

## Awareness and Perception of Financial Services by India Post: A Case Study of Kanyakumari District

Praveena.F, Research Scholar, St.Judes college. Thoothoor.

Affiliated to ManonmaniamSundaranar University, Tirunelveli

Email: prafina@gmail.com Contact No: +91 8300406952

Dr Y.Hemalatha., Assistant Professor, St.Judes college, Thoothoor.

Affiliated to ManonmaniamSundaranar University, Tirunelveli.

Email: alberthemalatha@gmail.com Contact No: +91 7598664284

### Abstract

India Post is one of the largest government-backed service sector institutions with a massive customer base and a trusted reputation. India Post offers a wide range of services, including mailing services, financial services, insurance, and agency services. With its extensive network, India Post reaches remote areas where traditional banks have not yet established their presence. This allows banking services to be accessible to the masses and those who have been deprived of financial services.

The objectives of this study are to evaluate customer awareness of India Post's financial services, identify services with high awareness levels, and provide recommendations to enhance customer awareness and perception. The study emphasizes the need for the post office to advertise and promote their financial services for long-term sustainability. It also highlights the potential for further development and improvement of the post office's financial services performance in the future.

**Key words: financial services, India post, financial inclusion.**

### 1.1 Introduction

India Post, with its extensive postal network, has played a crucial role in the growth of the Indian economy. In addition to its traditional postal services, India Post has emerged as a significant provider of financial services, including banking, insurance, and agency services. By leveraging its wide-ranging network, India Post has been able to offer these services to even the most remote areas of the country, where traditional banks have not yet established a

presence. This initiative showcases the important role played by India Post in expanding financial services and ensuring that individuals from all sections of society can avail themselves of banking facilities.

India Post, which is primarily known for its postal services, has also been offering banking services to the public for over a decade. The government recognized the potential of India Post to serve as an alternative to traditional banks and aimed to create a bank that is easily accessible, affordable, and trusted by the common man. The goal is to promote financial inclusion by removing barriers and reducing the cost of accessing banking services.

### 1.2 Statement of the problem

The post office provides various financial services to the customer. There are a number of attractive schemes, well designed to meet the individual requirements of different investors. But not much research has been done to study and analyse its customer's perception about these financial services offered by India post office. India Post can become a self-sufficient, credible, efficient, quick and cost effective provider of banking services in the rural area. Understanding customer perceptions is crucial for the growth and improvement of India Post's financial offerings. By identifying the gaps and challenges in customer awareness, the study seeks to contribute valuable insights to enhance the effectiveness of India Post's financial services. The specific problem this research addresses is the need to explore and analyze customer perception of the financial services offered by India Post in Kanyakumari district.

### 1.3 Objectives of the study

1. To examine the level of awareness and perception of customers towards the financial services provided by India Post in Kanyakumari district.
2. To identify the factors influencing customer preferences for postal banking services.
3. To provide recommendations and strategies to improve customer awareness and perception of India Post's financial services.

### 1.4 Review of the study

1. JitendraPatil (2017) conducted a study on the impact of individual income on India Post services. The study revealed that India Post plays a significant role across all income

groups in terms of financial, retail, and premium services. The findings indicated a strong correlation between an individual's income and their perception of India Post's retail, premium, and financial services.

2. D. Sivasakthi (2016) conducted a study to examine the attitude of investors towards various savings schemes offered by India Post. The study's results were instrumental in formulating policies that aim to safeguard and promote the savings interests of small investors in households. Understanding the preferences and perceptions of investors is crucial for policymakers in designing effective strategies and schemes related to savings.
3. Dhiraj Jain Dr. (2012) conducted a study that revealed the primary purpose of the majority of investors participating in India Post Saving Schemes is to ensure safety and security for their funds. The study also highlighted a low level of awareness among the general public regarding investment options beyond India Post schemes. It was observed that only a small fraction of people had invested in alternative schemes. However, respondents expressed a positive inclination towards the savings schemes offered by India Post. Despite the popularity of these schemes, the study highlighted that the rate of return associated with them is relatively low.
4. Kasilingam R. and Jayabal G. (2009) critically reviewed the collection of small savings and analyzed the role of post offices in mobilizing funds for these schemes. They proposed measures to make small savings schemes more appealing to small investors, aiming to increase their participation and vibrancy. The study contributes to promoting financial inclusion by suggesting improvements in small savings schemes to attract a wider range of investors.
5. Dhiraj and Ruhika (2012) emphasized that India Post, as the backbone of the country's communication system, has successfully ventured into banking activities. This strategic move has enabled India Post to compete effectively with commercial banks, cooperative banks, non-banking financial institutions, and public sector companies, solidifying its position in the financial services sector.

### 1.5 Methodology of the study

Both primary and secondary data were used for the study. Secondary data is collected through the various books, research journals and websites. Simple random sampling method is used to collect the responses of respondents to make the sample representative. Simple Random sampling is a scientific sampling method. Data is collected by personally visiting the post offices. The researcher visited the various India post office branches in

Kanyakumari district and interviewed their financial service users who came to post office at random and duly filled the question schedule. Data analysis involved the use of statistical techniques such as chi-square tests to examine relationships and patterns.

## 1.6 Awareness of the financial services

The researcher has considered certain variables for particular research like age of customer, income, education of respondents, customer needs, availability of basic banking services, timeliness of services, quality of banking services, safety, security, use of technology, expectations of customers, easyaccessibility of banking services etc these factors are The researcher has tried to find out research problem and tried to find the solution for the same.

### 1.6.1 Socio- economic factors of the respondents

The people in different ages, gender, income, and the place of residence may have various financial needs and their level of risk- taking also seems to be differs. The following Table shows the socio-economic background of the 614 respondents.

**Table 1 Socio- economic factors of the respondents**

S.No.	Attributes	Frequency	Percentage
<b>1</b>	<b>Age</b>		
	Upto 25 Years	183	29.80
	25 - 35 Years	242	39.41
	35 - 45 Years	99	16.12
	45 - 55 Years	74	12.05
	Above 55 Years	16	2.61
<b>2</b>	<b>Gender</b>		
	Male	389	63.36
	Female	225	36.64
<b>3</b>	<b>Monthly Income</b>		
	Upto 20,000	220	35.83
	20,001 to 30,000	271	44.14
	Above 30,000	123	20.03

	<b>Total</b>	<b>614</b>	<b>100</b>
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Source: Primary data

Table 1 provides insights into the demographic characteristics of the respondents. It indicates that individuals in the age group of 25-35 years show a propensity for planned savings. Furthermore, the majority of respondents (63.36%) are male, suggesting a higher interest among males in post office schemes. Additionally, the primary respondents for post office services fall within the income group of 20,001 to 30,000. These findings highlight the preferences and demographic trends among the respondents in relation to post office services and their financial behaviors.

### 1.6.2 Awareness of the respondents towards post office services

The responses of the respondents to each of the 16 variables, which measure their attitude towards postal services. The respondents were asked to select one of five options: "Strongly Agree," "Agree," "No Opinion," "Disagree," or "Strongly Disagree." Each response option was assigned a score ranging from 1 to 5, with 5 representing the highest level of agreement and 1 indicating the strongest disagreement. The table displays the frequencies of each response category, providing an overview of how the respondents' attitudes are distributed across the variables related to postal services.

**Table 2 - Awareness score of the respondents towards post office services**

S.No	Services	Level of Awareness					Total	Score	%
		Very High	High	Neither High nor Low	Low	Very Low			
1	Saving Account	574	19	11	4	6	614	2993	97.49
2	Recurring Deposit (RD)	274	293	37	5	5	614	2668	86.90
3	Time Deposit (TD)	247	125	219	12	11	614	2427	79.05
4	Monthly Income Scheme (MIS)	49	180	173	187	25	614	1883	61.33
5	National Savings	41	137	205	63	168	614	1662	54.13

	Certificate (NSC)								
6	Public Provident Fund	147	127	209	78	53	614	2079	67.72
7	Postal Life Insurance	24	201	238	83	68	614	1872	60.97
8	Rural Postal Life Insurance	32	56	353	90	83	614	1706	55.57
9	KisanVikasPatra (KVP)	49	67	212	196	90	614	1631	53.12
10	International Money Transfer Service	106	51	217	152	88	614	1777	57.88
11	National Pension System	36	114	180	173	111	614	1633	53.19
12	Mutual Funds at Post Office	22	54	214	193	131	614	1485	48.37
13	SukanyaSamridhhi Account	34	33	149	236	162	614	1383	45.05
14	Jan Suraksha Schemes like PMSBY, PMJJBY and APY	40	53	147	152	221	614	1378	44.88
15	India Post Payments Bank (IPPB)	80	36	115	96	287	614	1368	44.56

**Source: Primary data**

From the table, it can be observed that the highest level of awareness (97.49%) is for the Saving Account service. Recurring Deposit (RD) follows with a high level of awareness (86.90%), while Time Deposit (TD) has a relatively lower level of awareness (79.05%).

Other services such as Monthly Income Scheme (MIS), National Savings Certificate (NSC), Postal Life Insurance, and Rural Postal Life Insurance also show varying levels of awareness among the respondents.

Interestingly, the awareness level for India Post Payments Bank (IPPB) appears to be relatively low (44.56%), compared to other services.

The analysis using Likert's five-point scale reveals a significantly high awareness level (97.49%) regarding Savings Account among the respondents. On the other hand, the awareness

level of India Post Payments Bank is considerably low (44.56%) according to the respondents' perceptions.

### 1.6.3 Relationship between Age and the Level of Awareness

**Null Hypothesis(Ho):** There is no significant relationship between age and the level of awareness of the respondents

**Table 3 - Relationship between Age and the Level of Awareness**

Relationship between Age and the Level of Awareness	Chi-square 16.49	P- value 0.002	Significant
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**Source: Primary data**

The results indicate that the obtained p-value (0.002) is smaller than the significance level of 0.05. Therefore, the null hypothesis, which states that there is no significant relationship between the age group of the respondents and their level of awareness of postal financial services offered by India Post, is rejected. Based on this, it can be concluded that there is indeed a significant relationship between the age group of the respondents and their level of awareness of these services.

### 1.6.4 Relationship between Gender and the Level of Awareness

**Null Hypothesis(Ho):** There is no significant relationship between gender and level of awareness.

Mann-Whitney U	- 26250.000
Wilcoxon W	- 76020.000
Z	- 2.415
Asymp. Sig. (2-tailed)-	0.016

The significance level of 0.016, which is smaller than the predetermined significance level of 0.05, indicates that there is a significant difference in the level of awareness of postal financial services offered by India Post between male and female respondents. This suggests that gender plays a role in shaping the awareness and perception of these services, with a notable distinction between male and female respondents in terms of their awareness levels.

### 1.7 Findings and Suggestions of the study

The study collected data from 614 respondents in Kanyakumari district and assessed their awareness of various financial services provided by India Post. The findings are as follows:

1. The majority of respondents (39.41%) fell in the age group of 25-35 years, indicating a potential target audience for financial services offered by India Post.
2. It shows that majority of 63.36 per cent of the respondents are male means that the schemes were attracted by men. So, attracting schemes should be provided to the women specifically.
3. The largest segment of respondents (44.14%) had a monthly income ranging from INR 20,001 to 30,000, suggesting a potential customer base within this income range.
4. The study found that a significant proportion of respondents in Kanyakumari district were aware of the financial services offered by India Post.
5. The highest (97.49 per cent) level of awareness was observed for savings accounts, followed by recurring deposits and time deposits. However, certain services such as India Post Payments Bank had lower awareness levels.
6. India Post Payments bank got low awareness among the respondents. It is needed to promote the updated service of India post among the public.
7. The chi-square test reveals that there is a significant relationship between the age group and the level of awareness among the respondents. It indicates that the age plays a significant role and the India post should give due consideration to educate the customers.
8. Mann-Whitney U test shows that there is a significant difference in the level of Awareness of male and female respondents.

### 1.8 Suggestions

1. Conduct targeted marketing campaigns and advertising initiatives to raise awareness of services such as India Post Payments Bank, mutual funds at the post office, and SukanyaSamriddhi Account.
2. Improve accessibility to financial services through digital platforms, ensuring convenient and user-friendly experiences for customers.
3. Enhance customer education and outreach programs to increase understanding and utilization of various financial services.



## 1.9 Conclusion

India Post has the potential to become a self-sufficient, credible, efficient, and cost-effective provider of banking services, particularly in rural areas. The respondents are highly aware of post office savings scheme. Now, the various banks being the major competitors, India Post offices have to concentrate on providing fast services by implementing advanced technology, increasing customer friendly financial schemes, improving customer awareness and educating their staff as per the recent developments to attain better customer satisfaction and boost their performance.

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