

CUSTOMER'S PERCEPTION IN BANKING AND POST OFFICE DEPOSIT SERVICES

Dr.K.Sivasankaran

Principal

B.Padmanabhan Jayanthimala College of Arts and Science
Srimushnam

Abstract:

Banks are the most important type of financial institution in the nation in terms of aggregating assets. Banks are playing the crucial and vital role in the economic upliftment of the people. It is capable of cultivating banking habits services among the masses and facilitates easy monetary transactions between the buyer and seller. The business of banking was largely carried on by the members of vanish community. The banker in this period performed many of the functions which a modern banker performs these days viz. accepting deposits, granting of advances, acting as banker to state and issuing and managing currency of the country. The paper analyzes the respondent's perception level in using Banking and Post Office deposit services. To find the respondents opinion on Banking and Post Office Deposit Services 100 samples are distributed and analyzed.

Keywords: Economic, Monetary, deposits, advances, currency.

Introduction:

The receipt of deposits and lending money, the modern banker renders many services. It becomes necessary to attract the customers by providing a wide range of Innovative services to customers. Adam Smith rightly observed, "The earliest banks of Italy where the name began were finance companies to make loans to and float loans for the Government of the cities in which they were formed. After these banks had been long established, they began to do what we call as banking business, but at first they never thought of it".

The banking companies were nationalized based on the thrust aim of more banking i.e., rapid expansion of banking activities. Whereas now the industry is operated on the concept of customer centric banking i.e. changed from "More Banking to Better Banking" in order to face the market challenges. Previously manual systems of banking were operated. After start adopting liberalization, banking industry went for technological advancement. As a result of this now industry is customer centric banking industry.

Types of Deposits Schemes

1. Savings Bank account (SB):Serves the need of regular deposits and withdrawals, Cheque facility is also available.
2. Post Office Monthly Income Scheme:Post Office Monthly Income Account is meant for those investors who want to invest a lump sum and earn interest on monthly basis for their living.
3. Public Provident Fund:Public Provident Fund, popularly known as PPF, is a savings cum tax saving instrument. It also serves as a retirement planning tool for many of those who do not have any structured pension plan covering them.
4. Post Office Saving Account:Post office saving account is similar to a savings account in a bank. It is a safe instrument to park those funds, which you might need to liquidate fully or partially at very short notice.
5. Post office time deposit:Post office time deposit account is just like the bank fixed deposit account. These time deposits are meant for those investors who want to deposit a lump sum for a fixed period.
6. Senior Citizens Savings Scheme: 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 installments.
7. Recurring deposit account:Recurring deposit account is a systematic way of saving money. The scheme is meant for those investors who want to deposit a fixed amount regularly or periodical basis.
8. National savings certificates (NSC) issue With a fixed investment for years on certificates of varied denominations. Pledging facility available for availing loan from Banks.

9. National Savings certificates (IX) issue Fixed investment tenure of 10 years. Post Office also offers Insurance product through Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) schemes with low premium and high bonus of the country.

Review of Literature:

N. A. Kavitha and M. Muthumeenakshi (2016) Cooperative is one of the oldest and effective systems in terms of development of human civilization. Cooperative institutions are organized and managed on the principle of cooperation, self-help and mutual help. There are different types of cooperative institutions functioning in India. A cooperative bank is a financial entity which belongs to its members, who are at the same time the owners and the customers of their bank. Cooperative banks are often created by persons belonging to the same local or professional community or sharing a common interest. The banking and financial services like loans, deposits, banking accounts etc. For the improvement of their performance or quality of service, the banks should measure how their products and services met or exceed customer expectations. This paper attempts to study the cooperative banks customer perception of service quality in the cooperative banks sector Vellore service cooperative bank. Responses of 120 customers were randomly selected for knowing their experience with the bank. The analyzed showed that and the customers of bank were highly satisfied with their services and attitude of the employees but they express their dissatisfaction towards the less technological advancements.

B.Saranya, G.B.Karthikeyan, (2015), Savings is common to all human societies, even if saving practices differ from one another. In India there are multiple investment avenues available to meet differing needs of investors. The investors about saving schemes will have a significant impact on the saving behavior of people. People who have positive perception about the scheme in which they have invested will continue to invest in the same scheme. Very often, they will start investing on other schemes from the same institutions. The nature of perception that exists among investors about saving schemes and institutions offering such instruments were studied. From the analysis presented here, it is clear that perception of investors has an impact on their risk-bearing capacity and range of investment, it is also stated that perception is influenced by age, experience and tax payment and it has an association with saving motives and behavior of individuals, it is also to be remembered that if people get good service and good return during their investment tenure, they will have positive perception, otherwise negative perception will persist. It has become all the more important to study and analyze the investors' awareness, perceptions, and preferences, behavior of various investment avenues available to them in the market.

Ms. Tanvi Singhal, (2015) Based on the topic he presented in their university. A fixed deposit (FD) is a financial instrument issued by banks which provides investors with a higher rate of interest than a regular savings account, until the given maturity date. It may or may not require the creation of a separate account usually it is associated with the saving account of FD Holder. Basically it is known as a term deposit. When it comes to savings, most conservative investors instantly think of Bank Fixed Deposits. (FDs). Traditionally, Bank FDs have been the most preferred mode of investing one's hard earned money. Statistics from RBI website show that Term Deposits with Scheduled Commercial Banks increased three times in the last 6 years. Perhaps features like a predetermined fixed rate of interest, convenience, safety of investment & Bank assurance to name a few make this an ideal choice.

Abdul Rabb (2015) The author conducted a literature search on banking services of SBI interviewing of its 150 customers and thoroughly scrutinized how it caters to the banking needs of the inhabitants of Kanyakumari district. The study also focused on various factors that determine the customer's satisfaction like employees' behaviour, banking services, banking performance, infra structure facility, loan oriented services and other value added services. Analysis was made by using various tools like percentage Analysis, Chi Square Test and charts. The result showed that there is a significant relationship between the variable of customer satisfaction and banking services of the SBI and the customers have a medium level of satisfaction. The SBI could consider the researcher's suggestions in order to alleviate its reputation and customer satisfaction.

Methodology:

Research is common refers to search for knowledge. It is the pursuit of truth with the help of study, observation, composition and experiment. Research methodology is a systematic way to solve the research problems. It helps in studying the various steps that are adopted by the researcher to study the Research problems along with the logic behind the It describe mail what must be done, how will be done. What data will be needed and how the data will be analyzed.

Sources of Data

There are two sources of data collection techniques. The primary and secondary data are used to collect the data.

Primary Data - The primary data was collected with the help of self-developed questionnaire to make a comparative study of customer satisfaction between post offices and Banks regarding various services provided by these institutions.

Secondary Data - Secondary data collection may be conducted by collecting information from a diverse source of documents of electronically stored information, census and market studies are examples of a common sources of secondary data. This is also referred to as data.

Analysis and Interpretation:

Demographic profile and opinion on Banking and Post Office

Gender	Frequency	Percent
Male	60	60
Female	40	40
Age	Frequency	Percent
15-25	20	20
26-35	38	38
36-45	22	22
46-55	10	10
Above 55	10	10
Educational Qualification	Frequency	Percent
School level	28	28
UG	30	30
PG	33	33
Others	9	9
Marital Status	Frequency	Percent
Married	70	70
Unmarried	30	30
Types of Facilities with Bank	Frequency	Percent
Others	14	14
Fixed Deposit	29	29
ATM	16	16
Loan Facilities	9	9
Recurring Deposit Facilities	32	32
Types of Facilities with Post Office	Frequency	Percent
Others	50	50
Fixed Deposit	18	18
ATM	13	13
Loan Facilities	3	3
Recurring Deposit Facilities	16	16
Total	100	100%

Inference: The above table indicates majorities of the respondents are Male (60%), Age group between 26 to 35 (38%), post graduate (33%), married (70%), using recurring deposit (32%) in bank and using other facilities in post office (50%).

Significant differences between Gender Group and Total Service Expectation

Total Service Expectation	Gender Group		t value	P value
	Male	Female		
Total Banking Service Expectation	25.81	24.57	1.046	0.298
Total Post Office Service Expectation	24.02	23.82	0.202	0.840

Inference: It is inferred from the above table showing the output of the t-test analysis and whether there is a statistically significant difference between Independent and dependent factors. The Significance value of gender

group and total banking service expectation (0.298), and total post office service expectation (0.840) which is above the table value 0.05. So null hypothesis is accepted, therefore, there is no statistically significant difference between Occupational Group and Service Expectation.

Suggestions:

- Government should take necessary steps to create awareness among people about the post office services.
- Banking and post office sector should be announced to make the online enquiry and online payment much easier to the customer both bank and post office should improve their service to complete with the bank counter parts
- The post office customers have perceived the risk of getting wrong information so government should get awareness about the customer this should be removed from the mind of the customer by post office services people as these factors are the barriers for most of the customer not for adopting this service.
- Though banking and post office “service is convenient and easy to use customers are afraid of adopting is service because they think that use this service is so difficult and complicated” so on-site training can be provided to the bank and post office customers who indeed to use banking and post office services.

Conclusion:

Finally we are coming to know that fixed deposit is useful for each and every person in the world. This will be very useful for our life before you invest in fixed deposit do you need to understand the concept of effective interest on fixed deposit. If you want to break fixed deposit means with naming the money before maturity period expires. This may very useful for necessary if you or urgently require the funds are in there are better investment opportunities elsewhere you can invest .fixed deposit is attracting those customers who have money to invest. Now a day’s fixed deposit very fast and the people are getting more interest earned more benefit. Recurring and Fixed deposits are well influenced by the respondents of banking and other facilities in post office sector. Therefore it is understood banks and post office need to concentrate on other deposit services.

References:

1. B .Saranya and G. B Karthikeyan, A study on preferences and level of satisfaction towards post office savings schemes, Tactful Management Research Journal, vol.3,issue5 , Feb 2015
2. Dr .Dhiraj Jain and MsRuhika, Kothari Investors attitude towards post office deposit schemes – empirical study In Udaipur district, Rajasthan ,International
3. Journal of Marketing and Technology, volume2,issue7, July 2012
4. Ritika Aggarwal ,identifying factors influencing preferencetowards post office saving schemes, InternationalJournal of Marketing &Technology(IJRMT), volume2, No.6 , December 2012
5. DIipankarMalakar, Role of Indian post in financialinclusion ISOR Journal Of Humanities and SocialScience, September 2010
6. Dr.Ganapathi and Ms.s.Anbu Malar, Investor attitudetowards post office deposits scheme, BVIMRManagement edge, vol.3, No.2,2010
7. Dr DestiKannaiah and Dr K.Senthikumar, Investorsattitude towards savings in post offices,ResearchJournal of Finance and Accountig,vol.5, No.15, 2011
8. A.Vinayagamoorthy and K.senthikumar,An analysis ofpostal investment and small savings Banking Finance ,vol.14, No.2, Feb 2012.