



A STUDY ON CUSTOMER AWARENESS TOWARDS DIGITAL BANKING SERVICES OFFERED BY INDIA POST PAYMENTS BANK IN TIRUNELVELI DISTRICT

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ABSTRACT

A Payments Bank is a "differentiated bank" set up under the guidelines issued by the Reserve Bank of India (RBI) for financial inclusion. In India majority of the population in rural and semi-urban is still unbanked or underbanked. India post payments bank (IPPB) is owned by the government of India through the department of post (DOP). IPPB has been included in the Second Schedule of the RBI Act of 1932 giving it the stature of a Scheduled Bank. IPPB is the first amongst the Payments Banks to be accorded this status. It aims to create a digital ecosystem and provides banking services like savings/ current accounts, Acceptance of demand deposits/ withdrawals to migrant labours, low-income households, small businesses, DBT beneficiaries, other unorganized sector entities, women, and senior citizens. IPPB is governed by the Banking Regulations Act. This study analyses customers' awareness of the products and services offered by India post payments banks. There are 465 respondents were taken as a sample for the purpose of an awareness study of IPPB in Tirunelveli District.

Keywords: Digital Banking, Accounts, Payments bank, Financial inclusion, Awareness, Services, Products

1.INTRODUCTION

Payments banks were part of the Reserve Bank of India's strategy of offering differentiated banking licenses. A committee headed by Dr.NachiketMor recommended setting up of 'Payments Bank' to cater to the lower income groups and small businesses. A payments bank is a differentiated bank, offering a limited range of products. It can accept demand deposits only that are savings and current accounts, not time deposits. Payment banks are restricted to holding a maximum balance of Rs. 2,00,000/- (Rupees two lakh only) per individual customer. Payment Banks cannot accept Non-Resident Indian (NRI) deposits. IPPB has been included in the Second Schedule of the RBI Act of 1932 giving it the stature of a Scheduled Bank. IPPB is the first amongst the Payments Banks to be accorded this status.

IPPB's Vision

- Building the most accessible, affordable, and trusted bank for a common man.
- Spearheading Financial Inclusion- agenda for the under-banked populace.

Functions of IPPB

India post payments bank accepts deposits and offers remittance services, mobile banking, and third-party fund transfers.

Types of saving account:

- Regular Savings Account
- Basic Savings Bank Deposit Account

➤ Digital Savings Bank Accounts

The maximum limit on deposits for current and savings accounts is Rs 2 lakh. The bank offers a 2.25 percent interest rate on a savings account. It provides social security payments like MNREGA wages, direct benefit transfers (DBT) and gives access to third-party services insurance, mutual funds. IPPB account holders will be issued a QR Code based biometric card with a unique QR code.

1.2. OBJECTIVES

1. To study the demographical profile of the customers of India Post Payments Bank
2. To study the awareness level among the consumers towards the services offered by IPPB
3. To identify the usage level of IPPB services by the customers.

1.3. RESEARCH METHODOLOGY

- Sources of data: Primary and Secondary Data are used for this study.
 1. Primary Data was collected from the people
 2. Secondary Data was collected from various journals, books and websites.
- Sample Technique: Convenience sampling method is used for selection of respondents.
- Sample size: 465 respondents were taken for this study.

2. STATISTICAL TOOLS USED:

Percentage, Mean, Weighted Mean, Rank, Z-test, Kruskal Wallis H- test, Mann whitny U- test.

3. ANALYSIS AND INTERPRETATION OF DATA

TABLE 3.1. AWARENESS LEVEL ON POSTAL BANKING SERVICES

S. No	Particulars	Weighted Average Score	Result
1	Virtual Debit card	2.13	Slightly Aware
2	Missed call banking	2.24	Slightly Aware
3	NEFT/ RTGS/IMPS/MMID	4.19	Moderately Aware
4	Mobile Banking	4.16	Moderately Aware
5	UPI	3.21	Somewhat Aware
6	Aadhaar enabled payment system (AEPS)	3.17	Somewhat Aware
7	Post office account payments (SB,RD,PPF,SSA)	4.22	Moderately Aware
8	Door step banking	3.13	Somewhat Aware
9	USSD	2.41	Slightly Aware
10	QR scan and pay	4.24	Moderately Aware
11	Merchant payment	2.37	Slightly Aware

With regard to the awareness level of the customers towards the IPPB services, the services like QR scan and pay, Post office account payments (SB,RD,PPF,SSA), NEFT/ RTGS/IMPS/MMID, and Mobile Banking, the customers are moderately aware.

TABLE 3.2. SOURCES OF AWARENESS TOWARDS IPPB

S. No	Particulars	No. of Respondents	Percentage
1	Friends	283	60.9
2	Post Office Staff	246	52.9
3	Newspaper	125	26.9
4	Pamphlets	54	11.6

5	Family	153	32.9
6	Government Departments	362	77.8

With regard to the source of awareness regarding IPPB, the most important source is the government departments and in the next place is the friends.

TABLE 3.3. GENDER WISE DIFFERENCES OF CUSTOMERS' AWARENESS LEVEL TOWARDS IPPB SERVICES

Gender		N	Mean Rank	Sum of Ranks	Mann-Whitney U	Z	Asymp. Sig. (2-tailed)
Postal Banking services	Male	238	329.69	78465.50	4001.500	-16.296	0.000
	Female	227	131.63	29879.50			
Third Party tie-up Services	Male	238	322.80	76827.50	5639.500	-15.383	0.000
	Female	227	138.84	31517.50			

In the case of the awareness level of the customers towards the IPPB services, particularly whether there is any change in their awareness level based on their gender, there is a difference in the awareness level of the customers towards the IPPB services based on their gender. The male customers have a higher awareness compared to the other customers

TABLE 3.4. DOMICILE CATEGORY WISE DIFFERENCES OF CUSTOMERS' AWARENESS LEVEL TOWARDS IPPB SERVICES

Domicile Category		N	Mean Rank	Kruskal-Wallis H	df	Asymp. Sig.
Postal Banking services	Rural	176	313.59	136.687	2	0.000
	Semi - Urban	184	215.54			
	Urban	105	128.50			
Third Party tie-up Services	Rural	176	304.29	103.204	2	0.000
	Semi - Urban	184	212.92			
	Urban	105	148.70			

The awareness level based on their domicile category, there is a difference in the awareness level of the customers towards the IPPB services based on their domicile category. The customers who are from the rural area have a higher awareness compared to the other customers.

TABLE 3.5. INCOME LEVEL WISE DIFFERENCES OF CUSTOMERS' AWARENESS LEVEL TOWARDS IPPB SERVICES

Income Level		N	Mean Rank	Kruskal-Wallis H	df	Asymp. Sig.
Postal Banking services	Up to Rs. 10,000	84	53.00	289.787	3	0.000
	Rs. 10,001 – Rs. 25,000	202	212.97			

	Rs. 25,001 – Rs. 50,000	119	321.79			
	Above Rs. 50,001	60	376.33			
Third Party tie-up Services	Up to Rs. 10,000	84	63.50	272.514	3	0.000
	Rs. 10,001 – Rs. 25,000	202	212.66			
	Rs. 25,001 – Rs. 50,000	119	314.91			
	Above Rs. 50,001	60	376.33			

The awareness level based on their income level, there is a difference in the awareness level of the customers towards the IPPB services based on their income level. The customers who have an income of above Rs. 50,001 have a higher awareness compared to the other customers.

TABLE 3.6. DIGITAL BANKING EXPERIENCE WISE DIFFERENCES OF CUSTOMERS’ AWARENESS LEVEL TOWARDS IPPB SERVICES

Digital Banking Experience		N	Mean Rank	Kruskal-Wallis H	df	Asymp. Sig.
Postal Banking services	Up to 1 year	147	80.00	370.562	2	0.000
	1 – 3 years	219	260.28			
	3 – 5 years	99	399.84			
Third Party tie-up Services	Up to 1 year	147	83.93	370.458	2	0.000
	1 – 3 years	219	257.64			
	3 – 5 years	99	399.84			

The awareness level based on their digital banking experience, there is a difference in the awareness level of the customers towards the IPPB services based on their income level. The customers who have an experience of 3 – 5 years in digital banking have a higher awareness compared to the other customers.

4.SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

4.1 MAJOR FINDINGS

1. With regard to the awareness level of the customers towards the IPPB services, the services like QR scan and pay, Post office account payments (SB, RD, PPF, SSA), NEFT/ RTGS/IMPS/MMID, and Mobile Banking, the customers are moderately aware.
2. The most important source is the government departments and in the next place is the friends.
3. The awareness level of the customers towards the IPPB services based on their gender. The male customers have a higher awareness compared to the other customers
4. The customers who are from the rural areas have a higher awareness compared to the other customers.



5. The customers who have an income level of above Rs. 50,001 have a higher awareness compared to the other customers
6. The customers who have an experience of 3 – 5 years in digital banking have a higher awareness compared to the other customers.

4.2 SUGGESTIONS

1. The present research has revealed that there is little awareness among the customers about the various services provided by IPPB. Particularly in the rural and semi-urban areas, the awareness level is poor. Thus, conducting various programs such as financial literacy camps, workshops, awareness rallies, etc. in these areas could help in increasing the awareness level among the customers.
2. Moreover, it is also the postman's duty to create awareness by highlighting the various services provided by IPPB. The usage, and benefits, of the services and if necessary provide a demo for the potential customers. In this way, there is a high possibility of increasing the awareness level of the customers.
3. Providing support to the customers whenever they need it is essential for the success of any business. Similarly, in the case of the IPPB too, providing round the clock customer care service to the customers is crucial. Similarly, the customer care language needs to be in the local language so that the customers are not facing any difficulty in accessing the customer care services.

4.3 CONCLUSION

Every citizen needs to have access to all the facilities that are available in the country. To do that they will have to access the banking services which is one of the most important ways to access all the services and products available in the country. The core value of IPPB is to be accessible, affordable and trustworthy to the customers. With 1.55 lakh branches, 2.6 lakh GDS / postmen, 90000 counter staff, and 650 bank branches, the IPPB is truly accessible to all the people in the country. Similarly, the services being offered at the doorstep of the customers, the possibility to track the services at all stages, and the low cost & easy to reach merchant banking channel, the IPPB is truly affordable to the people of the country. Finally, with a history of around 150 years, the India Post has truly gained the trust of the people around the country and thus the IPPB also has the trust among the people of the country. Despite all these measures, the people are yet to exploit all the services of the IPPB. Though the government has introduced IPPB to financially include all the people, there are still people who are left out of the banking system. Thus, the government needs to ensure that a lot of workshops, digital literacy programs, etc. may be conducted to include more people within the reach of the banking system. Only then they will be able to participate in the overall economy of the country which in turn could increase the overall GDP of the country. Thus, it can be mentioned that the development of the country is indirectly reliant on every people able to access the banking facility provided by the country.

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