CHAPTER - III

CONCEPT OF PERCEPTION OF CUSTOMERS TOWARDS FINANCIAL SERVICES IN INDIA POST OFFICES
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FINANCIAL SERVICES IN INDIA POST OFFICES

3.1 INTRODUCTION

Individuals differ in the way of understanding and appreciating the environment, things and the people around them. For example, the various financial services provided by the India Post offices may be considered most favorable and more sufficient for some customer, while some may feel that it is just sufficient while still some may feel that it is not sufficient. This difference is due to “perception”.

Business environment today is turbulent as never before and the service industry as promising as never before. In this era of intense competition where customer is the king, success depends a lot on the efficiency of the managers in delivering what they have promised and the responsibility lies on the organizations to develop such a culture where business ethics are followed, value for the services is provided and quality services are offered to achieve higher level of customer satisfaction. For achieving customer satisfaction, understanding dynamic consumer behavior is essential.

The India Post office should follow a proactive approach i.e. begin the service and satisfaction management process before they even come in contact with customers and also be reactive i.e. look forward for customers to complain, welcome them and tell them what to do. This study is an attempt to develop a thought on how to focus on enabling and keeping promises in financial services offered by India Post offices because how promises are kept is a clear indication of how strong and for how long shall the customer relationship be.

Customer perception studies play an important role in framing the financial services and in deciding the strategies of the India Post offices. Customers are often studied because certain discussions are significantly affected by their perceptions or expected actions. For this reason such customers perception is said to be an applied discipline. Such applications can exist at two level of analysis. The micro perspective
involves understanding customers for the purpose of helping the India Post offices to accomplish its objectives.

3.2 DEFINITION OF PERCEPTION

'Perception is the manner in which a person understands someone or something. It is a cognitive or knowing process. We can understand the meaning of the term perception better if we go through some of the definitions given by behavioral experts.

DEFINITION

1. “Perception is a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment” – Stephen P. Robbins.

2. “Perception can be defined as the process of receiving, selecting, organizing, interpreting, checking and reacting to sensory stimuli or data”- Udai Pareek & Others.

3. “Perception is an important mediating cognitive process through which persons make interpretations of the stimulus or situation they are faced with” – Fred Luthans.

Based on these definitions we say that:

(a) Perception is an intellectual process.

(b) The manner in which an individual perceives affects his behavior.

(c) Different people may perceive the same object differently.

SENSATION AND PERCEPTION

Sensation is the response of a physical sensory organ:

<table>
<thead>
<tr>
<th>Sensory Organ</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eyes</td>
<td>see</td>
</tr>
<tr>
<td>Ears</td>
<td>hear</td>
</tr>
<tr>
<td>Hands</td>
<td>touch</td>
</tr>
<tr>
<td>Nose</td>
<td>smell</td>
</tr>
<tr>
<td>Tongue</td>
<td>taste</td>
</tr>
</tbody>
</table>

Sensation thus is essentially a physical process.
Perception, on the other hand, is essentially a psychological activity. It correlates, integrates and comprehends diverse sensations to arrive at a meaningful conclusion. Sensation, thus, provides the basis for perception.

3.3 THE PROCESS OF PERCEPTION

Stimuli play a vital role in perception. The word ‘stimuli’ is the plural form of ‘stimulus’ which means anything that excites or arouses a person.

The process of perception involves six stages – Receiving, Selecting, Organizing, Interpreting, Checking and Reacting to stimuli.

We shall now discuss these different stages.

STAGE – I RECEIVING STIMULI

We receive stimuli through our sense organs – eyes, ears, hands, nose and tongue. Stimuli may be in the form of objects, events or people. Our sense organs receive not only physical objects but also those have been suppressed.

An individual may not report the existence of certain stimuli but his behavior may indicate that he is under their influence.

A person is excited by both internal and external stimuli. The glands (organs that secrete substances) in our biological system, for example, act as internal stimuli. Sound waves, light waves etc., are external stimuli.

When a person interacts with stimuli, sensation takes place and that marks the beginning of the process of perception.

STAGE – II SELECTING STIMULI

Of the various stimuli an individual may come across, only some are important and relevant. Several factors influence the selection of stimuli. These are classified into external and internal factors. The important external factors influencing the selection of stimuli are nature of the stimulus, location, size and shape, intensity, novelty and familiarity, contrast, motion and repetition.

Among the internal factors the important ones are personality traits, age difference, unfulfilled needs and special interest.

STAGE – III ORGANISING STIMULI

After having selected the stimuli from the environment, the next step is to organize these in a proper manner to make the same meaningful.
The following principles are important in the organization of stimuli:

(a) Principle of Figure – Ground
(b) Principle of similarity
(c) Principle of Proximity
(d) Principle of Closure

These various principles have been discussed at a later stage in this chapter.

STAGE – IV INTERPRETING STIMULI

The next step after the organization of stimuli is interpretation. Interpretation is a process of assigning meaning to the stimuli received and organized. It is influenced by a number of factors. Important among them are the following.

(a) Mind set
(b) Attribution
(c) Stereotyping
(d) Halo Effect
(e) Contextual influence

Discussion of these factors has been done separately in this chapter.

FIGURE 3.1 – THE PROCESS OF PERCEPTION

<table>
<thead>
<tr>
<th>Receiving</th>
<th>Selecting</th>
<th>Organizing</th>
<th>Interpreting</th>
<th>Checking</th>
<th>Reacting</th>
</tr>
</thead>
</table>

STAGE – V CHECKING STIMULI

The next stage in the process of perception is that the perceiver has to check whether the interpretation made by him is correct or not. One way of checking is that the perceiver should ask himself certain questions and the answers to these questions would reveal whether his perception about someone or something is correct.
Another way of checking correctness of interpretation is by asking others about what has been perceived. For example, a teacher who perceives a student studying in a particular class to be notorious can verify whether his perception is correct or not by asking the fellow – teachers going to the same class.

**STAGE – VI REACTING STIMULI**

As the last step, the perceiver has to react to what he has perceived about someone or something. The reaction, obviously, will be positive if the perception is favorable and it will be negative if the perception is unfavorable.

For example, if the manager perceives an employee to is deliberately restricting output he may take disciplinary action against him in the manner he deems fit? On the other hand, the manager may reward another employee who is perceived to be hard working.

**3.4 FACTORS INFLUENCING THE SELECTION OF STIMULI**

**EXTERNAL FACTORS**

The important external factors influencing the selection of stimuli are:

(a) **Nature of the stimulus** – If it is picture type, better impact is created. Pictures have greater attention value than words.

**FIGURE 3.2**

![Handshake](image)

Figure conveys the idea of co-operation, trust, compromise, consensus, harmony and guarantee better than these words themselves do.

(b) **Location** – Where, in a newspaper, an advertisement, for example, is going to be placed is important, i.e., whether in the front page, center page, last page, sports page, etc.,
(c) **Size and shape** – Larger objects attract attention more than the smaller ones. It is for this reason that some advertisers advertise in a full page in a newspaper or magazine. The shape of the object too has its influence.

**FIGURE 3.3**

![Size and Shape](image)

**FIGURE 3.4**

![Size and Shape](image)

Figure should, obviously, create a better than figure

(d) **Intensity** – Bright light, strong fragrance etc., can create better impact than dim light and mild fragrance.

(e) **Novelty and familiarity** – According to this principle, a novel or familiar situation can have a better influence on a person. New assignment in a familiar situation or a familiar assignment in a new situation can produce better results. Rotation of jobs in a workplace can be cited as an example here.

(f) **Contrast** – If the object stands out against the background it receives better attention.

**FIGURE 3.5**

![Contrast](image)

**FIGURE 3.6**

![Contrast](image)

(g) **Motion** – The motion principles says that moving objects receive better attention than objects that stand still.

(h) **Repetition** – A repeated stimulus has greater impact than the one that occurs only once. It is for this reason that most advertisements are repeatedly shown in the media.

(i) **INTERNAL FACTORS**

Important among the internal factors are:

(a) **Personality Traits** – People who are always suspicious perceive other to be in sincere. Likewise, a person who lacks self-confidence perceives any assignment to be touch. Persons with positive outlooks always think of the
positive aspects if any decision whiles those with a negative outlook perceive any decision to be detrimental.

(b) Age Differences – Age differences play an important role in the process of perception. The present generation of employees may perceive the seniors in the organization to be conservatives who may not accept changes. Likewise, the elders in the workplace may perceive the youngsters to be shirking duties always. The youngster may actually end up finding a dynamic manager and the latter may come across a sincere and committed youth.

(c) Unfulfilled Needs – The unfulfilled needs of a person – whether physical or psychological influence the selection of stimuli. As Maslow has rightly put it, a person, whose need for food clothing and shelter is not fulfilled, will perceive anything else as important. In the workplace a person, who is unable to find a companion with ideals similar to his, may perceive any other intellectual as unimportant.

(d) Special Interest – A person who has special interest in anything or anyone may perceive anything else as less important. For a musician nothing is more important than music. Likewise, a person fond of cricket talks about it always.

3.5 DETERMINANTS OF PERCEPTION

The various determinants of perception may be studied as follows:

(a) Qualities of the perceiver
(b) Qualities of the perceived
(c) Environmental conditions

Let us now discuss these.

QUALITIES OF THE PERCEIVER

What impact do the qualities of the perceiver have on his perception may be states as follows:

(a) VALUE SYSTEM

What value system does the perceiver have influences his perception. For example, if the value system of an employee tells him that he should not waste time during working hours, he will perceive any such attempt by anyone to be an act of insincerity.
(b) ATTITUDE
The attitude of the perceiver is another factor. An employee who does not have a positive attitude towards work may perceive any work related change made by the management to be detrimental to his interest.

(c) PERSONALITY TRAITS
If the perceiver is, by nature, meticulous, sincere and hardworking he may perceive a work environment wherein the personnel are like him. A perfectionist may expect the persons with whom he deals also to be perfectionists.

(d) EXPERIENCE
Perception is certainly influenced by the perceiver’s experience in personal and official life. For example, if a manager has only come across subordinates, during his tenure who are insincere and disinterested in work, his perception about every subordinate staff may be unfavorable.

(e) NEEDS
The needs of the perceiver to determine perception. If, for example, an employee gives utmost importance to monetary benefits derived out of a job, he may perceive the job the offers greater monetary benefits to be giving satisfaction. If, on the other hand, another employee attaches greater importance to the nature of work, such a person may perceive jobs that are interesting to be giving satisfaction.

QUALITIES OF THE PERCEIVED
Certain qualities of the ‘Perceived’ also influence perception. These are:

1. PHYSICAL STAMINA
   If the perceived is a person with good physical stamina, he is deemed to be fit for any kind of physical work.

2. MENTAL QUALITIES
   Obviously, a person with a good level of IQ is perceived to be fit to solve any organizational problem by his intellectual capacity.

3. LEVEL OF COMMITMENT
   If an employee is highly irregular for work, shirks duties and quarrels with superiors and fellow-workmen he will be perceived to be undisciplined.
ENVIRONMENTAL CONDITIONS

1. PHYSICAL ENVIRONMENT
   If the workplace is not neat and tidy and lacks even basic facilities like lighting, ventilation, drinking water, toilet etc., the employer will be perceived to have no regard for the physical and mental well-being of his employees.

2. SOCIAL ENVIRONMENT
   If there are always misunderstandings among employees and also between the employees and the employer, the perception will be that the inter-personal relationship in the organization is very poor.

3.6 CONCLUSION
   The India Post office is going through diversification and improvements by offering various financial services to its customers in addition to its tradition services. This has helped many customers living in the remote, difficult and most isolated areas of the country where not much banks are available. It has also changed the functioning of the post offices by introducing many financial services based on the requirements of its customers. The availability of these facilities and the related information has to be made known to the customers. But, how far a customer knows about these financial services offered by India Post offices and the services needs to be analyzed. As well as the customer’s perception towards the financial services in India Post offices has to be analyzed to understand their effect on India Post offices. An analysis, thus is necessary to provide this useful information to further improve the performance of India Post offices. Though the India Post offices are introducing the most appropriate financial schemes with a view of continuous development and improvements, so as to attract more customers and to enhance their business, their growth and their performance largely depends on their customers and the customer’s satisfaction. Whether a customer is satisfied with the facilities and services of the India Post offices again depends on the individual customer’s perception and utilization of the services offered. Hence, the above chapter explains the basic definitions, factors and importance of perception towards financial services of India Post offices.