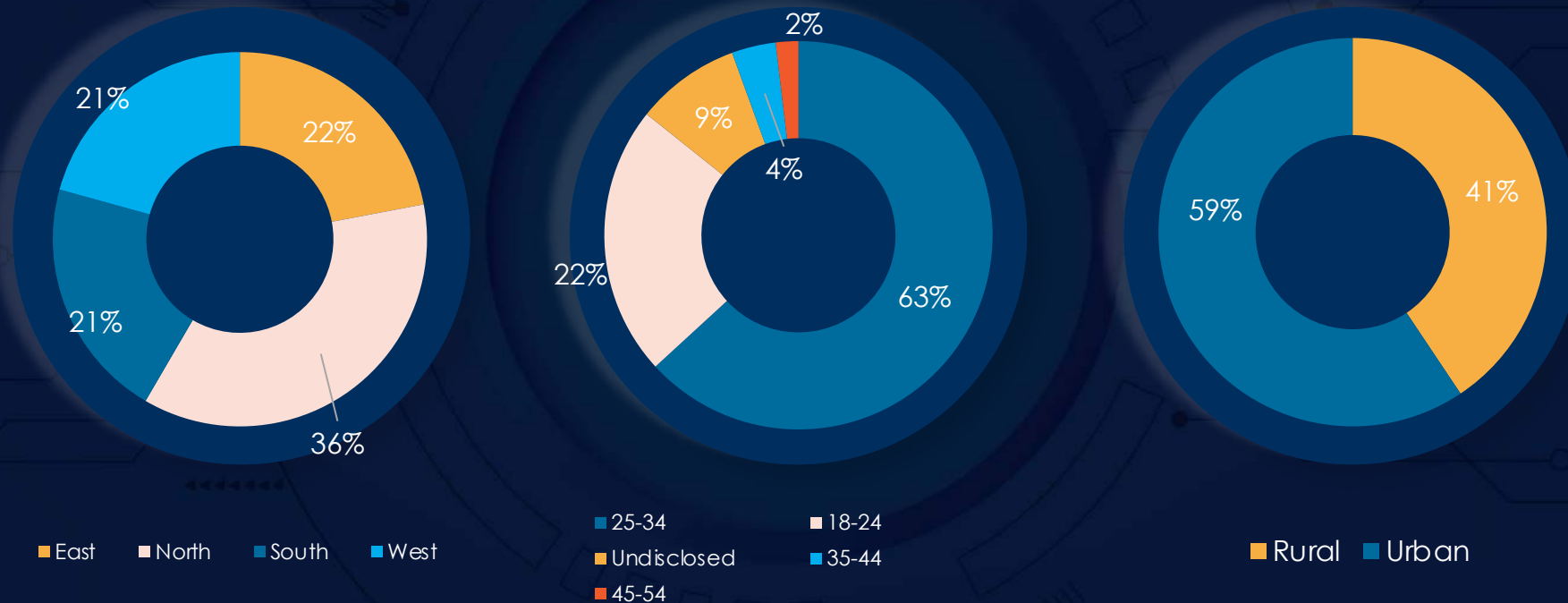
The young taxpayers make insurance related investment themselves and prefer "life insurance endowment policies" over other options

— INSURANCE AGENT

Majority (43%) of the respondents seek an insurance agent for their insurance related investments

SAMPLE & AUDIENCE SPLIT

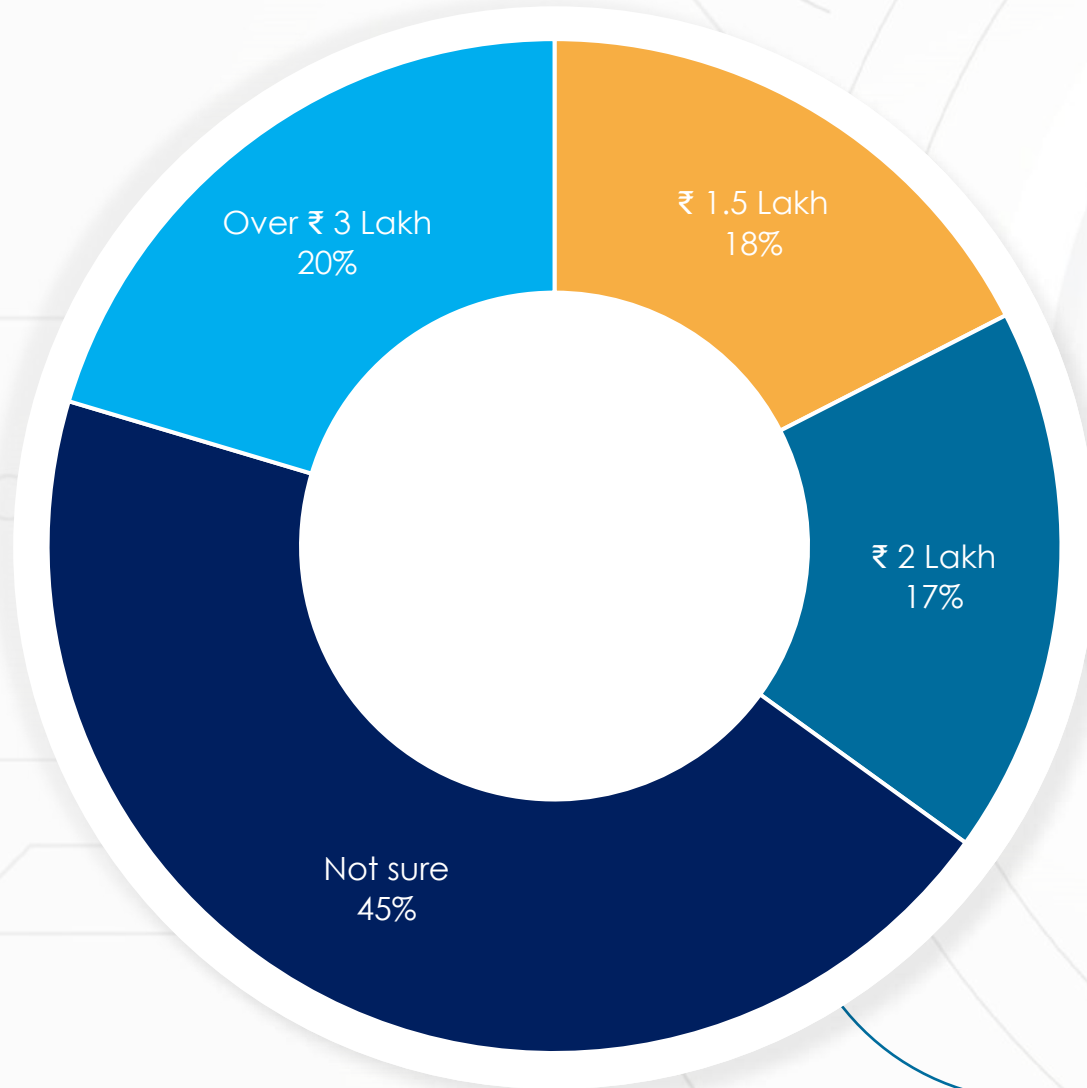
The majority (85%) of respondents belonged to the age-group of 18-34 years. Rural population made up 41% in the sample while 59% came from urban areas. In terms of zones, 36% of the respondents come from North India, 21% come from South & West Indian states and the rest 22% come from East zone.





RESEARCH FINDINGS

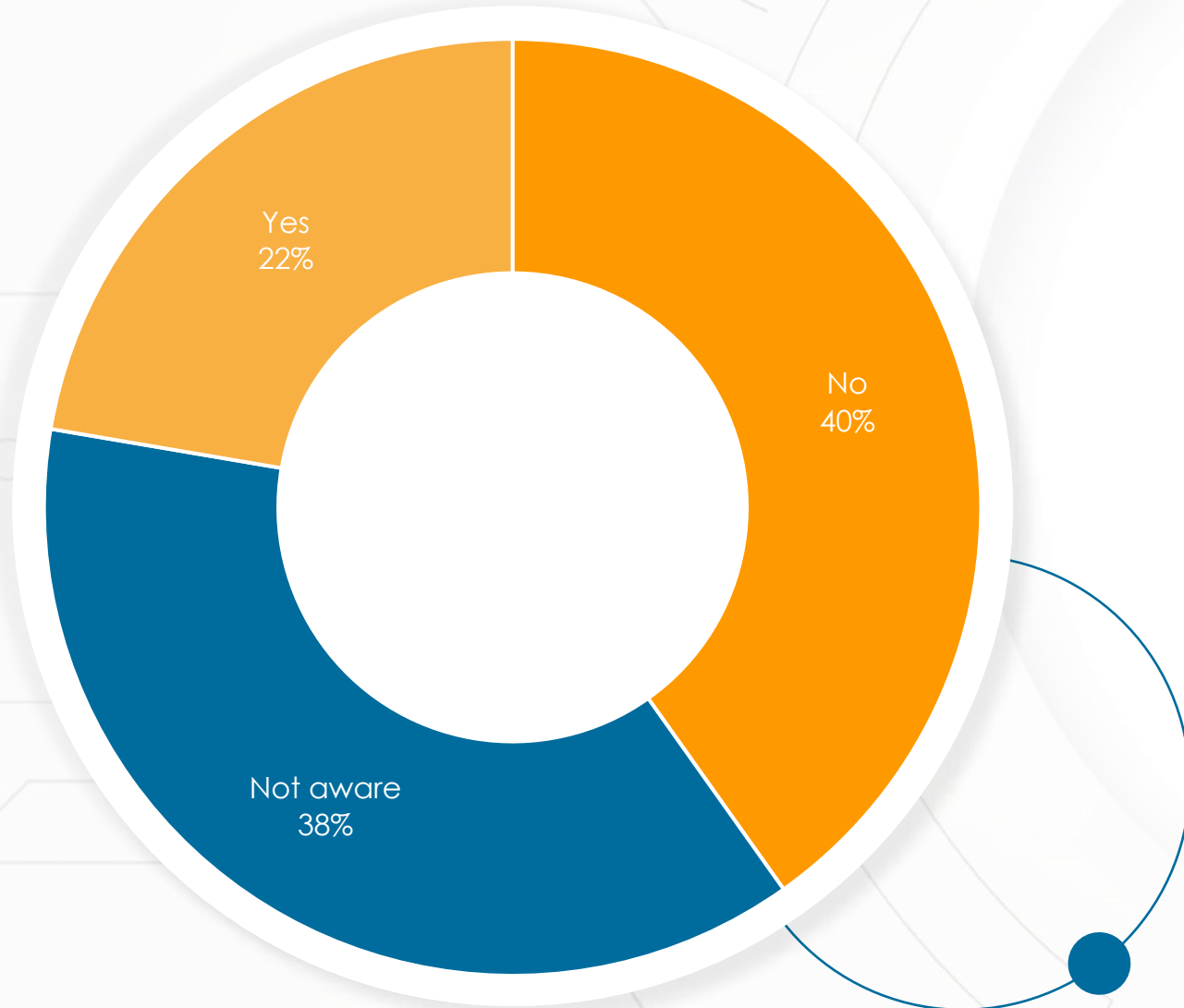
What is the maximum exemption in income tax that you can avail of under 80C, 80CCD, & 80D combined?



RESPONDENTS INDICATE LIMITED UNDERSTANDING OF TAX REBATE SCHEMES

45% of the respondents weren't sure of the total tax rebate that they can avail under various tax saving schemes. Only 17% (who said ₹ 2 Lakh) got it right.

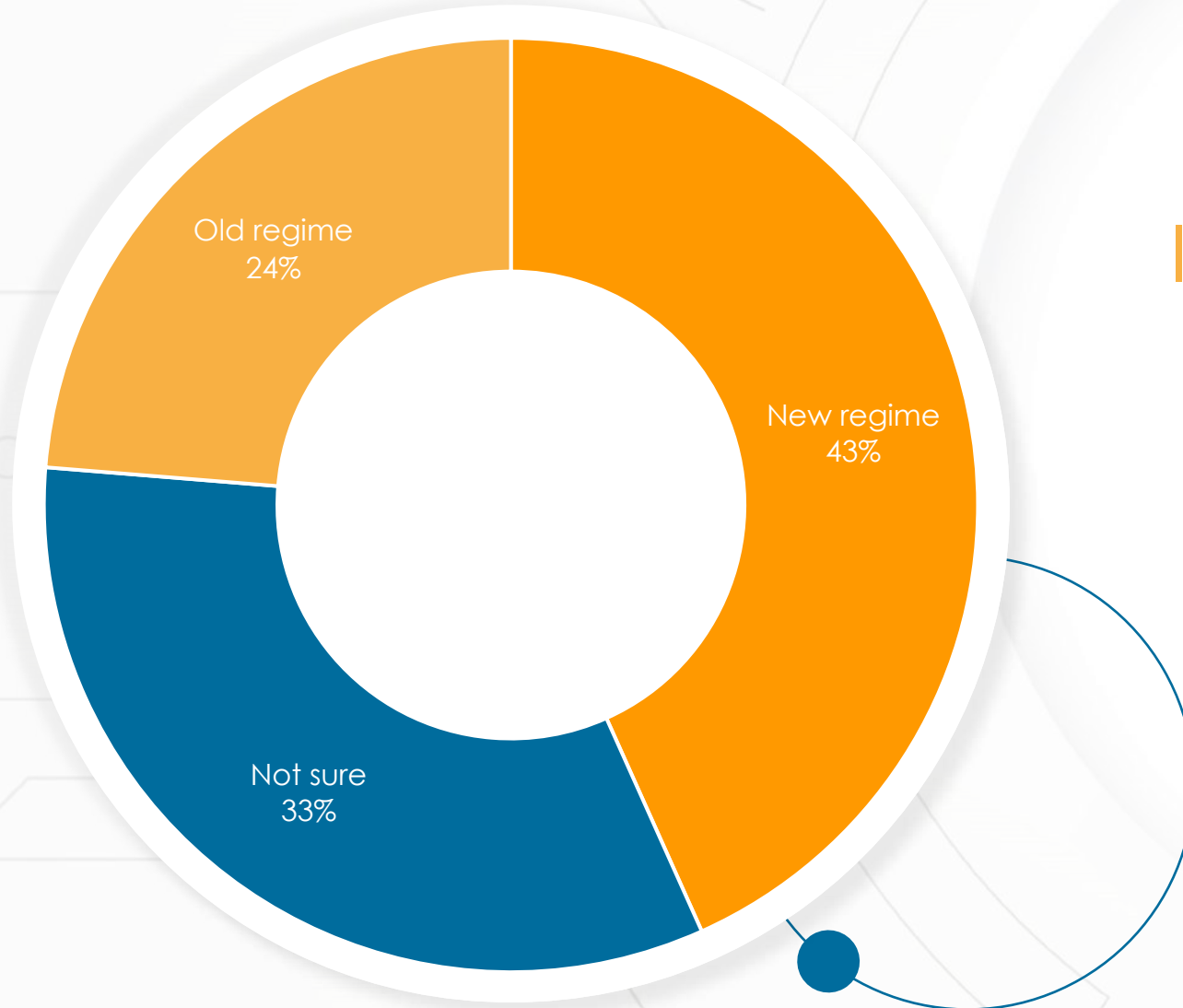
Do you avail additional tax exemption under 80 CCD through National pension scheme?



NATIONAL PENSION SCHEME IS NOT VERY POPULAR

78% of the respondents said either they are not aware of the tax-saving investment scheme, or they don't invest in it. Only 22% invest in the National Pension Schemes

Which income tax regime is better for you if your gross annual income is between ₹ 7.5 - 10 Lakh?

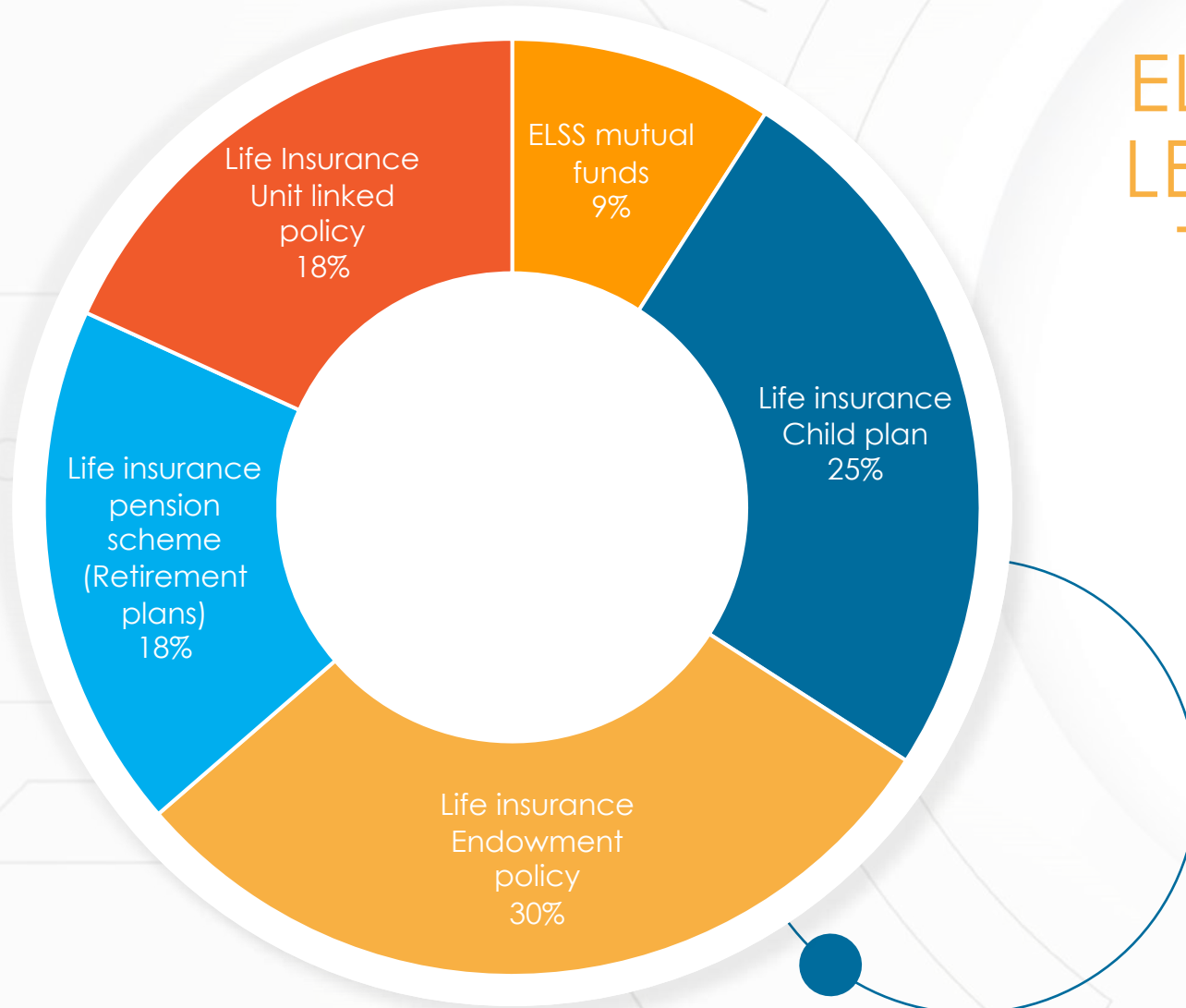


RELATIVELY BETTER UNDERSTANDING OF INCOME TAX REGIMES

Of the respondents, 44% got the answer right – For a gross annual income in between ₹ 7.5 - 10 Lakh, the new income tax regime works better.

24% of the respondents said the old regime would be more beneficial, which is wrong. Additionally, 33% weren't sure of the correct answer.

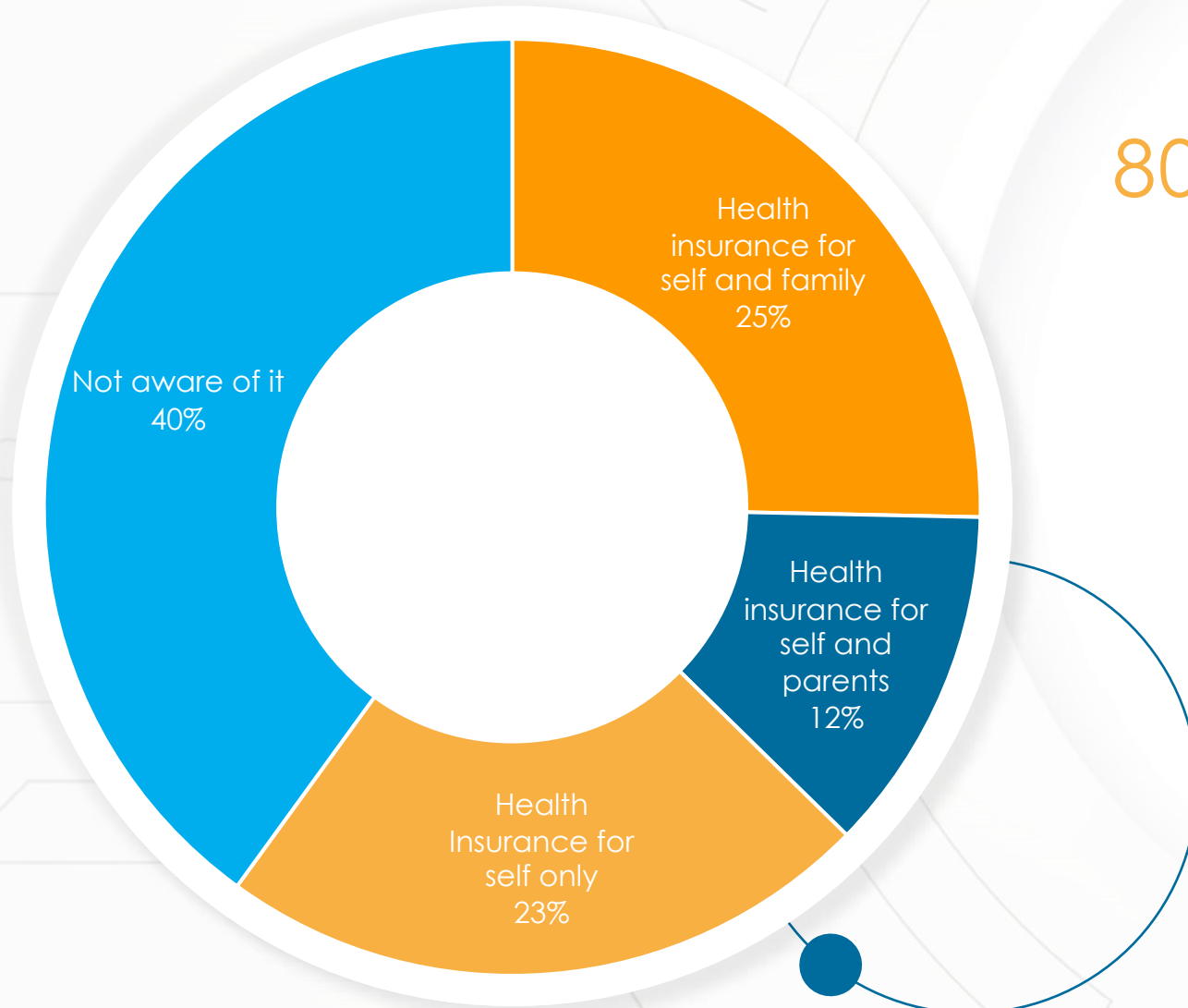
Most preferred products for tax savings cum investment -



ELSS MUTUAL FUNDS ARE LEAST POPULAR INCOME TAX SAVING CHOICES

Life insurance endowment policy seems to be the most popular tax savings cum investment schemes (30%) among the respondents followed by Life insurance child plan.

Your preferred tax saving under 80 D -

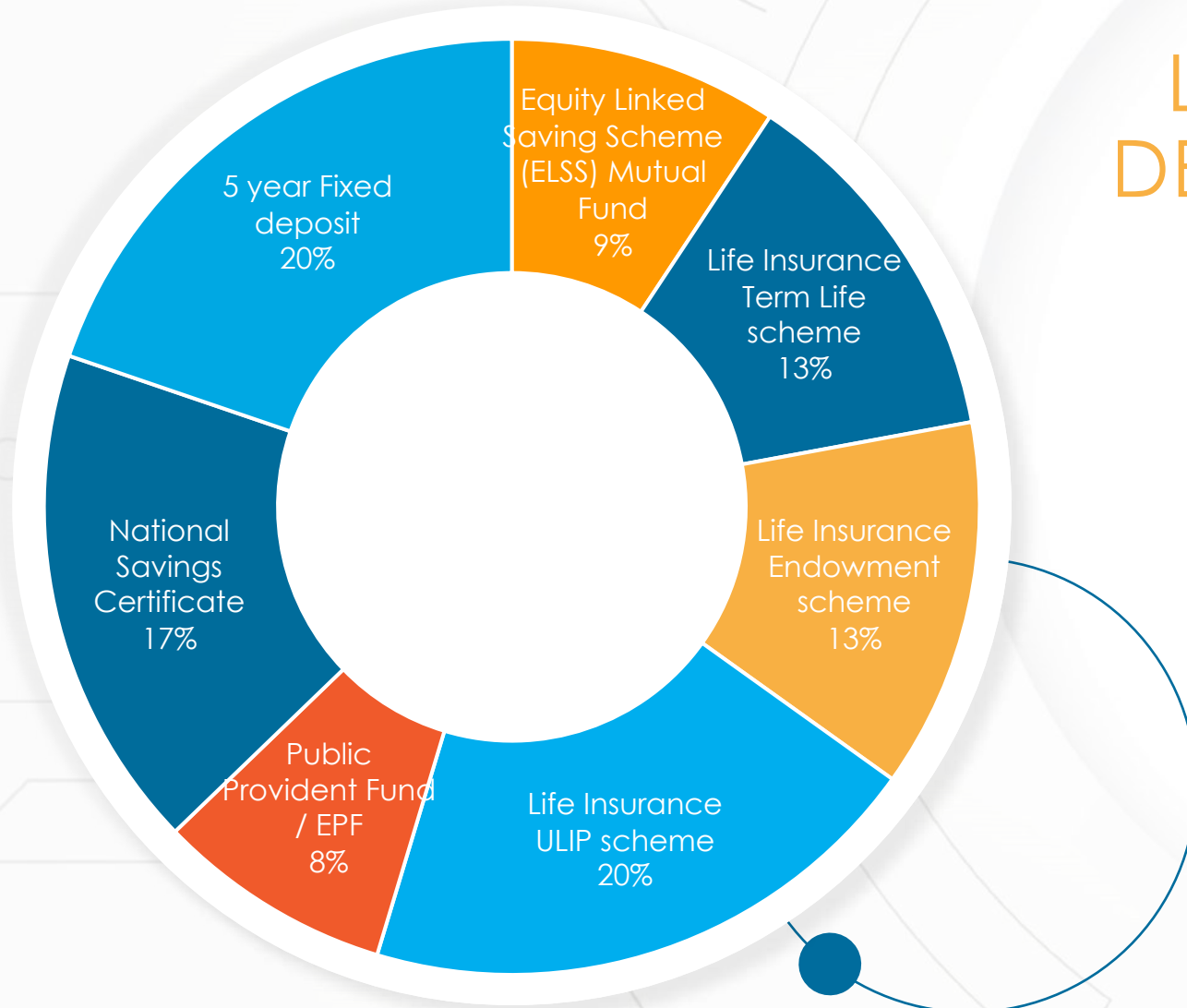


80D ISN'T KNOWN TO ALL

40% of the respondents aren't aware of the tax rebates under the section 80D.

25% said that Health Insurance for Self & Family is their choice while 23% it would be Health Insurance for Self Only for them.

Your preferred tax saving under 80 C -

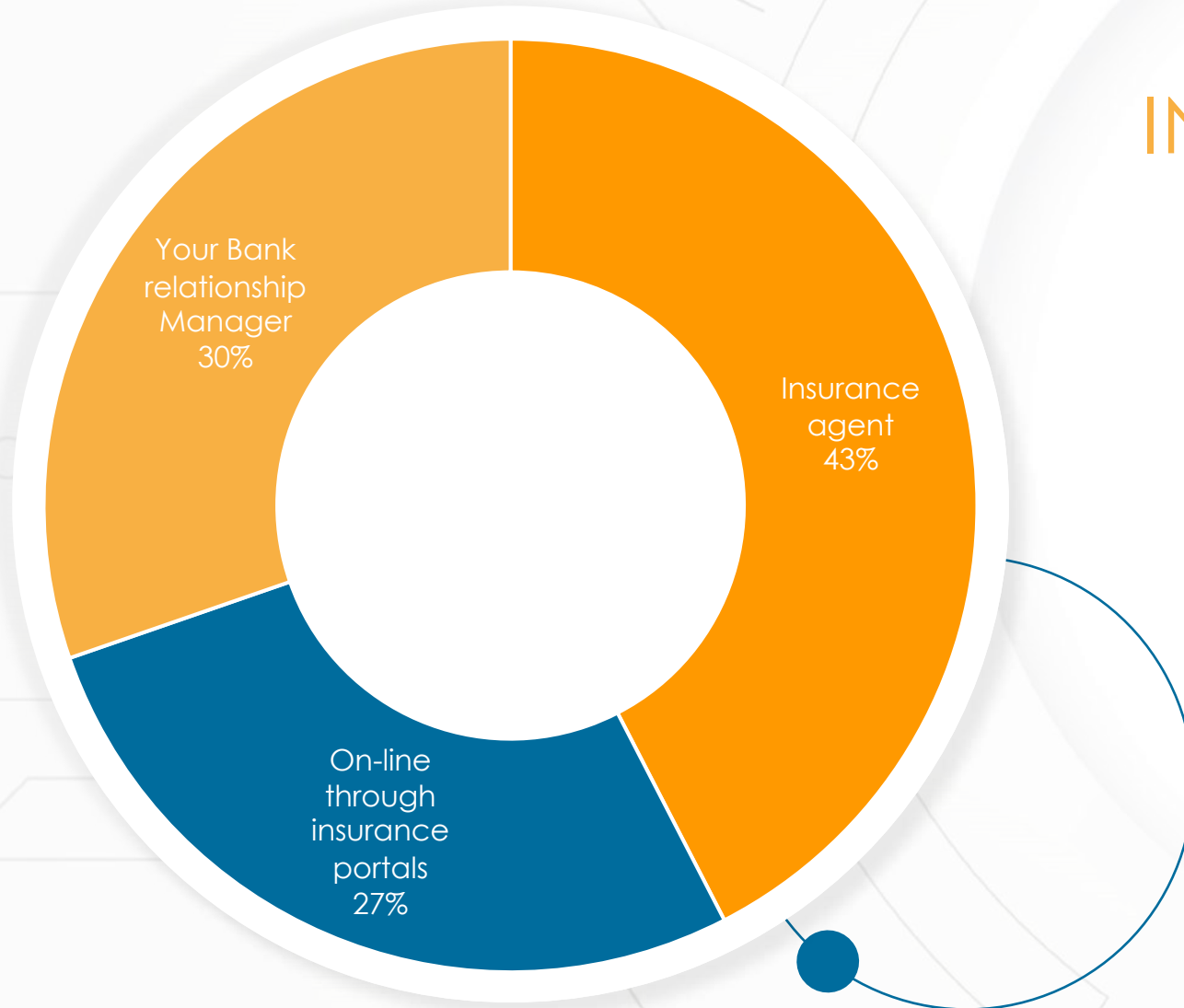


LIFE INSURANCE, FIXED DEPOSITS, & NSC REMAIN POPULAR

Under 80C, Fixed Deposits (20%) & Life Insurance ULIP Scheme (20%) are the most sought-after tax saving instruments among the audiences.

EPF and ELSS Mutual Fund aren't seem by many as their go to investment schemes.

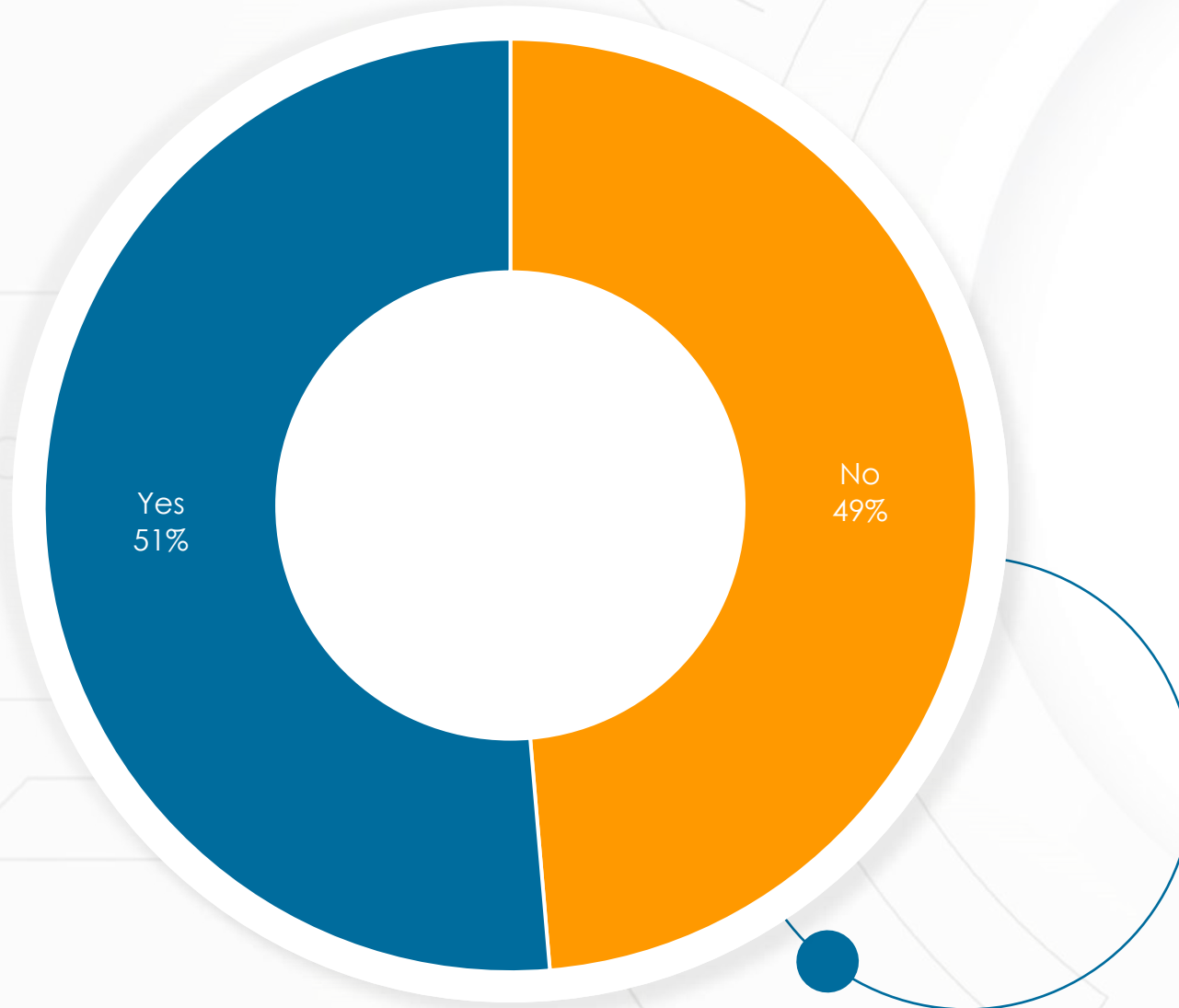
How do you make insurance-related investments?



INSURANCE AGENT ARE THE KEY INFLUENCERS

43% of the respondents seek an insurance agent for their insurance related investments. Bank relationship managers come second. The rest (27%) of the users go to their online portals to make the decision themselves.

Do you wish someone would explain income tax saving to you?

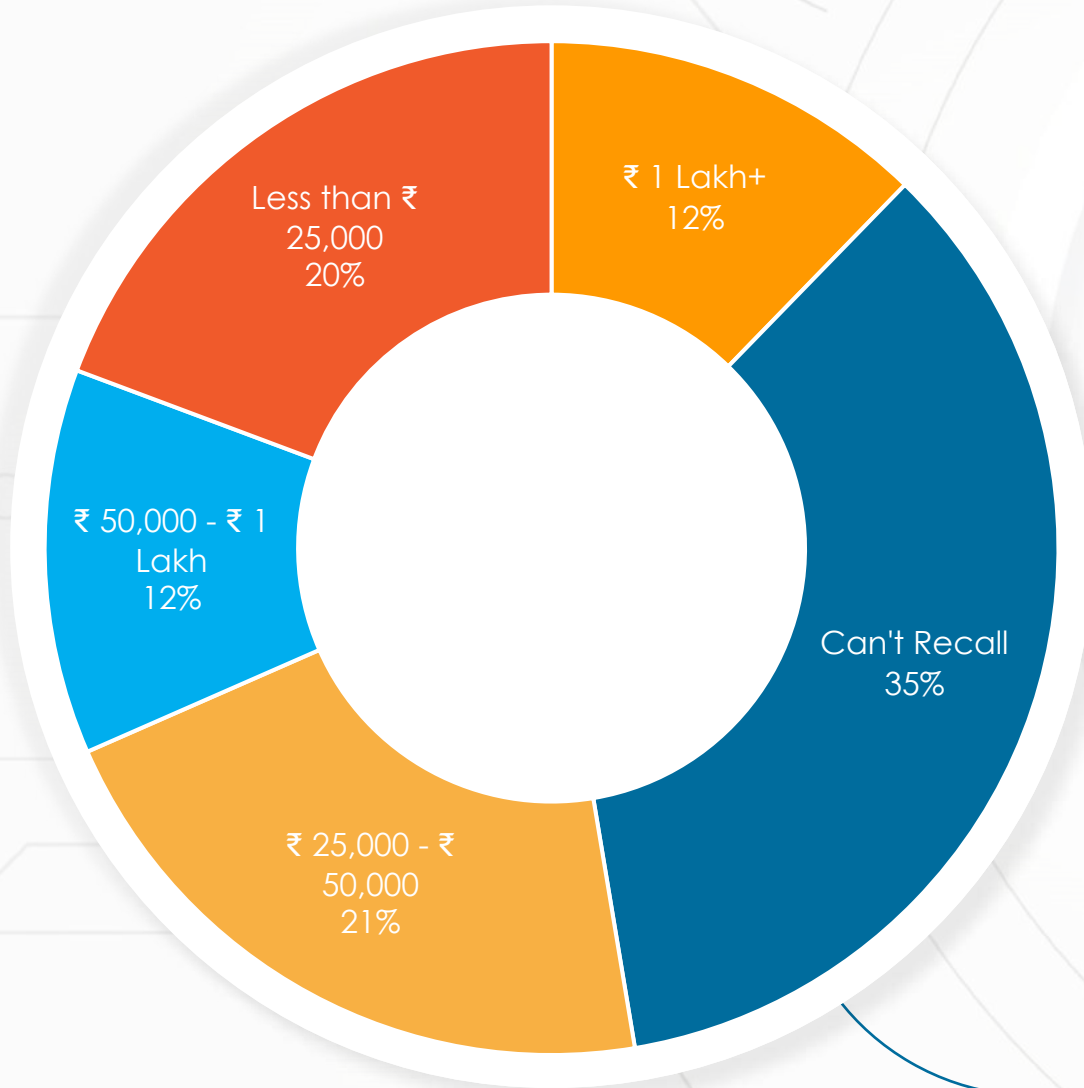


MIXED RESPONSE TO LEARN TAX SAVING

Respondents were equally divided on whether they would like someone (an expert) explain the income tax savings and related investments.

Despite lower awareness of different tax saving schemes, tax education is not proportionally sought after.

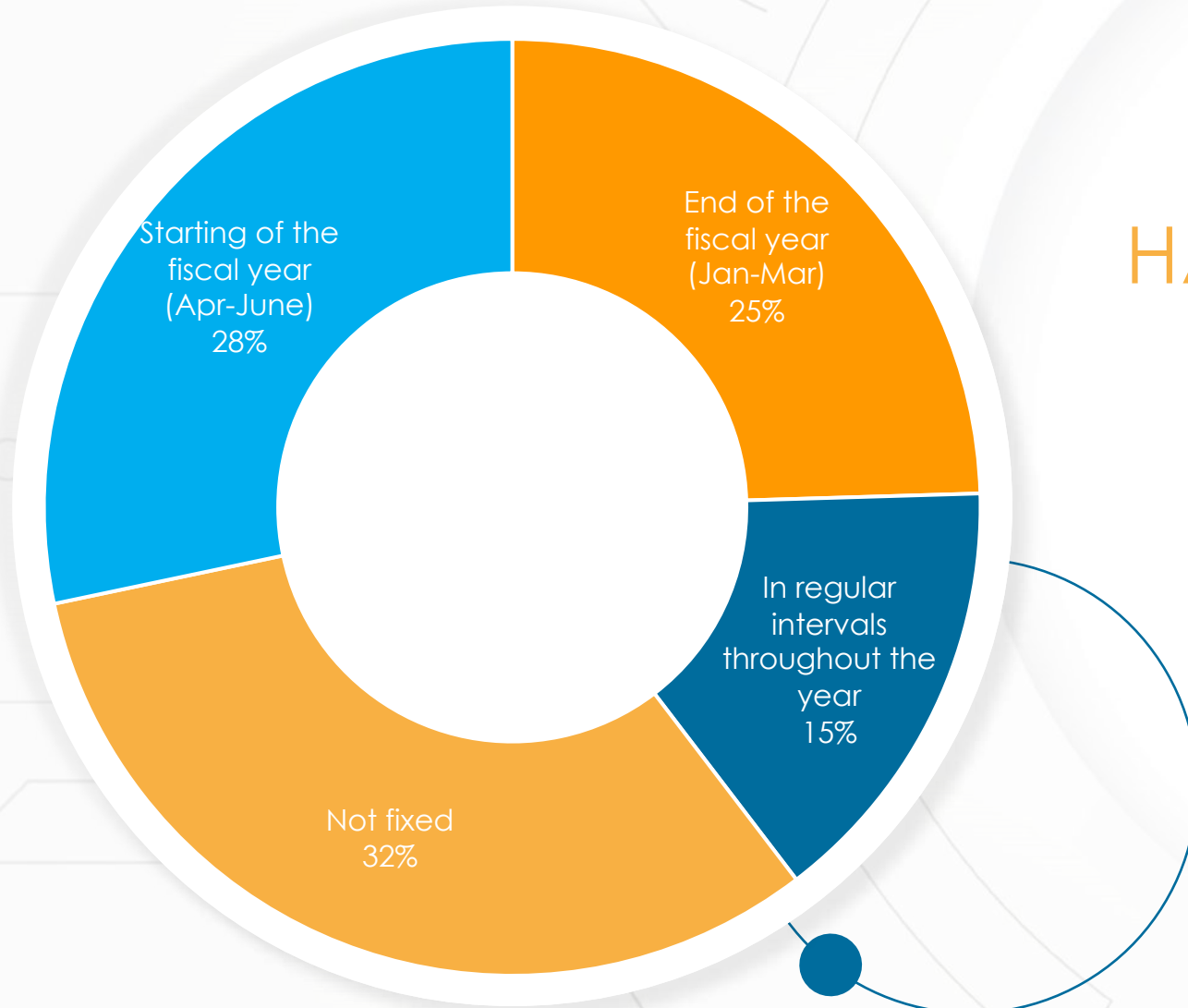
How much deduction under 80C, 80 CCD, & 80D are you still to claim this year?



DIFFICULT KEEPING TRACK OF TAX SAVING INVESTMENTS

35% of the respondents can't recall where they stand in terms of fulfilling their tax exemption quota.

When do you make most of your income tax-related investments?

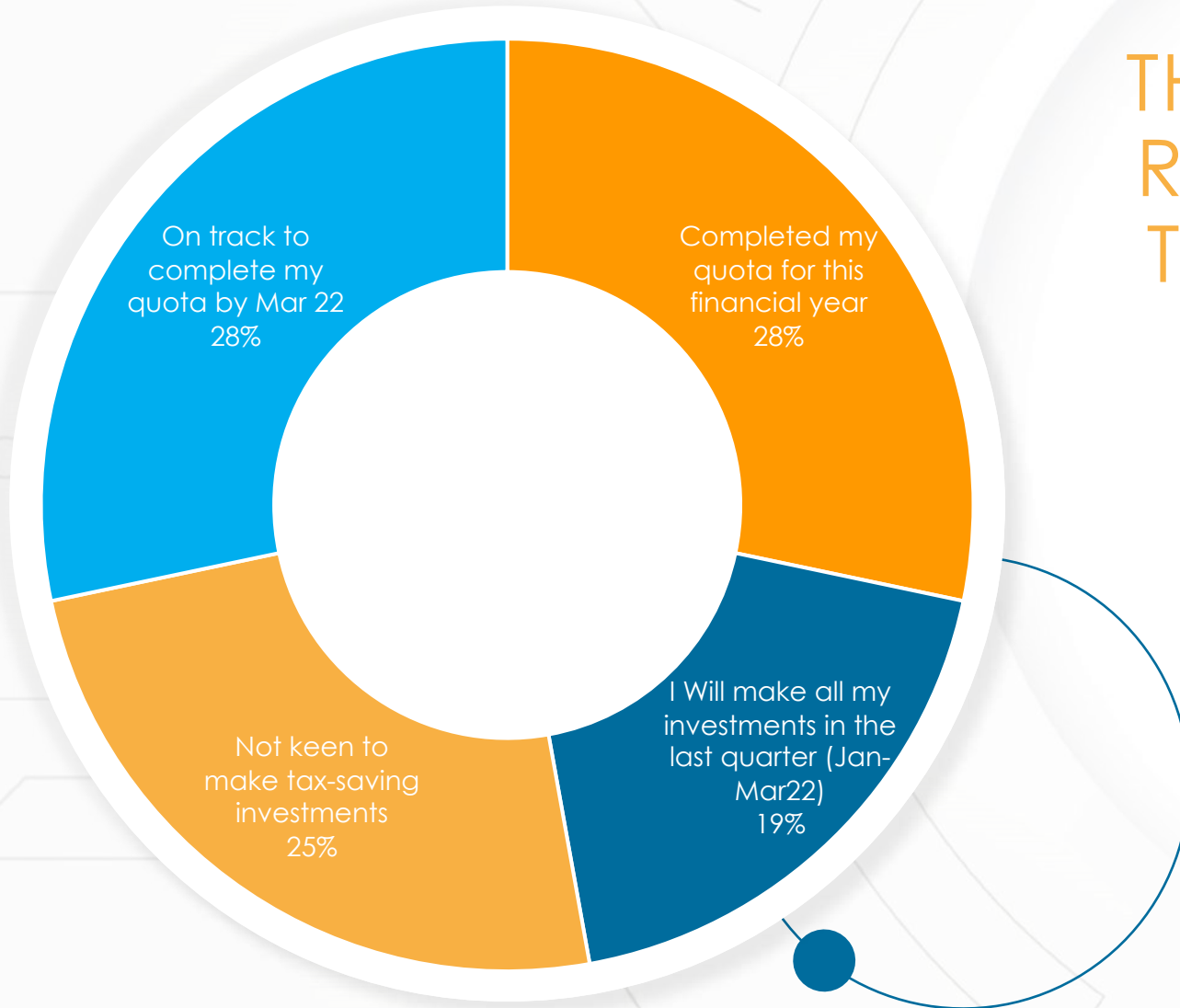


ONE-THIRD OF THE POPULATION DON'T HAVE A FIXED SCHEDULE

28% of the respondents said they do the needed investments at the beginning of the year while 25% do so in the last quarter of the financial year.

15% plan their investments throughout the year with regular periodic investments. 32% of the users say they don't have a fixed schedule to make the income tax related investments

Where are you in terms of investing for tax-saving purposes?



THREE QUARTERS OF THE RESPONDENTS ARE STILL TO FINISH THEIR QUOTA

28% of the respondents said they have made enough investments to avail this year's tax exemptions under different schemes. Another 28% say that they on track to complete it.

25% of the respondents are not keen or keeping track of their investments to avail all the tax benefits while the remaining 19% say they will make all their investments in the last quarter.



**GET INTO THE
SEGMENTS
REGIONS**

AWARENESS – EASTERN & NORTHERN STATES INVEST IN NPS MORE THAN OTHERS

EAST zone also has the most (38%) respondents to choose the correct income tax regime (for gross annual income ₹7.5-10 Lakh).

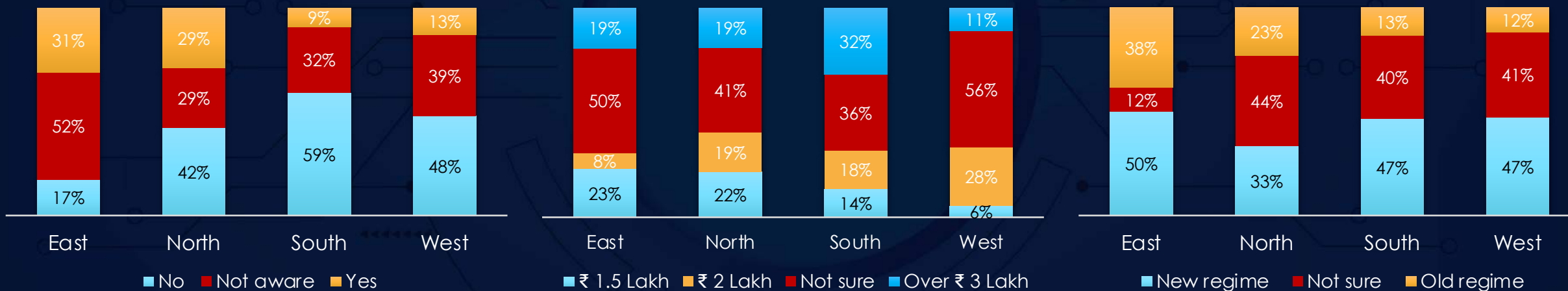
North trails East in using NPS as an investment instrument for tax exemptions.

Respondents from the Southern States predominantly (59%) don't see NPS as a good investment scheme.

Avail additional tax exemption under 80 CCD through National pension scheme?

Maximum exemption in IT under 80C, 80CCD, & 80D combined?

IT regime better for a gross annual income between INR 7.5 - 10 Lakh?

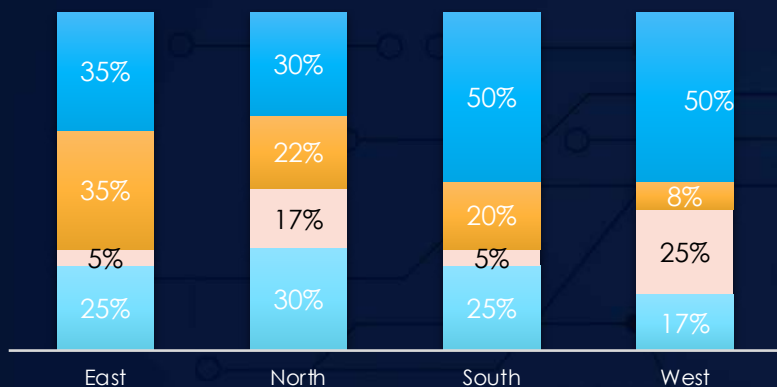


PREFERENCE – SOUTH & WEST HAVE LESS AWARENESS OF 80D AS AN INCOME TAX SAVING SCHEME

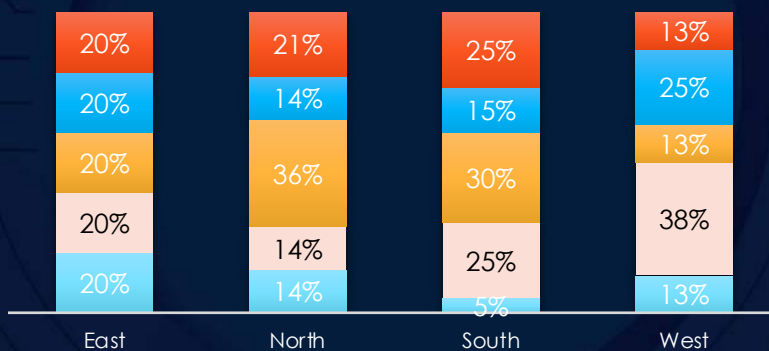
Respondents from EAST prefer “Health Insurance for Self only”, while from North, they will choose “Health Insurance for Self & Family”. As far as most preferred tax saving product is concerned, respondents from NORTH & SOUTH choose “Life Insurance Endowment Policy”

Users from the Eastern states tend to rely least on Insurance Agents but would make insurance related investment themselves or through their bank relationship managers.

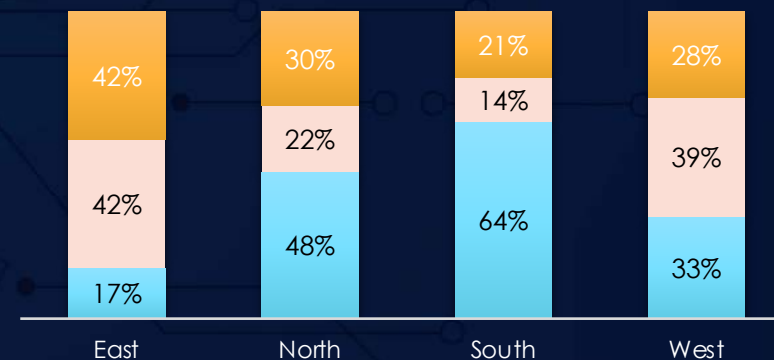
Your preferred tax saving under 80 D



Most preferred products for tax savings cum investment



How do you make insurance-related investments?



- Not aware of it
- Health Insurance for self only
- Health insurance for self and parents
- Health insurance for self and family

- Life Insurance Unit linked policy
- Life insurance pension scheme (Retirement plans)
- Life insurance Endowment policy
- Life insurance Child plan
- ELSS mutual funds

- Insurance agent
- On-line through insurance portals
- Your Bank relationship Manager

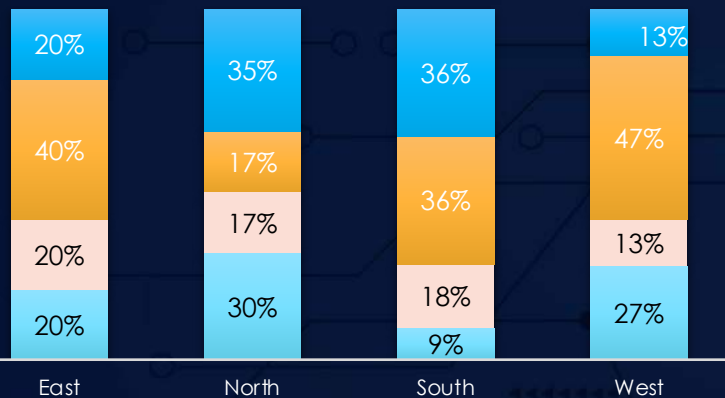
PREPAREDNESS – WEST & NORTH SEEM TO BE MOST PREPARED

Respondents from NORTH & SOUTH regions of the country invest early in the year to save income tax. For respondents in the WEST & SOUTH regions, time to invest in tax saving instruments is largely not fixed.

Again, respondents from Northern & Western states are on track to complete their quota of tax rebate while most (67%) people in the EAST say they have already invested enough to cover the tax exemptions.

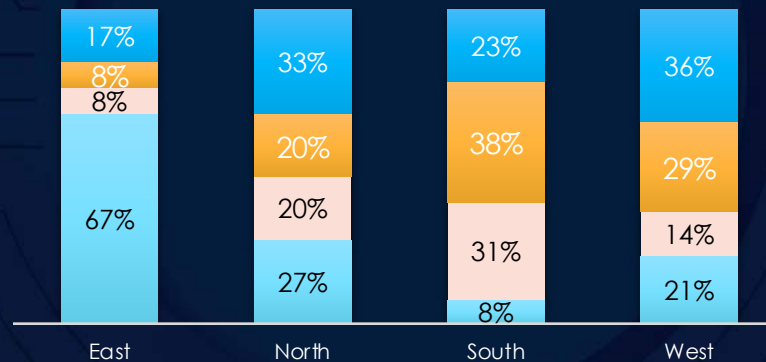
North (25%) & West (33%) also have the most respondents with less than ₹25,000 pending to invest in the tax saving products.

When do you make most of your investments



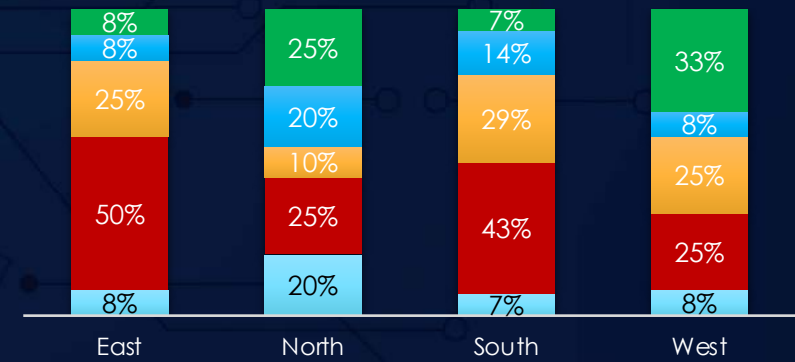
- Starting of the fiscal year
- Not fixed
- In regular intervals throughout the year
- End of the fiscal year

Where are you in terms of investing for tax-saving purposes?



- Completed my quota for this financial year
- I Will make all my investments in the last quarter (Jan-Mar22)
- Not keen to make tax-saving investments
- On track to complete my quota by Mar 22

Deduction under 80C, 80 CCD, & 80D still to be claimed this year?



- ₹ 1 Lakh+
- Can't recall
- ₹ 25,000 - ₹ 50,000
- ₹ 50,000 - ₹ 1 Lakh
- Less than ₹ 25,000

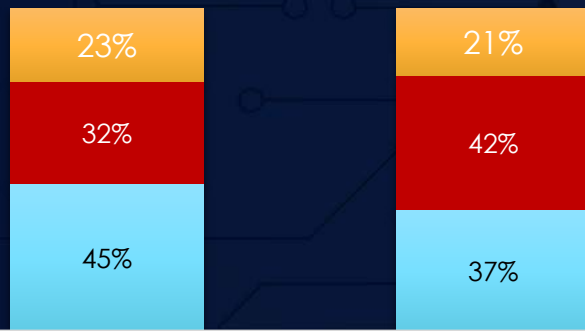


**GET INTO THE
SEGMENTS**
RURAL VS URBAN

AWARENESS – RURAL (NON-METRO) RESPONDENTS SEEM TO BE MORE AWARE

28% of the RURAL respondents answered with the correct IT regime (for gross annual income ₹7.5-10 Lakh) compared to only 20% of the URBAN respondents. Also, when asked about the total tax exemption under 80C, 80CCD, & 80D more rural respondents (20%) answered correctly compared to urban dwellers (16%). In terms of awareness about the NPS, Rural audience edges over urban population by 10 percentage points.

Avail additional tax exemption under 80 CCD through National pension scheme?

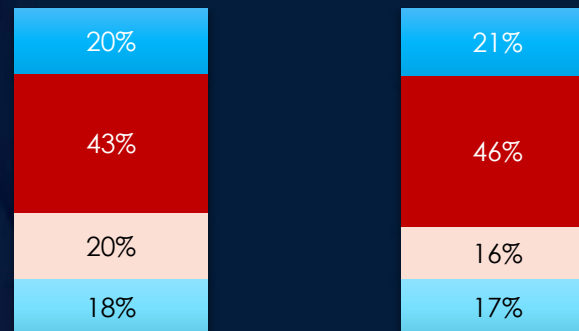


Rural

Urban

■ No ■ Not aware ■ Yes

Maximum exemption in IT under 80C, 80CCD, & 80D combined?

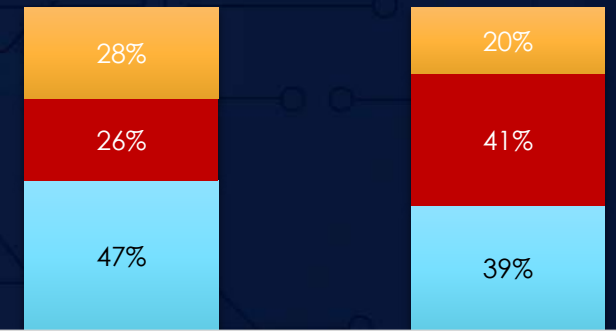


Rural

Urban

■ ₹ 1.5 Lakh ■ ₹ 2 Lakh ■ Not sure ■ Over ₹ 3 Lakh

IT regime better for a gross annual income between INR 7.5 - 10 Lakh?



Rural

Urban

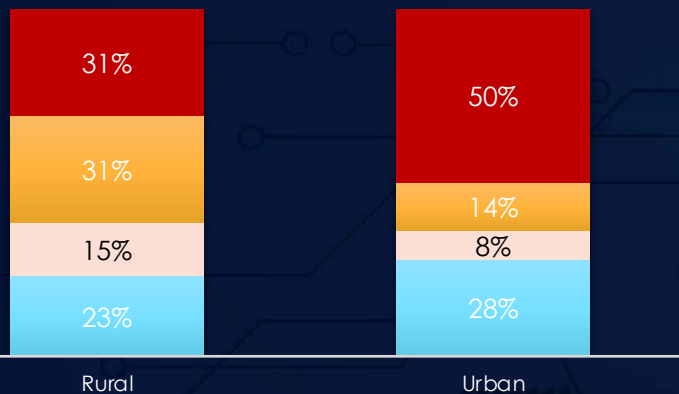
■ New regime ■ Not sure ■ Old regime

PREFERENCE – URBAN INDIA BUYS THEIR OWN INSURANCE

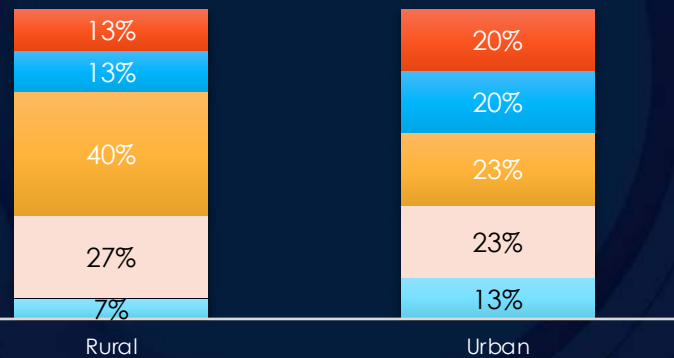
37% of the urban residents say that they make their insurance related investments through online portals compared to only 15% in the rural areas who heavily depend on their insurance agent (46%) or bank relationship manager (38%).

Rural dwellers are also inclined towards “Life Insurance Endowment policy” when asked about their preferred tax saving cum investment instruments. Though Urban population also prefers different life insurance schemes, more (13%) of them are interested in Mutual Funds than those in rural areas (7%).

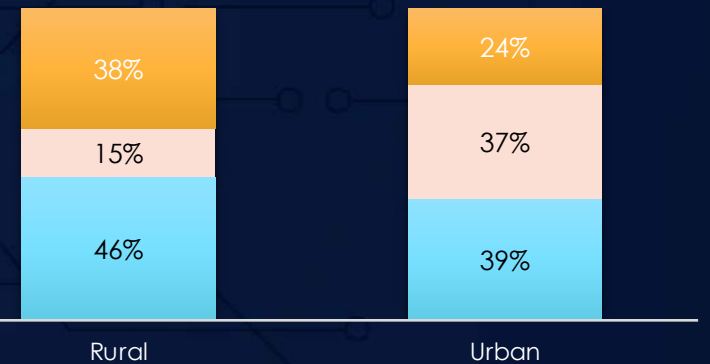
Your preferred tax saving under 80 D



Most preferred products for tax savings cum investment



How do you make insurance-related investments?



- Not aware of it
- Health insurance for self only
- Health insurance for self and parents
- Health insurance for self and family

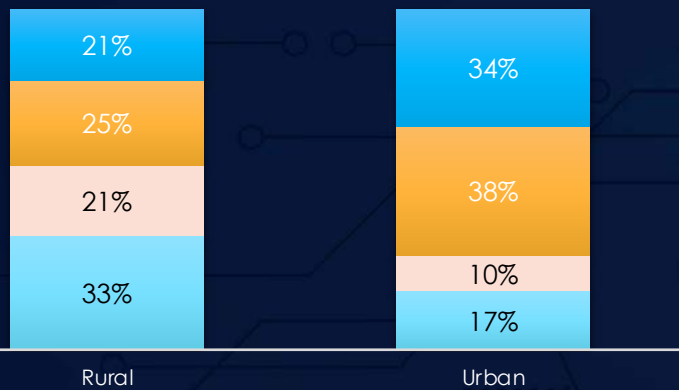
- Life Insurance Unit linked policy
- Life insurance pension scheme (Retirement plans)
- Life insurance Endowment policy
- Life insurance Child plan
- ELSS mutual funds

- Insurance agent
- On-line through insurance portals
- Your Bank relationship Manager

PREPAREDNESS – RURAL TAXPAYERS INVEST IN THE LAST QUARTER TO SAVE TAXES

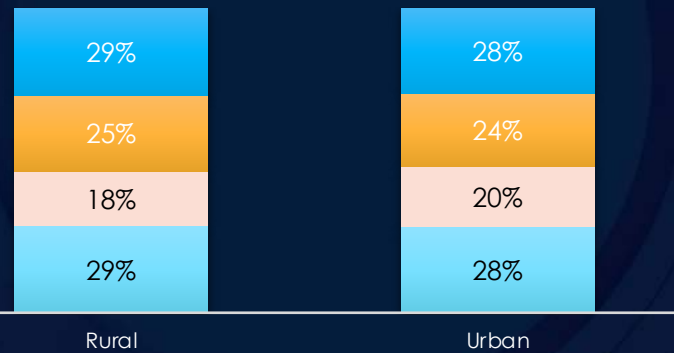
Urban respondents are highly divided. While the biggest group (38%) have no fixed schedule to make tax saving investments, the second biggest segment comprises of people making most of their investment in the first quarter of the year.

When do you make most of your investments



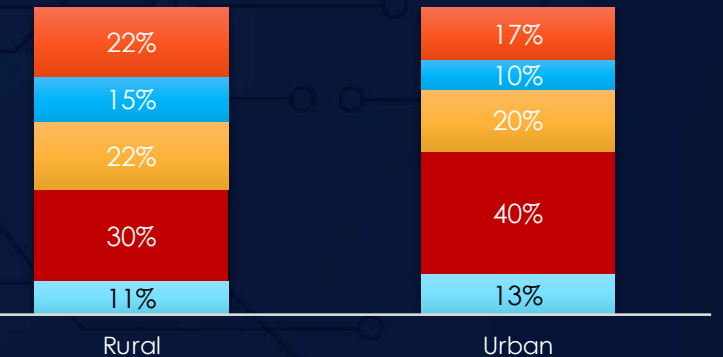
- Starting of the fiscal year
- Not fixed
- In regular intervals throughout the year
- End of the fiscal year

Where are you in terms of investing for tax-saving purposes?



- On track to complete my quota by Mar 22
- Not keen to make tax-saving investments
- I will make all my investments in the last quarter (Jan-Mar22)
- Completed my quota for this financial year

Deduction under 80C, 80 CCD, & 80D still to be claimed this year?



- ₹ 1 Lakh+
- Can't recall
- ₹ 25,000 - ₹ 50,000
- ₹ 50,000 - ₹ 1 Lakh
- Less than ₹ 25,000



**GET INTO THE
SEGMENTS**
AGE-GROUP

AWARENESS – 35-44 YEAR OLDS ARE MOST AWARE

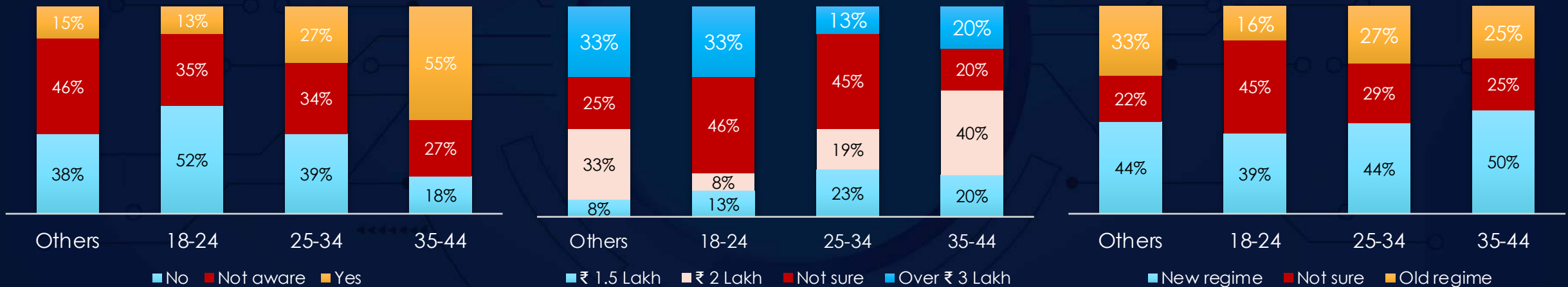
Majority (73%) of the respondents in the age-group of 35-44 years are aware of the NPS investment under 80 CCD while 55% in the age-group say that they invest in the instrument.

Also, when asked to choose the correct IT regime (for gross annual income of ₹7.5-10 Lakh), most (50%) respondents in this age-group got it right. Of all the participants, respondents in the 18-24 years age-group seem most unaware about Income tax regimes & key tax exemption schemes.

Avail additional tax exemption under 80 CCD through National pension scheme?

Maximum exemption in IT under 80C, 80CCD, & 80D combined?

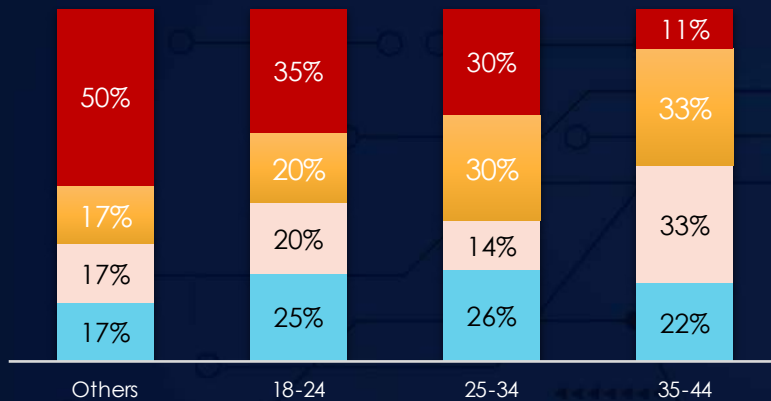
IT regime better for a gross annual income between INR 7.5 - 10 Lakh?



PREFERENCE – The YOUNG TAXPAYERS MAKE INSURANCE RELATED INVESTMENT THEMSELVES

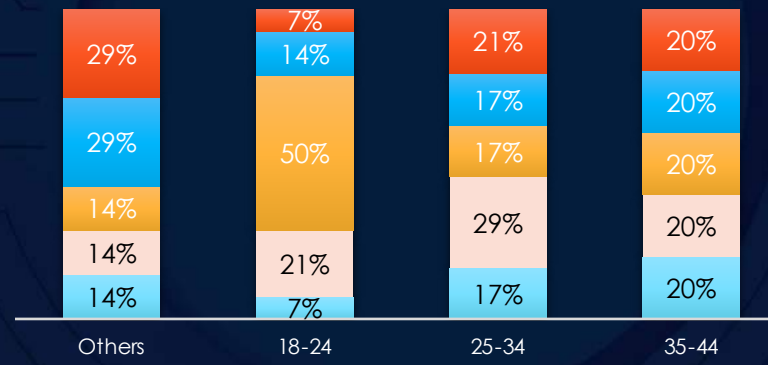
“Health Insurance for Self & Parents” is most preferred by people in the 35-44 year age bracket. While “Life Insurance Endowment Policies” are favored by young (18-24 years) taxpayers. ELSS Mutual Funds get greater acceptance among the respondents in the 25-34 & 35-44 years age group as compared to other respondents.

Your preferred tax saving under 80 D



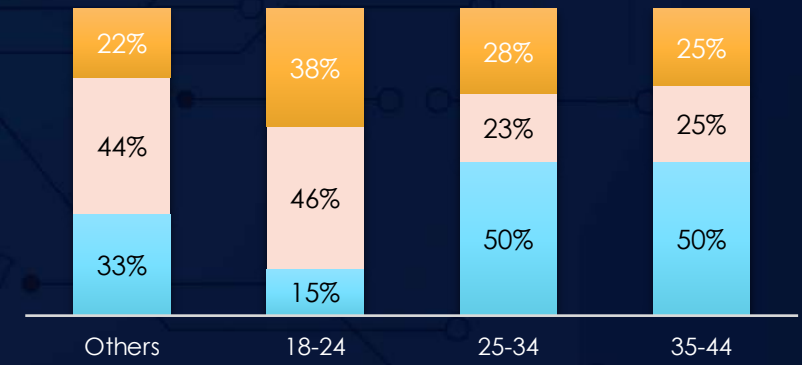
- Not aware of it
- Health Insurance for self only
- Health insurance for self and parents
- Health insurance for self and family

Most preferred products for tax savings cum investment



- Life Insurance Unit linked policy
- Life insurance pension scheme (Retirement plans)
- Life insurance Endowment policy
- Life insurance Child plan
- ELSS mutual funds

How do you make insurance-related investments?

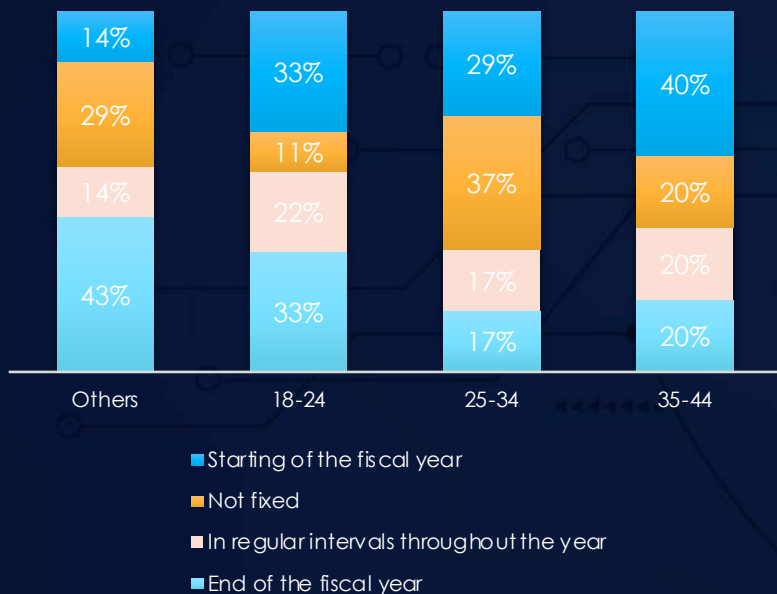


- Insurance agent
- On-line through insurance portals
- Your Bank relationship Manager

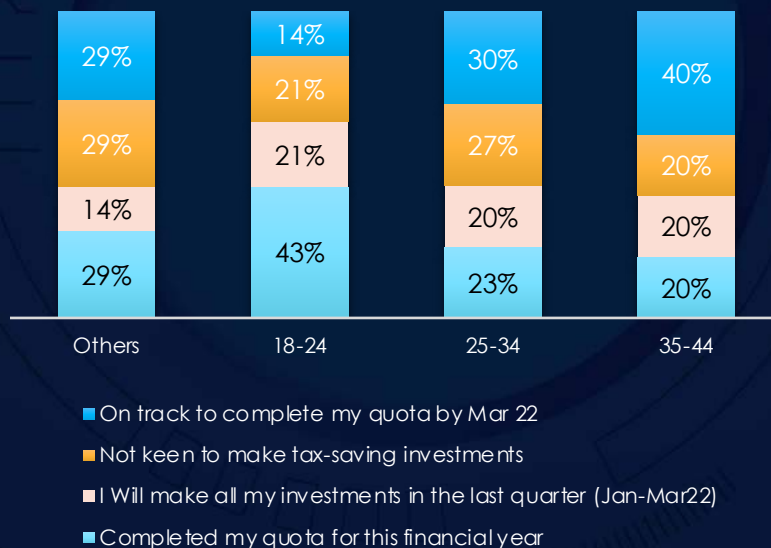
PREPAREDNESS – 35-44 YEAR OLDS MAKE THEIR TAX RELATED INVESTMENTS AT THE START OF THE YEAR

33% of the respondents in the age group of 18-24 years say they keep the income tax related investments to the last quarter (Jan-Mar) of the financial year while 37% of those in the 25-34 year age bracket don't have a fixed schedule to do their IT related investments.

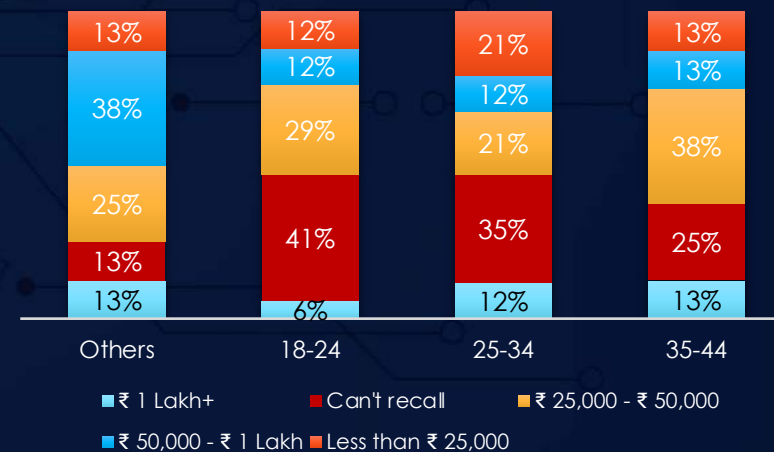
When do you make most of your investments



Where are you in terms of investing for tax-saving purposes?



Deduction under 80C, 80 CCD, & 80D still to be claimed this year?





AROSCOPI
INSIGHTS
SOLUTION SUITE

AROSCOPI INSIGHTS SOLUTION SUITE BEHIND THE STUDY



Compass (Cohort based media planning and audience segmentation system) allows identification of the right supply sources, domains, URLs, area of residence (urban vs rural), zones (north, south, east, west) and segments to approach for the study.



Dart (data analytics for response & targeting) maps the respondents to individual users providing rich data including demographics, location, income bracket, interests, intent and browsing pattern among other signals.



Targeted delivery of interactive (question) ads gives unprecedented control on who is participating in the research.

AROSCOP INSIGHTS SOLUTION SUITE – FEW USE CASES



aski

aroscop

Quick to launch

Roll out nationwide or targeted studies within 48 hours

Scale as you need

Expand your reach with a click of a button

Feed survey results into campaigns

Retarget audiences to improve campaign ROIs



Identify hard-to-identify audiences

Reach niche audiences for consumer insights

Actionable & scalable insights

Using lookalike audiences & data modelling

Hyper-segmentation

Micro-cohorts created based on multiple signals



GET IN TOUCH

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