



To Study on Saving Habits Among Middle Class Family in Post Office with Reference to Coimbatore City

Mrs. Mythily R^a, Ms. Sandhiya D^b *

^a Assistant Professor, Sri Krishna Adithya college of arts and science, Coimbatore - 641042

^b Student, Sri Krishna Adithya college of arts and science, Coimbatore - 641042

ABSTRACT

In the modern world income plays an important role in every one's life. Investment is one of the major issues of the middle-income families as their small savings of today are meeting the expenses of tomorrow. The person dealing with the planning must know all the various investment choices can be chosen for the purpose of attaining the overall objectives. The risk and returns available from each of these investment patterns differ from one pattern to another. Investor's behavior is influenced by many factors during investment decision making. Demographic profile of investors is also one of the decision influencing factors among others. This paper aims at the investment pattern and behavior and it's important. This paper will induce the awareness among the middle-income person.

Key words – Savings, middle income, post office, investment.

1. Introduction

Savings shapes the important part of the economy of any nation. With the savings, in various options available to the people, the money acts as the driver for growth of the country. Post Office savings is a historical practice of savings in India. It was established in India with a historical dating back to 1880 A.D. when other formal savings practices were not available in the country. It is a biggest savings bank in India with 1,55,000 branches across the country. Most of the Post Offices are situated in the remote areas where modern banking systems are not available till the date. Post office saving is the best form of saving scheme which provide substantially higher rate of interest and pose relatively lesser risk of suffering losses. Therefore, they are widely accepted among the different sections of Indian society and among the different age group. The post office saving banks is the oldest and largest banking system in the country, serving the investment need of both urban and rural clientele. The Indian postal services and the schemes offered by it build good public image and have gathered the confidence of the middle-and small income group of people. As a way of saving and investment it has obtained the trust of people, because it is not only securing regular returns.

2. Statement of problem

Savings have become an important tool in poverty alleviation. People need savings to run their day-to-day life and depends on the life style of a person. Domestic savings play an important role in bringing about economic development of backward countries. In order to promote the economy of our country, various post office saving schemes have been introduced by the post department. India is a country of villages hence the people are unable to be aware of post office savings schemes. The depositors face a lot of difficulties while depositing money and getting back their deposits. Even today main problems are illiterate peoples are not aware of the facilities extended by the government. Hence, research in this area will facilitate the person to know this savings patterns and real problem faced by them while investing.

3. Objective of study

- To study the awareness among investors about post office savings schemes in the study area.
- To study the long-term investment problems faced by the depositors.
- To study the customer preference on future improvement/ Development in post office department.

4. Research Questions

- How you are aware about the post office saving ?

- What are the problems faced by you while making deposit in post office saving schemes ?
- Changes you like to occur in future in the post office saving schemes ?

5. Research methodology

Research methodology , systematically solve the research problems, why the research has been undertaken, how the research problem has been defined and what data define and what data has been adopted, why particular technique of analysis for data has been used.

5.1 Sampling design

This study is intended to analyze the Saving habits among Middle class family in post office with reference to Coimbatore City.The study is Descriptive in nature.

5.2 Sample size

152 Questionnaire were distributed out of that 175 questioners were fit for analysis from different respondents in the Coimbatore city.

5.3 Sample area

The area of the study refers to Coimbatore city.

5.4 Data collection

The data is collected from both primary and secondary data.

5.5 sampling tools

- Simple percentage method
- Rank Analysis

Review of literature

1. **K. Gayathri(2014)**the paper studies in general the attitude of the investors towards the different schemes with the postal offices in cumbum town. It analyse the study of the various problems faced by the customers in investing money in post offices. It highlights suggestion for improvement in the way postal department perform their services. Latest technology upgradation which will make services faster and reliable. Advertisement strategy should be adopted as lack of awareness is there as campaigning of services is not done. Post offices reach to the millions of people serving them the best products and schemes. Its role in rural areas in vital one.

2. **Mathumitha (2015)**,pointed out that post office savings schemes gives a secure, risk free and more investment option for small investors. She suggested that latest technology be incorporated in post office to serve the public in an effective and efficient manner, through by reducing the transaction time and rate of interest offered by the post office should be increased.

3. **Ravindran (2016)**,revealed that post office is not only medium of sending letters to the public. It gives multiple financial services to the public like send money to foreign country, postal life insurance, mutual fund investment and small saving schemes. He also suggested that to attract women investors by providing right information and knowledge about the post office savings schemes through advertisement.

4. **BhagyashreeTeli (2017)**,conducted a study from 50 respondents in Rajsamand district, stated that most of the respondents were aware about post office deposit schemes through their friends and relatives. Level of awareness of various post office schemes is very low expect recurring deposit and post office savings bank account. He also pointed out that post office in small savings schemes for rural area is good enough but if they want to increase deposit officials increase awareness through advertising and agents.

5. **Nagaraju. S (2018)**,conducted a research to identify the savings under SurakshaSamridhi Account (SSA) a formal financial inclusion. The study found that the Gender Age, Level of Income, family Size, Final Literacy, Uncertain ability of income determines the savings scheme. Demographic variables leads to irrational savings schemes in India post.

RESEARCH GAP

Customer prefer saving habits more on the post office rather than on banks and others. this study emphasis the reason for saving on the post office and other service provided by them. It analyse the modern methods and other features provided by post office.

Analysis and Interpretation

Analysis of data is a process of inspecting, cleansing, transforming, and modelling data with the goal of discovering useful information, informing conclusion, and supporting decision-making. Data analysis is a process for obtaining raw data and converting it into information useful for decision-making by users. Data are collected and analysed to answer question, test hypotheses or disprove theories.

The following tools were used:

- i. Percentage Analysis
- ii. Rank Analysis

6.1 Percentage method

$$\text{Formula} = \frac{\text{No. Of respondents}}{\text{Total no. of respondents}} * 100$$

Table No:1

Table showing the awareness of the post office saving by the Respondents

Awareness	Frequency	Percentage
Friends/Relatives	84	55
Advertisement	29	19
Self realization	33	22
Agent	6	4
Total	152	100

SOURCE : Primary Data

Interpretation :

The above table shows 55% of the respondents are aware through Friends/Relatives , 19% of the respondents are aware by watching Advertisement,22% of the respondents are aware by Self realization, and the remaining 5% of them are aware by Agent.

Chart showing the awareness of the post office saving by the Respondents

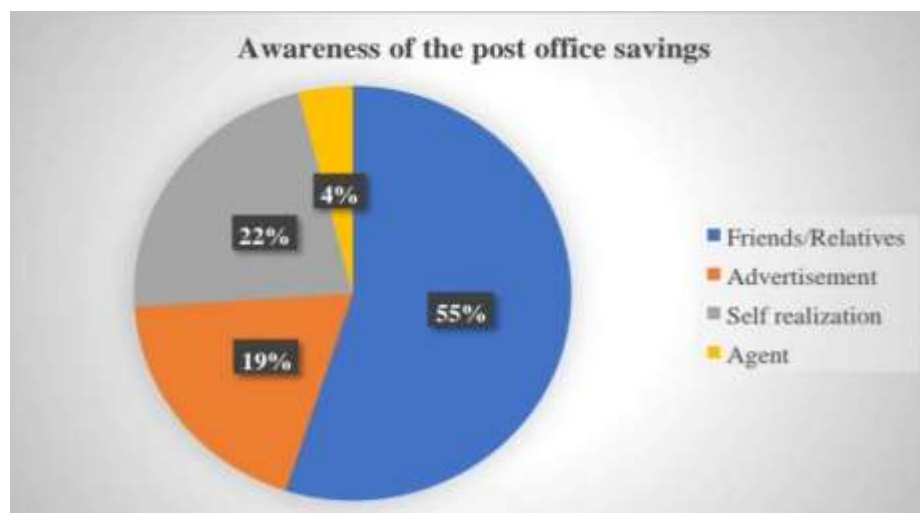


Table No:2

Table showing the difficulties faced while making deposit in post saving schemes by the respondents

Difficulties faced while making deposit in post saving schemes	Frequency	Percentage
Delay in processing	59	39
Interest is low	50	33
Lack of customer friendly attitude	21	14

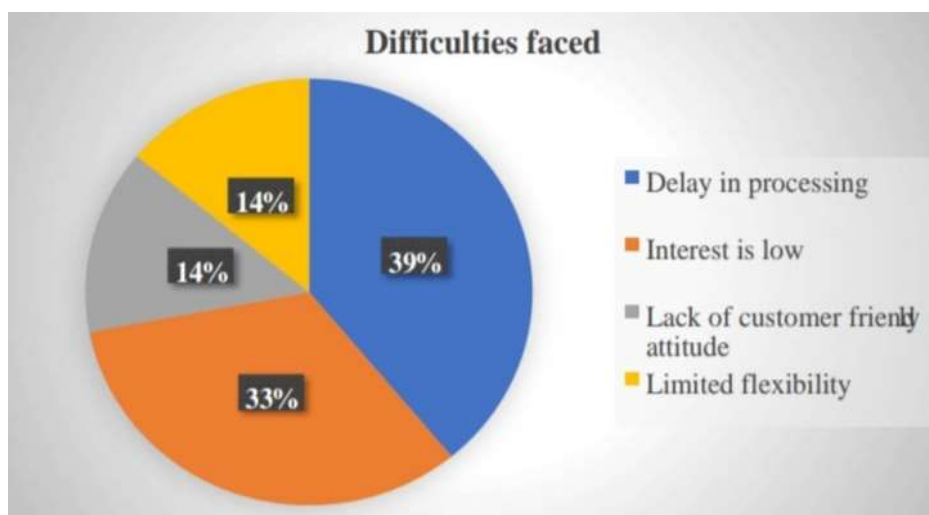
Limited flexibility	22	14
Total	152	100

SOURCE : Primary Data

Interpretation :

The above table shows that 33% of the respondents are facing the difficulty of delay in processing, 39% of the respondents face interest is low, 14% of the respondents face lack of customer friendly attitude and the remaining 14% of them in face the difficulty of limited flexibility.

Chart showing the difficulties faced while making deposit in post saving schemes by the respondents



6.2 RANK ANALYSIS

A ranking is a relationship between a set of items such that, for any two items, the first is either 'ranked higher than', 'ranked lower than' or 'ranked equal to' the second. In mathematics, this is known as a weak order or total pre order of objects. It is not necessarily a total order of objects because two different objects can have the same ranking. The rankings themselves are totally ordered. For example, materials are totally pre ordered by hardness, while degrees of hardness are totally ordered. By reducing detailed measures to a sequence of ordinal numbers, rankings make it possible to evaluate complex information according to certain criteria. Thus, for example, an Internet search engine may rank the pages it finds according to an estimation of their relevance, making it possible for the user quickly to select the pages they are likely to want to see. Analysis of data obtained by ranking commonly requires non-parametric statistics.

Table No:4

Table showing the further changes in post office saving scheme

Factor	No. of respondents	Total	Rank
Improve online access	83	54	1
More investment options	62	40	2
Higher interest rates	39	25	3
Faster transaction services	25	16	4
Improved customer service	24	15	5

Interpretation :

The above table shows the further changes in post office scheme. It states that the highest rank is for improving online, second rank is for more investment options, third rank is for higher interest rates, fourth rank is for faster transactions services and the last rank is for improving customer service.

7. Findings, Suggestion and Conclusion

7.1 Findings

Percentage analysis

- 55% of the respondents are aware about post office by Friends/Relatives.

- 39% of the respondents face difficulties while making deposit is interest is low.

Rank analysis

- The improvement in online access is the most expected future changes in post office saving schemes followed by more investment options, higher interest rates, faster transactions services and improved customer service.

7.2 Suggestion

- Post department should conduct various awareness campaign about the saving scheme and its benefit among public at Coimbatore postal area for making them aware about valuable service of the postal department. .
- Social media play a vital role in modern human life. State Government should take initiative to promote advertisement on social media and other online platforms which emphasis the saving habit of the people.
- There are no daily or weekly saving schemes under Post Office Savings Schemes. Union Government may launch such type of schemes for which the poorest people will be Benefited.
- Post office savings bank should take initiate to new savings schemes especially for women in order to promote saving habit among public.

7.3 Conclusion

Saving is important for human life as savings gives future benefit and security. Today post office department has itself improving its service and saving schemes to satisfy the customers. In this changing environment, it has to constantly upgrade its knowledge of the internal and external environment, to understand the customer relationship properly. Saving is important for human life as savings gives life and security. One of the main motives of the Post office department is to uplift the saving habits of the middle class people and also help for the economic development. Though there are many saving options available, the Department of Post should try to give attractive saving schemes to the public. Post office saving scheme bounded to overcome all the hurdles presented by the new environment in the electronic age.

References

1. Gayathri, K. (2014). Investors Attitude towards the Different Schemes with the Postal Offices in Cumbum Town. *International Journal of Innovative Research in Science, Engineering and Technology*, 3(9), 16495-16501.
2. Mathumitha. (2015). Incorporating latest technology in post office for effective and efficient services. *International Journal of Business and Administration Research Review*, 3(1), 78-81.
3. Ravindran, S. (2016). Investment opportunities of Postal Service Sector in India. *International Journal of Research in Commerce, IT and Management*, 6(2), 1-4.
4. Teli, B. (2017). Awareness and perception of post office deposit schemes among rural people: A study with reference to Rajsamand district. *International Journal of Research in Finance and Marketing*, 7(1), 25-34.
5. Nagaraju.S. "Customer's satisfaction towards Sukanyasamridhiyojana (SSY) with special reference to suryaput district). *International Journal of innovative research explorer*, volume 5, issue 2, (2018) 181 – 192.