

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



S. Shanmugapriya, S. Saravanan

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 bank, 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.

Manuscript received on March 15, 2020.

Revised Manuscript received on March 24, 2020.

Manuscript published on March 30, 2020.

* Correspondence Author

Shanmugapriya .S*, Research Scholar in Commerce in Dr.N.G.P. Bharathiar University,

Dr.S.Saravanan, Research Scholar in Commerce in Dr.N.G.P. Bharathiar University,

© The Authors. Published by Blue Eyes Intelligence Engineering and Sciences Publication (BEIESP). This is an [open access](http://creativecommons.org/licenses/by-nc-nd/4.0/) article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>)

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.

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 50 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], revels 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.

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

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

H₁: There is no significant relationship between Satisfaction on postal saving schemes and the demographic profile of the customers

H₂: There is a significant relationship between Awareness on postal saving schemes and the demographic profile of the customer.

VIII. ANALYSIS AND INTERPERTATION

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 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).

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	D F	P.VALU E	S/N S	REMARK S
150	148.331	11	.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

FINAL CLUSTER CENTERS					
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	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	0
Postal savings deposits	320.449	4	1.536	945	208.599	0
Pension system	21.627	4	1.237	945	17.49	0
Prompt payment of interest	555.179	4	4.576	945	121.32	0
Safety and security	928.241	4	3.496	945	265.492	0
Reinvestment facilities	36.568	4	1.622	945	22.547	0
Flexibility	146.783	4	1.695	945	86.597	0
Prompt enhancement after maturity	31.779	4	0.507	945	62.619	0
Premature closure facility	129.607	4	3.284	945	39.472	0
Easy attractive returns	488.476	4	3.491	945	139.935	0

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	7.009	10.911	6.384
2	10.386		7.808	7.735	6.422
3	7.009	7.808		6.840	5.682
4	10.911	7.735	6.840		6.160
5	6.384	6.422	5.682	6.160	

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



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

Public Provident Fund	42681	44.927	8
National Savings Certificate	43799	46.104	6
Sukanya Samridhhi 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 .

REFERENCES

1. Dr.A.Benazir (2020) A Study on Parent's Perception towards Post Office Saving Schemes –With Special Reference to Palayamkottai Region Our Heritage ISSN: 0474-9030 Vol-68-Issue-1-January-2020,PP 787-794.
2. Dr. G. Samundeswari and Ms. M. Abinaya (2020), 'A Study On Financial Inclusion And Literacy Of Saving Schemes', Our Heritage UGC Care Listed Journal Vol 68, Issue 2, Jan 2020. Pp 235 -240.
3. Mr. Mehul Chandrakant Chhatbar (2015), 'A Comparative Study Of Satisfaction Of Consumers While Using Services Of India Post And

Private Courier Service In Mumbai', Tactful Management Research Journal (Seminar Article) Articles For Volume : 6, March – 2015, Pp 125-130.

4. Kore Shashikant D., And Dr. R.B.Teli, (2015), 'Awareness Of Postal Employees Towards Postal Financial Services: A Study Of Kolhapur District (M.S.)', Contemporary Research In India (ISSN 2231-2137): Vol. 5: Issue: 3, September 2015. PP 156 – 160.
5. Anand.M.B, Dr Srinivas D L, Dr.H H Ramesh., (2013), 'Performances Of Indian Postal Services', Innovare Journal of Business management, ISSN: 2321-6816 Vol 1, Issue 2, 2013, 5-10
6. Kothari. C. R, (2007), Research Methodology-Methods and Techniques, New Age International Publishers, New Delhi.
7. Gupta, S. P, (2002), Statistical methods, Sultan Chand and sons publications, New Delhi.

AUTHORS PROFILE



Shanmugapriya .S, is a Research Scholar in Commerce in Dr.N.G.P. Arts and Science College, Coimbatore. She has a Master Degree in Commerce CA and has completed M.Phil from Bharathiar University, Coimbatore. She has written original research articles in various international journals and she is interested in academics and research.



Dr.S.Saravanan, is a professor in Commerce in Dr.N.G.P. Arts and Science College, Coimbatore. She has a Master Degree in Commerce and has completed PhD. He has written original research articles in various international journals and he is interested in academics and research.