

# A STUDY ON POST OFFICE SAVING SCHEMES IN THOOTHUKUDI DISTRICT

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## ABSTRACT

Investment is common to all human societies, regardless of whether investment practices contrasts from each another. Indian Post Office Savings Bank being the biggest reserve funds establishments in the nation assume an essential job in mobilising investment funds particularly in the rustic piece of the nation and offer various advantages to the financial specialists. Postal Investment Funds frameworks to give contributors who don't approach banks a protected, helpful technique to set aside cash and to advance sparing among poor people. Investment culture alludes to attitudes, satisfaction, and preference of people, in setting their reserve funds in different money related resources, all the more famously known as investment or Postal Savings. Recurring Deposits, Post Office Saving Bank and Post Office Monthly Income Schemes are the fundamental instruments for investment. Companions and family members are the primary wellspring of data for speculation. In this study an attempt has been made to analyse the investor's savings pattern towards Post Office Saving Schemes.

**Keywords:** Post Office, Savings, Schemes, Investment

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## INTRODUCTION

Savings and investment are key prerequisites for development and advancement of an economy. Be that as it may, absence of savings and investment are normal in creating nations. The issue of low degrees of domestic savings is a significant issue in creating economy as a result of high unemployment, low wages, commitment of an enormous extent of the populace in the informal sector and lackluster showing of the economy. Economic development might be characterized as a pace of extension that can move an immature nation from a close to subsistence method of living to significantly more significant levels in a nearly brief timeframe, ie, in decades instead of centuries. India is the Second biggest populated nation on the planet having in excess of 16 percent of the world's all out populace. According to 2011 statistics information, it evaluates that the absolute populace of our nation is 1.21 billion. The populace has grown up, however the development of economy is low because of various reasons expressed previously and another significant explanation recognized by financial analysts is low savings rate. Saving has generally been hold to be one of the major determinants of economic development.

Post office savings bank is the biggest reserve fund establishment in the nation. Country individuals are confronting a very unsafe condition when they spare in the casual segment. Postal reserve funds subsidises assume a critical job in country India. It gives various advantages to the investors. Post office savings bank is the biggest investment funds establishments in the nation and

offer significant yields than those given by scheduled banks. There are various appealing plans, very much intended to meet the individual necessities of various small savers.

### **STATEMENT OF THE PROBLEM**

Savings relies upon the way of life of an individual. Savings are intended to meet possibilities and increase the expectation of living of an individual saver. Domestic savings plays a significant role in realizing economic development of backward countries So as to advance the economy of our nation, different post office saving schemes has been presented by the post office. Post office Saving Schemes are the one among the numerous investment funds plans accessible for the individuals. To tap cash from open, there is an extreme rivalry among banks. India is a nation of towns, subsequently the individuals can't know about the Post Office Saving Schemes. The investors face a ton of challenges while saving cash and getting back their stores. Post office offers different savings scheme like Savings Bank Account, National Savings Certificate Account, Post Office Monthly Income Scheme, Senior Citizen Scheme, Recurring Deposit, etc. Banks additionally offer store plans, yet at the same time Post Office Saving Schemes have picked up importance in country zones.

This examination targets bringing the attitude of investors towards Post Office Saving Schemes and discovering available resources to take care of if there are any issues. Consequently, an exploratory examination has been distinguished and the specialist has figured the examination issue as "A Study on Post Office Saving Schemes in Thoothukudi District".

### **OBJECTIVES**

1. To find out the extent of investors awareness and investment pattern towards post office savings scheme.
2. To identify the investment attitude of investors towards post office savings scheme.

### **SCOPE OF THE STUDY**

Attitude of investors is an important aspect in investment research as small savings constitute an important source of investment. This study will help the investors to know the type of savings which gives maximum return. So this study concentrates on the depositor's attitude towards post office saving schemes.

### **REVIEW OF LITERATURE**

A literature review is an evaluative report of data found in the writing identified with chosen territory of study.

**Selvarani.K and Premila.J (2010)** in their article said that "India Post is the oldest government venture of India. It is run by the 'Department of post' of government of India. Since, its inception, India post has been performing its duty as per its best capacity with regards to customer service. Customer satisfaction depends upon kind if customer service all over India, keeping aside the objective of earning profit. But presently the situation has changed. Hence, to

judge the 'customer service' of a Head Post Office under India Post in the present context. It is expected that the study will prove whether the 'customer service', of India post is parallel to the contemporary private players or not.

**Srivastava (2011)** said that "the report of the committee on financial inclusion", on the regions business development divisions performance we have achieved 86% target of 30.17 core fixed for this region. While we have surpassed the target in certain products services speed post, bill mail. Logistics post, e-post and direct post, there have been some grey areas that to address and improve performance.

**Sachin Pilot (2011)** said "We are applying to the Reserve Bank of India for license to start Banking Facility at all the post offices across the country," The 1.55 lakhs across the country are being modernized and will soon become multipurpose out let's providing facility like banking and insurance, The Union Minister had said .

## **METHODOLOGY**

Methodology is an essential part of any research. Methodology comprises of the sources of data collected for analysis were both primary and secondary .

Primary sources of data were collected through questionnaire. The tool for data collection was structured with the help of reference from various articles published in journals. After several process of evaluation the questionnaire design served as an effective tool and was able to collect all the possible data in accordance with the objectives. Secondary source of data was collected from various journals, magazines, newspapers and also over the internet. The data collected were analysed with the help of various statistical tools for easy interpretation. The various tools used are chi-square test, percentage analysis, Likert scale, Garret ranking.

## **HYPOTHESIS**

H<sub>0</sub>-There is no significant relationship between Age and Preference of savings.

## **AREA OF THE STUDY**

The study has been conducted in the area of thoothukudi district among the people who had invested in post office savings scheme. .

## **SAMPLING TECHNIQUE**

Sampling is the process of choosing a sub group from a population to participate in the study. It is the processes of selecting a number of individual selected represent the large group from which they were selected. A sample technique is the name or other identification of the specific process by which the entities of the sample have been selected in the study, the method adopted for

selecting the sample is simple random sampling technique. A random of 75 depositors was selected and these depositors cooperated well to attain their satisfaction about postal schemes.

## ANALYSIS AND INTERPRETATION

**Table 1. Age Wise Classification of the Respondents**

Age	No. of Respondents	Percentage
Below 25 years	6	8
25-40 years	25	33
40-55 years	15	20
Above 55 years	29	39
<b>Total</b>	<b>75</b>	<b>100</b>

**\*Source: Primary data**

Table 1 reveals that, out of 75 respondents, 8% of the respondents belong to the age group of below 25 years, 33% of the respondents belong to the age group of 25 to 40 years, 20% of the respondents belong to the age group of 40 to 55 years and 39% of the respondents belong to the age group of above 55 years

**Table 2. Gender wise classification of the respondents**

Gender	No. of Respondents	Percentage
Male	50	67
Female	25	33
<b>Total</b>	<b>75</b>	<b>100</b>

**\*Source: Primary data**

Table 2 reveals that, 67% of the respondents are male and 33% of the respondents are female.

**Table 3. Marital status of the respondents**

Marital Status	No. of Respondents	Percentage
Married	61	81
Unmarried	14	19
<b>Total</b>	<b>75</b>	<b>100</b>

**\*Source: Primary data**

Table 3 reveals that 81% of the respondents got married, 19% of the respondents were unmarried.

**Table 4. Education qualification of the respondents**

Education Qualification	No. of Respondents	Percentage
Illiterate	8	10
School Education	17	23
College Education	50	67
<b>Total</b>	<b>75</b>	<b>100</b>

**\*Source: Primary data**

Table 4 reveals that 67% of the respondents have completed their college education, 23% of the respondents have completed their school education, and 11% of the respondents were illiterate.

**Table 5. Occupational status of the respondents**

<b>Occupation</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Agriculture	3	4
Profession	9	11
Government Job	10	13
Pensioner	11	15
Private employee	20	27
House wife	11	15
Business	11	15
<b>Total</b>	<b>75</b>	<b>100</b>

**\*Source: Primary data**

Table 5 reveals that 27% of the respondents are private employee, while 15% of the respondents are business, pensioner and housewife. 13% of the respondents are government employees, 11% of the respondents are professionals, 4% of the respondents are doing agriculture.

**Table 6. Monthly income of the respondents**

<b>Monthly Family Income</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Up to Rs.5000	7	9
Rs.5001-10000	8	11
Rs.10001-20000	21	28
Above Rs. 20000	39	52
<b>Total</b>	<b>75</b>	<b>100</b>

**\*Source: Primary data**

Table 6 indicates that 52% of the respondents' monthly income is above Rs 20000, 28% of the respondents earn about Rs.10001-20000, 11% of the respondents earn Rs.5001-10000, 9% of the upto Rs.5000 as monthly income.

**Table 7. Investment pattern on postal scheme**

<b>Scheme</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Post office savings account	31	41
Post office time deposit	7	9
Post office monthly income scheme	11	15
Post office recurring deposit account	5	7
Kisan vikas Patra	1	2

National savings certificate	4	5
Public provident fund	6	8
Postal insurance	3	4
Senior citizen savings scheme	7	9
<b>Total</b>	<b>75</b>	<b>100</b>

**\*Source: Primary data**

Table 7 indicates that 41% of the respondents invested in post office savings account, 15% of them invested in post office monthly income scheme, 9% of them invested in post office time deposit and senior citizen savings scheme, 8% of them invested in public provident fund 7% of them invested in post office recurring deposit account, 5% of them invested in national savings scheme, 4% of them invested in postal insurance, 2% of them invested in kisan vikas Patra.

**Table 8 .monthly investment towards postal scheme**

<b>Amount</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Upto Rs.500 Pm	17	35
Rs.501-1000 Pm	13	26
Rs.1001-1500 Pm	4	9
Rs.1501-2000 Pm	5	10
Above Rs.2000 Pm	10	20
<b>Total</b>	<b>49</b>	<b>100</b>

**\*Source: Primary data**

Table 8 indicates that 35% of the respondents, invest upto 500 pm, 26% of them invest Rs 501-1000pm, 20% of them invest above 2000 pm, 10.2% of them invest Rs 1501- 2000 pm, 9% of them invest Rs. 1001-1500 pm.

**Table 9. Period of investment towards postal scheme**

<b>Investing period</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Below 3 years	27	36
3-6 years	21	28
6-9 years	7	10
Above 9 years	20	26
<b>Total</b>	<b>75</b>	<b>100</b>

**\*Source: Primary data**

Table 9 reveals that 36% of the respondents have been investing below 3years, 28% of them investing for 3-6years, 10% of them investing for 6-9years, 26% of them investing above 9years.

**Table 10. Ranking for the factors that influenced to save**

S.NO	FACTOR	NO.OF. RESPONDENTS							TOTAL SCORE	MEAN	RANK
		1	2	3	4	5	6	7			
1	Safety	17	11	12	15	8	5	7	346	4.61	V
2	Well being of children	16	11	10	9	10	11	8	324	4.32	II
3	To meet medical emergency	23	16	8	11	6	8	3	378	5.04	VI
4	Future benefit	13	23	7	13	6	5	8	352	4.69	VI
5	Stable return	18	14	10	8	9	7	9	342	4.96	IV
6	Easy formalities	6	10	16	8	16	13	6	284	3.92	I
7	To repay borrowings	15	17	9	7	11	7	9	336	4.48	III

**\*Source: Primary data**

Table 10 shows the factors that influence the investors to save. It clearly brings out Easy formalities with highest mean score (3.92) is ranked first, whereas, followed by well-being of children with the mean score of (4.32) ranked second, to repay borrowings (4.48) ranked third, stable return (4.96) ranked fourth, safety (4.61) ranked fifth, future benefit (4.69) ranked sixth, and the least rank is given to meet medical emergency (5.04).

From the above table it is inferred that the easy formalities highly influences the investors to save in post office.

**Table 11. Scaling for investment attitudes of investors towards post office savings scheme**

SNo	ASPECTS	SA	A	N	DA	SDA	TOTAL	RANK
1	Post office savings ensures secured life	56 (112)	10 (10)	8 (0)	-	1 (2)	120	I
2	Small and Safe investment	39 (78)	14 (14)	13 (0)	4 (4)	5 (10)	78	IV
3	Assured return without risk	30 (60)	16 (16)	28 (0)	-	1 (2)	74	V
4	Every individual must have postal savings	34 (68)	25 (25)	15 (0)	-	1 (2)	91	III
5	Nearest and cheapest savings	42 (84)	24 (24)	5 (0)	3 (3)	1 (2)	103	II
6.	Postal savings must offer e-banking services to attract more investors	39 (78)	28 (28)	8 (0)	-	-	67	VI

\*Source: Primary data

In this table investors attitudes about postal savings have been scaled and rated. Post office savings ensures secured life rated first, nearest and cheapest savings rated second, every individual must have postal savings rated third, small and safe investment rated fourth, assured return without risk rated fifth followed by postal savings must offer e-banking services to attract more investors to be rated as sixth.

Thus, this table clearly indicates that the investors have more attitudes towards post office savings ensures secured life.

**Table 12. Level of preference – Age wise**

Age	Level of preference		Total
	Savings	Household spending's	
Below 25years	2	4	6
25-40 years	8	17	25
40-55 years	10	5	15
Above 55 years	2	9	29

<b>Total</b>	<b>40</b>	<b>35</b>	<b>75</b>
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**\*Source: Field study**

### Null hypothesis (Ho)

There is no significant difference between the age of the respondents and the level of preference of the investors.

**Table. 13. Computation of Chi-square test**

<b>Rows and Columns</b>	<b>O</b>	<b>E</b>	<b>O-E</b>	<b>(O-E)<sup>2</sup></b>	<b>(O-E)<sup>2</sup>/E</b>
R1C1	2	3.2	1.2	1.44	0.45
R2C1	8	13.33	5.33	28.40	2.13
R3C1	10	8	2	4	0.5
R4C1	20	15.46	4.54	20.61	1.3
R1C2	4	2.8	1.2	1.44	0.51
R2C2	17	11.67	5.33	28.40	2.43
R3C2	5	7	2	4	0.57
R4C2	9	13.53	4.53	20.52	1.51
<b>TOTAL</b>					<b>9.4</b>

**\*Source: Computed Value**

Where,

O – Observed frequency

E - Expected frequency

E - Row total X column total / Grand total

Degrees of freedom (Y) = (R-1) (C-1)

$$= (4-1) (2-1)$$

$$= 3 \times 1$$

$$= 3$$

Degrees of freedom = 3

Chi-square value ( $\chi^2$ ) = 9.4

Table value = 7.81

At 5% level of significance, for 3 degree of freedom, the table value is 7.8. The calculated value (9.4) is higher than the table value. So the hypothesis is accepted.

Hence, it can be concluded that there is no significant relationship between the age group of the respondents and the Level of Preference in Postal Schemes.

### FINDINGS

1. In this study majority of the respondents are in the age of group above 55 years. Among them most of them are male and they have completed their under graduation

2. Majority of the respondents are private employee. Among them most of them are married and they earn Above Rs. 20,000
3. Majority of the respondents are avail about every month postal scheme and they invest Rs.501-1000 per month.
4. Majority of the investors period of investment in post office is below 3 years
5. Easy formalities highly influenced the investors to save in post office and they believe that savings in post office ensures secured life more than other aspects.
6. Investors attitude regarding post office schemes ensures secured life and it is inferred that age group does not influence the preference level of investors.
7. There is no significant relationship between the age of the respondents and the level of preference in postal schemes.

## SUGGESTIONS

1. The Department of Post may take efforts to attract other customers who use banking, insurance and money transfer services. In order to achieve this, Department of Post can create cooperation between various financial agencies and introduce a modernized mail and money transfer product that meets customer expectations.
2. In world of modern technology, where financial transactions are becoming web based, the Department of Post may consider to gear up to the challenge and can provide payment gateways and multiple channels of customer service and consider introducing 24 x 7 services. It can also introduce call centers, portal facilities to customers.

## CONCLUSION

Today postal department has to equip itself by improving its service and saving schemes to satisfy the customers. The researcher hence strongly believes that the post offices is the only public organization which is more intimately bonded with human relations than any other government department. Though there are many saving options available, as a public organization, the Department of Post should try to give innovative saving schemes to the public. The researcher concludes that India Post is all set to become strong and stronger, spreading a joyful light to people everywhere. It is bound to overcome all the hurdles presented by the new environment in the electronic age. Its doors are thrown wide open with customer delight in mind. It goes on with a noble mission of uniting humankind world over.

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