



## A STUDY ON CONSUMER PREFERENCES IN POST OFFICE SAVINGS SCHEMES IN MADURAI CITY

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### ABSTRACT:

The Post Office Savings Scheme is a government-backed savings initiative in India, which offers a secure and reliable way for people to invest their money while earning interest. The schemes are specifically designed to cater to the savings needs of the common man and are widely considered a safe haven for investments, particularly in rural and semi-urban areas. This study aims to analyze the customer preferences for different Post Office Savings Schemes with a particular focus on Madurai. Understanding these preferences can help improve the services provided by the postal department and promote greater participation in these schemes.

### KEYWORDS:

**POST OFFICE SAVINGS SCHEMES, CUSTOMER PREFERENCES, SERVICES PROVIDED, INVESTMENTS.**

### 1. INTRODUCTION

In India, the Public Provident Fund (PPF), National Savings Certificates (NSC), SukanyaSamridhiYojana, Senior Citizens Savings Scheme (SCSS), and recurring deposit schemes are part of the various Post Office Savings Schemes that offer attractive interest rates with minimal risk. The Post Office Savings Schemes provide customers with numerous benefits such as tax exemptions under Section 80C, guaranteed returns, and a low-risk investment avenue, which makes them highly popular.

#### 1.1 STATEMENT OF THE PROBLEM:

The problem addressed in this study is to identify and analyse the various factors that shape the preferences of customers when selecting Post Office Savings Schemes in Madurai City. Despite the presence of a wide network of post offices and government-backed schemes, there is limited empirical research focused on understanding the customer behaviors, perceptions, and challenges related to these savings products in the local context. It also aims to uncover any barriers or challenges that customers face, such as limited awareness, service inefficiencies, or lack of flexibility in investment options, which might hinder the widespread adoption of these schemes. By addressing this problem, the study aims to offer recommendations that could help improve customer engagement and increase the participation rate in these schemes in Madurai City.

#### 1.3 REVIEW OF LITERATURE:

1. **Comparative Preferences:** A study by **Meena&Rajendran (2020)** compared customer preferences between Post Office Savings Schemes

and commercial bank savings products. Their findings revealed that while Post Office schemes were preferred for their security and government backing, commercial bank schemes were more popular among those seeking higher returns or flexibility in terms of investment duration. This duality in preference highlights the competitive landscape that post office schemes face in attracting customers.

**Role in Financial Inclusion:** Studies by **Bharathi&Palaniappan (2021)** emphasized the role of Post Office Savings Schemes in promoting financial inclusion. The research focused on semi-urban and rural areas of Tamil Nadu, including Madurai, and found that the availability of these schemes through a vast network of post offices had enabled individuals from low-income backgrounds to participate in formal savings and investment activities. The study pointed out that these schemes acted as an entry point into the formal financial system, promoting savings habits and financial literacy.

#### 1.4 OBJECTIVES OF THE STUDY:

- To explore the relationship between demographic factors (age, income, education) and the choice of saving schemes
- To study the awareness level of customers about various Post Office Savings Schemes in Madurai City.
- To analyse the factors influencing customers' preferences in selecting Post Office Savings

Schemes.

- To examine the level of satisfaction among customers using Post Office Savings Schemes.
- To understand the role of Post Office Savings Schemes in financial planning for residents of Madurai.

**1.5 RESEARCH DESIGN:**

**1.5.1 PRIMARY DATA:**

The primary method of data collection will be a structured questionnaire distributed to a sample of customers who use Post Office Savings Schemes in Madurai. The survey will include both closed-ended and open-ended questions to capture quantitative data as well as qualitative insights.

**1.5.2 SECONDARY DATA:**

Secondary data is a second-hand data that is already collected and recorded by some books, journal, articles websites and reports, Post Office Data etc

**1.5.3 SAMPLE SIZE:**

**1.5.4 SAMPLING:**

Convenient sampling method is used in this study

**1.5.6 TOOLS:**

Simple percentage analysis, Likert's Scaling technique,

**1.6 DATA ANALYSIS:**

**TABLE NO: 1**

**CUSTOMER SATISFACTION ON SERVICES OF POST OFFICE**

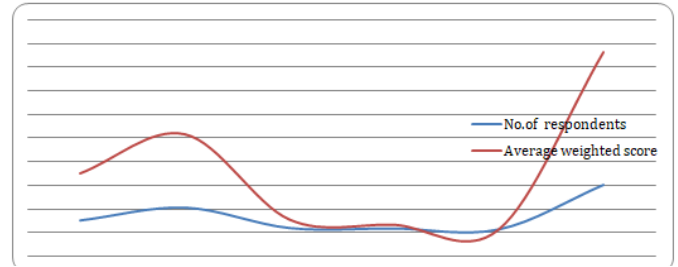
Responses	No.of respondents	Average weighted score
Strongly agree	25	125
Agree	52	208
Neutral	9	27
Disagree	8	16
Strongly Disagree	6	6
Total & Weighted score	100	382

Source: Primary Data

**INTERPRETATION:**

Average weighted Score =  $382/100 = 3.82\%$

Average weighted score of 3.82 suggests that, on average, respondents lean towards "Agree," indicating a generally positive perception of the Post office's customer service.

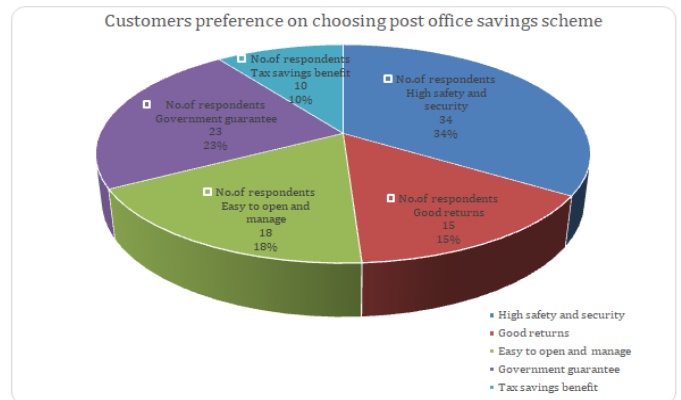


**TABLE NO: 2**

Preferences	No.of respondents	Percentage
High safety and security	34	34
Good returns	15	15
Easy to open and manage	18	18
Government guarantee	23	23
Tax savings benefit	10	10
Total	100	100

Customer's preference on choosing post office savings scheme

Source: Primary Data



**INTERPRETATION:**

The above table shows that the most influential factor is "High safety and security," with 34% of respondents prioritizing it. "Government guarantee" is also significant, attracting 23% of respondents. "Good returns" (15%), "Easy to open and manage" (18%), and "Tax savings benefit" (10%) have relatively lower preference rates.

**1.7 FINDINGS:**

Customer services provided in post office are good, while choosing post office savings scheme customers are much conscious about their safety for money and returns for their investment.

**1.8 SUGGESTIONS:**

The postal department should conduct targeted awareness campaigns, particularly focusing on lesser-known schemes like the Sukanya Samriddhi Yojana or Senior Citizens

Savings Scheme. These can be promoted through local newspapers, social media platforms, and educational outreach in schools and colleges. The postal department could introduce referral programs that reward customers for bringing in new investors to the schemes. This would help in expanding the customer base and spreading awareness about the different schemes

#### 1.9 CONCLUSION:

By focusing on improving accessibility, customer engagement, and technological advancements, the Post Office can increase its participation rate and cater better to the diverse needs of its customers. Understanding

customer preferences through studies like this is key to designing more effective strategies for the promotion and expansion of Post Office Savings Schemes, especially in the rapidly changing financial landscape

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