

Full Length Research Paper

Investors' Attitude Towards Post Office Saving Schemes in Tirunelveli District

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Abstract:

The Post Office savings bank is India's oldest and most extensive banking system. Savings are vital to the growth and development of the country's economy. India's Post Office savings scheme provides a secure, risk-free and attractive investment option for small investors. The researcher analyses the investors' attitude towards post office savings schemes in the Tirunelveli district. To collect primary data from respondents, 100 questionnaires were randomly distributed, and 137 were completed in full.

1. Introduction:

The Post Office savings bank is India's oldest and most extensive banking system. Savings are vital to the growth and development of the country's economy. India's Post Office savings scheme provides a secure, risk-free and attractive investment option for small investors. The essential services are not only the delivery of letters and postcards but also the issuance of money orders. The poorest and least literate people rely on the post office, rather than banks, because of its simplicity and easy access. Post office savings schemes are mechanisms for saving valuable earnings. Post offices offer various savings schemes, such as the Savings Bank Account, the National Savings Certificate Account, the Post Office Monthly Income Scheme, and the Senior Citizen Scheme.

2. Profile of sample units

In our country, the postal service is operated by the Government of India. It has been serving the people in many ways. Two lakh letters are delivered per day. Letters are delivered from anywhere

in the country to any place within a maximum of four days. The Indian Post Office is the largest globally, with 154,000 post offices (China second, 57,000 post offices). Its sprawling offices connect all parts of India. The Indian Postal Service employs 593,878 (as of 2001). The Indian Postal Service also provides small-scale banking services. This bank facility is without the benefit of villages. It covers an area of 21 square kilometres, with one post office serving about 6000 people. There are 10,264 post offices in Tamil Nadu alone.

3. Review of Literature:

Benazir (2020)¹ Analysed the Parents' Perception of Post Office Saving Schemes with 70 respondents of the Palayamkottai region. He conducted this research to understand the various post office savings schemes available for children. It concludes that the respondents are unaware of multiple post office services and that, according to their parents, interest rates at post offices are low. Overall, he suggested that the post office department raise awareness, increase interest rates, and appoint senior officials to monitor customer grievances.

Samundeswari and Ms M. Abinaya² Investigated through their Study On Financial Inclusion and Literacy of Saving Schemes with 50 respondents belonging to different occupational groups residing in the Arachalur area. It concluded that respondents have a below-average level of awareness, as few people living in rural areas are aware of the schemes and do not benefit from them. He states that banks may seek to educate and raise awareness of the benefits of savings schemes among rural people.

4. Statement of Problem:

Post Office Savings Schemes are among the many savings plans available. Nevertheless, regardless of the income level, people always try to save. Savings build a better future. Further, willingness to commit is more important than the capacity to hold. The dawn of liberalisation and globalisation in our economy has created a competitive environment in the Indian banking and financial service industry. People expect their savings to give better returns with adequate safety. The emergence of new institutions puts the traditional financial services industry under severe competition. Because of the changing market for financial assistance, investors have become increasingly aware of the broader range of institutions, instruments, services, and facilities available to them and have quickly learned to use these options to their advantage. Thus, the

¹ **Benazir (2020)** A Study on Parent's Perception towards Post Office Saving Schemes –With Special Reference to Palayamkottai Region Our Heritage ISSN: 0474-9030 Vol-68-Issue- 1- January-2020, PP 787-794.

² **Samundeswari and Ms. M. Abinaya (2020)**, 'A Study On Financial Inclusion and Literacy of Saving Schemes', Our Heritage UGC Care Listed Journal Vol 68, Issue 2, Jan 2020. Pp 235 -240.

increase in savings and adequate safety underpin the investment. Hence, this study analyses investors' attitudes towards post office savings schemes in the Tirunelveli district.

5. Objectives of the study:

- To study the investors' awareness about various investment avenues available in Post offices.
- To study the investors' level of satisfaction towards Post Office savings schemes.

6. Null and Alternative Hypotheses

H₀: There is no significant association between the profile variables of the respondents and their awareness regarding post office savings schemes

H₁: There is a significant association between the profile variables of the respondents and their awareness regarding post office savings schemes

7. Scope of the study

The postal department aims to promote the habit of saving among the general public. It also creates a vast array of new business opportunities, as interest rates are higher than those offered by other postal schemes. The present study has been undertaken to analyse whether postal savings schemes have gained importance among investors. This study helps to understand the depositor's attitudes towards post office savings schemes. The study also enables the government to implement necessary changes to India's postal savings system.

8. Methodology

A well-designed, comprehensive questionnaire was administered to collect primary data for the study. The questionnaire has been conceived as a systematic compilation of questions logically related to the problem under study. Questionnaires were randomly distributed to 150 account holders of various postal savings schemes in Tirunelveli, and 137 were completed in full. The response rate is 76.67%.

9. Limitations

- ⇒ The present study confined its scope to the Tirunelveli district only.
- ⇒ The present research is savings-based, so the investors are hesitant to disclose the truth.

10. Data Analysis and Interpretation:

Table 1. Socio-Economic Profile of Respondents

Characteristics		Frequency	Percentage
Gender	Male	54	39.42
	Female	83	60.58
Age	< 30 Years	38	27.74
	30 – 50 Years	67	48.91
	> 50 Years	32	23.36
Marital Status	Married	103	75.18
	Unmarried	34	24.82
Educational Qualification	Higher secondary	18	13.14
	Graduates	94	68.61
	Post Graduates	21	15.33
	Others	04	2.92
Employment	Govt. Service	27	19.71
	Self-employed	35	25.55
	The employee of the private sector	45	32.85
	Others	30	21.90
Annual Income	< `2,00,000	27	19.71
	`2,00,000 – 5,00,000	68	49.64
	> `5,00,000	42	30.66

(Source: Primary Data)

The study was conducted with a sample of 137 respondents, comprising 39.42 per cent male and 60.58 per cent female. A significant portion of the respondents belong to the age group of 30–50 Years (48.91 per cent), followed by those below 30 years (27.74 per cent) and above 50 years (23.36 per cent). Concerning educational qualifications, graduates account for 68.61 per cent, postgraduates for 15.33 per cent, and others for 19.71 per cent. Regarding employment, a maximum of 32.85 per cent work in the private sector, 25.55 per cent are self-employed, and 19.71 per cent work in the government sector. Moreover, the respondents' yearly income ranges from `2,00,000 – 5,00,000 (49.64 per cent), 30.66 per cent have more than `5,00,000, and 19.71 per cent of the respondents have less than `2,00,000 per month.

Table 2. Respondents' awareness regarding post office savings schemes

Variables	Mean	S.D	C.V	“t” value	Rank
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Post Office Savings Deposits	4.128	1.604	38.859	18.867	III
Post Office Time Deposits	3.934	1.420	36.099	19.618	II
Post Office Recurring Deposit	4.481	1.426	31.830	20.227	I
Post Office Monthly Income	3.658	1.571	42.937	16.567	VII
Kisan Vikas Patra	4.020	1.597	39.728	17.799	VI
National Savings Certificate	3.672	1.415	38.529	18.592	V
Deposit Scheme For Senior Citizen	3.640	1.522	41.815	16.910	VIII
Public Provident Fund	3.269	1.460	44.673	18.884	IV
Postal Life Insurance / RPLI	3.354	1.740	51.890	14.384	IX
Sukanya Samriddhi Account.	3.254	1.740	53.485	14.381	X
Others(Please Specify)	3.293	1.525	46.319	13.908	XI

(Source: Primary Data)

Table 2 presents the ranking of the variables selected to assess respondents' awareness of post office savings schemes. It is found that the first rank is assigned to the variable “Post Office Recurring Deposit” with a mean score of 4.481, S.D 1.426, C.V 31.380 and “t” value 20.227. Second rank allotted for “Post Office Time Deposits” with the “t” value of 19.618, and the third rank allocated to “Post Office Savings Deposits” with the “t” value of 18.867.

Table 3. Association between the respondents' satisfaction with schemes and services available in postal savings and their intention to invest.

Model Summary				
Model	R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	.855 ^a	.731	..728	.147914

The multiple R-value denotes the correlation between the dependent variable “Respondents’ intention to invest in post offices” and independent variables, Respondents' attitude about postal savings scheme – Variables under Factor one.” An R-value greater than 0.6 is taken for further analysis. In this case, the value is 0.855, which is good. R-squared displays the total variation for the dependent variable that the independent variables might explain. A value greater than 0.5 indicates that the model is sufficiently effective to infer the relationship. In this case, the value is .807, which is also good. Adjusted R-squared is a measure that accounts for the sample size in multiple regression, i.e., the difference between the sample results and the population parameters. It is essential to distinguish between R-squared and Adjusted R-squared; the latter should be minimal. In this case, the value is 0.731, which is close to 0.728, so it is acceptable. Therefore, the model summary table is acceptable for proceeding to the next step.

Table 4.42

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	359.258	10	35.926	62.620	.000 ^b
	Residual	472.735	824	.574		
	Total	831.993	834			

In the above table 4.42, the “F” value is 62.620, which is good. These results indicate that, because the p-value in the ANOVA table is below the tolerable one per cent significance level, it is possible to reject the null hypothesis in further analysis.

Table 4.43

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	4.851	.265		18.315	.000
POS assured return without risk	.336	.009	.721	39.096	.000
<i>POS provide security for life</i>	.221	.029	.123	7.498	.000

POS is the nearest and cheapest savings option	.262	.033	.252	7.843	.000
POS encourage savings	-.229	.022	-.307	10.226	.000
Applicable to all Age groups	.140	.017	.160	8.444	.000

Table 4.43 divulges how the independent variable “Respondents' attitude about postal savings scheme – Variables under Factor one” influences the dependent variable “respondents’ intention to invest in post offices”. Since the "t" value of the independent variables is more than the critical value of 1.96, and the corresponding "p" value is less than 0.01 at a 99 per cent level of confidence. Hence, it is concluded that the independent variables “Respondents' attitude about postal savings scheme – Variables under Factor one” influence the dependent variable “respondents’ intention to invest in post offices”.

11. Findings:

- ✓ The researcher found that the respondents are female, 60.58 per cent female respondents and 39.42 per cent male.
- ✓ A significant portion of the respondents belong to the age group of 30 – 50 Years (48.91 per cent),
- ✓ Concerning educational qualification, graduates are 68.61 per cent, and postgraduates are 15.33 per cent.
- ✓ It is found that the first rank is assigned to the variable “Post Office Recurring Deposit” with a mean score of 4.481, S.D 1.426, C.V 31.380 and “t” value 20.227.
- ✓ Respondents' attitude about the postal savings scheme – Variables under Factor one” influence dependent variable “respondents’ intention to invest in post offices.

12. Suggestions:

- ✓ The postal savings department should create awareness among the public about Postal Life Insurance / RPLI and Public Provident Fund
- ✓ Postal savings department staff should create better relationships with the account holders.
- ✓ The agents of the postal department provide better services to the account holders.
- ✓ The postal savings department should increase the number of branches in the Tirunelveli district.
- ✓ The postal department should simplify the procedures in the account opening process.
- ✓ The rate of interest offered by the postal department should be increased.

13. Conclusion:

Today, the postal department must equip itself by developing its service and savings schemes to satisfy customers. In light of a changing environment, it must continually update its

knowledge of internal and external factors to understand customer relationships effectively. Saving is essential to human life, as it provides security and sustenance. One of the main objectives of the Department of Post is to enhance public protection. Salvation not only benefits people but also supports economic development. Hence, the researcher strongly believes that the post office is the only public organisation more closely linked to human relations than any other government department.

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