A STUDY ON PREFERENCES AND LEVEL OF SATISFACTION TOWARDS POST OFFICE SAVINGS SCHEMES (WITH SPECIAL REFERENCE TO COIMBATORE CITY)

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ABSTRACT

Savings is common to all human societies, even if saving practices differ from one another. In India there are multiple investment avenues available to meet differing needs of investors. The investors about saving schemes will have a significant impact on the saving behaviour of people. People who have positive perception about the scheme in which they have invested will continue to invest in the same scheme. Very often, they will start investing on other schemes from the same institutions. The nature of perception that exists among investors about saving schemes and institutions offering such instruments were studied. From the analysis presented here, it is clear that perception of investors has an impact on their risk-bearing capacity and range of investment, it is also stated that perception is influenced by age, experience and tax payment and it has an association with saving motives and behaviour of individuals, it is also to be remembered that if people get good service and good return during their investment tenure, they will have positive perception, otherwise negative perception will persist. It has become all the more important to study and analyse the investors’ awareness, perceptions, and preferences, behaviour of various investment avenues available to them in the market.

Key words: Preference of Investment, Investors satisfaction.
INTRODUCTION OF THE STUDY

Investment culture among the people of a country is an essential prerequisite for capital formation and the faster growth of an economy. Investment culture refers to the attitudes, perceptions, and willingness of individuals, and institutions in placing their savings in various financial assets, more popularly known as investments or Postal Savings. A study on preferences and level of Satisfaction thus assumes a greater significance in the formulation of policies for the development and regulation of savings in general and protection and promotion of small and household investors in particular. This is because of lack of awareness among the small and household investors, poor investment climate, and loss of confidence of existing investors in Postal Savings. It is extremely important for the policy makers and regulatory authorities to understand the investors’ perceptions, preferences, and their concerns on the market.

OBJECTIVES OF THE STUDY

To analyse the preferences and level of Satisfaction towards various Postal schemes in Coimbatore city. The study also analyse
- Reasons that forces to invest in post office savings schemes.
- Level of satisfaction of the investors.
- To identified the SWOT of post office schemes.

SAMPLING DESIGN FOR THE STUDY

As the universe of the study is entire Coimbatore Region, an attempt is made to stratify the region into strata. The stratification is done on the basis of geographical and administrative factors. In order to collect the primary data, for the purpose of the study, Multi-stage sampling technique is adopted. The investors from different socio-economic background (age, income, occupation, education, gender) were survey from different post offices.

TOOLS OF ANALYSIS

For analyzing the behaviour of the investors, 1068 investors has been selected. The statistical tools used to carry out the analysis are mean scores, frequencies, percentage, for all the variables used in the study were calculated. The nature of distribution of the variables examined in the study could be assessed from the mean scores given by the sample respondents, and ranks were also awarded in order to know their level of significance.

SOURCES OF DATA

Primary data was used to study and analyse the behaviour of the investors in Coimbatore city. For this purpose, a structured interview schedule was constructed and 1068 respondents were interviewed.

FINDINGS OF THE STUDY

1. The survey addresses respondents of different age group, gender, educational qualification, occupational status and annual income. Out of the sample respondents taken for study, 39.6 percent of them belong to the age group of 31 - 40 years, 83 percent of the respondents were
Female and the remaining 17 percent of the respondents were male, 32.3 percent of the respondents are illiterate, 83 percent of the respondents are married, 26.1 percent of the respondents were government employee, 44.2 percent of investors annual income ranging from Rs.50,000 to Rs.1,00,000.

2. When finding the Level of awareness about the different Post office savings schemes ranking technique has been adopted. The 1st rank was secured by the National Savings Certificate schemes with the total score of 3765, followed by the Public Provident Fund scheme has bagged the II rank with the total score of 3749. The III and IV rank was secured by the schemes of Post Office Recurring Deposit Scheme and Deposit Scheme for Senior Citizen with the total score of 3687 and 3596 respectively. The Vth and VIth ranks were obtained by the schemes of Post Office Savings Deposits and KisanVikas Patra with the total scores of 3303 and 3134 respectively. The VIIth and VIIIth ranks were held by Post Office Monthly Income scheme and Post Office Time Deposit scheme with the total scores of 3002 and 2997 respectively. Hence, it is concluded that NSC schemes were very popular among the public and secured 1st rank with the total score of 3765.

3. The relationship between age and personal savings made by the depositors every month towards post office savings schemes was tested using two-way table with a hypothesis: there is significant association between Age and the personal savings made by the depositors every month and the hypothesis has been rejected and it was concluded that there is significant association between age group of the respondents and the personal savings made by the depositors every month.

4. There is a significant association between Gender and personal savings made by the depositors every month and the hypothesis has been rejected.

5. There is a significant association between Family Income and personal savings made by the depositors every month and the hypothesis has been rejected.

6. There is a significant association between personal savings made by the depositors every month and Percentage of savings made and the hypothesis has been rejected.

7. There is a significant association between No. of members available in the family and tenure of investment in post office and the hypothesis has been rejected.

8. There is a significant association between Annual Income and personal savings made by the depositors every month and the hypothesis has been rejected.

9. There is no significant association between Educational Qualification and personal savings made by the depositors every month and the hypothesis has been accepted.

10. When examining the reason for investing in post office savings schemes 20.76 percent of the respondents invest in Post offices as the investment guarantees them liquidity and automatic transfer of money by sharing 20.76 percent respectively. 17.45 percent of the respondents were comfortable in Post offices, as Post offices do not risk them like banks, 15.70 percent of them have deposited in Post offices as it assures them safety. 14.13 percent of the respondents prefer Post offices as the investment will give additional benefits viz., no tax and the remaining 11.16 percent of the respondents invest in Post offices as it ensures proximity.

11. The relationship between gender and reason for investing in post office savings schemes tested using two-way table with a hypothesis: there is no significant association between Age and the personal savings made by the depositors every month and the hypothesis has been accepted.

12. To find the degree of variations against the level of satisfaction perceived by the respondents on the Post Office Savings Schemes. For this purpose Mahalanobis Multi Discriminate Analysis was carried out and divided into groups, one is with low level of satisfaction and the other is with high level of satisfaction on the Post Office Savings Schemes. For the purpose of the study discriminate function analysis and 7 variables were selected. Age, Designation,
Educational qualification, Experience, Marital status, Monthly income and No of Dependents were selected.

13. The mean and standard deviation for these groups and for the entire samples are given for each variable that is considered in the analysis. The variables Experience, Income, Marital status, No of dependents, and Designation are significant at 1% level. The variables Age, Educational qualification, are not significant. All the variables are significant discriminators based on their Wilk’s Lambda and D2 Value.

14. The canonical correlation is 0.471; when squared is 0.318, that is 32% of the variance in the discriminate group can be accounted for by this model Wilk’s Lambda and chi square value suggests that D.F is significant at 1% level and Relative Discriminating index shows the mean value of 0.099. Discriminate function analysis was applied to the respondents based on the low level and high level. The following factors significantly discriminate the two groups. They are Experience (at 1% level), Income (at 1% level), Designation (at 1% level), Marital status (at 1% level), No of dependents (at 5% level). The following factors do not discriminate the two groups. They are Age, and Educational qualification.

15. The schemes offered by the post offices have gained momentum by its rigidity in fetching return to the investors. Thus following variables identified for Strength, Weakness, Opportunity and threats. The values are measured on a five point Likert scale (1 = strongly agree; 5 = strongly disagree)

16. More products has been accepted as the most important strength of the postal service schemes with the maximum value of 4.4533 and the low deviation has shown uniform opinion of the respondents. The factor of more branches has been empowered by the respondents of post office savings schemes and it is followed by the other factors. The lowest scored mean values have been received by the factors of Efficient man power, Security / Safety with respect to deposits with a mean value of 3.6467, 3.6700.

17. The highest mean received by the factor was No Advertisements, followed by No loans, Unchanged working culture with mean of 3.8233, 3.7067 and 3.6100 respectively. The lowest mean was secured by the factor of low rate of interest on deposits with mean value of 3.4200.

18. The factor services in rural and urban areas with the mean value of 4.3467 followed by services to develop Indian economy has achieved the maximum mean value of 4.1133 followed by the least mean value has been sourced by the factor of inflationary market with the mean value of 3.6933 followed by the factor Technological advancement with the mean value of 3.6033.

19. The mutual Fund Schemes has been the major threat to the Indian postal services and had a mean value of 4.1233 the next major threat was enforced by the insurance company schemes with a mean value of 3.8167. The least mean values were by the factors of increasing of competitors with a mean value of 3.6300, followed by the customer dissatisfaction with the mean value of 3.7467.

20. There has been no significant relationship between the attributes inter se i.e, the Strength, Weakness, Opportunity and Threats of post office savings schemes. The correlation coefficient between the SWOT attributes has been significantly greater than 0 and therefore the hypothesis proposed for the attributes have been rejected at 1% level of significance. The strength attribute has correlated well with all other attributes and hence therefore the factors will ensure success of the operation. The strength factor had a higher correlation with opportunity as an attribute at 1% of level significance with an ‘r’ value of 0.690 followed by threats as a major attribute of control. Strength as a factor has exhibited the second correlation with Threats at 0.666 followed by weakness has revealed by a moderate correlation of 0.427. Hence, converting weakness into Threats, and Threats into opportunities has resulted in supporting the strength of the respondents.
21. By analysing the various factors of Strength, Weakness, Opportunities and Threats of post office saving schemes it was understood that, the major strength factor was “More schemes”, the major weakness was “No advertisements and No loans”, the opportunity factors was “Offering schemes to rural and urban areas”, and major threat factor was “Mutual fund schemes”.

The overall analysis reveals that the prime reason for investing in the Post office was greatly influenced by three factors viz., to meet the emergency needs, to meet the family needs in the near future and to take care the well being of the children. Those respondents who have invested in post office wish to deposit the money even after the maturity in the Post office savings schemes. Therefore postal department should analyse the emerging markets, not from the point of view of individual products and services that the department is offering, but from the point of view of individual businesses that is required to serve.

REFERENCES