

CUSTOMER PREFERENCE TOWARDS SMALL SAVINGS SCHEMES IN COIMBATORE CITY

Ramya K.P¹, K.P. Sowmya²

1(Phd scholar, PSG College of Arts and Science, Bharathiar University, India)

2(Assistant Professor, Sri Krishna Arts and Science College/ Bharathiar University, India)

(sowmyakp@skasc.ac.in) (ramyakp46@gmail.com.)

ABSTRACT

In India, Post Office savings scheme provides a safe, risk free and attractive investment option for the small savers and provides the savings products across 155000 Post offices. The post office savings bank in India was recognised by the British Colonists. The Post Office savings bank is the primogenital and by far the leading banking system in the country, helping the investment need of both urban and rural. These facilities are offered as an activity service for the Ministry of Finance, Government of India. The post office savings bank is included in the union list side item No.39 of the seventh scheduled of the constitution of India.

Key words: *Savings, Schemes and ministry of finance*

INTRODUCTION

Saving has been considered as one of the determinants of growth from the Classical days leading the underdeveloped countries to the path of development. It acts as a cushion of safety for individuals and households, whereas for the nation, savings provide the funds needed in the progressive efforts. To achieve higher rate of growth with relative price stability forth nation, the government should take steps to increase the marginal propensity to save by introducing appropriate incentives and policies. International financial integration, for macroeconomic stability, higher domestic savings is necessary.

OBJECTIVES OF THE STUDY

Following are the objectives of the study

- ❖ To know the sources of awareness towards various Schemes of post office.
- ❖ To identify the factors influencing the customers to invest in Post Office.
- ❖ To understand the customer's preference towards post office Schemes.

RESEARCH METHODOLOGY

Research methodology is a precise way to solve the research problem. It is how research is done scientifically. It consists of different steps that are generally adopted by a researcher to study the research problem along with the logic behind them.

A) SOURCES OF DATA

1. PRIMARY DATA
2. SECONDARY DATA

B) COLLECTION OF DATA**i) Primary data**

Structured questionnaires were prepared for the purpose of collection of primary data from the respondents. The questionnaire was prepared in a simple and understandable way so as to express their views freely and frankly.

ii) Secondary data

Secondary data were collected from magazines, newspaper, journals, and websites

C) AREA OF THE STUDY

Area of the study refers to Coimbatore city which is known for a textile mill, hospitals, and educational institutions. Coimbatore is known as the Manchester of South India. Coimbatore is now becoming a city of the tidal park. In view of the larger establishment of business houses and institutions, people in Coimbatore have an opportunity to have their own lifestyle and affordability.

D) SAMPLING SIZE AND POPULATION

The sample size is 100 questionnaire collected from the different respondents. Convenient sampling method is used for the study. The result of the study will help the customer to know about the postal schemes in depth. This study covers only the Customers who are residing in the geographical location of Coimbatore town.

E) PERIOD OF STUDY

Period of study is from June 2018 to October 2018.

F) STATISTICAL TOOLS FOR THE STUDY

- ❖ Simple percentage analysis
- ❖ Chi-square analysis
- ❖ Weighted average scores analysis
- ❖ Average ranking analysis

LIMITATIONS OF THE STUDY

Following are the limitations of the study

- ❖ The study was limited to Coimbatore city only.
- ❖ The sample size was limited to 100 respondents.
- ❖ The data was obtained through questionnaire and it may not be accurate.

REVIEW OF LITERATURE

R. Ganapathi and S. Anbu Malar (2010)²⁰ Studied Investors Attitudes towards Post office Deposit Schemes. The post Office has long been recognized as a medium to inculcate the custom of thrift and savings among the agricultural workers. But over time, its part has

altered and has grown to develop one of the best opportunities to channel investment from even the wealthy investors and use them fruitfully in nation building activities. There has been the introduction of several types of deposit schemes that cater to the differing needs of different classes of investors. They are recognized for their tax saving schemes, high-interest rates and liquidity that they offer. This has enabled them to compete successfully with the other avenues of investment available to investors like commerce, etc. Hence an attempt is made to find the awareness, preference and attitudes of investors towards the various deposit schemes offered by the Post Office among 300 respondents of the Coimbatore District

ANALYSIS AND INTERPRETATION

TABLE NO. 1
DEMOGRAPHIC PROFILE OF THE RESPONDENTS

S.NO	PARTICULARS	NUMBER	PERCENTAGE
GENDER			
1	Male	72	72.0
2	Female	28	28.0
AGE GROUP			
1	21-30 years	6	6.0
2	31-40 years	29	29.0
3	above 40 years	65	65.0
OCCUPATION STATUS			
1	Employed	8	8.0
2	Business	35	35.0
3	Professional	23	23.0
4	Retired persons	34	34.0
TYPE OF FAMILY			
1	Nuclear family	63	63.0
2	Joint family	37	37.0

The above table shows that out of 100 respondents, 72 % of the respondents are male and 28% respondents are female. , 65% of the respondents are in the age group of above 40years, 29% of the respondents in the age group of 31- 40 years and 6% of the respondents are in the age group of 21 – 30years s. 35% of the respondents are business persons, 34% of the respondents are retired persons , 23% of the respondents are professionals and 8 % of the respondents are employed. 63% of the respondents are in the nuclear family and 37% of the respondents are in the joint family.

Chi-square analysis

Relationship between education qualification and awareness about various post office schemes

Hypothesis

The education qualification of the respondents has no significant influence on the awareness towards the scheme

Table No :2

Chi-square value – education qualification and awareness about various post office schemes

S. No	Personal factors	Chi-square value	Table value	S/NS
1	Savings account	0.000	0.000	S
2	5-year recurring deposit	2.319	0.314	NS
3	Time deposit	12.390	0.002	S
4	Monthly income scheme	12.390	0.001	S
5	Sukanya samridhi scheme	2.050	0.359	NS
6	Senior citizens scheme	4.483	0.106	NS
7	National saving certificate	4.483	0.106	NS
8	Kisan vikas patra	5.575	0.062	NS
9	Public provident fund	9.674	0.008	S

Note: S-Significant (p value ≤ 0.05): Ns-No significant (p value ≥ 0.05)

It is evident from the table that the hypothesis is rejected (significant) in 4 cases and accepted (not significant) in 5 cases.

It is concluded that the savings account, time deposit, monthly income scheme account and provident fund account have significant influence on educational qualification.

AVERAGE RANK ANALYSIS.

**Table No: 3
Factors influencing the consumer**

S.No	Factors	Rank	1	2	3	4	5	6	7	8	9	10	Mea n	Ran k
		Value	10	9	8	7	6	5	4	3	2	1		
a	easy liquidity	No	43	32	0	0	0	0	0	0	18	7	8.87	III
b	easy operation	No	36	24	23	0	17	0	0	0	0	0	8.62	VI
c	fixed income	No	45	0	34	0	21	0	0	0	0	0	8.48	VII

e	flexibility	No	0	0	0	0	0	6	0	40	0	54	6.9	IX
f	interest rate	No	43	22	0	35	0	0	0	0	0	0	8.73	IV
g	low risk	No	54	12	18	0	0	16	0	0	0	0	8.72	V
h	maturity period	No	0	0	0	0	0	0	0	33	0	67	1.66	X
i	minimum and maximum period	No	0	12	32	0	30	5	17	4	0	0	6.49	VIII
j	safety of the funds invested	No	78	0	13	9	0	0	0	0	0	0	9.47	I
k	tax savings	No	56	32	12	0	0	0	0	0	0	0	9.44	II

Among the various factors influencing customers to prefer the scheme, most of the respondents have given top priority to safety of the funds invested followed by tax savings, easy liquidity, interest rate, and low risk.

Weighted Score analysis

.Table No: 4

Satisfaction level of the respondents

Factors	Score	HS	S	NU	DS	HDS	Total	Score
Mode of deposits	No	60	13	13	10	4	100	4.15
	Score	300	52	39	20	4	415	
Nomination facility	No	33	13	28	15	11	100	3.44
	Score	165	52	84	32	11	344	
Payment flexibility	No	35	22	13	24	6	100	3.56
	Score	175	88	39	48	6	356	
Safety and security	No	90	10	0	0	0	100	4.9
	Score	450	40	0	0	0	490	
Tax benefit	No	83	13	4	0	0	100	4.79
	Score	415	52	12	0	0	479	
Withdrawal	No	32	22	13	26	7	100	3.46
	Score	160	88	39	52	7	346	
Interest rates	No	40	34	20	6	0	100	4.2
	Score	200	136	60	24	0	420	

(Note: HS-Highly Satisfied, S-Satisfied, N- Neutral, DS-Dissatisfied, HDS- Highly Dissatisfied)

It is found from the table the respondents have high-level agreeability towards “tax benefit “followed by “mode of deposit” when compared to the other factors relating to the satisfaction towards the scheme.

CONCLUSION

Today postal department has to formulate itself by improving its facility and saving schemes to satisfy the customers. In the light of changing environment, it has constantly upgraded its knowledge of the internal and external environment to understand the customer relationship properly. Saving is necessary for human life as it provides a life and security for the customers. One of the main motives of the Department of Post is to uplift the savings of the people. The researcher hence strongly believes that the post offices are the only public organization which is more intimately bonded with human relations than any other government department. It is universally recognized as a facilitator of communications. Though there are many saving choices available, as a public organization, the Department of Post should try to give innovative saving schemes to the public..

REFERENCE

- Goldsmith, R. W., “A Study of Saving in the United States”, Princeton University Press, 2005 Princeton,
- Vinayagamoorthy.A and K.Senthilkumar, “An analysis of Postal Investment and Small Savings” Banking Finance, Vol.XXV No. 02 February, 2002Pp 18-22.
- www.jagoinvestor.com
- www.brookings.edu