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

[1] DR. T. VETRIVEL,

Head, Department of Management Sciences, Velalar College of Engineering Technology, Thindal, Erode638012, vetri_ph.d@yahoo.com

[2] N MOHANKUMAR,

Research scholar, Bharathiar University, Coimbatore – 641046, mohankumarpilot@gmail.com

ABSTRACT

The digital banking system plays a vital role in commercial banking operations. The fast moving world has driven people to make everything instantly. Hence people want all their transactions to be noted immediately. In the digital world, banking customers can avail of services anywhere in the world. In this regard, the study has branched out its research to know the perception of the product and services offered by India post payments bank (IPPB). Customer has a different perception of the products and services based on their age, domicile, It also to find out what influence the consumer in determining the quality of the product/ services. There are 465 respondents were taken as a sample for the purpose of a perception study of IPPB in Tirunelveli District.

KEYWORDS

Payments bank, Financial Inclusion, Digital Banking, Savings Accounts, Perception, Transactions, Products/Services, Digital Eco system,

1. INTRODUCTION

India Post Payments Bank (IPPB) has been established under the Department of Posts, Ministry of Communication with 100% equity owned by Government of India. IPPB was launched by the Hon'ble Prime Minister Shri Narendra Modi on September 1, 2018. The bank has been set up with the vision to build the most accessible, affordable and trusted bank for the common man in India. The fundamental mandate of IPPB is to remove barriers for the unbanked & underbanked and reach the last mile leveraging a network comprising 155,000 post offices (135,000 in rural areas) and 300,000 postal employees. IPPB's reach and its operating model is built on the key pillars of India Stack - enabling Paperless, Cashless and Presence-less banking in a simple and secure manner at the customer's doorstep, through a CBS-integrated smartphone and biometric device. Leveraging frugal innovation and with a high focus on ease of banking for the masses, IPPB delivers simple and affordable banking solutions through intuitive interfaces available in 13 languages.

1.2. OBJECTIVES

1. To identify the purpose of utilizing IPPB services.

2. To identify the major factors influencing the customers to use IPPB services.

3. To analyze the major problems faced by the customers while using IPPB services.

1.3. RESEARCH METHODOLGY

- ➤ 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: Weighted Mean, Kruskal Wallis H- test.

2.PERCEPTION

Perception is the process, by which an individual select, organizes and interpret information inputs to create meaningful picture of the world. When we interpret a situation or events we are then in position to respond. (Kotler, 1997)

Perception is concerned with the way in which we select and recognize sensory data presented by our environment. In other words perception may be defined as a complex process by which people select, organized and interpret sensory stimuli into meaningful picture of the world. Markin (1995)

3.ANALYSIS AND INTERPRETATION OF DATA

DEMOGRAPHICAL PROFILE

Demographical Factors	Options	Number of Respondents	Percentage
Gender	Male	238	51.2
	Female	227	48.8
Age Group	Up to 25 years	59	12.7
	25 - 40 years	159	34.2
	40 - 60 years	163	35.1
	Above 60 years	84	18.1
Marital Status	Married	284	61.1
	Unmarried (Single)	100	21.5
	Widow / separated	81	17.4
Domicile Category	Rural	176	37.8
	Semi – Urban	184	39.6
	Urban	105	22.6
Educational Qualification	Illiterate	63	13.5
	Up to SSLC	121	26
	UP to HSC	201	43.2
	Degree	80	17.2
Occupation	Students	60	12.9
	Agriculturists / Daily wagers	143	30.8
	Employees	161	34.6
	Not employed (Retired person / Home Makers)	101	21.7
Income Level	Up to Rs. 10,000	84	18.1

Rs. 10,001 – Rs. 25,000	202	43.4
Rs. 25,001 – Rs. 50,000	119	25.6
Above Rs. 50,001	60	12.9

Majority (51.2%) of the customers are male. Many (35.1%) of the customers are 40 – 60 years of age. More than half (61.1%) of the customers are married. Majority (39.6%) of the customers from the semi-urban area. Many (43.2%) of the customers have studied up to HSC. Majority (34.6%) of the customers are employees. Almost half (43.4%) of the customers have an income level of Rs. 10,001 – Rs. 25,000.

3.1 Purpose of utilizing IPPB services

S. No	Particulars	Weighted Average Score	Result
1	Sending money	3.31	Sometimes
2	Shopping	3.14	Sometimes
3	Online Purchase	3.07	Sometimes
4	Booking Movie Tickets	3.18	Sometimes
5	Hotel / Restaurant	3.22	Sometimes
6	Petrol station /Taxi	3.02	Sometimes
7	Online app /website payment	2.19	Rare
8	Mobile / TV Recharge	3.15	Sometimes
9	Electricity Bill payments	3.21	Sometimes
10	Bus/ Train/ Flight Ticket booking	3.11	Sometimes
11	Groceries	3.06	Sometimes
12	Non-financial (Balance enquiry, Cheque book ordering)	2.38	Rare
13	Fast tag recharge	2.42	Rare
14	LPG cylinder booking	2.13	Rare
15	Municipal tax bills	3.17	Sometimes
16	Income tax	3.23	Sometimes
17	Landline/ Broadband bills	1.43	Never
18	Mutual funds	2.11	Rare
19	Insurance	2.32	Rare
20	Loan repayment	2.16	Rare
21	Subscription	2.22	Rare

The result of sometimes is given to sending money (3.31), shopping (3.14), online purchase(3.07), booking movie tickets (3.18), hotel/restaurant (3.22), petrol station/taxi (3.02), mobile/TV recharge (3.15), electricity bill payments (3.21), bus/train/flight ticket booking (3.11), groceries (3.06), municipal tax bills (3.17), and income tax (3.23). The purpose of rare

results is obtained by Online app /website payment (2.19), Non-financial (Balance inquiry, Cheque book ordering) (2.38), fast tag recharge (2.42), LPG cylinder booking (2.13), mutual funds (2.11), insurance (2.32), loan repayment (2.16) and subscription (2.22). It is understood from the table that most of the respondents are using IPPB services for Send money.

3.2 Digital Eco system

S. No	Particulars	Weighted Average Score	Result
1	Time saving	4.18	High
2	24*7 service	4.21	High
3	Convenience	4.26	High
4	Instant transactions	4.13	High

The weighted average score of 4.18 for time saving, 4.21 for 24x7 service, 4.26 for convenience and 4.13 for instant transactions. It is clear from the table that the maximum number of respondents is highly satisfied with the features that are incorporated in digital eco system.

3.3 Product and service suite

S. No	Particulars	Weighted Average Score	Result
1	Bill payments	4.25	High
2	Processing fee	3.19	Moderate
3	Account Integration	2.27	Low
4	Transaction status	4.24	High
5	Offers / Discounts	2.38	Low
6	DBT Disbursement	2.37	Low
7	Merchant payment	2.19	Low
8	Third party products	3.28	Moderate
9	Door step banking	3.17	Moderate
10	QR Payment	3.26	Moderate
11	Aadhaar enabled payment system	4.09	High

Bill payments, transaction status and aadhaar enabled payment system have obtained high result which have a weighted average score of 4.25, 4.24, and 4.09 respectively. The services of processing fee, third party products, door step banking, QR payment have weighted average score of 3.19, 3.28, 3.17 and 3.26 respectively with a moderate result. The services of account integration, offers/discounts, DBT disbursement, merchant payment, have a weighted average score of 2.27, 2.38, 2.37, and 2.19 respectively and its result is low. It is clear from the table that not all the services fulfill the need of the customers.

3.4 Age group wise differences in the influencing factors of customers towards IPPB

Age group		N	Mean Rank	Kruskal-Wallis H	Df	Asymp. Sig.
Digital Eco system	Up to 25 years	59	375.66	218.253	3	0.000
	25 - 40 years	159	296.18			
	40 - 60 years	163	180.87			
	Above 60 years	84	114.38			
Accessibility	Up to 25 years	59	422.27	210.906	3	0.000
	25 - 40 years	159	270.46			
	40 - 60 years	163	175.10			
	Above 60 years	84	141.50			
Product and service suite	Up to 25 years	59	418.88	200.794	3	0.000
	25 - 40 years	159	267.69			
	40 - 60 years	163	179.03			
	Above 60 years	84	141.50			
Reliable	Up to 25 years	59	395.66	185.565	3	0.000
	25 - 40 years	159	273.35			
	40 - 60 years	163	193.70			
	Above 60 years	84	118.63			

The Kruskal Wallis analysis talks about the influencing factors of customers towards the IPPB, particularly whether there is any change in the influencing factor based on their age group. Since the p value is 0.000 which is less than the significant value of 0.05 in all the cases, it can be clearly said that there is a difference in the influencing factors of customers towards IPPB based on their age group. With regard to digital eco system, the customers who are up to 25 years of age (mean rank = 375.66) have a higher influence compared to the other customers ($H = 218.253$). With regard to accessibility, the customers who are up to 25 years of age (mean rank = 422.27) have a higher influence compared to the other customers ($H = 210.906$). With regard to product and service suite, the customers who are up to 25 years of age (mean rank = 418.88) have a higher influence compared to the other customers ($H = 200.794$). With regard to reliability, the customers who are up to 25 years of age (mean rank = 375.66) have a higher influence compared to the other customers ($H = 185.565$).

Similarly, to analyze the influencing factors of customers towards the IPPB, particularly whether there is any change in the influencing factor based on their domicile category, the following Kruskal Wallis H test has been conducted.

H_0 – There is no difference in the influencing factors of customers towards the India Post Payments Bank (IPPB) irrespective of their domicile category.

3.5 Domicile Category wise differences in the influencing factors of customers towards IPPB

Domicile Category		N	Mean Rank	Kruskal-Wallis H	Df	Asymp. Sig.
Digital Eco system	Rural	176	310.41	159.683	2	0.000
	Semi – Urban	184	226.47			
	Urban	105	114.70			
Accessibility	Rural	176	317.97	138.051	2	0.000
	Semi – Urban	184	205.71			
	Urban	105	138.40			
Product and service suite	Rural	176	300.81	102.300	2	0.000
	Semi – Urban	184	220.98			
	Urban	105	140.40			
Reliable	Rural	176	303.37	118.638	2	0.000
	Semi – Urban	184	225.26			
	Urban	105	128.60			

The Kruskal Wallis analysis talks about the influencing factors of customers towards the IPPB, particularly whether there is any change in the influencing factor based on their domicile category. Since the p value is 0.000 which is less than the significant value of 0.05 in all the cases, it can be clearly said that there is a difference in the influencing factors of customers towards IPPB based on their domicile category. With regard to digital eco system, the customers who are from the rural area (mean rank = 310.41) have a higher influence compared to the other customers (H = 159.683). With regard to accessibility, the customers who are from the rural area (mean rank = 317.97) have a higher influence compared to the other customers (H = 138.051). With regard to product and service suite, the customers who are from the rural area (mean rank = 300.81) have a higher influence compared to the other customers (H = 102.300). With regard to reliability, the customers who are from the rural area (mean rank = 303.37) have a higher influence compared to the other customers (H = 118.638).

3.6 Handling financial transactions

S. No	Particulars	Weighted Average Score	Result
1	It is difficult to operate	2.28	Low
2	cash handling charges	3.06	Moderate
3	Many procedures to do transaction	3.14	Moderate
4	Amount Transaction Limit	4.22	High
5	Transaction Failure	3.16	Moderate

The various problems, the amount transaction limit has obtained a high result with a weighted average score of 4.22 and difficult to operate has obtained a low result with a score of 2.28. Cash handling charges, many procedures to do transaction and transaction failure

receive moderate result with a weighted average score of 3.06, 3.14 and 3.16 respectively.   It is very clear from the table that most of the respondents find it difficult in amount transaction limit.

3.7 Trust and Visibility

S. No	Particulars	Weighted Average Score	Result
1	No Safe and security	2.26	Low
2	Less trust in Digital Transactions	4.13	High
3	More Documentation & Procedures	3.02	Moderate

Among these trust features, less trust in digital transaction has the high result with a weighted average score of 4.13 and no safe and security has received low result with a weighted average score of 2.26. The moderate result is obtained by more documentation and procedures and its weighted average score is 3.02. It is clear from the table that the respondents do not trust in digital transaction as it is in softcopy format.

3.8 Technology platforms

S. No	Particulars	Weighted Average Score	Result
1	Bank Server issue	3.26	Moderate
2	Take long time to process	3.11	Moderate
3	Increase over spending	4.19	High
5	Internet connectivity issue	4.26	High
6	Cyber-frauds	3.13	Moderate

Among these technical snagging, increase over spending and internet connectivity issue have the high result with a weighted average score of 4.19 and 4.26 respectively. Bank server issue, take long time to process and cyber-frauds have received moderate result and their weighted average are 3.26, 3.11 and 3.13 respectively. It is clear from the table that the respondents have admitted that to the maximum the problems occur on their side based on lack of proper internet facility.

3.9 Domicile Category wise differences in the problems faced by the customers while using the services of IPPB

Domicile Category		N	Mean Rank	Kruskal-Wallis H	df	Asymp. Sig.
	Rural	176	136.33	181.783	2	0.000

Handling financial transactions	Semi – Urban	184	263.89			
	Urban	105	340.90			
Trust and Visibility	Rural	176	141.39	166.467	2	0.000
	Semi – Urban	184	261.11			
	Urban	105	337.30			
Awareness and adoption	Rural	176	159.32	101.947	2	0.000
	Semi – Urban	184	266.84			
	Urban	105	297.20			
Technology platforms	Rural	176	153.70	122.377	2	0.000
	Semi – Urban	184	258.52			
	Urban	105	321.20			

Since The p value is 0.000 which is less than the significant value of 0.05 in all the cases, it can be clearly said that there is a difference in the problems faced by them based on their domicile category. With regard to handling financial transactions, the customers who are from the urban area (mean rank = 340.90) face higher problems compared to the other customers (H = 181.783). With regard to trust and visibility, the customers who are from the urban area (mean rank = 337.30) face higher problems compared to the other customers (H = 166.467). With regard to awareness and adoption, the customers who are from the urban area (mean rank = 297.20) face higher problems compared to the other customers (H = 101.947). With regard to technology platforms, the customers who are from the urban area (mean rank = 321.20) face higher problems compared to the other customers (H = 122.377).

4. SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

4.1 MAJOR FINDINGS

1. Majority (51.2%) of the customers are male. Many (35.1%) of the customers are 40 – 60 years of age. More than half (61.1%) of the customers are married. Majority (39.6%) of the customers from the semi-urban area. Many (43.2%) of the customers have studied up to HSC. Majority (34.6%) of the customers are employees. Almost half (43.4%) of the customers have an income level of Rs. 10,001 – Rs. 25,000.
2. Majority of the respondents are using IPPB services for Send money.
3. Majority of the respondents is highly satisfied with the features that are incorporated in digital eco system.
4. Majority of the respondents are using IPPB products for Bill payments, transaction status, aadhaar enabled payment system(AEPS).
5. The rural area customers have a higher influence compared to the other customers.
6. Most of the respondents find it difficult in amount transaction limit.
7. Majority of the respondents do not trust in digital transaction.
8. Majority of the respondents have admitted that to the maximum the problems occur on their side based on lack of proper internet facility.
9. The customers who are from the urban area face higher problems compared to the other customers.

4.2 SUGGESTIONS

1. The women customers have less perception towards IPPB. Thus, the women employees in the post office can provide workshops and conferences to the women customers. This way, there will be trust between the women employees and the customers of IPPB.

2. In today's world, everybody has their own smartphones, but mobile banking and usage of UPI is yet to gain acceptance among the people. Therefore, the customers of IPPB could be encouraged to use UPI services more, which is also encouraged by the Government of India. In order to teach them how to use the UPI services, a special camp can be organized.

3. The biometric data of the customers is used as the basic security for accessing the bank accounts in IPPB. But, many people have problem in accessing their biometric data due to various problems. Therefore, the government can provide iris scanners and include them as an alternative mode to access their account.

4. People have less trust towards the IPPB owing to their traditional mind set which doubts any kind of transactions in the virtual world. Therefore, in order to create trust among the customers, the government need to provide digital literacy to the people and encourage them to use digital banking more.

5. If a customer encounters a transaction error while doing digital transaction, the problem need to be rectified immediately, or at the least within 24 hours, so that the customers will not face any trouble and their trust towards the bank will be intact.

5. Conclusion

With the aim to achieve this Digital banking goal, the government has initiated various measures and schemes such as that of the IPPB. But, did the aim of initiating the IPPB got fulfilled? The present research has revealed that there are still people who are yet to get access to the banking system. More importantly, even the people who have access to the banking system, particularly the customers of IPPB are yet to gain complete awareness of the various services provided by the bank. Particularly in the rural and semi-urban area, the awareness level is poor. Thus, the present research suggested that in order to create awareness among the people 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. Moreover, it is also the postman duty to create awareness by highlighting the various services provide by IPPB. The usage, benefits, of the services and if necessary provide a demo for the potential customers. In this way, there is high possibility of increasing the awareness level of the customers. There were many other suggestions that have been provided in the present research which could help achieve the ultimate goal of creating the IPPB. IPPB is committed to provide a fillip to a less cash economy and contribute to the vision of Digital India. India will prosper when every citizen will have equal opportunity to become financially secure and empowered. Our motto stands true - Every customer is important; every transaction is significant, and every deposit is valuable.

REFERENCE

➢ Priyanga, P. (2021). Digital India towards Digital Banking a focus on Customer Perception in selected Banks of Nagapattinam District. Tamilnadu. *Psychology and Education Journal*, *58*(2), 10904-10909

➢ Dhanya, B. K., &Velmurugan, V. P. (2020). Perception towards the problems of e-banking among the new users at Thiruvananthapuram District. *Journal of Critical Reviews*, *7*(1), 474-477

➢ Mehta, D. (2020). Payment Banks: Digital Revolution in Indian Banking System. *Mehta, N., & Shah, S.(2020). Payment Banks: Digital Revolution in Indian Banking System. International Journal of Management and Humanities (IJMH). ISSN*, 2394-0913

➢ Khare, A., Mishra, A., & Singh, A. B. (2012). Indian customers' attitude towards trust and convenience dimensions of internet banking. *International Journal of Services and Operations Management*, *11*(1), 107-122

➢ Majhi, R. (2012). An investigation on customer attitude and perception towards internet banking: a case study. *International Journal of Information Systems and Social Change (IJISSC)*, *3*(1), 75-93

➢ Chuang, C. C., & Hu, F. L. (2011). An empirical study of customers' perception of E-banking service based on time usage. *Journal of Internet Banking and Commerce*, *16*(2), 1

➢ Hossain, M., & Leo, S. (2009). Customer perception on service quality in retail banking in Middle East: the case of Qatar. *International Journal of Islamic and Middle Eastern Finance and Management*

➢ Srivastava, R. K. (2007). Customer's perception on usage of internet banking. *Innovative Marketing*, *3*(4), 67-73

➢ **https://www.ippbonline.com**

➢ **https://rbi.org.in**