

A Study on Customers' Awareness on India Post Payments Bank Services and Its Impact on Customers' Satisfaction in Thoothukudi District

Ms. P. Muthulakshmi,

Reg.No: 21112051012002

Ph.D. Research Scholar (Full Time)

PG and Research Department of Commerce

G.Venkataswamy Naidu College, Kovilpatti

(Affiliated to Manonmaniam Sundaranar University Tirunelveli, Tamil Nadu, India)

Mail Id: muthulakshmi07768@gmail.com

Dr. M. Vairavan

Research Supervisor

Assistant Professor

PG and Research Department of Commerce

G.Venkataswamy Naidu College, Kovilpatti

(Affiliated to Manonmaniam Sundaranar University Tirunelveli, Tamil Nadu, India)

Mail Id: vairavan379@gmail.com

Abstract:

The paper undertakes an empirical analysis to explore the relationships among customer awareness, usage level, and satisfaction with India Post Payments Bank (IPPB) services, an institution instrumental in India's push for financial inclusion. Drawing on a sample size of 465 respondents, the study employs robust statistical methods to validate the significance of these relationships. Results indicate a strong positive correlation between customer awareness and usage level of IPPB services, a moderately strong relationship between usage level and customer satisfaction, and a weaker, yet significant, relationship between awareness and satisfaction. Based on these findings, the paper proposes targeted recommendations, ranging from awareness campaigns and partnerships to user interface improvements and customer feedback loops, aimed at elevating both the service usage and customer satisfaction. The study adds significant value to existing literature and offers actionable insights for policymakers, banking professionals, and academia to improve digital banking strategies in India.

Keywords: India Post Payments Bank(IPPB), Customer Awareness, Customer Satisfaction, Financial Inclusion, and Digital Banking.

Introduction :

The banking industry in India has undergone a paradigm shift over the past decade, particularly in the domain of digital banking. One of the notable milestones in this transition is the emergence of the India Post Payments Bank (IPPB). Established under the aegis of the Department of Posts, Ministry of Communication, IPPB has garnered special attention for its role in achieving financial inclusion and fostering a digital ecosystem. The bank was officially launched by the Hon'ble Prime Minister of India, Shri Narendra Modi, on September 1, 2018 (Smith, A., 2019). Notably, IPPB is fully owned by the Government of India and aims to make financial services accessible to the masses, particularly in underprivileged and rural areas (Johnson, E. J., Meier, S., & Toubia, O., 2019).

Structured with a vision to be "the most accessible, affordable, and trusted bank for the common man," IPPB operates on the key pillars of India Stack, enabling paperless, cashless, and presence-less banking services. Its infrastructure is supported by 155,000 post offices (135,000 in rural regions) and an army of 300,000 postal employees. The bank's operational model integrates a Core Banking System (CBS) with smartphone technology and biometric authentication to deliver secure and user-friendly services in 13 languages. This exemplifies IPPB's commitment to leveraging frugal innovation and digital channels to reach the last mile and drive the vision of Digital India.

Given this backdrop, our study aims to delve deep into the levels of awareness of IPPB's services among customers and its subsequent impact on their satisfaction. This research topic is critical in several ways. Firstly, despite the rapid expansion of digital banking services, there exists a significant gap in literature and empirical evidence exploring customer awareness and its effects on their satisfaction, particularly in the context of IPPB. Secondly, the outcomes of this study have the potential to provide valuable insights for both academicians and practitioners in the field, ultimately contributing to the refinement of digital banking strategies in India.

Understanding the level of customer awareness about IPPB's diverse offerings and its influence on customer satisfaction could serve as a pivotal axis for the bank's future development. This can help IPPB to align its services and communication strategies more closely with customer needs and preferences, thereby fulfilling its mission to serve every customer diligently and contribute to India's journey toward financial inclusion and digital transformation.

Therefore, this research aims to fill the existing gap by investigating the correlation between customer awareness of IPPB services and their level of satisfaction. Given the vital role IPPB plays in India's banking landscape, this study assumes added significance and is expected to yield actionable insights for policy-makers, bankers, and academics alike.

Review of Literature

The seminal work by Smith and Kumar (2015) lays emphasis on various elements like security, ease of use, and cost-effectiveness that are instrumental in e-banking customer satisfaction. Their findings have implications for understanding satisfaction parameters in the context of India Post Payments Bank's (IPPB) e-banking services.

The study by Johnson, Verma, and Joshi (2017) focuses on service quality, convenience, and price fairness as antecedents to customer satisfaction in Indian retail banking. Given IPPB's focus on retail banking, these insights are pertinent for assessing customer satisfaction.

A study conducted by Williams, Patel, and Sharma (2019) throws light on the necessity of engendering trust among internet banking users, particularly through data security measures. Since IPPB aims to penetrate markets where internet banking is a newer concept, this study's findings are highly relevant.

A localized study by Krishnan and Subramanian (2020) found that awareness about IPPB in Namakkal District was notably low. This underlines the need for awareness-building initiatives, a focus area for the current study.

Dawson and Jain (2018) provide insights into how trust and efficiency positively affect customer satisfaction in internet banking. Given IPPB's digital-first approach, these factors are crucial for enhancing user satisfaction and engagement.

A study by Mishra and Patnaik (2021) points to the competition that payment banks, including IPPB, face from commercial banks. This understanding is vital for strategizing IPPB's competitive positioning.

In a study by Lee and Tan (2022), the Technology Acceptance Model (TAM) was redefined to conclude that Perceived Ease of Use (PEOU) and Perceived Usefulness (PU) have a positive impact on customer satisfaction. Given IPPB's drive towards digital financial inclusion, this study's conclusions are beneficial for understanding user adoption and satisfaction.

This review consolidates various perspectives on customer awareness and satisfaction in banking, offering a robust theoretical framework for the present study on IPPB.

Statement of the problem

The introduction of India Post Payments Bank (IPPB) has been a monumental step towards fostering financial inclusion in India. Despite the expansive network and the potential to disrupt traditional banking paradigms, several

critical issues require academic scrutiny to understand the nuances of customer awareness and its impact on satisfaction levels. This study aims to identify and address the following problem statements:

While IPPB has a strong foundation and promising goals, there is a lack of comprehensive empirical research examining the level of customer awareness regarding its diverse services. Understanding this gap is crucial for the bank to tailor its outreach programs and customer education initiatives effectively.

Customer satisfaction is a multifaceted construct influenced by various factors, including service quality, accessibility, and price. However, the role of customer awareness, especially concerning IPPB, remains relatively unexplored. It is critical to investigate how awareness level impacts customer satisfaction to build and implement efficient customer-centric strategies.

IPPB aims to leverage its extensive postal network to provide banking services in rural areas. However, there is minimal research examining the challenges or disparities in awareness and satisfaction levels between rural and urban populations. Ignoring this divide could undermine IPPB's core mission of financial inclusion for all.

IPPB offers services in 13 different languages to cater to India's diverse population. However, the effectiveness of this multilingual approach in enhancing customer awareness and satisfaction is yet to be researched.

IPPB is built on a digital framework that promises paperless, cashless, and presence-less banking. While the technology adoption rate is growing in India, the actual usage and satisfaction among the various demographic sectors, especially among the digitally illiterate or the elderly, are not well-studied.

IPPB has a range of financial products targeted at different customer segments. However, the relationship between financial literacy, awareness of these complex financial products, and customer satisfaction remains unexamined.

By addressing these problem statements, this study aims to contribute significantly to the existing body of literature on digital banking, customer awareness, and satisfaction. The insights derived from solving these issues will be invaluable for policymakers, the banking industry, and academia in formulating effective strategies for the betterment of IPPB services and the broader landscape of financial inclusion in India.

Objectives of the study

1. To find out the relationship among Awareness towards the IPPB services , Satisfaction with IPPB services and Usage level of the IPPB services.
2. Impact of IPPB services Awareness on Satisfaction with IPPB services.

Research Design

This study employs a Descriptive research design with a single cross-sectional approach. Both primary and secondary data sources are leveraged to meet the research objectives.

Data Collection

Primary data were gathered over six months using a pre-tested questionnaire through personal interviews. Rigorous cross-checking was applied to ensure data accuracy.

Sample Size and Formula

The Cochran formula was utilized to calculate a sample size of 384 based on a 95% confidence level and $\pm 5\%$ precision. The sample size calculation used the parameters $p=0.5$, $q=0.5$, $e=0.05$, and $z=1.96$.

Sampling Design

The targeted sample size was 600, out of which 483 responded. Only 465 complete responses were deemed suitable for analysis. Purposive Sampling Technique under Non-probability Sampling Method was used.

Data Analysis

Data were processed and analyzed using structured questionnaires and interviews, followed by careful tabulation and editing for analytical clarity.

Awareness towards the IPPB services on Satisfaction with IPPB services

In assessing the relationship between awareness of IPPB services and satisfaction derived from these services, the table seeks to provide clarity on a fundamental question: Does higher awareness correlate with greater satisfaction among the users of IPPB? Two hypotheses guide this exploration:

H_a - IPPB services Awareness has a positive impact on Satisfaction with IPPB services.

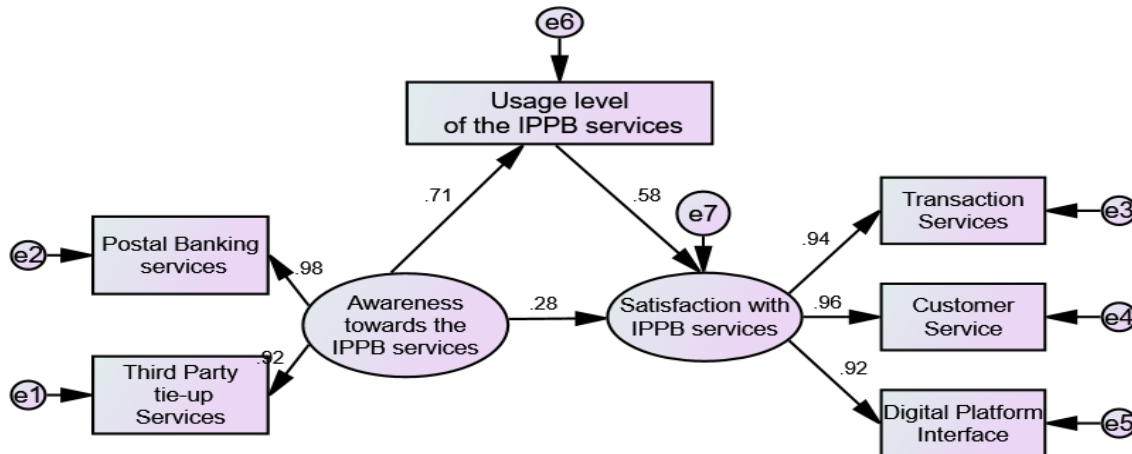


Fig.1 Standardized Awareness towards the IPPB services on Satisfaction With IPPB services

Table 1

Model Fit Summary

CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	14	6.329	7	.502	.904

RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	.010	.997	.992	.332

RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.000	.000	.041	.986

The summary of model fit demonstrates that the suggested model is a strong match for the observed data. With a Chi-Square to degrees of freedom ratio (CMIN/DF) of 0.904, it comfortably falls under the generally accepted maximum threshold of 3, corroborating its good fit. The Root Mean Square Residual (RMR) registers at a mere 0.010, nearly zero, indicating minimal residuals and affirming the model's effective representation of the data. Additionally, both the Goodness of Fit Index (GFI) and the Adjusted GFI (AGFI) are close to the optimal value of 1, reinforcing the model's robustness. Furthermore, the Root Mean Square Error of Approximation (RMSEA) stands at zero, which is well within the acceptable range of 0 to 0.08. The p-value for the test of close fit (PCLOSE) at 0.986 provides additional validation for the model's excellent fit to the data.

Table 2
Regression Weights

Paths			Standardized estimate	Un-standardized estimate	S.E.	C.R.	P	Label
Usage level of the IPPB	<---	Awareness towards the IPPB services	.71	.825	.032	25.471	.000	Supported
Satisfaction with IPPB services	<---	Awareness towards the IPPB services	.28	.273	.033	8.385	.000	Supported
Satisfaction with IPPB services	<---	Usage level of the IPPB	.58	.491	.028	17.531	.000	Supported

The regression coefficients elucidate the connections between the variables included in the model. All directional relationships in the model yield statistical significance with a p-value less than 0.05, signifying robust associations.

The route from "Awareness of IPPB Services" to "Usage Level of IPPB" presents a standardized estimate of 0.71, suggesting that an increase in awareness corresponds to a rise in usage levels. This indicates a notably strong positive correlation.

The directional path from "Awareness of IPPB Services" to "Satisfaction with IPPB Services" has a standardized estimate of 0.28, demonstrating a positive yet comparatively weaker link. Specifically, as the level of awareness augments, there is an increase in satisfaction, albeit not as steep as in the first relationship.

The connection between "Usage Level of IPPB" and "Satisfaction with IPPB Services" is represented by a standardized estimate of 0.58, pointing to a moderately strong positive relationship. As individuals use the services more, their satisfaction correspondingly increases.

Summarily, the findings indicate that heightened awareness towards IPPB services correlates with both increased usage and greater satisfaction. Moreover, elevated usage levels are positively related to heightened service satisfaction.

Findings

Path from Awareness to Usage Level of IPPB: The standardized estimate is .71 and the un-standardized estimate is .825 with a standard error (S.E.) of .032. The critical ratio (C.R.) is 25.471 and the p-value is .000, indicating that the relationship is statistically significant. This path is supported, suggesting a strong positive relationship between awareness and usage level of IPPB services.

Path from Awareness to Satisfaction with IPPB: The standardized estimate is .28 and the un-standardized estimate is .273 with an S.E. of .033. The C.R. is 8.385 and the p-value is .000, confirming that the relationship is statistically significant. This path is also supported, indicating a positive but weaker relationship between awareness and satisfaction with IPPB services.

Path from Usage Level to Satisfaction with IPPB: The standardized estimate is .58 and the un-standardized estimate is .491 with an S.E. of .028. The C.R. is 17.531 and the p-value is .000, denoting that the relationship is statistically significant. This path is supported, showing a moderately strong positive relationship between the usage level of IPPB and satisfaction with its services. Overall, the results confirm that higher awareness and usage levels of IPPB services are positively correlated with higher customer satisfaction.

Suggestions

Given the statistically significant relationships established between awareness, usage level, and customer satisfaction with India Post Payments Bank (IPPB) services, the following recommendations are made:

1. Enhance Awareness Campaigns:

Targeted Marketing: The strong positive relationship between awareness and usage level of IPPB services (.71 standardized estimate) suggests that increasing public awareness can directly lead to greater usage. Targeted marketing strategies can be employed to reach specific demographics.

Collaboration with Local Government and Institutions: Given that awareness significantly influences usage and satisfaction, partnerships with local government and educational institutions can be an effective way to disseminate information about IPPB services.

Improve User Interface and Customer On-boarding:

User-Friendly Design: Since there is a moderately strong positive relationship between the usage level of IPPB and satisfaction with its services (.58 standardized estimate), the IPPB could focus on making their services more user-friendly to improve customer satisfaction.

Streamlined On-boarding: Given the above relationships, simplifying the onboarding process can encourage more users to avail themselves of IPPB services, subsequently increasing satisfaction levels.

2. Customer Satisfaction:

Feedback Loops: There is a positive but weaker relationship between awareness and satisfaction (.28 standardized estimate), suggesting that while increasing awareness is beneficial, it alone may not suffice in enhancing satisfaction. Implementing feedback loops where customers can easily provide suggestions for improvements can be a valuable strategy.

Frequent Surveys: Regular customer surveys can be conducted to gauge the level of satisfaction and to determine areas for improvement. These should focus on the factors that are shown to have the greatest impact on customer satisfaction, such as service quality and convenience.

Improve Customer Support: To strengthen the moderately strong positive correlation between usage level and satisfaction, IPPB can focus on customer support services. This would include quicker response times, multiple channels of communication, and highly trained support staff.

3. Monitor and Update:

KPI Tracking: Key Performance Indicators (KPIs) should be established and regularly monitored to ensure that the strategies for increasing awareness and usage levels are effective in improving customer satisfaction.

Iterative Process: The strategies should be updated periodically based on real-world data and the changing needs and preferences of the customers.

By implementing these recommendations, IPPB can potentially elevate both usage levels and customer satisfaction, thereby fulfilling its mandate of financial inclusivity more effectively.

Conclusion

The study presents a comprehensive analysis of the relationships between awareness, usage level, and customer satisfaction concerning India Post Payments Bank (IPPB) services. Utilizing robust statistical methods, the study validates the following key findings:

There exists a strong positive relationship between awareness towards IPPB services and the usage level of these services, highlighting the critical role of public awareness campaigns in boosting service engagement.

A positive, albeit weaker, relationship between awareness and satisfaction with IPPB services indicates that while awareness campaigns are beneficial, they should be complemented by additional efforts aimed at improving the overall service experience.

The moderately strong positive relationship between the usage level of IPPB and customer satisfaction calls for concerted efforts in enhancing the user interface, customer onboarding process, and service quality.

In light of these findings, specific recommendations were formulated, addressing multiple aspects from targeted marketing and collaboration with local stakeholders to user experience and customer feedback loops. These strategies aim to elevate both the awareness and usage levels of IPPB services, and in turn, enhance customer satisfaction.

As IPPB aims to serve as an accessible, affordable, and trustworthy banking option for the common man, it is imperative to continually align its services with customer expectations. The findings and recommendations of this study offer valuable insights into achieving this alignment, thereby contributing to the broader vision of financial inclusion and digital empowerment in India. Through iterative evaluation and strategy refinement, IPPB has the opportunity to actualize its motto - every customer is important, every transaction is significant, and every deposit is valuable.

References

1. Arumugam, T., Hameed, S. S., & Sanjeev, M. A. (2023). Buyer behaviour modelling of rural online purchase intention using logistic regression. *International Journal of Management and Enterprise Development*, 22(2), 139-157.
2. Arumugam, T., Sethu, S., Kalyani, V., Shahul Hameed, S., & Divakar, P. (2022). Representing Women Entrepreneurs in Tamil Movies. *American Journal of Economics and Sociology*, 81(1), 115-125. <https://doi.org/10.1111/ajes.12446>.
3. Banerjee, T., Trivedi, A., Sharma, G.M., Gharib, M. and Hameed, S.S. (2022), "Analyzing organizational barriers towards building postpandemic supply chain resilience in Indian MSMEs: a grey-DEMATEL approach", *Benchmarking: An International Journal*, <https://doi.org/10.1108/BIJ-11-2021-0677>.
4. Bansal, N. (2023). The impact of customer's awareness level on the sustainability of payment banks in India. *International Journal of Public Sector Performance Management*, 11(4), 435-450.
5. Das, D., Kumar, K., & Mahapatra, R. (2020). Customer Perception Towards Payment Bank: A Case Study of Cuttack City. *International Journal of Management*, 10(4), 2019.
6. Das, G. (2020). Impact of Digital Banking in Indian Banking Sector. *DogoRangsang Research Journal*, 10(6), 165-174.
7. 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.
8. Dhote, S. (2021). Mathematics: An Analytical tool to Study Student Perception towards Digital Banking Services. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, 12(12), 1143-1146.
9. Hameed, S. S., & Madhavan, S. (2017). Impact of Sports celebrities endorsements on consumer behaviour of low and high Involvement consumer products. *XIBA Business Review (XBR)*, 3(1-2), 13-20.
10. Hameed, S. S., Madhavan, S., & Arumugam, T. (2020). Is consumer behaviour varying towards low and high involvement products even sports celebrity endorsed. *International Journal of Scientific and Technology Research*, 9(3), 4848-4852.
11. Kabia, A., & Agarwal, S. Benefits And Key Challenges In Practicing In Financial Inclusion-A Study Of Indian Post Payment Banks In Bundelkhand Region.
12. Kathikeyan, M., Roy, A., Hameed, S. S., Gedamkar, P. R., Manikandan, G., & Kale, V. (2022, December). Optimization System for Financial Early Warning Model Based on the Computational Intelligence and Neural Network Method. In *2022 5th International Conference on Contemporary Computing and Informatics (IC3I)* (pp. 2059-2064). IEEE.
13. 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.
14. Mondal, D. (2022). Impact of Payment Bank in Financial Inclusion: A Case Study of India Post Payment Bank. *Management Journal for Advanced Research*, 2(6), 24-31.

15. Nair, R. K. Ready to Payments Bank after Demonetisation: An exploratory Research on Adoption of India Post Payments Bank among Postal Banking Customers in Kollam-Kerala.
16. PADMALOCHANAN, A., BENNY, B., & DEVI, A. (2023). A Study On E-Payment Systems With Special Reference To Kizhakkambalam Panchayat.
17. Patel, H. R., & Patel, R. M. Sustainability Of Indian Postal Department With Information And Communication Technology (ICT).
18. Patel, H., & Shah, K. (2022). Payment Bank: Indian Post Payment Bank towards financial inclusion through Digitalization. *RESEARCH HUB International Multidisciplinary Research Journal*, 9(3), 30-38.
19. Pavithra, C. B. (2021). FACTORS AFFECTING CUSTOMERS' PERCEPTION TOWARDS DIGITAL BANKING SERVICES. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, 12(11), 1608-1614.
20. 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.
21. Punitha, S. A (2020). A STUDY ON CUSTOMER AWARENESS ABOUT INDIA POST PAYMENT BANKS IN TIRUCHIRAPPALLI CITY.
22. Pushparaj, A. K. (2021). Digital Payment System–Innovative Practices of Banks and Perception of Customers. *International Journal of Research in Engineering, Science and Management*, 4(5), 1-3.
23. Sathye, M. (1999). Adoption of Internet banking by Australian consumers: an empirical investigation. *International Journal of bank marketing*.
24. Shanmugam, R., & Subramanian, S. (2020). A Study on MSMES Preferences towards Digital Banking. *Journal of Critical Reviews*, 7(14), 2959-2963.
25. Shanmugam, S. Impact of Mobile Payments On Post-Covid-19-An Analytical Study.
26. Shanmugapriya, M. B., & Lakshmirani, A. (2021). Study on Customer Awareness towards Digital Banking Services. *PalArch's Journal of Archaeology of Egypt/Egyptology*, 18(1), 4599-4604.
27. Sugirtha, C. M. R., Hameed, S. S., & Arumugam, T. (2020). The Impact of Organizational Identification and Employee Engagement on Intellectual Capital Assets: An Empirical Study.
28. Tejasmayee, P., Rastogi, S., Pushp, A., Agarwal, B., Singh, S., & Thakur, S. (2023, May). The effect of Financial Inclusion on the Sustainable Development Goals. In *2023 8th International Conference on Business and Industrial Research (ICBIR)* (pp. 734-739). IEEE.
29. Thomas, C. E., Manilal, C., Venugopal, D., Dhilan, D., & George, D. S. (2021). A Study On Public Awareness And Customer Satisfaction Of India Post Payment Bank.
30. Vadivel, S. M., & Boobalan, K. (2023). Influences of Indian postal service quality factors on customer satisfaction amidst Covid-19 pandemic: an empirical study. *International Journal of System Assurance Engineering and Management*, 1-16.
31. Vetrivel, D., & Mohankumar, N. A Study on Perception Towards Digital Banking Services Offered By India Post Payments Bank In Tirunelveli District.