



**ORIGINAL RESEARCH PAPER**

**Commerce**

**AN EMPIRICAL STUDY ON INVESTORS' SATISFACTION TOWARDS POST OFFICE SAVINGS SCHEMES AND ITS GROWTH**

**KEY WORDS:** Post Office- Government of India-Post office investors-Savings schemes

**Dr. A. Selvaraj**

Head & Associate Professor (Retd.), PG & Research Department of Commerce, Gobi Arts & Science College, Gobichettipalayam.

**R. Babyrani**

Assistant Professor of Commerce, Apollo Arts & Science College, Poonamalle.

**ABSTRACT**

In India, the post office savings schemes have positioned themselves as a reliable agency of the Government of India. The Government of India is still running and sustaining the oldest post office saving option to save money. This paper is mainly focused to analyze the investors' satisfaction with post office savings bank schemes and its growth to investors. For this paper, both primary data and secondary data have been collected. Primary data have been collected from 160 investors through a survey method and secondary data have been collected from the India post website. On the basis of the findings of the study, various suggestions are being offered to increase the investors' satisfaction with the post office.

**INTRODUCTION**

Post offices have long served as the backbone of communication and small deposits for more than 150 years. The Department of the post has played an important role in facilitating communication throughout the nation. Thereby aiding in the socio-economic development of the country and also played a phenomenal role in bringing citizens together. Post office services are offered as an agency service for the Ministry of Finance, Government of India. Investment activities makes an efficient role in the overall development of the economy. It helps an efficient mobilization of idle lying resources of people into productive means. It enables capital creation and leads to the economic development of the country. Understanding the needs of the investors, offering attractive schemes, and retaining the investors with better returns than the competitors is necessary for the post office service to thrive in the increasingly competitive market space.

**Statement of The Problem**

Post offices are the financial indicators of the country. Healthy performance of the post office reflects the strength of country's economy. The success of Post office depends on the investors. So, the investors are being treated as King. These situations, post office has changed their perception towards their investors. Simply, all the investors are handled in friendly manner. This is the present position, investors are having difference of perception about the post office. Particularly in the aspect of hospitality, infrastructure facility, interpersonal skills of the post office employees towards the investors etc. Against this background, this paper is an attempt to find out the answer to the following research questions.

1. What is the satisfaction level towards post office savings bank schemes of postal investors?
2. What is the growth rate of post office savings bank schemes?

**Review of Previous Studies**

By realizing the significance of the review of the previous study, the following reviews have been made.

Jitendra Patil and Arvind Chaudhari (2017) conducted a study on impact of individuals income on the perception about financial, retail and premium services by Indian Post. For which, both primary and secondary data have been collected from 375 respondents by using the Convenience sampling method. Such collected data have been analyzed with like Percentage. They concluded that services provided by Indian post-play an important role in financial retail and premium services among all types of individuals income group.

Anand (2019) conducted a study on satisfaction towards Postal Investments. He collected data from 80 respondents by

using convenience sampling technique. Such collected data have been analysed with statistical tools like Percentage and Pearson's Rank Correlation. He suggested that post office should increase their rate of interest comparable to bank and money lenders.

Chandra sekar and Anand (2020) made a study on analysis the post office savings bank schemes. They have collected secondary data from various India Post websites. They concluded that investors have a great faith and positive attitude towards post office savings bank schemes because of there is no complicated procedure in making investment, Easy accessibility, Secure and Safety investment, premature closure etc.

Nandisha and Harshita (2021) made a study on Role of India Post in channelizing rural postal life insurance in rural areas. They have collected data from 150 respondents by using convenience sampling technique. Such collected data have been analysed with percentage. They suggested that Rural Postal Life Insurance (RPLI) schemes focus is to provide benefit to weaker sections and women. They concluded that the benefit of the RPLI scheme can reach the rural people by promoting the schemes or creating awareness among the rural population.

On the basis of these reviews, it is clear that there is no study in the Thiruvallur district with objectives in the present study. Hence, the study is an attempt to fill the research gap.

**Objectives of The Study**

The following are the specific objectives of this paper.

- To examine the satisfaction level of investors' towards post office savings bank schemes and services.
- To examine the growth rate of post office savings bank schemes.

These objectives have been analyzed with the help of statistical tools like Simple percentage analysis, Chi-square test and Compound growth rate.

**Hypothesis of The Study**

To examine the association between the level of satisfaction of the investors towards post office investors and their personal variables (Age, Gender, Marital status, Education Qualification, Occupation, Nature of the family, Size of the family, Number of earning members in the family, Annual Income, Annual Expenditure), a null hypothesis has been framed and same has been tested with the help of chi-square test at 5% level of significance.

**Methodology And Tools**

It is found that there are 23 postal circles in Tamil Nadu (www.indiapost.gov.in). Of which, Tamil Nadu has been

selected. In Tamil Nadu, there are 37 districts. Further, it is known fact that Thiruvallur district is one of the important districts in Tamil Nadu. Hence, this district has been selected purposively. In this district there are Twelve taluks namely viz., Ambattur, Gummindipoondi, Ponneri, Uthukkottai, Tiruvallur, Poonamallee, Tiruttani, Pallipattu, Madhavaram, Maduravoyal, Thiruvottiyur and Avadi. In Tiruvallur district, there are four Revenue Divisions namely Ambattur, Ponneri, Tiruvallur and Tiruttani. Of them, Avadi revenue division has been purposively selected. In this Avadi taluk, it is found that there are five blocks (Avadi, Thirumullaivoyal, Thirunindravur, Morai, Vellanur).

Out of five blocks, two blocks namely Avadi and Thirumullaivoyal have been selected. By using convenience sampling method, the required primary data have been collected from 200 sample respondents (100 investors from each block) with a well-structured Interview Schedule due to incomplete and contradictory information, 40 Interview Schedule have been found as not suitable for analysis. Hence, the final sample size of the study is 160. Such collected data have been analysed with various statistical tools like Simple percentage analysis, Chi-Square test and Compound Growth rate.

**Data Analysis And Interpretation of Satisfaction Level of Investors**

To measure the satisfaction level of the post office investors, Likert's 5-point scale has been used. Accordingly, 20 statements have been given in the Interview Schedule and the same has been quantified. As per quantification, those who scored 60 and below are grouped as less satisfied and those who scored above 60 are grouped as more satisfied. Accordingly, Table 1 has been prepared.

**Table 1: Level of Satisfaction of Investors**

Level of Satisfaction	No. of Investors	Percentage%
Less	114	71.25
More	46	28.75
Total	160	100

Table 1 reveals that majority (71.25%) of the investors are less satisfied about post office savings bank schemes. Consequence of these findings, a null hypothesis has been framed. This null hypothesis has been tested by using Chi-Square test at 5% level of significance. Details of the findings are shown in Table 2.

**Table 2: Association Between The Socio-economic Characteristics Of The Investors And Their Level Of Satisfaction: X2 Test**

STATEMENTS	DF	TV	CV	RESULT
Age	2	5.991	2.18	Significant
Gender	1	3.841	2.60	Significant
Education Qualification	3	7.815	7.44	Significant
Marital status	1	3.841	0.13	Significant
Occupation	2	5.991	9.48	Insignificant
Nature of the family	1	3.841	10.43	Insignificant
Size of the family	2	5.991	1.40	Significant
Number of earning members in the family	2	5.991	2.35	Significant
Annual Income	2	5.991	7.90	Insignificant
Annual Expenditure	2	5.991	5.07	Significant

From Table 2, it is clear that socio economic characteristics of the post office investors like occupation, nature of the family and annual income and their satisfaction level are insignificant whereas, socio-economic characteristics like age, gender, education qualification, marital status, size of the family, number of earning members in the family and annual expenditure and their satisfaction level are significant.

**Performance Of Post Office Savings Bank Schemes In India**

In India, a post office savings bank facility is available since 1882 to the remotest corner of the country. Department of posts operates post office savings bank schemes on behalf of the Ministry of Finance, Government of India. On the basis of secondary data, it is decided to calculate the growth of the post office savings bank schemes. Hence, it is decided to use 10 years' time series data of receipts (Receipts includes interest credited to depositor's account from time to time) from 2010-11 to 2019-20 in various Post office savings bank schemes and the same have been analysed with various statistical tools like Mean, Standard Deviation, Simple Growth Rate and Compound Growth Rate.

Accordingly, Growth Rate (Y<sub>t</sub>) = ab<sup>t</sup>

Where,

a = Constant

b = regression co-efficient

t = time variables in years (1, 2, ..., 10)

b = (1+r) with r compound Growth Rate

It is in the log form as

Log Y<sub>t</sub> = log a + log b<sup>t</sup>

The compound growth rate has been calculated as,

Compound Growth Rate = [(Antilog β) - 1] × 100

Details of the findings relating to post office savings bank schemes are given in Table 3.

**Table 3: Post Office Savings Bank Schemes Growth Rate**

Post office savings bank schemes	Mean	SD	C.G.R %
Post office savings bank	550.38	275.49	16.8
Post office Recurring deposits	759.73	136.40	5.7
Post office Time deposits	582.69	340.41	20.1
Post office monthly income	1978.29	113.79	-1.5
National savings scheme	39.09	6.00	-4.9
Public Provident Fund	503.62	171.69	12.5
Senior citizen savings scheme	296.97	111.58	5.9
Kisan Vikas Patra	962.19	515.74	19.7

Source: Post office Annual report (2010-2020)

Table 3 shows that growth rate of the post office savings schemes is positive during Post Office Recurring Deposits, Post Office Time Deposits, Public Provident Fund and Senior Citizen Savings Schemes and negative during Post Office Monthly Income Scheme, National Savings Certificate and Kisan Vikas Patra.

**CONCLUSION AND SUGGESTIONS**

On the basis of the findings of the study, it is clear that majority of the investors are having low level of satisfaction towards post office bank savings schemes and services. The following are suggestions are offered.

- Introduction of e-payments through Post office Bank account has enabled the investors in making payments towards their electricity, gas, water, DTH services and in addition to making payments towards various day-to-day activities.
- Introduction of various post office schemes that match the investors expectation has put the post office service in a positive spotlight when compared to its competitors.

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