

CUSTOMERS' PERCEPTION TOWARDS FINANCIAL SERVICES IN INDIA POST OFFICES

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Abstract—India Post office is one of the traditional organization contributing a lot to Indian Economy from the day of its inception. The growing trend of Information Technology has brought the world in our hands. Now-a-days with the computerization of almost all sectors, the facilities and services provided by these sectors have also expanded. With the privatization of many government sectors, the existing government service sectors are struggling hard to compete with their private counterpart. This has led to a situation where the need to diversify their services by introducing new facilities. The India post office is no exception from this status. Specifically, with the recent technological gadgets and their e-services such as e-mail, Facebook, twitter, whats-App etc, people are able to communicate with anyone anywhere in this world. This has completely reduced the culture of communicating through letters and other postal services such as telegram, telegraph etc. The emergence of various private courier services has affected the postal services and parcel services, though a few government paper and parcel services are being operated in today's India post offices. All the above has largely reduced the regular operations of the early postal service branches, which has forced the reduction of laborers too in India post office branches. Thus, the entry and expansion of private sector and other public-sector operators in communication, mail, banking and insurance sectors present a threat to India post office. These threats have paved the way for modernization of the India post office.

Keywords—Customers, Financial Services, Information Technology, Perception, Traditional Organization.

INTRODUCTION

India Post office is one of the traditional organisation contributing a lot to Indian Economy from the day of its inception. The growing trend of Information Technology has brought the world in our hands. Now-a-days with the computerization of almost all sectors, the facilities and services provided by these sectors have also expanded. With the privatization of many government sectors, the existing government service sectors are struggling hard to compete with their private counterpart. This has led to a situation where the need to diversify their services by introducing new facilities. The India post office is no exception from this status. Specifically, with the recent technological gadgets and their e-services such as e-mail, Facebook, twitter, whats-App etc, people are able to communicate with anyone anywhere in this world. This has completely reduced the culture of communicating through letters and other postal services such as telegram, telegraph etc. The emergence of various private courier services has affected the postal services and parcel services, though a few government paper and parcel services are being operated in today's India post offices. All the above has largely reduced the regular operations of the early postal service branches, which has forced the reduction of labourers too in India post office branches. Thus, the entry and expansion of private sector and other public-sector operators in communication, mail, banking and insurance sectors present a threat to India post office. These threats have paved the way for modernization of the India post office. The olden day traditional post offices with its services such as post cards, inland letters, money orders, registered posts, postal stamps, parcels etc have changed its face by expanding the services provided to issue of various application forms of various civil services exams, telephone.

and electricity bill payment services, sale of gold coins, share marketing etc. With the internet facilities, these services too have faced problems. Moreover, banking sector has also started providing the above-mentioned services. All these drawbacks have made the India post office to improve and provide banking services also by implementing various schemes such as savings account, fund transfer, deposits etc. Now -a-days, India post offices are offering various financial

services with the computerized core banking practices and enhanced their services to attain higher level of customer satisfaction. Though many India post office branches have adopted to these latest banking services, the Rasipuram branch in Namakkal district has the honour of being the first branch of India post office in Tamil Nadu to implement banking /financial services due to its perfection in maintaining its data and records as well as being a leading branch in gold coin sale. At present almost all the branches in our country offer these financial services.

STATEMENT OF THE PROBLEM

India post office is a large network which has been modernized, computerized and also globalized in recent years to enhance its performance by implementing various financial banking services in addition to its traditional postal services. Unlike the early days, the customers requiring financial services have options such as agencies, organization and financial institution, be it governmental, public sector or private sector. In such competitive situation, India post office is able to be successful in trying to fulfill the financial needs and facilities of its customers to a large extent. But not much research has been done to study and analyse its customer's perception about these financial services offered by India office.

As each customer's individual as well as group financial needs differ, though various useful schemes are available in India post offices, how far their needs are being met and how their customers perception towards these financial services vary need to be studied as to have better knowledge and improve its facilities. Only a proper study will help to identify the problems and difficulties faced by the customers and also to understand their actual needs. So, a sincere attempt has been made by the research to analyze the views and opinions and their perception the India post office customers towards the financial services provided by the India post office in Namakkal district in particular.

OBJECTIVES OF THE STUDY

The study aims to measure how the people of Namakkal district from varied socio-economic status perceive the various financial services offered by India post offices. Specifically, the objectives of the study are as given below.

1. To examine the various operations and functions of the financial services offered by the India post offices.
2. To examine the perception of the customers of India post offices towards the various financial services offered.
3. To analyse the preference of the customers in the financial services of India post offices.
4. To suggest, if necessary, the recommendations and steps to be taken by India post offices to improve the perception of its customers towards the various financial services offered and to enhance its performance and in-crease profit.

SCOPE OF THE STUDY

The study was conducted in some of the major post office branches in Namakkal district. The customers of these branches were interviewed and their perception about the various financial services offered by these post office branches were studied. The study intended to examine the satisfaction level of the post office customers who are utilizing the various financial services and to analyse their actual requirements and needs and how far these are fulfilled by the post offices branches. This study examines the perception of the customers towards financial services in post offices by using various appropriate statistical techniques and tools. The researches have selected some popular post office branches in Namakkal district for this study. Namakkal district being a leading industrial and educational oriented district, the flow of funds as well as the financial needs of the people are more. It is a district of varied importance such as tourist attractive, agricultural developments, and many businesses such as lorry body building, poultry, lorry transport, sago industries, textiles and looms, Rig business etc. hence the need for financial assistance and active transaction are increasing day by day due to globalization of these businesses. Due to being a busy industrial district with large and frequent fund transaction, easy and convenient financial services are the most important requirements in Namakkal district. Hence there is a wide scope for conducting this research in Namakkal district.

IMPORTANCE OF THE STUDY

Customer satisfaction measurement is important for any service provider to know about their actual performance. Particularly, financial service is one of the major requirements for all people. Though there are many banking facilities in both public and private sector and other financial institutions, the new venture of the India post office branches offering financial facilities in recent years has influenced the development of many of its customers. But, a proper assessment of the actual perception of its customers towards its financial services is a must for the India post office to further improve and implement its schemes for the benefit of its customers.

The present study is to provide useful information to the India post office officials about their customers' satisfaction level and perception of the present financial services and schemes provided. This research is more significant as the

findings of the research helps the India post office to understand the factors affecting its customers’ perception and satisfaction towards the financial services offered in its branches. This research may also help to bring further improvements as per the customers’ requirements and thereby enhance the overall performance of India post branches in Namakkal district. This being a government organization, its performance appraisal will in turn have a positive effect on the economic growth of Namakkal district, Tamil Nadu state as well as India as a whole. Hence, this study on “Customers’ perception towards financial services in India post offices” (with reference to Namakkal District, Tamil Nadu, India) is considered important to bring improvement in the economy of our country.

LIMITATIONS OF THE STUDY

The proposed study is confined to the following limitations.

1. The results of the study are based upon the information given by the respondents.
2. The data collected are based on the questionnaire and the results of the study would be varying according to the opinions of individuals.
3. The study is confined to customers of India post offices in Namakkal District, Tamil Nadu, India.
4. The statistical tools used to analyse the data have their own limitations.

RESEARCH METHODOLOGY

Survey method of research is adopted for the study. The survey is conducted by means of a question schedule. The researcher visited various India post office branches in Namakkal district to get the question schedule filled. Also, there are 2 head post offices i.e., Tiruchengode and Namakkal, 255 branch post offices and nearly 55 sub post offices functioning in Namakkal district. Identification of the total number of financial service users of India post offices in Namakkal district is not possible because, such details are not provided by the India post offices. However out of uncountable number of financial service users of India post offices, the researcher has selected 500 financial service users as sample respondents for this study. The researcher visited the various India post office branches in Namakkal district and interviewed their financial service users who came to post office at random and duly filled the question schedule.

SAMPLING TECHNIQUE

Disproportionate stratified random sampling technique is adopted. The researcher decided the sample size in accordance with the population of customers at Namakkal District level. As such a large sample size of 500 customers were chosen from all five taluks of Namakkal District. The place and nature of employment were decided at random and sample respondents were chosen accordingly. Namakkal district already consisted of four taluks that is Namakkal, Tiruchengode, Paramathi Velur, and Rasipuram. At present, Kolli hills has been included as a new taluk of Namakkal District. The statistical details of sample size have been shown in table 1.1.

TABLE 1.1
Table Showing Number Sample respondents chosen from
Namakkal District.

<i>Taluk Wise Respondents</i>	<i>Nature of Occupation</i>				<i>Total</i>
	<i>Agriculturist</i>	<i>Salaried Class</i>	<i>Business People</i>	<i>Students & Other</i>	
Namakkal	22	54	47	29	152
Rasipuram	17	40	35	23	115
Tiruchengode	13	30	26	18	87
Paramathi velur	11	28	24	17	80
Kolli Hills	9	26	23	8	66
Total	72	178	155	95	500

Source: Primary data.

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As a result, 152 respondents were chosen from Namakkal taluk. Out of them 22 from agriculturist, 54 from salaried class, 47 from business people and 29 from students and others.

115 respondents were chosen from Rasipuram taluk. Out of them, 17 from agriculturist, 40 from salaried class, 35 from business people and 23 from students and others.

87 respondents were chosen from Tiruchengode taluk. Out of them, 13 from agriculturist, 30 from salaried class, 26 from business people and 18 from students and others.

80 respondents were chosen from paramathi velur taluk. Out of them, 11 from agriculturist, 28 from salaried class, 24 from business people and 17 from students and others.

66 respondents were chosen from kolli hills taluk. Out of them, 9 from agriculturist, 26 from salaried class 23 from business people and 8 from students and others.

DATA COLLECTION AND ANALYSIS

Both primary and secondary data are widely used. Secondary data were collected from books, periodicals, magazines, brochures, notices, RBI bulletin. Business line newspapers, journals etc. Primary data were collected by means of a question schedule. The researcher met the respondents in person and got the question schedule filled. The filled in question schedules were arranged in such a way to prepare tables. From the tables, the data were analysed by means percentage analysis, charts, diagrams and various other statistical tools. Besides, chi-square test and Analysis of variance were also used to test of hypothesis.

RESEARCH FINDINGS

The researcher recommends the following suggestions to the Regulation Authority of India Post offices for improving their financial services for the betterment of customer satisfaction.

1. As per research, most of the customers are male. So, necessary steps can be taken to attract more female customers also.
2. Only 20 percent of the customers are having savings account in India Post offices. The postal department can take necessary steps to increase the savings account holders.
3. 76 percent of the customers are expecting loan facilities based on their deposits. The Regulation Authority of India Post offices must consider to implement such loan facilities.
4. 86 percent of the customers are expecting ATM facilities. Though the India Post offices have opened many counters for ATM facility in Namakkal district, the machinery has not yet been installed. So quick action is required to implement this facility.
5. Most of the customers do not have awareness about the insurance schemes offered by India Post offices. So, awareness programs can be conducted to overcome this situation.
6. International money transfer facilities are available in India Post offices. But, its usage is very less due to lack of knowledge among the customers. Hence, necessary steps need to be taken to increase its usage.
7. After the implementation of Core Banking Solutions (CBS) systems, regular link problems have been faced. The concerned authorities of India Post offices must consider to eliminate such serious link problems which creates heavy loss.
8. Customers feel that the India Post offices do not have well trained work force who lack knowledge of computer technology, especially in rural areas leading to unnecessary delays in transactions. This can be avoided.
9. The actual working hours of the Post offices is only upto 12.30pm, after which no fund transfer is available. This timing can be extended like bank working hours for the benefit of the customers.
10. Most of the respondents are investing their funds in Post offices to manage their period of retirement and old age. Hence more attractive schemes for such senior citizens can be implemented. As per the customers, the speed of services in India Post offices is slow. A faster service can be ensured by the Post offices to satisfy their customers.

CONCLUSION

The study reveals the actual present scenario of the India Post offices and how it is perceived by its customers. With the growing competition in its traditional services due to the emergence of fast courier services and electronic communication, the only option for India Post offices is to diversify its functions by introducing financial services. 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. Moreover, India Post offices being advantageous that its branches are widely spread all over the country covering every rural and remote areas where there are hardly any banks can be maximum utilized by introducing additional special financial schemes in such places.

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