

INVESTOR'S ATTITUDE TOWARDS POST OFFICE SAVING SCHEMES

Dr. A. Muthusamy*

ABSTRACT:

Now-a-days financial institutions like the savings banks, co-operative societies, investment companies and non banking financial companies play an important role to promote the habit of savings and to mobilize funds. Among the available options, postal small savings scheme are playing a significant role in mobilizing funds from the people. Post office saving bank is the largest saving institutions in the Country. Post Office Saving Bank play vital role. The banking services provided by post office attract a large number of people both from rural and urban areas due to easy accessibility and assured return. The post office offers various schemes to encourage the savings and motivate people to save.

Savings play a vital role in building up the household economy as well as the national economy. Savings provide the financial security to savers. Financial security is considered as very essential because every man faces a potential loss of earning power and unexpected expenses as a result of death, old age, disability of employment. Hence attractive saving devices are very much needed to increase and channel the saving in developing countries. India has made much effort in inculcating the habit of saving among people. In order to mobilize funds the Government of India is issuing saving certificates, Government bonds and securities with high rates of return.

Now-a-days financial institutions like the savings banks, co-operative societies, investment companies and non banking financial companies play an important role to promote the

* Assistant Professor, Department of International Business and Commerce, Alagappa University, Karaikudi.

habit of savings and to mobilize funds as well. Among the available options, postal small savings scheme are playing a significant role in mobilizing funds from the people.

The objective of the postal savings scheme is to provide means to small and medium investors. The savings schemes help the investors to obtain higher rate of return with low risk. The investors are provided with the option to select anyone of the saving schemes according to their needs like financial protection, carrier guiding, asset purchase, marriage, children's education, retirement benefit etc.,

Postal small savings schemes are the trust of lakhs of Indian investors. There are different types of postal saving schemes; every saving scheme is attracting the customers with specific features.

The study has been undertaken to analyze the following questions.

- How can the postal small saving schemes reach the general public?
- What are the factors influencing the investors to select the particular savings scheme?
- What are the reasons for savings in post offices by the investing public?
- This study highlights the attitudes of investors towards the postal small savings schemes in Ramanathapuram District

Objectives of the Study:

- To analyses the attitude of investors towards the postal small savings schemes in Ramanathapuram District.
- To study the factors influencing the attitude of investors towards the postal small savings schemes in Ramanathapuram District.
- To identify the problems faced by the investors.
- To offer valuable suggestions for improving the number of investor in postal small savings schemes

Methodology and Period of the Study:

The researcher collected the data during the period March, 2011 to July 2011. This study is an empirical research based on survey method. The convenient sampling methods have been adopted. The researcher has identified 100 sample respondents through the agent.

Postal Small Savings Schemes:

The following post office schemes are offered in the study area

- a. Kisan Vikas Patras
- b. National Savings Certificate
- c. Public Provident Fund Scheme
- d. Monthly Income Scheme
- e. Post Office Time Deposits
- f. Post Office Recurring Deposit
- g. Post Offices Savings Bank Account
- h. Post Office Deposit Scheme for Retired Employees
- i. Post Office Life Insurance Scheme

Gender of the Investor:

The postal saving schemes are applicable to both male and female members. Male members mostly being the head of the family have less responsibility than female members.

Investment decisions are generally taken by men usually female members of the family look into the domestic affairs of the family and hence the find lesser time to know about various investment schemes. Therefore gender of investors has been identified as one of the important factor influencing the attitude. Table 1 reveals that the gender-wise classification of the sample investors.

Table 1: Gender-Wise Classification of the Investors

Sr.No.	Category	Number of Respondents	Percentage

1.	Male	41	41.00
2.	Female	59	59.00
	Total	100	100.00

Source: Primary Data

It could be seen from table.1 (41%) investors are male and (59%) are female. The majority of the investors 59% respondents are female.

Age of the Investors:

The age also considered as an important factor as the young person realizes the necessity of security to their dependents. We cannot expect the same level of relation from the aged people. Thus age group of the investors has a direct relationship with their level of satisfaction.

Age is also an important factor which influences investors to select the schemes Table 2 reveals that the age-wise classification of sample investors...

Table 2:

Age-wise Classifications of the Investors

S.No.	Category	Number of Respondents	Percentage
1.	20-30	43	43.00
2.	30-40	27	27.00
3.	40-50	30	30.00
	Total	100	100.00

Source: Primary Data

Marital Status of Investors:

Unmarried person are generally free from family commitments and hence their responsibility is less than that of married persons. Finally unmarried persons are well off. So they are willing to take up an investor.

Married persons they want to have a settled life. They plan for their future properly. For instance savings for children's education, marriage and provision for old age expenditure are planned by married persons. Security for dependents is a long felt need of the married person.

Therefore marital status has been identified as a factor influencing the attitude of investors towards postal small savings schemes. Table 3 shows the classification of investors on the basis of marital status.

Table 3: Marital Status–Wise Classification of Investors

S.No.	Marital	Number of Respondents	Percentage
1.	Married	45	45.00
2.	Unmarried	33	33.00
3.	Widow	22	22.00
	Total	100	100.00

Source: Primary Data

Table 3 reveals that 45 per cent of the respondents are married, 33 per cent of the respondents are unmarried, and 22 per cent of the respondents are widow. It is concluded that majority 45 per cent of the respondents are married.

Annual Income of the Family:

The annual income of the family is considered as a one of the important factor influencing the utilization of post of office saving scheme by the public.

Table 4: Family Annual Income

S.No.	Family Annual Income	Number of Respondents	Percentage
1.	Below Rs. 50,000	70	70.00
2.	Rs. 50,000 to Rs. 1,00,000	21	21.00
3.	Rs. 1,00,000 to Rs. 5,00,000	9	9.00
4.	Above Rs. 5,00,000	-	-
	Total	100	100.00

Source: Primary Data

Table 4 shows that the 70 per cent of the respondents are below Rs. 50,000, 21 per cent of the respondents are Rs. 50,000 to 1,00,000, 9 per cent of the respondents are Rs. 1,00,00 to 5,00,000 and nobody more than Rs. 5,00,000 income earning member

Mode of Payment:

The post office savings scheme account holders remit the payment through various mode are given below

Table 5

Mode of Payment of Money

S.No.	Mode of Payment	Number of Respondents	Percentage
1.	Direct Investment	36	36.00
2.	Agent	57	57.00
3.	Others	7	7.00

	Total	100	100.00
--	-------	-----	--------

Source: Primary Data

It is clear from the above table 5 that 36 per cent of the respondents are payment through direct investment, 57.00 per cent of the respondents are invest through the agent and 5 per cent of the respondents are invest in others. It is concluded that majority (57%) of the respondents are willing to pay through agents.

Garret Ranking:

An attempt has been made to analyses the various factors influencing for purchasing postal saving scheme in post office.

Table 6

Investment in Postal Savings Schemes (Rank)

Sl.No.	Reason	Total Score	Average	Rank
1.	Saving for Emergencies	5660	18.87	I
2.	Retirement Benefits	4734	15.78	V
3.	Gift, Donations and Pilgrimage	4582	15.27	VI
4.	Wedding of Children	5544	18.48	II
5.	Higher Studies	5297	17.66	III
6.	Business Purpose	4963	16.54	IV
7.	Tax Saving	4220	14.07	VII

It is observed from the table 6 that ‘Savings for Emergencies’ has been ranked as the first factor, ‘Wedding of Children’ as second, ‘higher studies’ as third ‘Business Purpose’ as fourth

‘Retirement Benefits’ as fifth, ‘Gift, Donations and Pilgrimage’ as sixth and ‘Income tax purpose’ as seventh factor.

Aware about Postal Saving Schemes:

Postal saving scheme also one among the investment option for the investors. The researcher finds out how do known about the various schemes. Table 7 reveals that awareness about various postal schemes.

Table 7

Awareness' of Postal Small Saving Schemes

Sl.No.	Reason	Total Score	Average	Rank
1.	Personal Knowledge	6724	67.24	III
2.	Friends	6910	69.1	II
3.	Relatives	6579	65.79	IV
4.	Agents	6544	65.44	VI
5.	Family Members	6954	69.54	I
6.	Employees of Post Office	6529	65.29	V
7.	Advertisements	6302	63.02	VII
8.	Others	4758	47.58	VIII

It is observed from the table 7 that family members has been ranked as the first factor according to the preference of respondents; friends has been second, ‘Personal Knowledge’ occupies the third position, followed by ‘Relatives’ in fourth rank ‘Employees of Post Office’ ranked as the fifth factor, ‘Agents’ ranked as the sixth ‘Advertisements’ as seventh rank which influences the respondents prefer to invest in small savings schemes.

Selection of the scheme:

The researcher finds out what type of scheme mostly preferred by the investors in the study area.

Table 8**Preferred Scheme of Investment**

S.No.	Reason	Total Score	Average	Rank
1.	Post Office Monthly Income Scheme	5062	50.62	V
2.	Kisan Vikas Patras	4588	45.88	VI
3.	Post Office Recurring Deposit Scheme	5124	51.24	III
4.	National Saving Scheme	5541	55.41	I
5.	Post Office Deposit Scheme	5368	53.68	II
6.	Post Office Deposit Scheme for Retirement Employees	5123	51.23	IV
7.	Post Office Life Insurance Scheme	4194	41.94	VII

It is reveals that the Nation Saving Schemes has achieve the first rank, Post Office Deposit Scheme the second rank, third rank 'recurring deposit scheme, fourth rank post office deposit scheme for retired employee, fifth rank post office monthly income scheme and sixth rank Kisan Vikas Patras , seventh rank post office life insurance schemes. NSC is the most preferred scheme of the investors.

General Investment Option of the Investors:

The various investment option are avail for the reliable investors such as monthly savings scheme, bank, chit fund, shares, bonds, mutual fund, post office. The researcher find out which invest option is highly influence the investor in this region.

TABLE 9

Investment Option of the Investors

Sl.No.	Reason	Total Score	Average	Rank
1.	Monthly Savings	4896	48.96	V
2.	Bank	5690	56.90	I
3.	Chit Fund	5200	52.00	III
4.	Shares	5406	54.06	II
5.	Bonds	4512	45.12	VI
6.	Mutual Fund	4324	43.24	VII
7.	Post Office	4972	49.72	IV

Source: Primary Data

It is observed from the above table that Bank has been ranked as first, Shares as second, 'Chit Fund' as third, 'Post Office' as fourth, 'monthly saving scheme come under fifth Bonds and sixth Mutual funds and Post Office saving come under sixth and seventh rank post office saving schemes etc

Selection of Schemes:

In order to select suitable scheme to invest by the respondents, which were listed below, the diversification of respondents are also presented here.

Table 10

Selection of the Schemes

S.No.	Reasons for Choose the Particular Scheme	Number of Respondents	Percentage
1.	Safety	23	23.00

2.	More Liquidity	3	3.00
3.	Interest Rate is Reasonable	3	3.00
4.	Reduces Fare Liability	22	22.00
5.	Nomination Procedure is Easy	19	19.00
6.	Loan Procedure is Easy	22	22.00
7.	Customer Services	5	5.00
8.	Services of Agent	3	3.00
9.	Settlement of Account is Easy	-	-
	Total	100	100.00

Source: Primary Data

Table 10 shows that the 23 per cent of the respondents are safety, 3 per cent of the respondents are interest rate is reasonable, 22 per cent of the respondents are reduces fare liability, 19 per cent of the respondents are nomination procedure is easy, 22 per cent of the respondents are lean procedure is easy, 5 per cent of the respondents are customer services is good, 3 per cent of the respondents are services of agent is good. Nobody is at time of maturity settlement of account is easy. It is concluded that majority (23%) of the respondents have chosen safety as the main reason to choose a particular schemes.

The Range of Investment in Postal Saving Schemes:

The range of investment in post office saving are given below

Table 11

Range of Investment in Postal Savings

S.No.	Investment	Number of Respondents	Percentage
1.	Below Rs. 1,000	58	58.00
2.	Rs. 1.000 to Rs. 5,000	26	26.00

3.	Rs. 5,000 to Rs. 10,000	12	12.00
4.	Above Rs. 10,000	4	4.00
	Total	100	100.00

Source: Primary Data

Table 11 reveals that 58 per cent of the respondents are willing to investment below Rs. 1,000, 26 per cent are willing to invest Rs. 1,000 to Rs. 5,000, 12 per cent are willing to invest Rs. 5,000 to Rs. 10,000, 4 per cent are willing to invest above Rs. 10,000. It is concluded that majority (58%) of the respondents are willing to invest below Rs. 1,000.

Level of satisfaction about various schemes:

The post office offer various schemes such as national saving certificate, public provident fund, kisan vikas scheme, monthly income scheme, time deposit, recurring deposit, senior citizen saving scheme. So the researcher finds out the level of satisfaction of the investors about various schemes.

Table 12

Respondents Opinion about the Post Office Saving Schemes

Various Schemes		Level of Satisfaction		
S.No.	Nature of Saving Scheme	High	Moderate	Low
1.	National Saving Certificate	81	15	4
2.	Public Provident Fund	24	58	18
3.	Kisan Vikas Scheme	42	24	34
4.	Monthly Income Scheme	39	40	21
5.	Time Deposit	34	45	21
6.	Recurring Deposit	25	19	56
7.	Senior Citizen Saving Scheme	30	31	39
	Total	100	100	100

Source: Primary Data

It is shows that table 12 the opinion of the post office saving scheme national saving scheme 81% of the respondents are high level of satisfaction, 15% of the respondents middle level of satisfaction 4% of the respondents are low level of satisfaction Public provident fund 24% of the respondents are high level of satisfaction 58% of the respondents are middle level of satisfaction, 18% of the respondents are low level of satisfaction, Kisan vikas schemes 42% of the respondents are highly satisfied, 24% of the respondents are middle level satisfied, 32% of the respondents are low level of satisfaction, monthly income scheme 39% of the respondents are highly satisfied, 40% of the respondents are middle level of satisfaction, 21% of the respondents are low level of satisfied. Time deposits 34% of the respondents are highly satisfied, 45% of the respondents are middle level satisfaction, 21% of the respondents are low level of satisfaction, Recurring deposit 25% of the respondents are highly satisfied, 19% of the respondents are middle level of satisfaction, 56% of the respondents are low level satisfied. Senior citizen saving scheme 30% of the respondents are highly satisfied, 31% of the respondents are middle level of satisfaction, and 39% of the respondents are low level of satisfaction

LEVEL OF SATISFACTION: CHI – SQUARE TEST

The researcher used five point scales for find out the level of satisfaction of the postal saving investors.

Arithmetic mean 57 and standard deviation is 8. The respondent who have score 65 and above are classified into high level satisfaction (53+8) the respondents those who have scored below 49 were classified into low level of satisfaction (57-8). Those who have secured in between these two classified as respondents (48-94).

The following statements are over all opinion about satisfaction of respondents 18 factors are taken into account. Out of 9 statements are positive and remaining 9 factors negative statements. The research assigns the mask 5, 4,3,2,1 for the statement.

It is observed that out of 100 sample investors, 13 investors having low level of satisfaction, 70 investors having medium level of satisfaction and 17 investors having high level of satisfaction

Table 13

Extent of the Level of Satisfaction

Satisfaction Level	Number of Respondents	Percentage
High	17	17
Medium	70	70
Low	13	13
Total	100	100

Application of Chi-Square test:

STATEMENT	Table Value at 5%	Calculated Value	Degrees of Freedom	Net Result
There is no significant relationship between gender and level of satisfaction.	5.99	2.158	(3-1) (2-1)=2	Accepted
There is no significant relationship between age group and level of satisfaction.	9.49	6.26	(3-1) (3-1) = 4	Accepted
There is no significant relationship between religion and level of satisfaction.	9.49	5.59	(3-1) (3-1) = 4	Accepted
There is no significant relation between educational qualification and level of satisfaction.	9.49	3.321	(3-1) (3-1) = 4	Accepted
There is no significant relationship between income and level of satisfaction.	19.49	1.361	(3-1) (3-1) = 4	Accepted

There is no significant relationship between marital status and level of satisfaction.	9.49	3.607	(3-1) (3-1) = 4	Accepted
There is no significant relationship between occupation and level of satisfaction.	21.026	36.407	(7-1) (3-1)12	Rejected
There is no significant relationship between area of residence and level of satisfaction.	9.488	8.03	(3-1) (3-1)4	Accepted
There is no significant relationship between types of residential and level of satisfaction.	9.488	38.502	(3-1) (3-1)4	Rejected
There is no significant relationship between type of family and level of satisfaction.	5.991	1.83	(3-1) (2-1)2	Accepted
There is no significant relationship between number of family members and level of satisfaction.	11.070	3.2205	(4-1) (3-1)6	Accepted
There is no significant relationship between of post office savings scheme and gender of the respondents.	6.635	4.1149	(2-1) (7-1)6	Accepted
There is no significant relationship between post office savings scheme and marital status of the respondents.	5.226	3.8099	(3-1) (7-1)12	Accepted
There is no significant relationship between post office savings scheme and income level of the investors.	5.226	6.0842	(3-1) (7-1)12	Accepted
There is no significant relationship between mode of payment and postal saving scheme.	21.026	14.2491	(3-1) (7-1)12	Accepted

Suggestions:

Suggestions for the improvement of the working of the postal small savings schemes are given below.

1. The post office savings bank must reduce the waiting time for receiving the services.
2. The post office savings bank must simplify the procedures and eliminate the unnecessary procedures insisted in the postal small savings schemes.
3. The post office savings bank must provide the sufficient changes in rupees/coins at the time of with drawing money from the saving account.
4. The post office saving bank employees must co-operate with the investors at the time of drawing the amount from the account and at the time of closing the account.
5. The savings banks employees must check the identification of the investors in order to prevent fraud in the withdrawal of the amount.
6. The savings bank must give sufficient time to close an account.
7. The post office savings bank must permit the investors to close the account prior to the date of maturity of necessary.
8. The Government of India must take extra effort to increase the involvement of savings thought advertisement on the wall posters, board and issue of notices, newspaper, radio and television.
9. The savings bank must arrange quick repayment of money from the savings account to the investors
10. The post-master must make an arrangement to receive the information about the changes in postal small savings schemes by the investors.

Conclusion:

In the climate of falling interest rate and uncertainty in the capital market, postal small savings schemes are welcoming relief to the investors to park their surplus funds and earn a decent return. Investor's service is the corner-stone in postal small savings. It is very important, that they should retain its existing investors and attract new investors. In this respect, the growth and profitability of postal service schemes to a large extent depends on the investor's service rendered by them. The success of any saving depends upon its ability to meet the requirements of the investors.