Rural Investor’s Behavior and Satisfaction Level of Financial Saving Schemes towards Post Office

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ABSTRACT: Post office saving bank has been emerging with new pattern of schemes to attract every investors. It provides an opportunity and habit for the poor and rural surrounding people to invest in saving. The study starts with the primary objectives of investor’s level of satisfaction towards post office Financial Services. The study focused on the rural investor’s behavior with various investment avenues available in the post bank. The study identify that investors were overall satisfied with the post office financial saving schemes like post office saving deposit, Post office Recurring Deposit and Post office Monthly Income Scheme. 

Keywords: Rural Investors, Postal saving, financial services.

I. INTRODUCTION

India post is one of the biggest financial institutions which playing a crucial task in providing financial support and services to the public. For more than 150 years, the Department of Posts (DoP) has been the backbone of the country’s communication and has played a crucial role in the country’s social economic development. People have a habit of saving attitude for better future. They expect maximum return with less risk. Poor people needs safety and secured place to invest their money. The government of India provides such a trustworthy financial bank through post office. It’s available to everyone especially in rural area. Hence the study covers the investor’s behaviors and satisfaction towards post office saving schemes in Coimbatore.

II. OBJECTIVE OF THE STUDY

- To analyze the investors behavior in various investment avenues available in post offices.
- To analyze the investors level of satisfaction towards post office Financial Services.

III. SCOPE OF THE STUDY

The Study focused on the behavior of rural people in several of financial services offered by postal schemes. It extended of highlighting the level satisfaction towards post office financial saving schemes in Mettupalayam Sub-Division in Coimbatore. This analysis is restricted to only investors of postal saving scheme in the geographical area of Coimbatore.

IV. STATEMENT OF PROBLEM

Post office serves different function trough Indian government throughout the country. Financially it supports to Indian economy by making people investing money as savings.

Revised Manuscript Received on March 27, 2020

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In the aspects of investments, the poor people need safety and others need maximum return with minimum risk. Government has encouraged the public to save their money for future needs through Post office bank. Post office saving schemes giving best returns for future and some of the scheme’s return is very less but the people have used to save. It is a reason to analyze the satisfaction level of investors towards post office financial schemes to the researcher.

V. REVIEW OF LITERATURE:-

Dr. A. Benazir (2020)[1], he analysed the Parent’s Perception towards Post Office Saving Schemes With 70 respondents of Palayamkottai region. He made this research to understand the various post office saving schemes available for children and it conclude that the respondents are not aware of various schemes of post offices and Interest rate is low in post office as per parents. Overall he suggested that the post office department should create awareness, increase interest rate to be increased and the special officials should be appointed to monitor the grievances of the customers.

Dr. G. Samundeswari and Ms. M. Abinaya (2020) [2], he investigated through his Study On Financial Inclusion And Literacy Of Saving Schemes with 30 respondents belongs to different occupational groups residing in Arachalur area. It concluded that the respondents have below average level of awareness, in that few people who live in rural areas are aware about the schemes and get benefited. He states that banks may try to educate and aware them about the benefits of the saving schemes to the rural people.

Mr. Mehul Chandrakant Chhatbar (2015) [3]. He undertook the study with an objective of an analyze and compare the consumer’s satisfaction while using the services of India Post and Private Courier Service Provider in Mumbai. The study concluded that the consumers are equally satisfied from both the service provider.

Kore Shashikant D., and Dr. R.B.Teli (2015) [4], reveals with main objective of Regularly Department of Post (DoP) adding a new services for people but many times postal employees are not fully aware about these services and faces problem while rendering the services to the customers. Hence the author found that there are various financial services launched by the government but focus is to be put on modernization of working style and infrastructure, professional approach, proper marketing of services, training to the employees and use of ICT etc. awareness level of employees is needed to be improved.

Anand et al.(2013)[5]. His paper explore the growth and performance of Postal services and future opportunities in India.
To improve its service quality, postal department need a centralised core banking solutions with alternate delivery channels facility. The alternate delivery channels planned for service delivery are ATMs, Internet, Phone, SMS and Mobile Banking. The Growth of Indian post and its performance over the years is not so impressive and India Post should apply itself towards the challenge of achieving high volumes of money orders, should deliver lightweight, low-cost bank accounts to all Indian citizens and especially to the financially excluded population. India Post should arrange for G2P payments requirements are met through a combination of POSB accounts held by citizens and money orders delivered by government to those POSB accounts.

VI. RESEARCH METHODOLOGY

The study area was confined to Mettupalayam Sub-Division of Coimbatore district postal circle and the sample has been chosen there from. Total 258 Sub Post offices are there under Mettupalayam Sub-Division and the sample set was 150. For the collection of data, questionnaire was prepared and circulated to the investors of post office in the area of Mettupalayam randomly. The Secondary data of Resources used for this research including the various journals, magazines and also official website of India post. Random sampling has been resorted to the focus was to identify the satisfaction level of the respondent towards postal saving schemes among the rural people. Data can be quantitative or qualitative. Statistical Tools used for Analysis are Simple Percentage Analysis, Ranking Analysis, ANOVA, Chi – Square and Cluster Analysis through SPSS.

VII. HYPOTHESES

H$_1$: There is no significant relationship between Satisfaction on postal saving schemes and the demographic profile of the customers

H$_2$: There is a significant relationship between Awareness on postal saving schemes and the demographic profile of the customer.

VIII. ANALYSIS AND INTERPRETATION

A. SIMPLE PERCENTAGE ANALYSIS - PERSONAL PROFILE OF RESPONDENTS

| TABLE No. 1 |
|-------------|
| **Particular** | **Frequency** | **Percent** |
| Age          |              |            |
| Less than 20 | 2.00         | 1.33       |
| 21-30        | 49.00        | 32.67      |
| 31-40        | 72.00        | 48.00      |
| 41 & above   | 27.00        | 18.00      |
| Education Qualification | | |
| Illiterate  | 2.00         | 1.33       |
| School Level| 38.00        | 25.33      |
| Graduates   | 43.00        | 28.67      |
| Post Graduate| 30.00      | 20.00      |
| Diploma     | 15.00        | 10.00      |
| Professional| 22.00        | 14.67      |
| Family      |              |            |
| Nuclear Family| 94.00      | 62.67      |
| Joint family| 56.00        | 37.33      |

| Marital | Married | 124.00 | 82.67 |
|         | Unmarried | 26.00 | 17.33 |

| Size of Dependents | 1-3 Members | 43.00 | 28.67 |
|                   | 4-5 Members | 73.00 | 48.67 |
|                   | above 5 Members | 34.00 | 22.67 |
| Occupation        | Agriculture | 48.00 | 32.00 |
|                   | Private Employee | 38.00 | 25.33 |
|                   | Govt Employee | 24.00 | 16.00 |
|                   | Business | 40.00 | 26.67 |
| Earning Members   | Only 1member | 40.00 | 26.67 |
|                   | 2 Members | 37.00 | 24.67 |
|                   | 3 Members | 62.00 | 41.33 |
|                   | Above 3 Member | 11.00 | 7.33 |
| Annual Income     | Below Rs.100000 | 20.00 | 13.33 |
|                   | Rs.100001-300000 | 86.00 | 57.33 |
|                   | Rs.300001-500000 | 32.00 | 21.33 |
|                   | Above Rs. 500000 | 12.00 | 8.00 |

Source: Primary Data.

The above table reveals that Most 48 percent of the respondents belong to the age group of 31-40 years, Majority 50.5 per cent of the respondents are male, Most 28.67 per cent of the respondents are graduates, Majority 62.67 per cent of the respondents belong to nuclear family, Majority 82.67 per cent of the respondents are married, Most 48.67 per cent of the respondents has 4-5 dependents in their family, Most 32 per cent of the respondents are Agriculture background, Most 41.33 per cent of the respondents has three earning members, Majority 57.33 per cent of the respondents are earn as income Rs.1,00,001-Rs.3,00,000 annually, Most 33.8 per cent of the respondents have visit post office occasionally, The type of investment has three category i.e., long term investment, medium term investment and short term investment which has 39.18 per cent, 12.8 per cent, 48.05 per cent of the respondents respectively. Most of the respondents invested for long term (39.18 per cent).

B. MOTIVATING FACTOR - KENDALL’S W TEST

| RANKS | MEAN | RANK |
|-------|------|------|
| To meet emergency needs | 6.83 | 8 |
| Family protection and future benefits | 8.77 | 3 |
| Well-being of my children | 5.93 | 9 |
| Regular Income | 7.76 | 6 |
| Easy formalities | 9.03 | 2 |
| To reduce income tax burden | 7.86 | 5 |
| Getting security during old age and Retirement safety | 4.53 | 10 |
| Proximity | 6.85 | 7 |
Easy formalities 8.22 4
Low transaction cost and Good Return 9.17 1

Source: Primary Data.

KENDALL’S TEST

| NO. OF RESPONDENTS | KENDALL’S VALUE | P | S/N | REMARK |
|---------------------|-----------------|---|-----|--------|
| 150                 | 148.331         | .000** | S | Rejected |

**1% significant level

This table lists the result of the Kendall’s test. For these rankings, the chi-square value is 148.331, Degree of freedom is equal to the number of values minus 1. As 15 options are ranked, there are 11 degrees of freedom. It is clear from the above table that significance level is 0.000 at one percent level of significance. Hence the hypothesis is rejected. At least one of the variables differs from the others.

C. CLUSTER ANALYSIS

| FACTORS | CLUSTER |
|---------|---------|
|         | 1      | 2      | 3      | 4      | 5      |
| Long period deposits | 3.15   | 1.85   | 2.47   | 2.22   | 2.07   |
| Postal savings deposits | 9.39   | 8.07   | 6.76   | 6.26   | 8.58   |
| Pension system | 2.13   | 1.63   | 2.48   | 1.78   | 2.11   |
| Prompt payment of interest | 5.73   | 5.22   | 4.96   | 4.39   | 5.6   |
| Safety and security | 12.41  | 14.28  | 10.21  | 8.31   | 10.45  |
| Reinvestment facilities | 2.73   | 1.61   | 2.07   | 2.1    | 2.35   |
| Flexibility | 11.36  | 10.39  | 9.78   | 7.75   | 11.45  |
| Prompt enhancement after maturity | 3.42   | 2.78   | 2.13   | 2.48   |
| Premature closure facility | 3.6    | 5.09   | 4.04   | 4.14   | 4.14   |
| Easy attractive returns | 7.34   | 5.46   | 5.92   | 7.05   | 7.49   |

The final cluster centers contain the mean values for each variable in each cluster. As the data is scaled scoring with the scores 5 to 1, (i.e. 5- Strongly agree, 4- Agree, 3- Neutral, 2- Disagree, 1- Strongly Disagree), the variables for which the mean values with scores more than 3 were being selected in each cluster which was equivalent to the neutral opinion on issues related to investing attitude. The variables in each cluster segment were identified based on the mean values in the final cluster center table. The number of respondents in each cluster was also found as given.

ANOVA

| FACTOR | Cluster | Error | F | Sig. |
|--------|---------|-------|---|-----|
|        | Mean Square | df | Mean Square | df |   |

Long period deposits | 64.949 | 4 | 1.015 | 945 | 63.997 |
Postal savings deposits | 320.449 | 4 | 1.536 | 945 | 208.599 |
Pension system | 21.627 | 4 | 1.237 | 945 | 17.49 |
Prompt payment of interest | 555.179 | 4 | 4.576 | 945 | 121.32 |
Safety and security | 928.241 | 4 | 3.496 | 945 | 265.492 |
Reinvestment facilities | 36.568 | 4 | 1.622 | 945 | 22.547 |
Flexibility | 146.783 | 4 | 1.695 | 945 | 86.597 |
Prompt enhancement after maturity | 31.779 | 4 | 0.507 | 945 | 62.619 |
Premature closure facility | 129.607 | 4 | 3.284 | 945 | 39.472 |
Easy attractive returns | 488.476 | 4 | 3.491 | 945 | 139.935 |

The F tests should be used only for descriptive purposes because the clusters have been chosen to maximize the differences among cases in different clusters. The observed significance levels are not corrected for this and thus cannot be interpreted as tests of the hypothesis that the cluster means are equal.

Distances between Final Cluster Centers

| Cluster | 1 | 2 | 3 | 4 | 5 |
|---------|---|---|---|---|---|
| 1       | 10.386 | 7.029 | 10.911 | 6.384 |
| 2       | 10.386 | 7.029 | 10.911 | 6.384 |
| 3       | 10.386 | 7.029 | 10.911 | 6.384 |

The validity and stability of the clusters were checked by splitting the sample into two strata of 150 each and repeating the same procedure of cluster analysis in 2 stages (hierarchical and non-hierarchical). The results showed 5 cluster solutions on both the samples.

D. PREFERENCES FOR POST OFFICE SAVINGS SCHEME

SCHEMES | SUM | MEAN | RANK |
|---------|-----|------|------|
| Post Office Savings Deposits | 54408 | 57.271 | 1 |
| Post Office Time Deposits | 44010 | 46.326 | 5 |
| Post Office Recurring Deposit | 52287 | 55.03 | 2 |
| Post Office Monthly Income Scheme | 47595 | 50.1 | 3 |
| Public Provident Fund | 42681 | 44.927 | 8 |
| National Savings Certificate | 43799 | 46.104 | 6 |
| Sukanya Samriddhi Accounts | 47517 | 50.018 | 4 |
| Postal Life Insurance | 43353 | 45.63 | 7 |
| Rural Postal Life Insurance | 39225 | 42.03 | 10 |
| National Pension System | 40823 | 42.97 | 9 |
Source: Primary Data.
The above table reveals that, Post Office Savings Deposits has scored first rank with mean score 57.271, Post Office Recurring Deposits has scored second rank with mean score 55.03, Post office Monthly Income Scheme has scored third rank with mean score 50.1.

IX. MAJOR FINDINGS AND IMPLICATIONS
The above table reveals that Most 48 percent of the respondents belong to the age group of 31-40 years, Majority 50.5 per cent of the respondents are male, Most 28.67 per cent of the respondents are graduates, Majority 62.67 per cent of the respondents are belongs to nuclear family, Majority 82.67 per cent of the respondents are married, Most 48.67 per cent of the respondents has 4-5 dependents in their family, Most 32 per cent of the respondents are Agriculture background, Most 41.33 per cent of the respondents has three earning members, Majority 57.33 per cent of the respondents are earn as income Rs.1,00,001-Rs.3,00,000 annually, Most 33.8 per cent of the respondents have visit post office occasionally, The type of investment has three category i.e., long term investment, medium term investment and short term investment which has 39.18 per cent, 12.8 per cent, 48.05 per cent of the respondents respectively. Most of the respondents invested for long term (39.18 per cent).
From the above other analysis, Government has offered various schemes among them Post Office Savings Deposits has scored first rank, Post Office Recurring Deposits has scored second rank and Post office Monthly Income Scheme has scored third rank.

X. CONCLUSION
India post played a vital role to support Indian economy. There are various financial activities introduced and encourage the people to invest their money to fulfilling their future needs. The present study concentrates on satisfaction level of investors to various financial service schemes, also the study focused on the rural investor’s behavior with various investment avenues available in the post bank. The study identify that investors were overall satisfied with the post office financial saving schemes like post office saving deposit, Post office Recurring Deposit and Post office Monthly Income Scheme.

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