

# A Comparative Study of the Customer Satisfaction between Postal Services and Nationalised Banking Services

Reshma S

M com, M phil

Assistant Professor in Commerce, Carmel College Mala, Kerala, India

[reshmasreekumar609@gmail.com](mailto:reshmasreekumar609@gmail.com)

**Abstract:** People have a propensity of saving out of their income to secure their future as future cannot be predicted. To be financially secure, people prefer saving scheme offering maximum return with minimum risk. Saving attitude offers safety net during emergency situations. The major banks in India are increasingly providing services through electronic channels such as ATMs, internet banking, Tele-banking and mobile banking. One of the biggest problems in banking today is the large and ever increasing population of the unbanked those who are not gaining the benefits of the regulated banking system and must rely on high cost fringe lenders to do simple transactions like cash their pay checks. The primary objective of the study is to compare the satisfaction level of customer between postal and nationalised bank. The significance of the study in the recent scenario is due to take in high service charge by the nationalised bank. So this study reveals that the customers trend of postal banking services.

**Keywords:** Post office banking scheme, nationalized banking scheme, service charges, customer satisfaction.

## 1. Introduction:

Banking saving schemes play vital role in the development of economy as it offers an opportunity for the poor and people belong to rural area to invest in the various saving schemes offered by post office and nationalised banks. The developing countries like India face the enormous task of finding sufficient capital in their development efforts. Most of these countries find it difficult to get out of the brutal circle of poverty of the low income group, low savings, low investment, low employment etc. With high capital output ratio, India needs very high rates of investments to make a leap forward in her efforts of attaining high levels of growth. The person dealing with the planning needs to know all the diversified investment choices and how these can be chosen for the purpose of attaining the overall objectives. The details of making the investment along with the various ways in which the investment has to be maintained and managed. Postal savings systems to provide depositors who do not have access to banks a safe, convenient method to save money and to promote saving among the poor. Investment culture

refers to the attitudes, perceptions, willingness and satisfaction of individuals, and institutions in placing their savings in various financial assets, more popularly known as investments.

In India, Post Office savings scheme provides a secure, risk free and attractive investment option for the small investors and offers the savings products across its 155000 Post offices. The post office savings bank in India was established by the British Colonizers. The Post Office savings bank is the oldest and by far the largest banking system in the country, serving the investment need of both urban and rural clientele. These services are offered as an agency service for the Ministry of Finance, Government of India.

The most common schemes of Post Office and Nationalised Banking Saving Schemes are offer to serve various investment requirements of the people in rural and in urban.

**Savings Bank account (SB)** Serves the need of regular deposits and withdrawals. Cheque facility is also available.

**Recurring Deposit account (RD)** Offers a monthly investment option with a handsome return at the end of five years with option to extend the account period. Insurance cover facility is also available with some conditions.

**Monthly Income Scheme (MIS)** Offers a fixed investment option for five years with monthly interest payment facility. The facility of automatic credit of interest to SB account available.

**Public Provident Fund (PPF)** Offers intermittent deposits subject to certain limits for a 15 year period coupled with income tax exemptions subject to certain conditions, on the investment. Loan and withdrawal facilities are available.

**Time Deposit (TD)** Fixed deposit option for periods ranging from one, two, three to five years with facility to draw yearly interest offered at compounded rates. Automatic credit facility of interest to SB account.

**Senior Citizens Savings Scheme (SCSS)** Offers fixed investment option for senior citizens for a period of five years, which can be extended, at a higher rate of interest that are paid in quarterly instalments.

Most of the banking service facilities are same from post office bank and nationalised bank. But the criteria and service charges may be different between them. This is the main cause of the satisfaction level change of customers.

The special scheme of postal banking products are *Kisan vikas patra* (KVP) can be bought by an adult for himself or on behalf of minor or by two adults from any departmental post office. Amount invested gets doubled in 100 months. It is permissible to transfer from one person to another and from one post office to another and can be encashed after two and a half years from the date of issue.

*Sukanya samridhi account* can be opened in the name of one girl child of 10 years of age by natural or legal guardian and maximum two accounts can be opened in the name of two different girl children. For initial operation of the scheme, one year grace period is offered. Account can be closed after completion of 21 years of age. Normal premature closure is allowed after completion of 18 years provided that girl is married.

## 2. Statement of the Problem:

This study was taken up with the main idea of studying the satisfaction level of customers for the Post Office Deposit Schemes and Nationalised Banking Schemes. Most of the persons are not in a position to know fully about the various schemes of the Post Office. There is no proper advertisement to know the various Post Office Deposit Schemes. Most of the investors are influenced to make investment in Post Office Deposit schemes for tax benefit purpose only. But now-a-days people are interested to invest their money in Post Office Deposit schemes because of the high service charging rate of nationalised banking activities.

## 3. Scope of Study

This research paper aims to compare the satisfaction of customers towards the postal office deposit scheme and the Nationalised banking schemes. It will help other investors also to make them aware about post office and nationalised banking schemes and invest their money where worry is less and gives safety, liquidity, more return for their money and costless scheme etc.

## 4. Review of Literature:

S.Mathumitha (2015) conducted a study on "Investors Attitude towards Post Office Saving Schemes in Cumbum Town". The study found that majority of the respondents preferred to meet future plan of their children's. Majority of the respondents preferred Recurring Deposit. The study suggested that necessary steps can be taken to adopt advertisement strategy.

D.Koreshashikant and Dr.R.B. Teli (2015) conducted a study on "Investment behavior of

postal customers towards post office savings bank schemes (posb): a case study of Kolhapur district" to know the opinion of postal customers towards post office saving schemes in Kolhapur district of Maharashtra State. The study concluded that small and medium investors had positive and very clear perception towards post office savings scheme.

Vinayagamorthy and K.Senthilkumar (2012)<sup>1</sup> in their study titled "An analysis of Postal Investment and Small Savings", have shown that mobilization of domestic financial resource has remained a major concern in many developing countries. Savings are increasingly being acknowledged as a powerful tool for poverty reduction. Postal savings funds play a significant role in financing public debt and in a number of countries, the funds are intermediated through a variety of policy based financial institutions with developmental objectives, returning the funds to the direct benefits of the community of savers.

R. Ganapathi and S. Anbu Malar (2010)<sup>1</sup> Studied Investors Attitudes towards Post office Deposit Schemes. The post Office has long been known as a medium to inculcate the habit of thrift and savings among the agricultural workers. There has been introduction of several types of deposit schemes that cater to the differing needs of different classes of investors. They are well-known for their tax saving schemes, high interest rates and the safety and liquidity that they offer. This study is an attempt to identify the awareness, preference and attitudes of investors towards various deposit schemes offered by the Post Office among 300 respondents of the Coimbatore District.

According to Mr K. Shakthisrinivasan and Devi Lakshmi <sup>1</sup>, Indian post was no alternative than any leverage infrastructure, trust and related services into a much larger role in eCommerce and e-Government. The humble post is fighting a battle the swanky technology driven new age banks.

## 5. Objective of the Study:

1. To compare the satisfaction level of customers towards postal and nationalised banking services.
2. To compare the influential factors to choose the scheme of postal and nationalised bank.
3. To highlight the various post office savings schemes available to investors.

## 6. Research Methodology:

This paper deals with A Comparative Study of the Customer Satisfaction between Postal Services and Nationalised Banking Services. Both the primary and secondary data are used for this study. Primary data is collected through survey. Secondary data were collected from website, books, journals etc. Primary data was collected from sample of 200 customers from south, north, west and east region of India. In the present study a structured

questionnaire was used as the tool to collect data from customers. The collected data has been properly tabulated. The tabulated data has been properly analyzed by using the statistical tools percentage analysis, Likerts summate, comparative analysis are the main statistical tools used for this study.

### 7. Data Analysis and Interpretation

Following is the data collected from 200 customers from four region of India. Analysis and interpretation is made on the basis of field survey.

**Table 1. Customers Priority among Six Different Investment Options**

No.	Particulars	Frequency	Percentage
1	Post Office Saving Bank	67	33.5%
2	Nationalised Bank	51	25.5%
3	Other Bank	35	17.5%
4	Insurance Scheme	26	13%
5	Security Market	12	6%
6	Other	9	4.5%
	Total	200	100%

(source: survey data)

Table No.1 shows that 33.5% respondents have been given first priority to Post office schemes, 25.5% respondents have been given second priority to National bank, It indicates that, majority respondents giving priority to post office banking schemes because of security, safety, faith, trust, Government control, no of services together, wide postal network, honest employees, low cost etc. Investors are very much confident about postal department.

The main objective is to analyse the satisfaction level of customers towards POSB and Nationalised bank. Likerts summate, comparative analysis are used to measure the level.

For each scale a value is assigned to that such : Highly Dissatisfied(1) Dissatisfied(2) Neutral (3) Satisfied (4) Highly Satisfied (5). The score range falls between 0-500. If calculated value between 0-100, it means the customers are highly dissatisfied. If calculated value between 101-200, it means the customers are dissatisfied. If calculated value between 201-300, it means the customers are neutral. If calculated value between 301-400, it means the customers are satisfied. If calculated value between 401-500, it means the customers are highly satisfied.

**Table 2 Comparative Study of Customer Satisfaction**

Particulars	Post Office Saving Banking					Nationalised Bank				
	(5)	(4)	(3)	(2)	(1)	(5)	(4)	(3)	(2)	(1)
Minimum Balance Kept	188	12	111	111	111	-	7	13	130	50
	940	48	-	-	-	-	28	39	260	50
	<b>988</b>					<b>377</b>				
Service Charge	172	26	2	-	-	-	-	-	14	186
	860	104	6	-	-	-	-	-	28	186
	<b>970</b>					<b>214</b>				
ATM facilities	164	22	12	2	-	48	66	82	4	-
	820	88	36	4	-	240	264	240	4	-
	<b>948</b>					<b>748</b>				
Easy truncation	153	41	6	-	-	98	62	38	2	-
	765	164	18	-	-	490	248	114	4	-
	<b>947</b>					<b>856</b>				
Online Banking	-	16	29	109	46	152	41	5	2	-
	-	64	8	218	46	760	164	15	4	-
	<b>336</b>					<b>943</b>				

(source: survey data)

Table 2 shows that most of customers highly satisfy with Post Office Saving bank services than Nationalised banking services. Especially the satisfying factors like minimum balance kept, service charge, ATM facilities, easy transaction etc. But in the case of online banking customers are highly satisfied with Nationalised bank. Customers dissatisfied with the high service charges of Nationalised bank.

**Table 3 Influential Factors to Choose the Scheme**

Influencing Factors	Post Office Saving Bank		Nationalised Bank	
Cost Aspect	141	70.5%	2	1%
Technical Advancement	0	-	18	9%
Liquidity	11	5.5%	11	5.5%
Loan facility	0	-	46	23%
Insurance facility	2	1%	2	1%
Simple procedure	46	23%	0	-
Online trade facilities	0	-	121	60.5%
Total	200	100%	200	100%

(source: survey data)

Table 3 shows that cost aspect, simple procedures are the main influential factor to choose post office saving bank. But these factors do not influence to choose nationalised bank. Online trading facilities and loan facilities are the main influential factors to choose Nationalise bank.

#### Findings:

- 33.5% respondents have been given first priority to Post office schemes.
- Most of customers highly satisfy with Post Office Saving bank services than Nationalised banking services.
- Most of the customer's satisfying factors like minimum balance kept, service charge.
- Online banking facility is the highly satisfied factor to choose nationalised Bank.
- Customers dissatisfied with the high service charges of Nationalised bank.
- 70.5% of customers are influenced with the cost aspect to select Post Office Saving Bank.
- 60.5% of customers are influenced with the online trading facility to select Post Office Saving Bank.
- Lack of Online banking facility is the main constraint to choose the post office saving bank.

#### Conclusion:

The post office saving schemes is the very best schemes in central government schemes. All people belonging to different occupation use postal service. Both literate and illiterate people use the postal service. When compare to bank, post office provide more feasible facilities to customers like minimum balance to kept, low service charges, life insurance schemes etc.. Senior citizens are much benefited by post office schemes. There is no complex procedure in making investment in post office but the return is more when compared to bank. All the post offices are computerized today and the Speed post facility is also available. Since independence, the prime objective of the

government policy in India is to promote a rapid and balanced growth. As development is a continuous process, it requires the utilization of resources more effectively to achieve the accepted means. Sustaining the development mainly depends on the availability of large volume of capital. Availability of adequate finance ensures systematic and uninterrupted development generally in the economy of the country and particularly in the field of postal investments. Necessary postal investments can be made available if the postal investments intermediaries perform their work efficiently and effectively. Hence, the postal investments and rural savings have a dual role to play. Primarily they take on the responsibility of savings of India postal investors and secondly they help the nation to generate the necessary funds resulting in the society's getting overall benefits. In the coming days post office service banking would elaborate their online access services with minimum cost.

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