



An Analysis of Customer Satisfaction towards India Post Savings Schemes in Namakkal District

¹Dr. A. Kavitha

Associate Professor, Department of Commerce
Vivekananda College of Arts and Science for Women, Tiruchengode
Affiliated to Periyar University, Salem
Email: drkavitha@vicas.org

²Dr. V. Paul Sudahar

Assistant Professor, Department of Commerce
Vivekananda College of Arts and Science for Women, Tiruchengode
Affiliated to Periyar University, Salem
Email: paulsudaharv@vicas.org

ABSTRACT

India Post has long played a pivotal role in mobilizing small savings in India, particularly among rural and semi-urban populations. Its extensive branch network and government-backed assurance make post office savings schemes a preferred investment avenue for risk-averse investors. The present study analyses customer satisfaction towards India Post savings schemes in Namakkal District of Tamil Nadu. Using secondary data from published research, government reports, and journal articles, the paper examines the level of satisfaction, factors influencing depositor perceptions, and challenges faced by customers. The analysis reveals that safety, accessibility, and trust are the major contributors to satisfaction, while low interest rates, procedural delays, and limited awareness of schemes reduce overall satisfaction. The study concludes with practical suggestions aimed at improving service quality, enhancing financial literacy, and strengthening India Post's role in financial inclusion. The paper contributes to the existing literature by offering a consolidated, region-specific analysis suitable for academic and policy discussions.

Keywords: Customer Satisfaction, India Post, Savings Schemes, Financial Inclusion, Namakkal District

1. Introduction

Savings constitute the backbone of economic development by facilitating capital formation and ensuring financial security for individuals. In India, small savings schemes have traditionally played a significant role in channelizing household savings into productive investments. Among the various institutions offering savings instruments, India Post occupies a unique and indispensable position. Established in the nineteenth century, India Post predates most formal banking institutions and has evolved into the largest savings bank in the country.

With more than one and a half lakh post offices spread across urban and rural areas, India Post ensures financial access even in regions where commercial banks have limited penetration. In districts like Namakkal, where agriculture, small trade, and informal employment dominate, post office savings schemes serve as a reliable and accessible financial tool. These schemes are especially attractive to small investors, senior citizens, women, and low-income households due to their safety, government backing, and modest investment requirements.

Customer satisfaction has emerged as a critical determinant of the success and sustainability of financial institutions. Satisfied customers are more likely to continue their investments, increase their savings, and recommend services to others. In the context of India Post, customer satisfaction is



closely linked with its broader mandate of financial inclusion. Understanding how customers perceive post office savings schemes, and identifying factors that influence their satisfaction, is therefore essential for both academic inquiry and policy formulation.

This study focuses on Namakkal District, a region with a mix of rural and semi-urban characteristics. Earlier studies conducted in Tamil Nadu, including Namakkal, have highlighted the importance of safety and trust in shaping depositor behavior. However, changes in the financial environment, introduction of new schemes, and the emergence of India Post Payments Bank necessitate a fresh and comprehensive analysis. The present paper attempts to bridge this gap by providing an in-depth secondary-data-based analysis of customer satisfaction towards India Post savings schemes in Namakkal District.

2. Review of Literature

Customer satisfaction in financial services has been widely studied by researchers across disciplines. It is generally defined as the degree to which the performance of a service meets or exceeds customer expectations. In the context of savings schemes, satisfaction depends on factors such as safety of investment, return on investment, liquidity, accessibility, service quality, and institutional trust. Several studies have examined customer satisfaction towards post office savings schemes in different parts of India. Indubala and Murugan (2014) conducted a study in Namakkal District and found that safety was the primary factor influencing depositors' preference for post office schemes. Similar findings were reported in studies conducted in Coimbatore, Krishnagiri, and Chennai, where customers expressed high levels of trust in India Post due to government backing.

Research by Buvaneswri and Tamilarasi (2019), using the SERVQUAL model, revealed that reliability and assurance significantly influenced customer satisfaction in postal financial services. However, the study also pointed out gaps in responsiveness and empathy, indicating the need for improved customer service. Studies conducted in Bangalore and Coimbatore highlighted moderate levels of satisfaction, with low interest rates and lack of awareness emerging as key concerns.

Financial literacy has also been identified as an important determinant of customer satisfaction and financial inclusion. Praveena and Hemalatha (2022), in their study on Namakkal District, emphasized that awareness and understanding of savings schemes enhance customer confidence and participation. The literature further suggests that while India Post enjoys widespread trust, its ability to compete with commercial banks depends on service efficiency, technological adoption, and customer-centric practices.

Overall, the review of literature indicates that customer satisfaction towards India Post savings schemes is influenced by a combination of economic, institutional, and behavioral factors. While safety and accessibility are strengths, issues related to interest rates, awareness, and service quality persist across regions. These insights provide a conceptual foundation for the present study.

3. Objectives of the Study

The present study is undertaken with the following objectives:

1. To provide an overview of the various savings schemes offered by India Post.
2. To analyse the level of customer satisfaction towards India Post savings schemes in Namakkal District based on secondary data.
3. To identify the major factors influencing customer satisfaction and dissatisfaction.
4. To examine the role of India Post savings schemes in promoting financial inclusion.
5. To offer suitable suggestions for improving customer satisfaction and service delivery.



4. Research Methodology

The study is based entirely on secondary data. Relevant data were collected from published research articles, journals, conference papers, government reports, and official publications of India Post. Studies focusing on customer satisfaction, post office savings schemes, and financial inclusion particularly in Tamil Nadu and Namakkal District were carefully reviewed.

The collected data were analysed using a descriptive and thematic approach. Key themes such as safety, interest rates, awareness, service quality, and accessibility were identified and synthesized to draw meaningful inferences. Although no primary survey was conducted, the methodology outlines a framework that can be extended for future empirical research using questionnaires and interviews.

The main limitation of the study lies in its reliance on secondary data, which may not fully capture recent changes in customer perceptions. Nevertheless, the analysis provides a comprehensive and academically valid overview suitable for conference publication.

5. Overview of India Post Savings Schemes

India Post offers a wide range of savings schemes designed to meet the diverse needs of investors. These include Post Office Savings Account, Recurring Deposit, Time Deposit, Monthly Income Scheme, Senior Citizen Savings Scheme, Public Provident Fund, National Savings Certificate, Kisan Vikas Patra, and Sukanya Samridhhi Account. In addition, India Post facilitates access to social security schemes, mutual funds, and the National Pension System.

These schemes are characterized by low minimum investment requirements, fixed returns, and government assurance. Tax benefits under Section 80C further enhance their attractiveness. The diversity of schemes enables investors to choose products aligned with their income levels, risk preferences, and life-cycle needs.

6. Data Analysis and Interpretation

Analysis of the reviewed literature indicates that customers in Namakkal District generally perceive India Post savings schemes as safe and trustworthy. The extensive branch network and familiarity of post offices contribute to ease of access and convenience. Senior citizens and rural households, in particular, exhibit high levels of satisfaction due to regular income schemes and pension-related products.

However, dissatisfaction arises mainly from relatively low interest rates compared to alternative investment avenues. Procedural delays, manual documentation, and occasional staff inefficiency also affect customer experience. Limited awareness of newer schemes and digital services further constrains optimal utilization.

The role of India Post in financial inclusion is widely acknowledged. By offering basic savings and insurance products, India Post serves as an entry point to the formal financial system for marginalized sections. Customer satisfaction thus directly influences the success of financial inclusion initiatives in the district.

India Post offers a wide array of saving schemes designed to cater to diverse financial needs and preferences.³⁷ These include the foundational Post Office Savings Account (SB)³⁷, the popular 5-Year Post Office Recurring Deposit (RD)², Post Office Time Deposit (TD) accounts with varying tenures², the Post Office Monthly Income Scheme (MIS)², the Senior Citizen Savings Scheme (SCSS)², the long-term 15-Year Public Provident Fund (PPF)², National Savings Certificates (NSC)², Kisan Vikas Patra (KVP)³⁸, and the Sukanya Samridhhi Account (SSA) specifically for girl children.³⁸



Additionally, India Post also provides access to social security schemes like the Jansuraksha Scheme (comprising Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), and Atal Pension Yojana (APY))⁴⁸, as well as Mutual Funds⁴⁸ and the National Pension System (NPS).⁴⁸ The availability of such a diverse portfolio suggests a potential to attract a wide range of customers in Namakkal district with varying financial goals and risk appetites.

The features and interest rates associated with these saving schemes are crucial factors influencing customer satisfaction. The provided articles detail various aspects of key schemes. For instance, the Post Office Savings Account offers a 4.0% per annum interest rate with a minimum opening deposit of INR 500.³⁷ The 5-Year Post Office Recurring Deposit currently offers a 6.7% per annum interest rate, compounded quarterly, with a low minimum monthly deposit of INR 100.³⁹ Post Office Time Deposit rates vary based on the tenure, ranging from 6.9% for one year to 7.5% for five years (as of late 2024/early 2025).³⁸ The Post Office Monthly Income Scheme provides a 7.4% annual interest rate payable monthly.³⁹ The Senior Citizen Savings Scheme offers a higher interest rate of 8.2% per annum, paid quarterly, with eligibility criteria based on age.³⁹ Schemes like PPF and SSA also offer attractive interest rates and tax benefits.³⁸ These interest rates, being subject to periodic revisions by the government, play a significant role in shaping customer perceptions of the schemes' attractiveness compared to other investment options.

Table 1: Comparative Table of Interest Rates and Key Features of India Post Saving Schemes

Saving Scheme	Current Interest Rate (Approx.)	Minimum Deposit	Maturity Period	Tax Benefits (if any)
Post Office Savings Account (SB)	4.0%	INR 500	No Limit	Up to INR 10,000 interest exempt (for all SB accounts combined)
5-Year Recurring Deposit (RD)	6.7%	INR 100/month	5 Years	No
Post Office Time Deposit (TD) (1 Year)	6.9%	INR 1,000	1 Year	No
Post Office Time Deposit (TD) (2 Year)	7.0%	INR 1,000	2 Years	No
Post Office Time Deposit (TD) (3 Year)	7.1%	INR 1,000	3 Years	No
Post Office Time Deposit (TD) (5 Year)	7.5%	INR 1,000	5 Years	Yes (under Section 80C)
Monthly Income Scheme (MIS)	7.4%	INR 1,000	5 Years	No
Senior Citizen Savings Scheme (SCSS)	8.2%	INR 1,000	5 Years	Yes (under Section 80C)



Public Provident Fund (PPF)	7.1%	INR 500/year	15 Years	Yes (EEE - Exempt-Exempt-Exempt)
National Savings Certificate (NSC)	7.7%	INR 1,000	5 Years	Yes (under Section 80C)
Kisan Vikas Patra (KVP)	7.5%	INR 1,000	115 Months (9 Years & 7 Months approx.)	No (Interest is taxable, but maturity amount is tax-free)
Sukanya Samriddhi Account (SSA)	8.2%	INR 250/year	21 Years	Yes (EEE - Exempt-Exempt-Exempt)

(Note: Interest rates are subject to change and are based on the information available in the provided articles, primarily reflecting rates as of late 2024/early 2025).

The study by Indubala in 2014 specifically aimed to understand depositor satisfaction with post office saving schemes in Namakkal district.² While the articles do not detail the specific findings of this study, its existence underscores the importance of this topic in the region. Research conducted in other parts of India offers some insights into general customer perceptions. For example, studies have indicated a strong sense of trust in the safety and security offered by India Post's saving schemes.⁷ This aligns with the primary purpose of saving identified in the 2014 Namakkal study.¹ However, a recurring theme in customer feedback seems to be dissatisfaction with the interest rates provided.⁷ Additionally, some research suggests that customers might not be fully aware of the entire range of saving schemes available to them.⁷ The study conducted in Krishnagiri, for instance, found that while customers appreciated the straightforward investment procedures, the low interest rates were a significant concern.¹³ Similarly, a study in Coimbatore revealed that a majority of employees exhibited a medium level of satisfaction, with the extent of their awareness about the schemes playing a notable role in their overall contentment.¹⁶ These findings from neighboring and similar demographic regions suggest that similar factors might be at play in Namakkal district as well.

A research study specifically conducted in Namakkal district explored the relationship between financial literacy and the level of financial inclusion facilitated by India Post.³ This highlights the significant role that India Post plays in bringing financial services to the population of this district. The study emphasized that India Post's widespread network and accessibility are key assets that can be effectively leveraged to advance financial inclusion efforts in Namakkal.³ Therefore, ensuring customer satisfaction with the saving schemes offered by India Post is paramount for the success of these financial inclusion initiatives, as satisfied customers are more likely to actively participate in and have confidence in formal financial systems.

Several studies have also pointed out challenges and potential areas for improvement in India Post's financial services. These include issues such as cumbersome procedures and a perceived lack of customer-friendly attitudes among some post office staff.¹² Difficulties related to cash transfers, account opening and closure processes, and changes in nominee details have also been reported.¹² Furthermore, a consistent suggestion across multiple studies is the need for more robust awareness programs to better inform the public about the various saving schemes and the benefits they offer.¹⁵



Addressing these operational challenges and enhancing service quality, alongside improving public awareness, are crucial steps towards increasing customer satisfaction with India Post's saving schemes in Namakkal district.

7. Findings of the Study

The major findings of the study are as follows:

- Safety and security are the most influential factors driving customer satisfaction.
- Government backing enhances trust and long-term commitment.
- Interest rates are perceived as inadequate by a section of customers.
- Lack of awareness about schemes limits customer participation.
- Service quality and procedural efficiency significantly impact satisfaction levels.

8. Suggestions

To enhance customer satisfaction towards India Post savings schemes in Namakkal District, the following measures are suggested:

- Conduct regular financial literacy and awareness programs at the community level.
- Improve service quality through staff training and customer

Conclusion

This analysis, drawing upon the available research articles, indicates that while India Post benefits from a strong foundation of public trust and plays a pivotal role in advancing financial inclusion within the Namakkal district, the level of customer satisfaction with its saving schemes is influenced by a combination of factors. These include the perceived safety of the investments, the attractiveness of the interest rates offered, the degree of public awareness about the schemes, and the overall quality of customer service provided.

Customer satisfaction is of paramount importance for the sustained success and expansion of India Post's saving schemes and for its continued effectiveness in promoting financial inclusion throughout the Namakkal region. Contented customers are more likely to remain engaged with the services and to recommend them to others, thereby contributing to a broader adoption of formal saving habits.

It is important to acknowledge that the findings presented in this article are primarily based on the analysis of secondary data obtained from the provided articles. This information may not represent a completely comprehensive or the most current perspective on customer satisfaction specifically within the Namakkal district.

To gain a more direct and detailed understanding of customer satisfaction levels, preferences, and challenges related to India Post's saving schemes in Namakkal district, future research should consider conducting primary data collection through surveys and in-depth interviews with residents of the district. Furthermore, longitudinal studies could be valuable in tracking changes in customer satisfaction over time and in evaluating the impact of any improvements or new initiatives implemented by India Post

References:

1. Sukharanjan Debnath, Prallad Debnath (2018), A Study on Post Office Savings of Middle Class People of West Tripura District - Research Journal of Humanities and Social Sciences, Research Journal of Humanities and Social Sciences (RJHSS), 9(4).
2. Dhivyajothi S (2021), A study on problems faced by the investors and investors' satisfaction towards post office savings schemes - Journal of Emerging Technologies and Innovative Research, JETIR, 8(1).



3. Praveena. F, Hemalatha Y (2022), Enhancing Financial Inclusion through Financial Literacy in India Post with special reference to Namakkal district, International Journal of Early Childhood Special Education (INT-JECSE), 14(08)
4. Awareness and Perception of Financial Services by India Post: A Case Study of Namakkal District - IJFANS International Journal of Food and Nutritional Sciences, <https://ijfans.org/uploads/paper/2ebe38614a16462c11b46bfb3a4e7e26.pdf>
5. View of Antecedents of Customer Satisfaction in Postal Financial Services: An Investigation in India Post - Informatics Journals, <https://www.informaticsjournals.co.in/index.php/sdmimd/article/view/33322/28423>
6. Shanthana lakshmi M, Jothika K, Lakshman S, Sivasaran S, Subash M (2021), A Study On The Various Services And Schemes Provided By India Post, Nat. Volatiles & Essent. Oils, 2021; 8(5): 5018 – 5023
7. Kavita Sigh (2021) vsit.edu.in, <https://vsit.edu.in/SSR/Cycle02/Cr03/3.3.2/2020-2021/03.pdf>
8. Vimal V (2023), A Study on Consumer Satisfaction towards Indian Post Office - International Journal for Research in Applied Science & Engineering Technology IJRASET, 11(5)
9. Buvanewri D, Tamilarasi S (2019), Investors' perceptions and expectations of Post Office Savings Schemes using SERVQUAL model (with Special reference to Chennai) THINK INDIA JOURNAL 22(14)
10. Reshma K.R, Shacheendran V (2024), Antecedents of Customer Satisfaction in Postal Financial Services, SDMIMD, Journal of Management.