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Investors' Perceptions And Expectations Of Post Office Savings Schemes Using Servqual Model (With Special Reference To Chennai)

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ABSTRACT

Satisfaction is a personnel feeling of satisfaction or distress resulting from comparing a service perceived performance or outcome in relation to the expectations. Customer's expectation of a service is determined by factors such as suggestion, individual needs and earlier experiences. Department of Post has been the back bone of the country's communication and correspondingly it also provides the financial services equivalent to banking sector. Perception of customer is the most important and thriving element for the service sector like Post Office where it provides the wide services from urban to rural and even in the remote destination of the country. Quality of services can only be measured based on the satisfaction of the perceived services. Customer's expectation on the services provided will always be more when compared to the perceived services, thus it may leave a gap between them. Service Quality can be measured by the five SERVQL dimension called Tangibility, Reliability, Responsiveness, Empathy, and Assurance. A structured questionnaire has been used to collect the data from 120 respondents in Chennai. The present study aims to measure the perception of customers and expectation on the perceived services of post office savings bank.

Key Words: Perception, Perceived Service, Expected Service, Post Office Savings Bank, Service Quality.

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I. INTRODUCTION

In the present scenario of competitive world, the customer's perception, service quality and satisfaction are the most significant key factors for the success and survival. There are more opportunities and investment avenues available for the investors to invest their money to get a good return in future. Investors are offered to choose an appropriate scheme based on their needs like liquidity, safety, risk and return. Post office is one of the largest institutions in India which provides various schemes to their investors such as Small Savings Account, Time Deposits, Public Provident Fund, Bonds and other savings schemes. With a view to mobilize savings of people with relatively small income and circulating in them a spirit of thrift and savings, the Central Government has endeavored to make the National Savings Movement popular by offering high returns than those given by scheduled banks.

SAVINGS AND INVESTMENT SCHEMES OF POST OFFICE IN INDIA

Post Office Schemes are intended to furnish fiscal security to general individuals with ensured rate of profitability. Among 1.54 lakh post offices in India, 89% is spread over in the rural areas. Small Savings Schemes are worked generally through these branches along with public sector banks. The Government of India provides tax benefits to various Postal Savings Schemes such as National Savings Scheme, Sukanya Samriddhi Account (Specially for girl child), Senior Citizen Savings Scheme(For Senior Citizens).

The following are the various types of savings and investment schemes provided by the Post Office in India with the effect in 2019

- Savings Deposit Scheme (with minimum deposit of Rs.20) - provides the interest rate of 4%pa.
- Time Deposit facilitates (the customer with minimum deposit of Rs. 200) - which has various investment periods of 1yr, 2yrs, 3 yrs and 5 yrs and provides 7% and 7.8%pa of interest rates.
- Recurring Deposit is the scheme which provides 7.3% of interest rate with the investment period of 1 to 10 years.

- National Savings Certificate provides the return with 8% of interest rate to the customer with the minimum deposit of Rs.100pm.
- The 15years PPF allowed 8% of interest on investment with the minimum investment of Rs.500.
- Post Office also provides the investment scheme for Senior Citizen in the name of SCSS with the highest interest rate of 8.7% on minimum investment of Rs.1000.

SERVICE QUALITY

Kotler & Keller, 2009[1] defines services as **"**any intangible act or performance that one party offers to another that does not result in the ownership of anything". Quality can be defined as the totality of features and characteristics of a product or services that bear on its ability to satisfy stated or implied needs.

Parasuraman et al, 1985[2] defines Service quality as difference between consumer's expectations and the perceived services from the provider. As such, service quality has become most extensively studied subjects with a specific interest in its measurement (Kang & James, 2002)[3]

SERVQUAL item instrument model which is considered into five dimensions namely

1. Reliability is the ability to perform the promised service dependably and accurately.

2. Responsiveness means the willingness to help customers and to provide prompt service.

3. Assurance is the knowledge and courtesy of employees and their ability to convey trust and confidence.

4. Empathy means the willingness to help customers and to provide prompt service.

5. Tangibility which means the appearance of physical facilities, equipment, personnel and combination materials.

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II. LITERATURE REVIEW

Douglas Chiguvil (2017)[4] attempted a study to find the satisfaction of customers in commercial banks, Botswana. The study was made in a descriptive way using SERVQUAL Model. The researched concluded that the customers were not satisfied with the services provided by the banks he also suggested that the banks need to improve the quality of service in order to retain the customer.

Morshed Hasan Khan, et. al, (2013)[5] focused on the financial service quality factors in regards to the relationship between consumers buying behaviour and the quality of services offered. The paper is mainly based on the examination of secondary sources .To understand the service quality factors the paper discussed various review of literature related to the service quality models like SERQUAL and BSQ.

Rajeswari and Sunmista (2011)[6] made a comparison on the perception of customers' on the service quality in Virudhunagar district and Madurai district. SERVPERF dimensions are used to measure the service quality of post office. The results of the analysis indicated that the positive attitude is greater than the negative attitude. But the satisfaction of the customers is different in many aspects in two districts. Consequently, customize the services for the need of customers of different strata is suggested.

Saraswathi (2011)[7] made a research on Perception of Customers on the Performance of the Private Banks using SEVQUAL. The researcher used the five dimensions of service quality to analyze the satisfaction of customers on performance of banks. The researcher has been concluded that the customers are satisfied with the services of banks. SERVQUAL score reported good scores for all 5 dimensions i.e. tangibility, reliability, responsiveness, assurance and empathy.

III. STATEMENT OF THE PROBLEM

In a competitive environment and market it is the need of the service provider to offer high quality of service to their customers. The services providers understand that the quality of service is the major factor for retaining the customers with. But always there will be a gap between the

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customer and the services provider with respect to the expectation and performance. This study aims to find the difference between the expectation of the customer and the service perceived by them.

IV. OBJECTIVES OF THE STUDY

1. To find the gap between the services provided and the services perceived with regards to customer perception and expectations.
2. To analyse the score of expectation and perception of post office savings schemes with the dimensions of service quality.
3. To offer suggestion to improve the quality of service to retain the customer

V. RESEARCH METHODOLGY

The primary data has been collected with the structured SERVQUAL questionnaire from 120 respondents residing at Chennai City in order to understand the perception on services provided and received. The scale contains 21 statements which are distributed throughout the five dimension of service quality. Five point Likert Scale from 1(strongly disagree) to (Strongly Agree) were used to rate the perception of services offered by the post office.

VI. DATA ANALYSIS AND INTERPRETATION

The collected data from the respondents is analysed with the statistical tool in order to interpret the result. Primary data was analyzed using mean average. Gap analysis was done by calculating the average mean for the individual statements & dimensions on the basis of SERVQUAL instrument containing 5 statements for Reliability 3 statements for Responsiveness 4 statements for Assurance 4 statements for Empathy 5 statements for Tangibility.

The demographic profile of the respondents were categories into several variables as gender, age, level of education, type of occupation and level of income. The table below shows the demographic characteristics of the respondents:-

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Table 1: Demographic Classification of the Respondents

Variables		Frequency	Percentage of respondents
Gender	Male	67	56%
	Female	53	44%
	Total	**120**	**100%**
Age	20-30 years	27	22%
	31-40 years	65	54%
	41 – 50 years	20	17%
	Above 50 years	8	7%
	Total	**120**	**100%**
Qualification	Under Graduate	37	31%
	Post Graduate	21	17%
	Professional	17	14%
	Others	45	38%
	Total	**120**	**100%**
Occupation	Salaried	38	32%
	Business	56	47%
	Professional	8	7%
	Agricultural	10	8%
	Others	8	6%
	Total	**120**	**100%**
Monthly Income	Below 15,000	22	18%
	15,000 – 25,000	28	23%
	25,000 – 35000	44	37%
	35,000 – 45,000	12	10%
	Above 45,000	14	12%
	Total	**120**	**100%**

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Interpretation

The above Tabel.1 shows that the majority of the respondents are form the male category with 56 percentages followed by the female of 44%. Under the age group, major respondents are from the age group of 31-40 years with 54% pursued by the age group of 20-30 years with 22%, 41 – 50 years with 17% and Above 50 years with 7%. Respondents belongs to Under Graduate category have a percentage of 31, post graduate with 17%, Professional with 14%, and 38% belongs to Others category. With respect to Occupation, Business people places the first with the high percentage of 47 followed by Salaried, Agricultural, Professional and Other with the Percentages of 32%,8%,7%,6% respectively. The shows interprets that the majority of the respondents belongs to the income group of 25,000 – 35000 with 44 numbers and 37% further 28 respondents from the income of 15,000- 25,000 have a percentage of 23%, 22 respondents from the income group of below 15,000 with 18%, 14 respondents belongs to above 45,000 income group with 12% and 12 respondents from the income group of 35,000 – 45000 with the least percentage of 10.

Table 2: Mean Score of the responses

	Service Quality Dimensions	Perception scores (P)	Expectation scores (E)	Gap Scores (P-E)	Average Dimension
RESPONSIVENESS					
R1	Providing promised services	4.78	4.01	**0.77***	**(0.084)**
R2	Provides information about when services will be performed	4.15	4.20	(0.05)	
R3	Performing services at the right time	3.72	3.80	(0.08)	
R4	Providing appropriate services	3.03	3.14	(0.11)	
R5	Sincere in solving the problem	4.62	4.73	(0.11)	
RELIABILITY					
RE1	Providing timely services to Investors'	4.68	3.36	**1.32***	**(0.343)**

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RE2	Ready to assist Investors'	3.54	4.24	(0.7)	
RE3	Eager to respond to Investors' demand	4.6	6.25	(1.65)	
EMPATHY					
E1	Post offices savings schemes provides individual importance	4.20	6.25	(2.05)	**(0.478)**
E2	Employees paid special attention to individual customers	3.56	3.92	(0.36)	
E3	Understanding the needs of the customers by employees	4.20	4.12	0.08	
E4	Post office provides best interest rates on the investment based on their expectation	3.88	3.46	**0.42***	
ASSURANCE					
A1	Employees instill confidence in Investors'	3.9	3.81	(0.09)	
A2	Safety on investment is assured on savings schemes in Post Office	4.45	4.01	**0.44***	**0.025**
A3	Employees are constantly courteous to the customers	4.16	4.73	(0.57)	
A4	Knowledge of the employees are answerable to the customers	3.84	3.72	0.12	
TANGIBILITY					
T1	Availability of modern equipments for Post office savings schemes	3.16	4.82	(1.66)	
T2	Tangible facilities are available on the post office savings schemes	4.84	4.32	**0.52***	**(0.384)**
T3	Appearance of employees are good	3.26	3.56	(0.3)	
T4	Resources related with the service are	3.8	4.5	(0.7)	

	visually attractive				
T5	Post office savings bank has convenient business hours	4.64	4.42	0.22	

TABLE 3: MEAN SCORE OF SERVICE QUALITY DIMENSIONS

Service Quality Dimensions	Perception scores (P)	Expectation scores (E)	Gap Scores (P-E)	Priority
Responsiveness	4.060	3.976	(0.084)	**4**
Reliability	4.273	4.617	(0.343)	**3**
Empathy	3.960	4.438	(0.478)	**1**
Assurance	4.087	4.066	0.025	**5**
Tangibility	3.940	4.324	(0.384)	**2**

From the above Table 2 the mean score has been obtained by calculating the average of expectation and the perception of the postal savings schemes and the gap between the expectations and perceived is identified.

The above Table 3 shows expected services of the customer and the perception on the perceived services for the post office on the Post Office Savings Schemes in Chennai City. The Gap score shows the difference between the expectation and the performance and where the post office needs to improve their quality on their services in order to satisfy and retain the customer.

VII. FINDINGS OF THE STUDY

1. Top priority has to be given to the Empathy, where the employees need to give more importance to fulfill the need of the customer. The customer expects that the more importance to be given for each individual and to satisfy the obligations of them.
2. Tangibility places the second with the gap score of (0.384). The gap between them rises because of the facilities and resources available for the customer. It is significant to identify the resources required by the customers and to satisfy them to fill up those gaps.

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3. Followed by, Reliability places at number three in the priority level with the gap score of (0.343), with respect to this the post office must more concentrate on providing timely services and the employees should satisfy the customer with their enthusiasm.
4. Responsiveness is next important dimension with the gap score of (0.084). The customers are expecting the employees to more responsive and to give the prompt services to them.
5. Empathy has placed at the least priority with the gap score of 0.025 which has the positive impact among the customer. The customers are satisfied with the schemes and features of the postal savings schemes.

VIII. CONCLUSION AND SUGGESTIONS

Marketing of services is different from marketing of products because of its unique. It appears that a new legislative framework for regulating the Indian Postal Service is highly essential part for its modernization to ensure its orderly growth and disciplined functioning in near future. A multipronged strategy has been devised to augur transformation and further improve upon Indian Postal services. The Department of Post is required to meet its expenses from the revenues it earns as it operates on commercial lines. It faces a daunting task ahead as Post Offices have been opened in rural and remote areas on partial recovery of costs. Further, Indian Postal Service is also facing stiff competition in some of its businesses. To take this challenge, the Indian Post is in the process of transforming itself. Post needs to ensure proper functioning of service counter at post offices, flexibility on the part of service provider to meet the requirement of customer, and shall be able to establish their trustworthiness amount of trust the service user have on services provided and giving the receipts of transactions made by users of service at the post offices. Post offices also need to give attention to provide amount and accuracy of information to customers; extending help by post office staff, improve the willingness and ability of post office staff to provide guidance to customers.

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