

Postal Savings Habit Among Public

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Abstract

The emergence of a “technological change” is driven by advancement in all sectors of the economy and fast diffusion of information and communication system change the way we communicate, transport products and carry out financial transactions. Increasing use of the internet for communications purposes will reduce the role of postal services’ in all the sectors. Meanwhile the exponential change in the information technology leads to condense the role of postal service system in the society. Indian postal service is the largest and wide spread postal system in the world. Indian post office savings has many advantages and various valuable benefits compared with other savings schemes. In this research work, I found that the postal saving habits is almost effective in nedumkandam postal area of Idukki district at Kerala in India. The post office provides various investment schemes and incentives to the general public and the respondents are fully aware of all the facts and facilities. Post office saving scheme is also better than other savings options. The research also found that most of the respondents are not satisfied with the basic amenities provided by the post office, penal charges, information and online service provided by the post office. The reason behind this dissatisfaction is lack of technology, lack of friendly attitude of the employees of postal department. But the same time, postal department provides high rate of interest and other taxational benefits for their beneficiaries.

Key Words: Kisan Vikas Patra, Sukanya Samridhi, Senior Citizen Savings Scheme Accounts, Senior Citizen Savings Scheme, National Savings Certificates

Introduction

Post office saving is the best form of saving scheme which provide substantially higher rate of interest and pose relatively lesser risk of suffering losses. Therefore, they are widely accepted among the different sections of Indian society and among the different age group. The post office saving banks is the oldest and largest banking system in the country, serving the investment need of both urban and rural clientele. The Indian postal services and the schemes offered by it build good public image and have gathered the confidence of the middle- and small-income group of people. As a way of saving and investment it has obtained the trust of people, because it is not only securing regular returns. The present research work is limited at Nedumkandam postal area of Idukki district in Kerala, India.

Statement of the Problem

The emergence of a “technological change” is driven by advancement in all sectors of the economy and fast diffusion of information and communication system change the way we communicate, transport products and carry out financial transactions. Increasing use of the internet for communications purposes

will reduce the role of postal services' in all the sectors. Meanwhile the exponential change in the information technology leads to condense the role of postal service system in the society. The role of social network such as WhatsApp, Facebook, twitter etc. plays a pivotal role in exchange of data among general public and there is no prominent regional difference in the exchange of digital information. Although these issues continue to serve with the decided objectives, there have been gaps in the present services of postal department. These gaps are due to several reasons. The present study examines operational issues, public awareness, satisfaction level of people, and socio-economic empowerment through postal savings.

Relevance of the Study

The increased use of electronic technology has not replaced the importance of all postal services and international mail systems. The postal service provides certified mail and delivery confirmations that guarantee the documents or packages have been delivered properly. Postage rates and delivery times can be calculated online to expedite the process. Cell phones, text messages, email correspondence and fax transmissions have reduced the use of general letter services, but cannot entirely replace the importance of postal services. Now a days, The Indian Court and other legal related information and communications mostly depends on Postal services for the accuracy, authenticity and proper documentation. The Union Government as well as the government of all states and union territories have unresolved role in postal services. All these make the study relevant.

Scope of the Study

The Present study is based on postal savings habits functioning among the public in the State of Kerala. Respondents were identified those who are enjoying the benefits of Post Office supported services for the upliftment of their standard of living. Office administrators depend on the precision and efficiency of postal services and delivery systems to conduct daily business. Global business opportunities increase dependency on worldwide postal services and international mail systems.

The variables covered were clubbed under two heads:

The first one related to personal profile of the respondents and their socio-economic status. These included Education, Size of the family, Type of houses, Pattern of ownership, Period of service, Monthly income of family, Income of spouse, Income from other source, Occupation of the respondents. The second set of variables related to operational parameters of the respondents. These included awareness level about the innovative postal services, major problems faced by the beneficiaries, basic amenities and satisfaction on products and services.

Objectives of the Study

The main objectives of the study are as follows:

1. To study the postal saving habits among the public in Nedumkandam postal area.
2. To assess the problems of postal transactions in regular base.
3. To measure the role of government in promoting saving habits in post office.
4. To assess socio-economic empowerment of beneficiaries through postal

saving schemes.

5. To measure the satisfaction and benefits among the users under post office saving schemes

Hypothesis Formulated

The hypothesis formulated for the study is as follows:

1. Ho: There is no significant relationship between priority of savings and awareness level. The priority of savings identified were postal savings, insurance, private chits, national banks, micro finance and co-operative bank. The awareness level of public identified were procedure of opening account, interest rate of postal savings, insurance packages and government incentives.

2. Ho: Opinion regarding the level of satisfaction is not equal to average. The level of satisfaction identified were official procedure of post office, various schemes, interest rate, and length of maturity period, availability of loan against deposit, tax benefit and online service

3. Ho: There is no significant association between basic amenities and problems faced by the customers. The factors identified for basic amenities were location, infrastructure facilities, adequate counters, token system, parking facilities and drinking water. The variables identified for problems of customers were long procedure, delay in processing, low interest rate, and lack of customer friendly attitude and lack of prompt information.

RESEARCH METHODOLOGY

The study is descriptive and analytical in nature and has adopted the following methodology.

Sample Design

The population of study consisted of the post office beneficiaries of Nedumkandam postal area in Idukki district. Data were collected from the beneficiaries who avail the benefits of postal services. 50 beneficiaries were identified as the sampling size. Convenient sampling was used as sampling technique.

Source of Data

The data required for study were collected from both primary and secondary sources. Primary data is collected from the respondents those who are avail the benefits of postal services. The questionnaire elicited information relating to the profile of the respondents, their current status, family background, operational problems, level of awareness, evaluation of Government support and change in economic- social status. Secondary data for the study is collected from various publications, books, published research articles, journals and websites.

Tools for Collection and Analysis

The tools used for collecting primary data were structured questionnaire for respondents who avail the benefits of postal services. All data collected were tabulated to facilitate interpretation. The hypotheses were tested using the tools like Co-relation Coefficient, one sample t-test, independent sample t-test and Chi-Square. Analyses were undertaken to determine whether there was a significant difference in the variables identified.

Review of Literature

This session intends to throw light on the existing studies undertaken in the areas of postal savings with a view to gain a theoretical understanding on the topic

Kalairasi and Saranyderi (2016)¹ in their study “Depositors satisfaction and level of awareness towards the Post Office Saving Bank Scheme” in the study found that depositors were very much satisfied with Recurring deposit. The study revealed that all the depositors were aware of the savings accounts, monthly income scheme, time deposits etc.

Muthukrishnan and Senthilkumar (2016)² in their study “Influence of perceived service quality on policyholders satisfaction of Rural Postal Life Insurance”. The five dimensions of service quality measurement are tangibility, responsiveness, reliability assurances and empathy. The result found that, the service quality dimensions positively influences the policyholder’s satisfaction and dimensions of assurances had a significant influence on policyholder’s satisfaction.

Ravindran and Venkatachalam (2016)³ focused on “Investment opportunities of Postal Service Sector in India”. The study found that the household investors are highly aware of Post Office Saving Scheme. Safety and security are the major objectives and children’s education is the main purpose of investment in Post Office Saving Scheme.

Mathumitha (2015)⁴ in her study entitled on “Investors attitude towards Post Office Saving Scheme in Cumbum town”. The study found that majority of the respondent’s preferred recurring deposit to meet future plan of their children’s. The study suggested that necessary step can be taken to adopt advertising strategy.

Kore Shshikant and Teli (2015)⁵ in their study entitled on “The investment behavior of postal customer towards Post Office Saving Bank Scheme”, found that it is necessary to increase financial awareness about Postal Scheme, marketing activities fast decision making to fight against private institution and also found the investors have great faith, very positive approach towards Post Office Saving Bank Scheme.

Mahesh Potadar, et.al (2015)⁶ in their article “The Challenges faced by Post Office Saving Scheme Bank”. The study found that the main challenges faced by Post Office Bank are increasing competition and continuing advances in information communication technology and the unavailability of well trained workforce.

Divyesh Kumar (2015)⁷ in his paper has made a comparative study of the role played by post office in rural areas in developed countries, underdeveloped countries and emerging economy. The role played by postal department is vital one in fostering financial inclusion. Women empowerment can be increased by giving them facilities from post offices.

Mohammad Rafee (2015)⁸ the researcher highlights the changing face and role of post office in Indian services sector. India has the largest network in the world. Its plays a very crucial role in socio- economic development. It also focused on the various suggestions for India post to provide better services to citizen. Thus, a transformation role is needed to the India Post.

Saranya and Karthikeyan (2015)⁹ concluded in his paper the importance of savings among the investors in post offices schemes. To analyses the satisfaction they derive using the services of post Offices and to identify the strength, weakness, opportunities, and threats. Thus the prime reasons for investors to invest are emergency needs, family needs and future of children.

Suma Mathew (2015)¹⁰ included in her study the role of postal administration in providing the excellence services and enjoying the trust and loyalty in customers by diversifying themselves through innovative products and services and the changing role of post offices by entering into new areas such as telephony and financial services. India post is the largest and most credible outreach infrastructure in the country. Several innovative products are implemented for letters and delivery of parcels. It's a critically window for the rural people to avail sophisticated products and affordable financial products. Its core competencies are its credibility, brand strength and outreach to millions of people.

All the above study points out to the fact that postal services play a pivotal role in the society and explicitly has certain associated challenges. These challenges are derived from the exponential changes in the technology. The objectives of all savings are to change in the socio-economic status of rural and urban people through income generation.

The Government of India as well as State Government has consistently launched several effective and beneficial measures for the development of the people. The review of literature points out several issues pertaining to investment in postal savings. However many of the postal programmers and initiatives failed to deliver in terms of true empowerment. The inability to deliver in a given context like the State of Kerala has not been covered. The present study is an attempt to identify the extent of post office and government initiative in the State and its capability to create economic empowerment in a sustainable form. This makes the study different from the existing ones. The competence to create economic empowerment is the subject matter of the study.

Major Findings

- In the case of postal savings and insurance most of the respondents (44 per cent) came under the category of Medium Priority. Other aspects like National Banks, Micro finance, Cooperative Banks their priority level of saving is less compared with other aspects like postal savings and insurance.
- Majority of the respondents (56 per cent) belonged to the group of 1-3 years in year-wise savings scheme. This was followed by 6-7 years with 16 per cent.
- Regarding the sources of knowledge about postal services, most of the respondent (44 per cent) came to know by the way of Post Office Employees. This was followed by Friends/Relatives/Parents with 28 per cent.
- In the study related to the awareness level about opening accounts, postal savings, interest rate, insurance packages, government incentives and other benefits offered to account holders, the respondents are aware about all the facilities provided under such Postal schemes.

- While taking about preference level of the respondents, most of them prefer post office saving account. This was followed by post office time deposit account. The respondent also prefer for kisan vikas patra and post office monthly income schemes account.
- From the analysis, level of satisfaction on various aspects was studied. Most of the respondents agree with aspects like easy procedure, availability various schemes, terms and conditions, hidden cost, availability of home service and reinvestment facility and locking period. Whereas regarding other aspects like higher rate of interest, acceptability of maturity period, availability of loans, tax benefits and switch over facility, prompt encashment, security granted, online service provided the respondents level of satisfaction is Neutral.
- Regarding the utilization of maturity amount, most of the respondents (48 per cent) opined they utilize the amount for other purposes. This was followed by the category of no reinvestment with 24 per cent. Sixteen per cent of the respondents belonged to the category of making decision to redeposit in same scheme.
- Satisfaction level of respondents from various amenities available in post office is very poor. Most of the respondents were not satisfied with parking facilities, infrastructure facilities, seating facilities, adequate counters, token system, availability of space, drinking water facility offered.
- On the basis of various investment options like investment in Cooperative Banks, Micro Finance and from other financial institutions, the researchers found that majority of the respondents (68 per cent) stated that they feel Post Office Saving Schemes are better than other options

Hypothesis Tested

The hypothesis tested for the study are as follows:

1. **Ho:** There is no significant relationship between priority of savings and awareness level. The priority of savings identified were postal savings, insurance, private chits, national banks, micro finance and co-operative bank. The awareness level of public about procedure of opening account, interest rate of postal savings, insurance packages and government incentives.

Table No.3.1A
Co-relation Co-efficient

Variables	N	Co-relation	P-value
Priority of savings and Awareness level	24	0.276	0.192

Since P-value is more than 0.05 we reject the null hypothesis which means there is significant relationship between the priority of savings and awareness level. Based on co-relation co-efficient, it is identified that there exists 0.276 % significant relationship between priority of saving and awareness level. It proves that priority of savings depends (co-relate) on the awareness level of respondents.

2. **Ho:** Opinion regarding the level of satisfaction is not equal to average. The level of satisfaction identified were official procedure of post office, various schemes, interest rate, and length of maturity period, availability of loan against deposit, tax benefit and online service.

Table No.3.1B One Sample T test

Variable	DF	Mean value	SD	t-value	p-value
Level of Satisfaction	24	2.3888	0.3047	39.199	0.000

Since P Value is less than 0.01, we accept null hypothesis at 1% level of significance hence concluded that the opinion regarding level of satisfaction is not equal to average. Based on the mean score of 2.3888 opinion regarding level of satisfaction is above the average.

3. **Ho:** There is no significant association between basic amenities and problems faced by the customers. The factors identified for basic amenities were location, infrastructure facilities, adequate counters, token system, parking facilities and drinking water. The variables identified for problems of customers were long procedure, delay in processing, low interest rate, lack of customer friendly attitude and prompt information.

Table No.3.1C Chi – square

Variables	Chi-Square	D F	P- Value
Basic Amenities and Problems	19.44	32	0.000

Since P value is less than 0.01 we accept the null hypothesis at 1 % significance level which means there is no significant relationship between basic amenities provided by the postal department and problems faced by the respondents

Suggestions

- Post department should conduct various awareness campaign about the saving scheme and its benefit among public at Nedumkandam postal area for making them aware about valuable service of the postal department.
- Post office savings bank should take initiate to new savings schemes especially for women and children in order to promote saving habit among public.
- Post department should popularize the schemes under post office savings bank by methods like advertisement, campaign, Seminars, awareness campaign, social network sites etc.
- Provide more assistance to economically backward people in rural and semi urban area in order to raise their standard of living.
- Post department should appoint more post office agents in rural area to make them aware about various schemes introduced.

Conclusion

Indian postal service is the largest and wide spread postal system in the world. Indian post office savings has many advantages and various valuable benefits compared with other savings schemes. In this research work we found that the postal saving habits is almost effective in Nedumkandam postal area. The post office

provides various investment schemes and incentives to the general public and the respondents are fully aware of all the facts and facilities. Post office saving scheme is also better than other savings options. The research also found that most of the respondents are not satisfied with the basic amenities provided by the post office, penal charges, information and online service provided by the post office. The reason behind this dissatisfaction is lack of technology, lack of friendly attitude of the employees of postal department. As a result, most of the respondents agree with delay in processing and lack of information provided by post office. But the same time, postal department provides high rate of interest and other taxational benefits for their beneficiaries.

