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MANAGEMENT

A STUDY ON INVESTORS BEHAVIOR TOWARDS POSTAL SMALL SAVINGS SCHEME IN KANYAKUMARI DISTRICT

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Abstract

Savings play a vital role in building up the household economy as well as the national economy. Savings provide the financial security to savers. The postal savings schemes help the investors to obtain higher return with low risk. The objective of postal savings scheme to provide mean to small and medium investors. India has the largest number of post offices in the world. At present 1,54,551 post offices functioning in India, including 1,39,149 post offices in rural areas. This study highlights the attitudes of investors towards the postal small savings schemes in Kanyakumari. This study is also exploring the awareness of the Postal small savings schemes in Kanyakumarii. The present study is an empirical one based on survey method. Data were collected from both primary and secondary sources. The primary data were collected from customers through interview schedule. Secondary data were collected from various published sources like books, journals, magazine, research dissertations and websites. The researcher adopted convenience sampling method. The researcher identified 150 samples respondents.

Key words:- Household Economy, Financial Security, Postal Savings Scheme, Arthasastra

*S*avings play a vital role in building up the household economy as well as the national economy. Savings provide the financial security to savers. Financial security is considered as very essential because every man faces a potential loss of earning

power and unexpected expenses as a result of death, age, disability or loss of employment. In order to mobilize savings, the financial institution and Government of India is issuing shares, debentures, various saving certificates, government bonds and securities carrying high rate of

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interest. Among the available options, postal small savings scheme are playing a significant role in mobilizing the funds from the people. The objective of postal savings scheme to provide mean to small and medium investors. The postal savings schemes help the investors to obtain higher return with low risk.

Postal Department:

Department of postal has the largest postal network in the world. It has reached in all the corners of the country up to small villages, hilly regions and tribal areas. This widespread network helps them to cover and contact all people in the country. The history of postal system in India organized at the time of Chandra Gupta Maurya (321 – 297 B.C) and it based on reference about postal system in Arthasasthra.

India has the largest number of post offices in the world. There were only 701 post offices in British rural regime when the first postage stamp was released in 1854. At the time of the independence there were 23,444 post offices in the country largely confined to the urban areas and selected villages. This network has now grown to 1,54,551 post offices as on 31.03.2017 including 1,38,149 post offices in rural areas. On an average a post office services an area of 21.26 sq.km. and a population of 5462.

Statement of the Problem:

Postal small savings schemes are the trust of lakhs of Indian investors. Post offices are offering different types of saving schemes. Each saving schemes are attracting the customers with its specific features. The success of the post office

savings schemes depend upon the interest rate offered by the post office and extent of awareness about the post office saving schemes.

At present the government had changed the interest rate on its small saving schemes. The Public feels that the government has taken the remedial measures to attract the investors by increasing the rate of interests. The study has been undertaken to analyze the awareness among the investors about the various postal small savings schemes and factors influencing the investors to select the particular postal savings schemes.

Scope of the Study:

This Study highlights the attitude of investors towards the Postal small savings schemes in Kanyakumari. This Study is also exploring the awareness of the postal small savings schemes in Kanyakumari. Hence this study has been attempted from the stand point of the post offices operating the small saving schemes and investors.

Geographical Area Coverage:

The researcher analyse the attitude of investors towards Postal small savings schemes in Kanyakumari area.

Objectives of the Study:

The Study was launched with the following objectives

1. To trace out the investors preference of the post offices saving schemes.
2. To analyze the attitude of investors towards the Postal small savings schemes in Kanyakumari.

3. To Study the factors influencing the attitude of investors towards the Postal small saving schemes in Kanyakumari.
4. To find out the problems faced by the investors and offer valuable suggestions for improving the number of investors in Postal small savings schemes.

Hypotheses:

The Study has been made with the following hypotheses and they have been tested and there.

1. There is no significant a relationship between education and attitude of respondent.
2. There is no significant a relationship between income and attitude of respondents.

Methodology:

The Present study is an empirical one based on survey method. Data were collected from both primary and secondary sources. The Primary data were collected from customers through interview schedule. Secondary data were collected from various published sources like books, journals, magazines, research dissertations and websites.

Sampling Design:

The Sampling design for the study had been decided after careful analysis. After careful consideration convenience sampling method was adopted. The Researcher identified 150 samples respondents. The Researcher interviewed the sampling respondents with the help of well constructed interview schedule.

By following the convenience sampling, the researcher has selected sampling of 150 investors in kanyakumari. In order to get equal representation, the sample was selected from all kinds of investors such as Employees of Transport Corporation, Bank, Employees, Primary School Teachers, College Teachers, Public works Departments ,Postal and Telecommunication Employees, Private employees, house wife etc.

Tools Used:

To analyze and interpret the data Collected from diverse sources have been put through various rigorous analyses using the Percentage, Standard deviation ,Co-efficient of variances ,Chi-square test, Garret's ranking.

Analyze and Interpretation of Data:

1. Investor a Preference of Postal Saving Scheme

Indian Postal department offer various range of savings schemes with attractive features designed to promote savings of different segments of population. The following table describes the respondents view on different types of savings schemes.

Table 1
Preference of
Postal Small Savings Schemes

S. No	Schemes	Number of Respondents	Percentage
1	Kisan Vikas Patra	33	22
2	National Savings certificate	7	4.67
3	Recurring deposit	23	15.33
4	Monthly income scheme	25	16.67
5	Public provident fund	8	5.33
6	Post office time deposit	13	8.67
7	Post Office saving Account	5	3.33
8	Post Office fixed deposit	16	10.67
9	Post Office Insurance	20	13.33
	Total	150	100

Source: Primary data

The above gives an idea the number of respondents investing money in various schemes. It is evident from the table that more number of investors is investing Kisan vikas patra.

2. Attitude of Investors towards Postal Saving

Postal small savings schemes renders many services to the investors and the level of attitude will indicate the efficient services of the Postal small savings scheme rendered to the investors. The level of attitude varies from one investor to another and from time to time. A comprehensive study has been made to highlight the level of attitude, the variation in the levels of attitude and their relative importance of each component identified for measuring the level of attitude. The various components and their score are given in table 2

Table 2

S. No	Components	Number of Respondents					Total Scores
		SA	A	N	D	SD	
1	Post office savings are safe	73	49	18	10	-	635
2	Postal small savings schemes offer more liquidity	23	57	26	29	15	494
3	Savings in post office are profitable then other fixed deposit schemes of commercial bank	18	32	30	39	31	417
4	Interest rate is reasonable	63	39	13	23	12	568
5	Postal small savings schemes reduces tax liability	42	58	21	18	11	552
6	Nomination procedure is easy in postal mail savings schemes	13	19	99	14	09	459
7	Loan procedure is through Postal mail savings schemes	7	19	31	56	37	353
8	Customer service id good in post offices	8	17	28	54	43	343
9	After maturity of the savings schemes, enhancement procedure is easy service is attractive	9	8	92	23	18	417
10	Service of agent is good	17	110	13	04	06	578
11	Advertisement is more appealing	14	19	15	93	09	386
12	Post offices are situated near to residence	99	32	9	7	3	386
13	Response to inquire are good in post offices	34	41	17	38	20	481
14	Postal saving certificates are issued quickly	21	47	18	43	21	454
15	On maturity , account is settled quickly	13	19	28	78	12	393

As could be seen from Table 2, the component post office are safe has secured a total scores of 635, followed by 578 scores for agents service are good and so on.

3. Extent of attitude

Table 3

Level of attitude of Investors

S. No	Category	Number of Investors	Percentage
1	Medium	106	70.67
2	High	44	29.33
	Total	150	100

Source : Primary data

On the basis of scores allotted the respondents have been classified into three group namely and high. When the scale has been applied to the sample, it has been

found out that 106 respondents belong to medium level of attitude group. Table 3.18 shows the level of attitude of 150 investors under the study.

The table 4 reveals 106 (70.67 %) investors belong to medium level attitude group and 44 (29.33 %) investors belong to high level attitude group. The investors have been satisfied with the services of postal small saving scheme to some extent, because there are no investors belonging to the low level attitude group.

4. Factors Influencing in Selecting a Particular Small Savings Scheme

The reasons for selecting a particular small savings schemes and the ranks assigned to them by the respondents are given in table 4

Table 4
Reasons for Selecting Small Savings Schemes

S. No	Reasons	Number of respondents (rank)						Total
		I	II	III	IV	V	VI	
1	Safety	65	46	26	6	4	3	150
2	Bonus at the date of Maturity	31	37	32	20	16	14	150
3	Capital Appreciation	14	15	22	49	26	24	150
4	Agents decision	14	18	13	26	39	40	150
5	Tax benefit	12	13	15	26	51	33	150
6	Liquidity	24	25	38	28	19	16	150

Garrets Technique

Garrets technique is adopted to rank the reasons for preferring a particular Small Schemes. The ranking technique pointed out that the safety is the first reason for selecting a particular small savings Schemes. Bonus at the date of maturity is the second reason given by the respondents. Liquidity is the third reason. Capital appreciation is the fourth reason for selecting particular schemes. Agent

decision is the next reason for preferring a particular small savings scheme. Tax benefit is the last reason.

The ranks assigned are given in table 4.1

Table 4.1
Garrets' Ranking Results

S. No	Reasons	Total Score	Average Score	Rank
1	Safety	9872	65.81	I
2	Bonus at the date of Maturity	8349	55.66	II
3	Capital Appreciation	7016	47.17	IV
4	Agents decision	6504	43.36	V
5	Tax benefit	5683	37.89	VI
6	Liquidity	7896	52.64	III

Source: Primary Data

Testing of Hypothesis:

To assess the respondent opinion regarding investor's attitude towards Postal Saving Schemes 2 statements, namely hypotheses are framed and tested by applying Chi-square test. The Chi-square test represents useful method of comparing experimentally obtained data with those expected theoretically.

5. Income Level and Attitude of the Investors

Table 5
Income of Investors and Level of Attitude

S. No	Attitude Level	Medium	High	Total
1	Up to Rs.9000	83	26	109
2	Above Rs.9000	23	18	41
	Total	106	44	150

Source: Primary Data

Generally income is the main criterion which decides many matters. Income varies from one investor to another.

Table 5 reveals that 106 investors come under the category of medium level attitude and 44 investors fall under the category of high level of attitude.

Hypotheses:

There is no significant a relationship between income and attitude of respondents.

In order to see whether there is any relationship between income and the level of attitude, Chi-square test has been applied. Table 5.1 clearly shows the Calculation of chi-square test.

Table 5.1

Income of Investors and the level of attitude Chi-square test

Cell	O	E	(O-E)	(O-E) ²	(O-E) ² /E
R1Co1	83	77.03	5.97	35.64	0.462
R2Co1	23	28.97	-5.97	35.64	1.230
R1Co2	26	31.97	-5.97	35.64	1.114
R2Co2	18	12.03	5.97	35.64	1.980
					4.786

Table value at 5 percent level =3.841 where as the calculated value is 4.786. The Calculated value is more than table value and hence the hypotheses is rejected.

Thus there is a relationship between the Income of investors and the attitude of investors towards Postal small savings schemes.

6. Educational Qualification of Investors

The educated Persons are able to understand the importance of Schemes when compared to the Uneducated. Education widens the knowledge and understanding Therefore, Educational qualification is identified as one of the factors influencing the attitude of

investors towards Postal small savings schemes.

Table 6

Education Qualification of Investors and level of Attitude

Age/Attitude level	Medium	High	Total
Up to Graduates level	88	29	117
Post Graduate and Professionals	18	15	33
Total	106	44	150

Source: Primary Data

Table 6 reveals that the investors having high level of satisfaction is more in up to Graduates level.

Hypotheses

There is no significant a relationship between education and attitude of respondent.

With a view to verify whether that is any relationship between the educational qualification and the attitude level, chi-square test has been applied. Table 6.1 shows the computation of the chi-square test.

Table 6.1

Education Qualification of Investors and the Level of attitude Chi-square test

Cell	O	E	(O-E)	(O-E) ²	(O-E) ² /E
R1Co1	88	82.68	5.32	28.30	0.342
R2Co1	18	23.32	-5.32	28.30	0.213
R1Co2	29	34.32	-5.32	28.30	0.824
R2Co2	15	9.68	5.32	28.30	2.923
					5.302

Table value at 5 per cent level=3.841 the calculated value is 5.302. The calculated value is more than the table value and hence the hypothesis is rejected.

Thus there is a relationship between the Educational qualification of investors and the attitude of investors towards Postal small savings schemes.

Suggestions

Suggestions for the Improvement of the working of the Postal small savings schemes are given below

1. The post office savings bank reduces the waiting time for receiving the services.
2. The post office savings bank must simplify the procedure and eliminate the unnecessary procedures insisted in the Postal small savings schemes.
3. The Post office saving bank employees must co-operate with the investors at the time of withdrawing the amount and at the time of closing the account.
4. The saving bank employees must check the identification of the investors in order to prevent the fraud in the withdrawal of the amount.
5. The post office savings bank must permit the investors to close the account prior to the date of maturity.
6. The government of India must take extra effort to increase the

mobilization of savings through the advertisement on the wall posters, board, and issue of notices, newspaper, radio and television.

7. The savings bank must arrange the quick repayment of money from the savings account to the investors.
8. The post master makes an arrangement to receive the information about the changes in Postal small savings schemes by the investors.

Conclusion

In the climate of falling interest rate and uncertainty in the capital market, postal small savings schemes are welcome relief to the investors to park their surplus funds and earn a decent return. Investors service is the corner stone in postal small savings. It is very important that they should retain its existing investors and attract new investors. In this respect, the growth and profitability of postal service schemes to a large extent depends on the investors service rendered by them.

The success of any saving depends upon its ability to meet the requirements of the investors. Moreover this study may be a basis for further research attempts of similar nature.

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