

A Study on Customer Perception towards Post Office Savings Scheme

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Abstract: *This study investigates customer perceptions towards post office savings schemes. Through a comprehensive analysis, it explores factors influencing customers' attitudes and behaviours regarding these financial instruments. By examining various demographic variables and socio-economic factors, the study aims to provide insights into how individuals perceive post office savings schemes and their potential implications for financial decision-making.*

Keywords: Customer perception, Post Office Savings Scheme, Savings products, Financial services, Investment options, public perception, Trust, Security.

I. INTRODUCTION

The use of money or capital to purchase financial instruments or other assets to obtain a favourable return in the form of interest, revenue, or an increase in the value of the instrument is referred as investment. Investment is the decision made by an individual or an organisation, such as a pension fund, to invest money in avenue, instrument, or asset, such as a property, stock, bond, commodity, financial derivatives that has a certain level of risk and the potential to generate money, after some analysis or thought. Capital can be put into a variety of investment forms and many people waste money without even realising it and only a few handfuls are truly adept at capital management. Many things influence one's decision to invest and millions of Indians invest in fixed deposits, savings certificates, equities, bonds, and mutual funds, as well as gold and silver. They all have a reason to put their money into something. Some people want to start contributing to their retirement income others want to be billionaires. In India, women's status has changed dramatically during the last several decades. Women have occupied high-ranking positions in modern India, including President, Prime Minister, and so on and are expected to plan their finances and invest wisely in order to be happy. Women are currently active in all areas of life in India, including education, politics, the media, art and culture, the service sector, science and technology, and so on and are diversifying their investment portfolios beyond the traditional possibilities of fixed deposits, post office investments in the form of insurance, mutual funds, shares, equities, and even real estate. Investment psychology, perception, level of awareness, information collection, research, and analysis are all aspects of how women investors evaluate, forecast, analyse, and examine investment. decision-making procedures. Today's women are a tough taskmaster, managing a homely wife, a savvy boss, and a sincere friend with such ease and grace that it is incredibly admirable. The stability and progress of a country are dictated by the status and development of its women, who make up half of the population and influence the growth of the other half. Women have been known to juggle and navigate multiple tasks at once since the dawn of humanity. Various factors that influence investment decisions are the amount of money invested and the types of investments available. The motives behind investment are to have a peaceful an happy retirement life, saving tax, social security, source of income.

All investors invest their surplus funds in the various financial avenues accessible based on their risk-taking attitude, intuitions and behaviours. Individual choices are unreasonable due to psychological features such as aversion to failure, mental accounting, group behaviour, and overconfidence, among others. Investors, according to traditional finance theory, think logically and make deliberate decisions based on detailed analysis or the application of risk-reducing economic models. Various studies, on the other hand, have demonstrated that human decisions are always based on their moods, behaviours, and psychological aspects when it comes to taking risks. The quality of each investment choice has grown increasingly essential in recent years. Making smart investing decisions involves both knowledge and

ability. To estimate the risk and return associated with an investment choice, need some skills. In the current economic situation, information on the different alternative investments available is necessary.

POST OFFICE INVESTMENT: SAVING SCHEMES & INTEREST RATES

Post Office Investments include several saving schemes that provide high rate of interest as well as tax benefits and most importantly, carry the sovereign guarantee of Indian Government. All these schemes are tax exempt under Section 80c, i.e. tax exemption up to Rs. 1,50,000/- is allowed. Some schemes like Public Provident Fund (PPF), Sukanya Samridhhi Yojana (SSY), National Savings Certificate (NSC), Post Office Time Deposit for a 5 Year Term and Senior Citizen Savings Scheme (SCSS).

POST OFFICE SAVINGS ACCOUNT

This account is like a savings account with a bank, except that it is held with a post office.

Only one account can be opened with one post office and can be transferred from one post office to another.

You can also open an account in the name of a minor. The interest rate is 4% and is fully taxable. However no TDS is deducted on the same.

Under the non-cheque facility, minimum balance which is required to be maintained is Rs.50/-

However a deduction of Rs 10,000 per annum is available on your total savings account interest including post office savings interest under Section 80TTA of the Income Tax Act, 1961.

Table 1.1 – TYPES OF SCHEMES AVAILABLE IN INDIAN POST OFFICE.

Small Savings Scheme	Interest Rate	Tax Deduction on Investment?	Interest Taxable
Post Office Savings Account	4.0%	No	Yes
Post Office Recurring Deposit	7.2%	No	Yes
Post Office Monthly Income Scheme	7.6%	No	Yes
Post Office Time Deposit (1 year)	6.9%	No	Yes
Post Office Time Deposit (2 year)	6.9%	No	Yes
Post Office Time Deposit (3 year)	6.9%	No	Yes
Post Office Time Deposit (5 year)*	7.7%	Yes	Yes
Kisan Vikas Patra (KVP)	7.6%	No	Yes
Public Provident Fund (PPF)	7.9%	Yes	No
Sukanya Samridhhi Yojana	8.4%	Yes	No
National Savings Certificate	7.9%	Yes	No
Senior Citizens Savings Scheme	8.6%	Yes	Yes

*For 5 year tax-saver deposits, Interest rates for Q3, FY 2019-20 (October-December 2019)

NATIONAL SAVINGS CERTIFICATE (NSC)

- The NSC has a maturity period of 5 years. The NSC rate of interest is 7.9% per annum compounded half-yearly but payable at maturity. That means, your investment of Rs. 100,000 will yield you Rs. 144,231 after 5 years.

- There is no maximum limit on investment with a minimum amount of investment of Rs.100. Investments can be done in denominations of Rs.100, Rs. 500, Rs. 1,000, Rs. 5,000 and Rs.10,000.
- The NSC Certificate can be purchased in single holding or on behalf of a minor.
- Investment in NSC is tax deductible under Section 80C of The Income Tax Act. Interest on NSC is deemed to also be reinvested under Section 80 C and hence tax deductible, except interest in the final year of the NSC.
- NSC certificates can be pledged as security for availing bank loans.
- Certificates are transferable. Transfer from one person to another person is allowed only once during the investment tenure.
- NSC is a risk-free and tax efficient saving scheme for long-term and traditional investors with no risk appetite.

MONEY REMITTANCE SERVICES

Remittances are a growing and an important area for India Post. India Post offers various remittance services to meet the demands of various sections of the society. The remittance services of India Post are available for both domestic and international locations. India Post has introduced web-enabled remittances to offer faster services.

Here are the remittance services offered by India Post:

- Money Order (MO)
- Electronic Money Order (EMO)
- Instant Money Order (IMO)
- MO Videsh
- International Money Transfer (IMT)
- Electronic Clearance Service (ECS)
- Money Gram - Money Transfer
- IFS Money Order
- Mobile Money Transfer

A) MONEY ORDER

A money order is an order issued by the Post Office for the payment of a sum of money to the person whose name the money order is sent through the agency of the Post Office. A 'Payee' is the person named in money order as the person to whom the money is to be paid. The advantage of sending money to someone through money order is that the money is delivered at the house or his place of stay.

This is a domestic money transfer facility through post office. Money sent through money order is paid at the door-step of the payee and this service is available in all post offices. Maximum amount which can be remitted through a single money order is Rs.5000/-. Remitter can pay the amount in cash or cheque at the booking office and the charges for the service is 5% of the value of money to be transmitted. Remitter gets acknowledgement signed by the payee. There is a provision for sending short communication also along with the money order.

B) ELECTRONIC MONEY ORDER

Electronic money order system is introduced on 10.10.2008. EMO system aims to simplify the transmission process of money orders by ensuring quick and secure electronic transmission. Time taken for Transmission is very less & amount is paid within a day of booking. The amount of money order is paid in cash at the door step of the payee. Facility for remitting money from one to one, one to many and many to one is available under this service. EMO can be booked at authorized PO's, but paid through all delivery POs in the country. Commission for EMO is same as applicable to money order. The EMOs can be tracked through India post website.

C) INSTANT MONEY ORDER

India Post provides instant Money Order service, which is Instant, Safe, Reliable & Convenient. Amount from Rs.1000/- to Rs.50000/- can be remitted through designated IMO Post Offices. It is an instant web based money

transfer service. It is simple to send and receive money. Remitter has to fill-up prescribed form & should produce valid photo identity.

Money Order Commission varies based on the amount of remittance. There are 33 standard messages for selection by the remitter. Payee has to visit the post office, fill up the prescribed form and produce the identity proof to receive the money. Amount received can also be credited to the savings bank account of the payee.

D) MO VIDESH

This is an international remittance service offered by India post to most foreign destinations. Outward remittance is payable to beneficiaries by crediting the payment to the bank account of beneficiaries in the destination countries. Each outward remittance shall not exceed 5000 USD & maximum 12 outward remittances are allowed in a year. This facility is available in all computerized post offices. The commission for MO Videsh vary with the amount to be transferred.

OBJECTIVES OF THE STUDY:

- This study is focusing on the preference of Investments by people and it will be helpful to identify the better investment options in the market.
- This study was aimed to analysing investor's awareness towards post office saving scheme in Chennai District and to know about various schemes offered by post office.
- To analyse the investor's awareness towards post office saving scheme in Chennai District and to know about various schemes offered by post office. To analyse the investment pattern among the people.
- To study the investment preference among people working in different sectors in Chennai District.
- To find the problems facing by the investors
- To know the mode of investments of the respondents in various investment avenues.
- To know the factor that influencing investment behaviour of the peoples.

II. REVIEW OF LITERATURE

1. Sheenu Juneja (2020) gave an overview of the broad and courageous steps taken by India Post towards introduction of Information and Communication Technology. Computerisation, introduction of IT infrastructure, integrated and modular software etc. are some of the plans of the project.

2. Jitendra Patil (2020) analysed the impact of individual's income on the India Post Services. The study proved that India Post has a major role among all type of individual income groups with respect to financial, retail and premium services. There is major influence of individual's income on their perception about the retail, premium and financial services of India Post

3. Rubogora Felix (2021) ascertained that there exists a relationship between service quality and customer satisfaction. The study found that the levels of both service quality and customer satisfaction were at higher levels. The findings showed a significant and positive relationship between service quality and customer satisfaction while comparing dimensions like customer loyalty with reliability, responsiveness and assurance. On the other hand, comparison based on positive word of mouth with service quality sub-variables like Reliability, Assurance, tangibles, empathy, and responsiveness, revealed that there was no significant relationship between the variables.

4. Ravindran G. Dr. (2021) studied the savings habit of IP customers on the basis of demographics and psychographics. Age, gender, income and psychological factors were analysed to ascertain the cause of a particular investment choice and its motive and objective. The implication of behaviour analysis has a wider impact on household sectors.

5. Himanshu Shekhar Singh (2021) analysed the various impacts of development of information and communication technology in India Post Services. It conducted a SWOT analysis of India Post. It is found that the customers of India Post expect services equal to the standards of banks, and insurance industry.

6. Shafee .Y. (2022) discussed the introduction of ATM service in India Post. IP ATM services require change in technology, social economic and cultural factors. It shall create monopoly in the market when some effective changes are made.

7. Santosh .Sand (2022) presented a study of competitive bench marking of India Post with the postal services of other countries. The purpose is to improve the level and quality of services, to enhance the effectiveness of the employees and to bring more revenue to the department.

III. RESEARCH METHODOLOGY

According to John Best, “Research is systematic activity directed towards discovery and the development of an organized body of knowledge. Research is a process of systematic and in depth study of any topic or subject backed by collection, compilation, presentation and interpretation of relevant data. A research design is the specification of the methods and procedures for acquiring the information needs to structure what information is to be collected from which sources and by what procedures. Research design is needed because it facilitates the smooth sailing of various Research operations, thereby making as efficient as possible. In simple words it refers to the process of research.

Research Design:

It is the plan or program of research. A researcher depending upon the topic of the study may choose explorative, diagnostic, descriptive or experimental studies. The research is of descriptive type. Any research design performs two major functions:

- Preparing a structure plan outlining various methods and techniques required in conducting the research.
- Making sure that these method and techniques are suitable for the research. It also ensures that these techniques will help in finding objective, precise, and suitable answers to the research questions. According to derringers, this function is called “control of variance”.

Sampling Design:

As soon as the design research is selected, the next task is to select the sample design. Sample design sets a platform for effective data collection and analysis. A sample design responsible for the effective selection of research samples. Selecting sample design affects many aspects related to the research work. Hence, selection of suitable sample design should be carefully performed.

Data Sources:

Data is collected from both primary and secondary data

Primary Data:

This refers to the first – hand information collected directly by the researcher. A questionnaire was given to the customers to collect primary data. The total number of respondents was 150.

Secondary Data:

Data, which are not originally collected but rather obtained from published sources, are known as secondary data. This data was collected from company records journals.

Data Collection Tools:

Structured questionnaire is used here as the instrument to collect the data. Sampling Size The sample size of study is 100

Research Tools:

Research tools are statistical techniques used for data analysis and to arrive at certain conclusions. The tools used for this project is, percentage analysis.

Percentage Analysis:

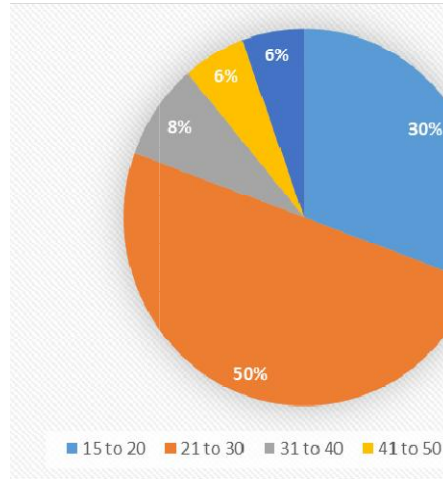
It refers to a special kind of ratio. Percentage is used in making comparison between two or more series of data. Percentages are used to determine relationships between the series of data. Finding the Relative Differences Become Easier through Percentage.

IV. DATA ANALYSIS AND INTERPRETATION

AGE WISE DISTRIBUTION OF RESPONDENTS

Particulars	Respondents	Percentage
15 to 20	46	30.60%
21 to 30	75	50.00%

31 to 40	12	8.30%
41 to 50	8	5.6%
Above 50	8	5.60%
Grand Total	150	100%

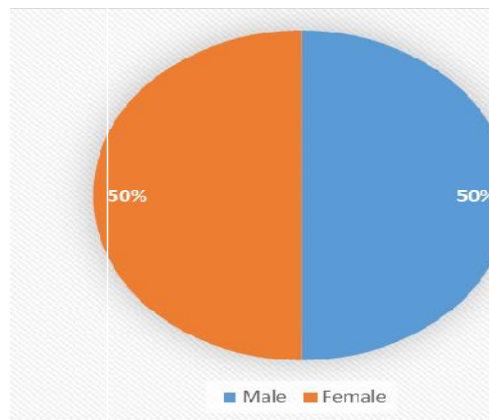


INFERENCE:

From the above table Age wise Research, it is clearly understood that 21 to 30 years respondents are more compared to other age groups. It indicates that they have fixed monthly income to meet family needs from his limited Income source. And also they have understood various schemes. And the age group 15 to 20 years respondents are having awareness of post office schemes compared with remaining age groups.

TABLE NO. 2 - GENDER WISE DISTRIBUTION OF RESPONDENTS

Particulars	Respondents	Percentage
Male	75	50.00%
Female	75	50.00%
Grand Total	150	100%

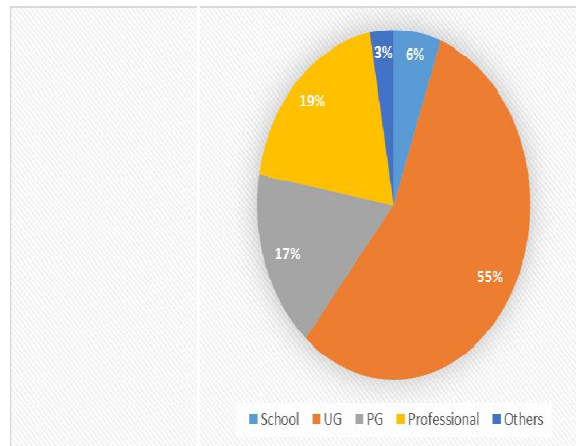


INFERENCE:

The table describes that 50% of respondents are male and 50% respondents are female and so it is understood that both are equally participating in financial decisions by contributing their Income in Post office schemes.

TABLE NO :3 - EDUCATION

Particulars	Respondents	Percentage
School	8	5.60%
UG	83	55.60%
PG	25	16.70%
Professional	29	19.40%
Others	4	2.80%
Grand Total	150	100%

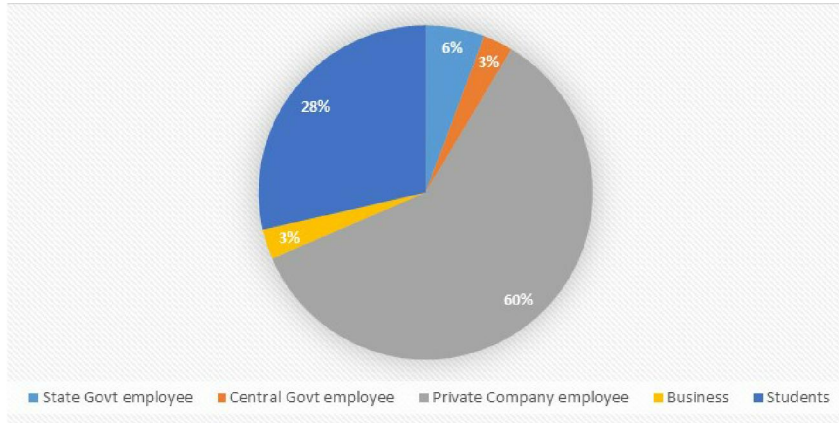


INFERENCE:

From the table it is clearly understood that 55.6% of UG students are major respondents who have clear vision on planning their future on Savings in the Post office. Apart from them next major people are Professionals with 19.4% respondents having a fixed and regular monthly income who want to meet all the family needs from their limited income source i.e. salary. After meeting the expenses whatever surplus remains that he wants to put in a very safe and secured pocket for which

TABLE NO 4.– OCCUPATION

Particulars	Respondents	Percentage
State Govt employee	9	5.70%
Central Govt employee	4	2.90%
Private Company employee	90	60.00%
Business	4	2.90%
Students	43	28.60%
Grand Total	150	100%

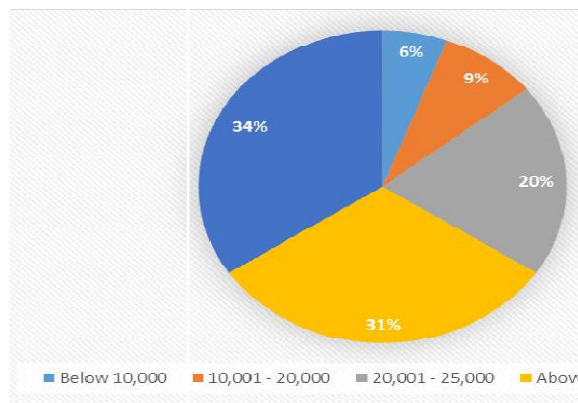


INFERENCE:

From Table 4.4, the private company employees are more respondents compared to others with almost 60% of respondents. It clearly shows they are having clear knowledge on Post office schemes and benefits. Even other sectors have constant monthly income but not clear awareness of Post office schemes. Though students are less respondents due to no Income.

Table No.5 Income level respondents

Particulars	Respondents	Percentage
Below ₹.10,000	9	5.70%
₹.10,001 - ₹.20,000	13	8.60%
₹.20,001 - ₹.25,000	30	20.00%
Above ₹.25,000	47	31.40%
None	51	34.30%
Grand Total	150	100%

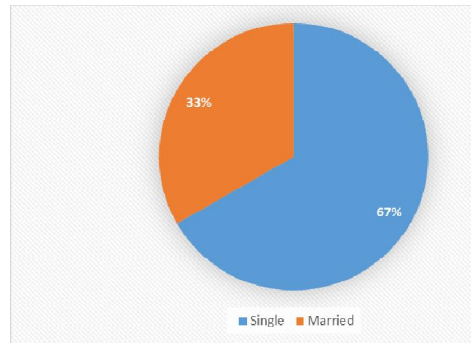


INFERENCE:

From the above table it is understood none are more compared with Income level respondents. Above Rs.25000 are 31.4% it shows income source i.e. salary. After meeting the expenses whatever surplus remains that he wants to put in a very safe and secured pocket for which post is absolutely the right pocket compared with other Income level respondents.

TABLE NO: 6 MARITAL STATUSES

Particulars	Respondents	Percentage
Single	100	66.70%
Married	50	33.33%
Grand Total	150	100%

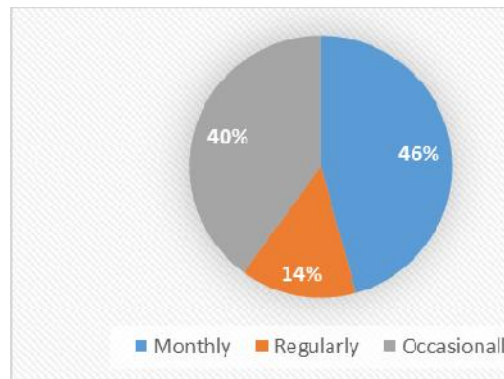


INFERENCE:

From table 4.6 Single respondents are 66.7% and married respondents are 33.33%, it shows single respondents are more likely to invest their income and give priority because of security, safety, faith, trust, Government control, number of services together, wide postal network, honest employees etc. Investors are very much confident about the postal department.

TABLE NO 9 – FREQUENCY OF INVESTMENT

Particulars	Respondents	Percentage
Monthly	69	45.70%
Regular	21	14.30%
Occasionally	60	40.00%
Grand Total	150	100%



INFERENCE:

Above table says Frequency of Investment and when we look into that there are more monthly investments compared with regular and occasionally. so respondents most likely to invest every month after meeting the expenses whatever surplus remains that he wants to put in is very safe and secured and hence he has chosen to save his Income for emergency or future purpose.

V. FINDINGS

The study shows that 50% of the respondents are in the age group of 21-30 years followed 30.60% of the respondents are in age group 15 to 20 years.

Most of the respondents who actively take part in the research are 50% of male and 50% female respondents.

That 60% of the respondents have an occupation in the private company, and followed by 28.60% of them are Students.

The respondent who earns with high percentage is falls in the range of above ₹.25,000

Most of the respondents who took part in the research are 66.70% of unmarried individuals.

Saving Habits

The study shows that 97.20% of the respondents have the habit of saving the money.

The study also shows that 45.70% of the respondents have the interest of saving regularly.

From the study we know that that 52.80% of the respondents invest in savings account in any bank followed by 30.60% of the respondent invest in Post office savings.

Investment in post office

We get to know that over 46.20% of the respondents choose savings deposit for kind of investment.

The study shows that 70.40% of the respondents invest money in a short term of below 5 years.

Most of the respondents invest in the post office for higher rate of interest and it is been a because of government institution.

93.30% of the respondents invest money directly in the post office.

Awareness and purpose of saving in post office

The study shows that that 50% of the respondent are self-awareness followed by 31.30% of the respondent's got awareness through friends and relatives, 6.30% of the respondents got awareness by viewing and hearing advertisements and 3.10% of the respondents got awareness through agents.

The study shows that 78.10% of the respondents invest money in post office for emergency needs followed by 12.50% of the respondents invest for their retirement and 6.30% of them for their children's educational purpose.

VI. SUGGESTION

Based on the finding of the study following suggestions are made for improving the service of post office saving schemes

There should be more awareness program to be created among the people about the schemes introduced. Post office should popularize schemes among the people on more innovative basis.

The rate of interest offered by the post-offices should be increased by comparing with the other investment institutions.

Tax benefits are attached only in few schemes in post office but also can be extended to many schemes. They must concentrate more in advertisements. Since there is a lack of Advertisement in postal services, the government has to take necessary steps to adopt advertisement strategy in wider range.

Latest technology should be incorporated like online services in post office to serve the public in an efficient manner, thereby reducing the transaction time. Banking postal department can tend to open postal ATMs to deposit and withdraw money which could be an advantage.

Respondents are felt lengthy procedures are involved for opening an account. It will be reduced some more investors can opened in postal saving schemes.

VII. CONCLUSION

The post office savings bank is the oldest and by far the largest banking system in the country, serving the investment need of both urban and rural places. So, the investors preferred small savings schemes. Most of the respondents prefer to invest in post office scheme for high rate of interest and reasonable return and it is a safe form of investment, most of the respondents invested for their children's marriage. Most of the highly educated respondents prefer banking and insurance when compare to Post office savings schemes. Most of the respondents withdraw their money before maturity

for the purpose of invests in other sources. So, Government should take some measures. Tax benefits are available in post office saving schemes but, most of the respondents do not aware of this. So, Government should take actions to make the people aware of the tax benefits.

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