AN ANALYSIS ON FACTORS INFLUENCING THE INVESTORS' TO PREFER POST OFFICE SAVINGS SCHEMES

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ABSTRACT

Post office is the largest savings institutions in our country which provides enormous benefits to investors. Post office is the major instrument available to the Government for accumulating the savings from both the urban and rural areas. This paper, it is mainly focused on analysis the factors influencing the investors to prefer post office savings schemes and problems faced by the investors of post office in the Thiruvallur district of Tamil Nadu. For this paper, primary data have been collected from 150 investors of the Post office. Such collected data have been analysed with the help of MS Excel and SPSS 22.0. Henry Garrett Ranking Technique and Kendall's 'W' Test have been used for this research.

KEYWORD: Post office services-Investors-Savings schemes-Government of India

INTRODUCTION

Post Office has long served as the backbone of communication and small deposits. For more than 150 years the Department of Posts has played a key role in facilitating communication during the nation thereby aiding in socio-economic development of the country. Post office facilitates the people to deposit their money for those who do not have access to a bank in their area. Post Office Saving Schemes have gained significance in rural areas. Post office increased digital transaction drastically in past few years. Investors face a lot of difficulties while depositing money and getting back their deposits.

STATEMENT OF THE PROBLEM

Post Office has evolved from a communication giant to a banking platform to benefit investors from both rural and urban populations. Investors are interested in an investment platform that offers ease of access at an acceptable cost. The post office operational processes are mainly investors oriented thereby satisfying investors expectations. Though, it is investors oriented still some problems are facing the investors. Investors are suffering from various problems like inadequate internet facility, lengthy process, unnecessary formalities etc. To retain the investors loyalty and thereby, retain the investors, post office should not neglect the investors grievances and they must be addressed in proper channel and solutions must be put forward in an efficient manner. By keeping all these in mind, this paper is an attempt to find out answer to the following research questions.

1. What are the factors influencing the investors' to prefer post office savings schemes?
2. What are the problems faced by the investors of post office?

REVIEW OF PREVIOUS STUDIES

By realizing the significance of the review of the previous study, the following reviews have been made.

Ritika Aggarwal (2012) made a study to identify the factors influencing preference towards Post Office Saving Schemes. For which, she has collected data from 320 respondents by using Simple random sampling technique. Such collected primary data have been analysed with Chi-square test. She found that majority of the respondents are influenced with the post office to invest their savings is providing better services.

Karthikeyan (2016) made a study on investors attitude towards post office deposit schemes. For which, the required primary data have been collected data from 160 respondents for using Convenience sampling technique. Such required primary data have been analysed with Percentage and Average Rank Analysis. He found that tax benefit is the main factor to invest their money in post office savings schemes.

Manjula Bai (2018) made a study on prospects and problems of Indian Postal System. For which, the required primary data have been collected from 100 respondents by using Simple random sampling technique. Such required primary data have been analyzed with Chi-square test. She found that the majority of the investors felt that there is non-availability of loan facility to the account holders. She suggested that the post office should provide a loan facility to the investors.

Shanmugapriya and Saravanan (2020) made a study on rural investors' behavior and satisfaction level of financial saving schemes towards post office. They have collected primary data from 150 investors by using Random sampling technique. Such collected primary data have been analysed with statistical tools like Percentage, Ranking Analysis, ANOVA, Chi-square and Cluster analysis. They found that investors are not having familiarity about the benefits of postal schemes. They suggested that Post office Officials and Government of India should take necessary steps to increase the awareness level of the investors to the benefits of savings schemes.

On the basis of these reviews, it is clear that there is no study in the Thiruvallur district with objectives like factors influencing the post office investors and problems faced by the post office investors in the present study. Hence, the study is an attempt to fill the research gap.

OBJECTIVES OF THE STUDY

The following are the specific objectives of this paper.

➢ To analyse the factors influencing the post office investors.

➢ To identify the problems faced by the post office investors.

These objectives have been analysed with the help of Henry Garrett Ranking Technique and Kendall's Co-efficient of Concordance (*'W'*) test.

RESEARCH METHODOLOGY

It is found that there are 23 postal circles in Tamil Nadu (www.indiapost.gov.in). Of which, Tamil Nadu has been selected. In Tamil Nadu, there are 38 districts. Further, it is known fact that Thiruvallur district is one of the important districts in Tamil Nadu. According to the survey taken by India in Pixel during the financial year 2021 - 2022, it has been identified that Thiruvallur district has highest per capita income of Tamil Nadu. It is followed by Coimbatore and Erode districts. Hence, Thiruvallur district has been selected purposively. In this district there are Twelve taluks namely viz., Ambattur, Gummindipoondi, Ponneri, Uthukkottai, Tiruvallur, Poonamallee, Tiruttani, Pallipattu, Madhavaram, Maduravoyal, Thiruvottiyur and Avadi. Of them, Avadi Taluk has been purposively selected. Further, it is known fact that Avadi Taluk occupies an important position in the post office department because of its large distribution of post offices among all the other Taluks. In this Avadi Taluk, it is found that there are five Blocks (Avadi, Thirumullaivoyal, Thirunindravur, Morai and Vellanur). Out of five Blocks, two Blocks namely Avadi and Thirumullaivoyal have been selected. Further, it is known fact Avadi and Thirumullaivoyal occupies both rural and semi-urban population. By using Multi-stage stratified random sampling technique, the required primary data have been collected from 180 sample respondents (90 investors from each block) with a well-structured Interview Schedule. Due to incomplete and contradictory information, 30 Interview Schedule have been found as not suitable for analysis. Hence, the final sample size of the study is 150. Such collected data have been analysed with various statistical tools like Garrett's Ranking Technique and Kendall's Co-efficient of Concordance('W').

FACTORS INFLUENCING THE POST OFFICE INVESTORS: GARRETT'S RANKING TECHNIQUE

To identify the important factors influencing the post office investors to prefer post office savings schemes, a pilot study was conducted with 12 factors. By using Item Analysis technique determinants like ATM facility and internet facility have been dropped. Finally, 10 factors have been used in the final study and the same have been examined with the help of Garrett's ranking technique has been employed. By referring Garrett's table, the percent position estimated is converted into scores. Accordingly, score value as per Garrett ranking analysis for first rank to tenth rank is calculated for each factor, the score of each post office investor are added and then mean value is calculated. The factor which has the highest mean value is considered to be the first.

Rank assigned by post office investors has been converted into score by using the following formula on the basis of Garrett's Table.

Formulas

Percent position = $\dfrac{100 (R_{ij} - 0.5)}{N_j}$

Where,

R_{ij} = Rank given for the ith variable by j^{th} respondents

N_j = Number of variables ranked by j^{th} respondents

Details of the calculations are illustrated in Table 1.

TABLE 1: FACTORS INFLUENCING THE INVESTORS TO PREFER POST OFFICE

Factors	Rank X	I 81	II 70	III 63	IV 57	V 52	VI 47	VII 42	VIII 36	IX 29	X 18	Total score	Mean Score	Rank
More return	F	30	33	21	24	9	6	6	9	6	6	150	60.26	II
	Fx	2430	2310	1323	1368	468	282	252	324	174	108	9039		
Regular income	F	9	24	9	30	9	21	12	18	6	12	150	52.9	IV
	Fx	729	1680	567	1710	468	987	756	648	174	216	7935		
Quality of service	F	18	15	24	9	21	9	24	6	12	12	150	57.76	III
	Fx	1458	1050	1512	513	1092	423	1008	216	348	216	7836		
Zero balance savings account	F	3	3	9	15	24	12	27	18	18	21	150	42.46	IX
	Fx	243	210	567	855	1248	564	1134	648	522	378	6369		
Tax benefits	F	51	15	9	18	15	6	15	6	9	6	150	62.42	I
	Fx	4131	1050	567	1026	780	282	1050	216	261	108	9471		
Employees approach	F	15	9	15	12	18	24	9	15	9	24	150	44.78	VIII
	Fx	1215	630	945	684	936	1128	378	540	261	432	7149		
Convenience	F	6	9	18	18	21	39	12	12	9	6	150	50.04	V
	Fx	486	630	1134	1026	1092	1833	504	432	261	108	7506		
E-Postal system	F	3	21	18	9	9	15	24	24	18	9	150	47.26	VII
	Fx	243	1470	1134	513	468	705	1008	864	522	162	7089		
Attractive schemes	F	12	15	21	12	18	12	9	21	15	15	150	49.12	VI
	Fx	972	1050	1323	684	936	564	378	756	435	270	7368		
Education of Children and marriage	F	3	6	6	3	6	6	12	21	48	39	150	36.08	X
	Fx	243	420	378	171	312	282	756	756	1392	702	5412		

Table 1 shows that the main factor felt by the sample post office investors is the Tax benefits (highest mean score 62.42) proves to be the most significant factor. Followed by Education of children and marriage as indicated by the investors with the lowest mean score of 36.08.

FACTORS INFLUENCING THE POST OFFICE INVESTORS TO PREFER POST OFFICE SAVINGS SCHEMES: KENDALL'S CO-EFFICIENT OF CONCORDANCE ('W')

Further, to identify the factors influencing the post office investors to prefer post office savings schemes, it is decided to use Kendall's Co-efficient of Concordance also known as Kendall's 'W'.

Mean scores have been calculated for the factors influencing the post office investors to prefer post office savings schemes lower mean score shows higher performance of the respective item. Details of the findings are shown in Table 2.

TABLE 2: FACTORS INFLUENCING THE POST OFFICE INVESTORS TO PREFER POST OFFICE SAVINGS SCHEMES: KENDALL'S CO-EFFICIENT OF CONCORDANCES ('W') TEST

Factors	Mean Rank
More return	7.01
Regular income	4.93
Quality of Service	5.66
Zero balance account	5.19
Tax benefits	4.32
Employees approach	6.34
Convenience	7.98
E-Postal system	8.09
Attractive schemes	5.23
Education of children and marriage	8.76

Kendall's Co-efficient of Concordance ('W')

Kendall's ('W')	0.152

Table 2 shows that the factors influencing the post office investors to prefer post savings schemes. The Kendall's Co-efficient of Concordance ('W') test is calculated for the above determinant which is found to be 0.152. It shows that there is less similarity among the respondents in assigning the ranks to the factors influencing the post office investors to prefer post office savings schemes. Looking at the mean ranks, it is understood that the highest preference has been given to Tax benefits (lower the rank and higher the priority) constituting the mean rank 4.32 and the Education of children and marriage is given to the mean rank is 8.76.

PROBLEMS FACED BY THE POST OFFICE INVESTORS: GARRETT'S RANKING TECHNIQUE

It is decided to identify the problems faced by the post office investors. For which, a pilot study was conducted with 18 problems. By using Item Analysis Technique problems viz., Hidden cost, Long queue and Agent's compulsion have been dropped. Garrett's Ranking Technique has been applied &&&&&&&to decide the important problems faced by the post office investors to prefer post office savings schemes. Accordingly, Table 3 has been prepared.
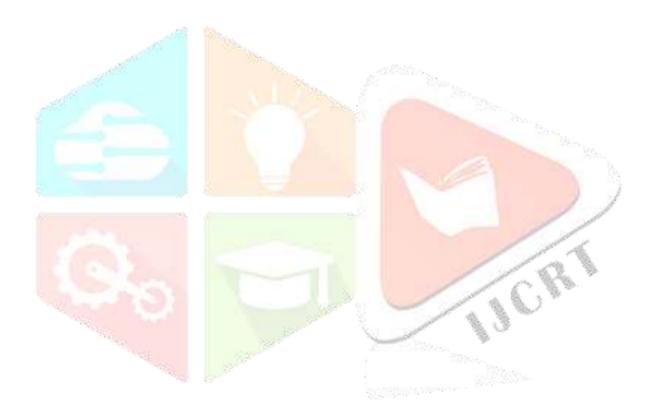
TABLE 3

PROBLEMS FACED BY THE POST OFFICE INVESTORS: GARRETT'S RANKING TECHNIQUE

Rate		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV	Mean Score	Rank
Scores (x)		85	75	70	64	60	57	53	50	47	43	40	36	31	25	15		
Inadequate information	F	9	21	12	9	6	6	12	6	18	9	12	9	6	3	12	52.47	7
	fx	765	1575	840	576	360	342	636	300	846	387	480	324	186	75	180		
Poor response from employees	f	3	4	12	18	21	9	12	15	18	6	9	12	9	6	3	54.84	2
	fx	255	450	840	1152	1260	513	636	750	846	258	360	432	279	150	45		
Inadequate locker facilities	f	15	12	9	12	15	+	6	12	12	9	3	6	12	12	3	52.72	6
	fx	1275	900	630	768	900	513	318	600	564	387	120	216	372	300	45		
High penal charge	f	18	24	9	6	12	13	9	6	3	12	9	15	12	9	3	54.74	3
	fx	1530	1800	630	384	720	171	477	300	141	516	360	540	372	225	45		
Non-availability of locker facility	f	9	6	6	12	3	15	3	6	12	6	21	18	12	12	9	46.76	13
	fx	765	450	420	768	180	855	159	300	564	258	840	648	372	300	135		
Lack of Infrastructure facilities	f	6	15	13	12	9	6	3	6	6	12	9	12	15	15	21	47.33	12
	fx	510	1125	210	768	540	342	159	300	282	516	760	432	465	375	315		
Poor record maintenance	F	3	12	15	3	6	6	12	6	12	9	6	6	6	15	12	49.82	8
	fx	255	900	1050	192	360	342	636	300	564	387	240	216	186	375	180		
Improper service	f	9	9	18	3	9	21	12	9	6	15	6	12	9	6	15	53.12	5
	fx	765	675	1260	192	540	1197	636	450	282	645	240	432	279	150	225		
Agent not reliable	F	6	6	12	12	9	12	18	3	3	21	9	6	24	3	6	49.50	10
	fx	510	450	840	768	540	684	954	150	141	903	360	216	744	75	90		
Maintaining minimum balance	F	12	3	9	12	6	6	15	6	15	6	9	3	6	21	21	45.98	14
	fx	1020	225	630	768	360	342	795	300	705	258	360	108	186	525	315		
High service charge for E-Payments	F	9	3	6	3	12	12	21	21	15	6	9	15	6	6	6	49.73	9
	fx	765	225	420	192	720	684	1113	1051	705	258	360	540	186	150	90		
Cumbersome procedure	f	12	9	12	18	12	12	6	15	6	6	21	6	12	9	15	53.18	4
	fx	1020	675	840	1152	720	684	318	750	282	258	840	216	372	225	225		
Delay in processing	f	15	3	12	6	6	9	6	12	9	21	12	9	6	3	15	47.54	11
	fx	1275	225	840	384	360	513	318	600	423	903	480	324	186	75	225		
Inadequate Loan facility	f	9	12	18	15	21	24	9	9	6	3	6	3	6	3	6	57.00	1
	fx	765	900	1260	960	1260	1368	477	450	282	129	240	108	186	75	90		
Poor Awareness	F	9	3	3	9	3	6	6	15	9	9	9	21	15	27	3	43.18	15
	fx	765	225	210	576	180	342	318	750	423	387	360	756	465	675	45		
Total Σf		150	150	150	150	150	150	150	150	150	150	150	150	150	150	150		

Table 3 clearly reveals that the main problem felt by the post office investors is Inadequate loan facility (highest mean score of 57.00) proves to be most significant problem. Followed by Poor awareness as indicated by the investors with lowest mean score of 43.18.

PROBLEMS FACED BY THE POST OFFICE INVESTORS: KENDALL'S CO-EFFICIENT OF CONCORDANCE ('W')

Kendall's Co-efficient of Concordance has been used to identify the significant problem which faced by the sample investors. Mean scores have been calculated to identify the problems faced by the post office investors, lower mean score shows higher performance of the respective item. Details of the findings are shown in Table 4.

TABLE 4

PROBLEMS FACED BY THE POST OFFICE INVESTORS: KENDALL'S CO-EFFICIENT OF CONCORDANCE ('W')

Problems	Mean Score	Rank	Kendall's 'W'
Inadequate information	5.1	7	
Poor response from employees	3.6	2	
Inadequate locker facility	4.5	6	
High penal charge	3.7	3	
Non-availability of locker facility	7.2	13	
Lack of Infrastructure facilities	6.7	12	
Poor record maintenance	5.2	8	
Improper service	4.3	5	0.317
Agent not reliable	6.4	10	
Maintaining minimum balance	7.3	14	
High service charge for E-Payments	5.4	9	
Cumbersome procedure	3.9	4	
Delay in processing	6.5	11	
Inadequate Loan facility	3.5	1	
Poor Awareness	7.8	15	

Table 4 reveals the details of the problems faced by the post office investors to prefer post office savings schemes. The Kendall's 'W' is calculated for the above problems which is found to be 0.317. It shows that there is less similarity among the post office investors in assigning the ranks to the problems faced by the post office investors. Looking at the mean score, it is understood that the highest preference has been given to poor awareness (lower the mean score, higher the priority). Constituting the mean score 7.8 and the lowest preference is given to Inadequate loan facility.

CONCLUSION AND SUGGESTIONS

In this paper, while examine the factors influencing the post office investors to prefer post office savings schemes, it is found that Tax benefits has been ranked as first by the investors of post office. This has been identified by using Henry Garrett's Ranking technique and Kendall's Co-efficient of Concordance ('W') test. Hence, it is suggested that post office investors have should take all possible efforts to simplify money savings.

While examine the problems faced by post office investors to prefer post office savings schemes, it is found that the most important problems are Inadequate loan facility and it has been ranked first by the sample post office investors. Hence, it is suggested that the post office department should consider giving loans to similar traditional banks and NBFC's at a nominal rate of interests.

By realizing the significance of the post office investors in Indian Economy, the present study has been undertaken with the objectives like factors influencing the post office investors and problems faced by them. Both objectives have been examined with the help of the Henry Garrett Ranking Technique and Kendall's Co-efficient of Concordance ('W') test. On the basis of the findings, some suggestive measures have been offered. It is hoped that the suggestive measures will be more useful for the policy implication of the Authority concerned.

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