

A STUDY ON CUSTOMER PERCEPTION TOWARDS POST OFFICE SAVING SCHEMES WITH SPECIAL REFERENCE TO COIMBATORE CITY

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Abstract

This study examines client perception towards Post Office Saving Schemes(POSS) in Coimbatore megacity. With adding fiscal druthers similar as collective finances and equities, traditional savings schemes face significant competition. The exploration aims to understand investor mindfulness, satisfaction situations, preferences, and factors impacting investment opinions. A descriptive exploration design was espoused, and primary data was collected from 120 repliers using a structured questionnaire. Statistical tools similar as chance analysis, chi-square test, and ANOVA were used for analysis. The findings reveal that safety, duty benefits, and guaranteed returns are the crucial motorists impacting investor opinions. Despite competition, post office schemes remain applicable due to government backing and trustability. still, lack of mindfulness and digital limitations affect their relinquishment among youngish investors.

Keywords: Post Office Saving Schemes, Investor Behavior, client Perception, fiscal Addition, Investment Preferences

Introduction

Savings play a crucial role in economic development by channelizing idle funds into productive investments. In India, Post Office Saving Schemes (POSS) are widely preferred due to their safety, government backing, and accessibility. These schemes cater mainly to risk-averse investors such as salaried individuals, senior citizens, and rural populations.

However, the emergence of modern investment options like mutual funds, equities, and digital financial services has significantly influenced investor behavior. This study focuses on analyzing how customers perceive post office saving schemes in the current financial environment.

Statement of the Problem

Post Office Saving Schemes have traditionally been considered a safe and dependable investment option, especially for individuals who prefer low-risk financial instruments. These schemes are supported by the government and are designed to encourage savings among different sections of society. However, in recent years, the financial market has expanded significantly, offering a wide range of alternative investment opportunities such as mutual funds, equities, insurance-linked products, and digital financial services.

This shift has influenced investor behavior, particularly among younger and financially aware individuals who seek higher returns and greater flexibility. As a result, Post Office Saving Schemes are facing challenges in maintaining their attractiveness and competitiveness. Issues such as limited awareness, comparatively lower returns, procedural delays, and lack of advanced digital services may also impact customer satisfaction and participation.

Objectives of the Study

Primary Objective

To evaluate how customers perceive and respond to Post Office Saving Schemes in the selected study area.

Secondary Objectives

- To understand the saving and investment patterns of individuals using post office schemes.
- To identify the key factors that influence customer awareness and knowledge about these schemes.
- To assess the level of customer satisfaction with the features and services offered.
- To analyze the expectations of investors regarding returns, safety, and convenience.

Scope of the Study

This study focuses on analyzing customer perception towards Post Office Saving Schemes within a defined geographical area, specifically Coimbatore city. It examines the level of awareness, investment behavior, and satisfaction of customers who are currently using or have knowledge of these schemes. The study considers various factors such as safety, returns, tax benefits, and convenience that influence investment decisions.

II. Literature Review

Awareness and financial literacy have been identified as key determinants of investment behavior. Sharma (2018) highlighted that although investors are aware of common schemes like PPF and NSC, they often lack detailed knowledge about their features. The study pointed out that insufficient financial education and promotional efforts limit investor participation. Enhancing awareness through structured campaigns can significantly improve investor engagement.

Demographic factors also influence the selection of investment avenues. Meena and Devi (2018) examined how age, income, and occupation affect investment preferences. Their findings suggested that salaried individuals and senior citizens are more inclined towards low-risk options like post office saving schemes, while younger investors prefer high-return alternatives such as equities and mutual funds.

Comparative studies between traditional and modern investment options show differences in risk perception. Patel (2019) compared post office schemes with bank deposits and found that although liquidity may be lower, investors prefer post office schemes due to higher safety. Similarly, Suresh and Bala (2019) emphasized that tax benefits play a major role in influencing investment decisions, especially among salaried individuals.

Customer satisfaction has been another important focus area in financial research. Kavitha (2020) reported that investors are generally satisfied with the security and reliability of post office schemes. However, issues related to service quality, such as delays and lack of proper guidance, were identified as challenges. Improving customer service can enhance overall satisfaction and retention.

With the advancement of technology, digitalization has become a significant factor in investment decisions. Rao (2020) found that younger investors are less attracted to post office schemes due to limited digital facilities. The study suggested that integrating online services and improving technological infrastructure would help attract tech-savvy investors and improve accessibility.

Recent studies also highlight the importance of financial literacy and changing market conditions. Anand and Priya (2021) concluded that better financial knowledge leads to more informed investment decisions. Verma (2021) further observed that fluctuations in interest rates influence investor expectations, although safety remains a dominant factor.

In addition, Khan (2023) examined the relevance of post office saving schemes in the modern financial environment and concluded that despite increasing competition from market-linked instruments, these schemes continue to be preferred by risk-averse investors. Their reliability, government backing, and simplicity ensure their continued importance in the financial system.

III. Research Methodology

A. Research Design

Descriptive research design was adopted to analyze customer perception.

B. Data Collection

Primary Data: Structured questionnaire

Secondary Data: Journals, reports, and websites

C. Sample Size

120 respondents from Coimbatore city

D. Sampling Technique

Convenience sampling

E. Tools Used

- Percentage Analysis
- Chi-Square Test
- ANOVA

IV. Data Analysis and Interpretation

Table 1: Gender of Respondents

S. No	Gender	Number of Respondents	Percentage (%)
1	Male	94	78.3%
2	Female	26	21.7%
Total		120	100%

Interpretation

The majority of respondents are male, accounting for 78.3%, while female respondents represent 21.7%. This indicates that male participation in post office saving schemes is comparatively higher.

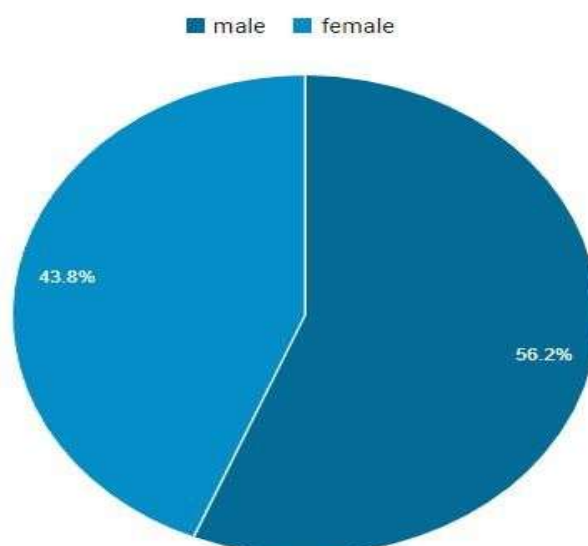


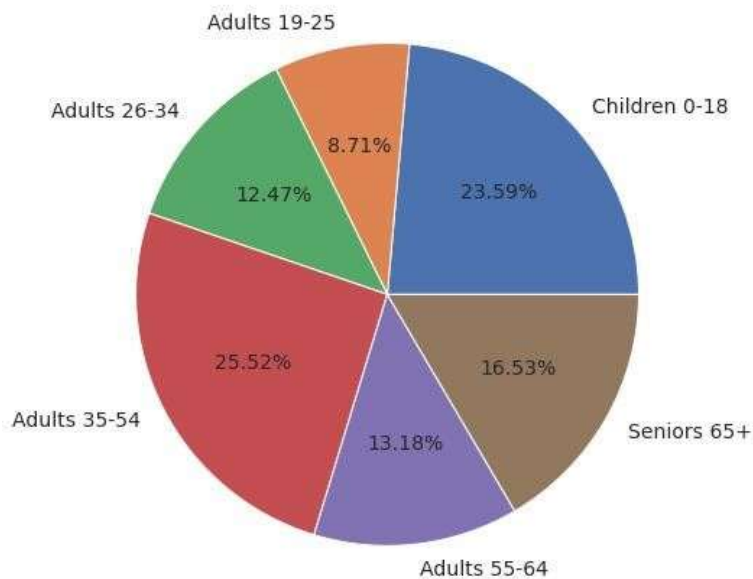
Table 2: Age of Respondents

S. No	Age Group	Number of Respondents	Percentage (%)
1	Below 20	3	2.5%
2	21 – 30	45	37.5%
3	31 – 40	51	42.5%
4	41 – 50	16	13.3%
5	Above 50	5	4.2%
Total		120	100%

Interpretation

Most respondents fall in the age group of 31–40 years (42.5%), followed by 21–30 years (37.5%). This shows that middle-aged individuals are more actively involved in post office saving schemes.

Population Distribution By Age Groups



CHI – SQUARE TEST

Age & satisfied with the agent service of Post office saving schemes in respect by the respondents.

Null Hypothesis (H₀)

There is no significant association between age and satisfied with the agent service of Post office saving schemes in respect

Alternative Hypothesis (H₁)

There is significant association between age and satisfied with the agent service of Post office saving schemes in respect

Age * satisfied with the agent service of Post office saving schemes in respect ?					
Crosstabulation					
Count					
		satisfied with the agent service of Post office saving schemes in respect			Total
		Excellent	Satisfactory	Poor	
Age	Below 20 years	9	22	1	32
	20 - 30 years	18	56	9	83
	30 - 40 years	1	2	0	3
	Above 40 years	1	1	0	2
Total		29	81	10	120

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.260 ^a	6	.776
Likelihood Ratio	3.815	6	.702
Linear-by-Linear Association	.095	1	.758
N of Valid Cases	120		
a. 7 cells (58.3%) have expected count less than 5. The minimum expected count is .17.			

INTERPRETATION:

From the above table, the Pearson Chi-Square value is 3.260 at 5% significance level. The P value is 0.776 which is greater than 0.05. Hence, Null Hypothesis is accepted and it concludes that there is no association between age and satisfied with the agent service of Post office saving schemes in respect

Gender & satisfied with Post office saving schemes in respect by the respondents

Null Hypothesis (H₀)

There is no significant association between Gender and Post office saving schemes in respect by the respondents

Alternative Hypothesis (H₁)

There is significant association between Gender and Post office saving schemes in respect by the respondents

Gender * Post office saving schemes in respect? Crosstabulation							
Count							
		Post office saving schemes in respect?					Total
		Convenience	Security	Rewards/ Loyalty programs	Transaction speed	Others	
Gender	Male	33	29	10	8	5	85
	Female	11	9	10	5	0	35
Total		44	38	20	13	5	120

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.727 ^a	4	.102
Likelihood Ratio	8.735	4	.068
Linear-by-Linear Association	.494	1	.482
N of Valid Cases	120		
a. 3 cells (30.0%) have expected count less than 5. The minimum expected count is 1.46.			

INTERPRETATION:

From the above table, the Pearson Chi-Square value is 7.727 at 5% significance level. The P value is 0.102 which is greater than 0.05. Hence, Null Hypothesis is accepted and it concludes that there is no association between Gender and Post office saving schemes in respect by the respondents.

ANOVA

Age and Post office saving schemes in respect:

Null Hypothesis (H₀)

There is no significant difference between age and Post office saving schemes in respect

ANOVA					
How far are you satisfied with Post office saving schemes in respect to?					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.953	3	2.318	2.675	.051
Within Groups	100.514	116	.866		
Total	107.467	119			

INTERPRETATION:

As significance value is 0.051 which is greater than 0.05, there is no significant association between age and Post office saving schemes in respect.

A. Demographic Analysis

- Majority (78.3%) respondents are male
- 42.5% belong to age group 31–40
- 44.2% are salaried employees
- 39.2% are graduates

B. Investment Behavior

- 46.7% invest 11–20% of income
- 35% invest monthly
- 37.5% invest for 1–3 years

C. Satisfaction Level

- 43.3% satisfied
- 32.5% highly satisfied
- Only 5.8% dissatisfied

D. Key Investment Reasons

- Tax benefits (46.7%)
- Regular income (28.3%)
- Capital gain (20.8%)

V. Statistical Analysis**A. Chi-Square Test**

- No significant relationship between age and satisfaction
- No significant relationship between gender and scheme preference

B. ANOVA

- No significant difference between age and satisfaction
- No significant relationship between occupation and investment percentage

Interpretation:

Investor perception is consistent across demographic groups.

VI. Findings

- Investors strongly prefer tax-saving benefits
- Safety and government backing are major attractions
- Most investors rely on friends and agents for information
- High satisfaction with returns and service quality
- Moderate interest in increasing investments
- Younger investors show interest in alternative investments.

VII. Suggestions

- Improve awareness through digital platforms and campaigns
- Introduce mobile apps and online investment options
- Enhance customer service and grievance handling
- Provide training to agents for better support
- Offer competitive returns and flexible schemes
- Conduct financial literacy programs

VIII. Conclusion

Post Office Saving Schemes continue to play a vital role in India's financial system by promoting safe and secure investments. The study shows that despite the availability of high-return alternatives, investors prefer these schemes due to reliability and government assurance. However, to remain competitive, post offices must focus on digital transformation, awareness, and service improvement. Strengthening these areas will enhance investor participation and ensure long-term sustainability.

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