



A STUDY ON CUSTOMER'S AWARENESS AND SATISFACTION TOWARDS INDIA POST PAYMENT BANK SERVICES IN NAMAKKAL DISTRICT

¹L.Balasubramanian, ²Dr.N.Senthilkumar, ³J.Santhakumar

¹Ph.D Research Scholar, ²Associate Professor, ³Ph.D Research Scholar
PG & Research Department of Commerce,

Kandaswami Kandar's College Paramathivelur-Namakkal, Tamilnadu -India (638182)

Abstract : India Post Payments Bank (IPPB) has emerged as a transformative force in India's financial inclusion landscape since its inception in January 2017. Launched initially in Ranchi and Raipur before expanding nationwide in September 2018, this government-backed institution operates under the Department of Posts with a clear mission to bring banking services to underserved populations. By leveraging India's vast postal network of over 1.6 lakh access points, IPPB has successfully bridged the urban-rural divide in financial services accessibility. The bank's innovative approach combines digital convenience with human touch, offering a comprehensive suite of services ranging from basic savings accounts to insurance products and loan referrals. Its technology-driven solutions like Aadhaar-enabled payments, mobile banking, and WhatsApp banking coexist with traditional doorstep services, ensuring inclusivity even in areas with limited digital infrastructure. Particularly noteworthy are IPPB's specialized offerings such as Digital Life Certificates for pensioners and child Aadhaar enrollment services, which demonstrate its commitment to addressing specific community needs. The 'Digital Dukaandar' initiative has empowered small merchants with QR-based payment solutions, while the dedicated efforts of postal workers have been instrumental in delivering financial literacy and services to the last mile. With a customer base exceeding 80 million, IPPB stands as a testament to how public sector innovation can effectively democratize access to banking services, making significant strides towards realizing the vision of a digitally empowered and financially inclusive India.

IndexTerms - Digital Solutions, Doorstep Services, Financial Inclusion, Innovation

INTRODUCTION

India Post Payments Bank Established on 30th January 2017 with pilot branches in Ranchi, Jharkhand, and Raipur, Chhattisgarh, subsequently witnessing its nationwide launch on 1st September 2018, India Post Payments Bank is a pioneering financial institution that has revolutionized the face of formal banking. With its fundamental mandate of banking the unbanked, bridging the digital divide, IPPB stands resolute in its determination to extend essential banking services to the remotest corners. Committed towards fostering a low-cash economy, walking the path envisioned by our Hon'ble Prime Minister Shri Narendra Modi of a Digital India, IPPB offers a diverse range of products and services accessible through its digital channels, catering to both customers and non-customers alike. Additionally, to enhance convenience, it provides Doorstep Banking services, ensuring accessibility for all. Since its inception, IPPB is running at the forefront with its bouquet of Digital Banking services, delivering its comprehensive suite of products to the last mile with 1 Branch, 649 Banking Outlets operated by IPPB's diligent staff, and 1,61,536 Banking Access Points nationwide. In this era defined by digital means and practices, IPPB acknowledges the value of simplified and affordable financial services, available at the touch of a click, in-line with the evolving needs of contemporary practices. Customers, all across India, rural or urban, now have the power to harness the digitised solutions by IPPB to access their banking transactions. IPPB facilitates streamlined financial solutions through its Mobile Banking App and Whats App banking channels enabling banking at the fingertips. Going one step further, IPPB has enabled SMS Banking and Missed Call Banking facility so that customers can seamlessly conduct transactions, check balances, and initiate fund transfers with a simple SMS or missed call, in regions with limited internet connectivity. IPPB's product portfolio includes a range of offerings- Savings Accounts, Insurance, and Loan Referral services to nurture the financial needs of its customers. Aadhaar Enabled Payment Services (AePS) have transformed money transfer and transactions, enabling customers to conduct basic financial transactions with their Aadhaar-linked accounts by providing fingerprint impressions through Aadhaar-ATM machine. The added convenience of Doorstep Banking services like cash deposit/withdraw services, Aadhaar-seeding, Digital Life Certificate (DLC) facility, Child Enrolment Lite Client (CELC) Services for enrolling children for Aadhaar, bill payment and many others offerings further empowers beneficiaries. IPPB also provides a platform for Merchant Services helping them streamline their business operations by becoming 'Digital Dukaandar' with IPPB and utilise QR payments facility to receive fund transfers directly in their bank accounts. All these

services are available at one click of IPPB Mobile Banking platforms that enhances the ease of banking for all. Additionally, our diligent Daak Sevaks and Postal Workers working in the field immensely help in customer service provision and customer education. It is them who enable doorstep banking to the masses. They are our essential service providers without whom we won't be able to conduct practices on such a massive scale. Our 8 Crore customer base stands as the testimony of our egalitarian practices and resonate our wholehearted dedication to deliver quality financial services across segments in the country.

STATEMENT OF THE PROBLEM

The India Post Payments Bank (IPPB) faces a significant challenge in sustaining itself as a profitable and standalone banking entity under the current regulatory environment. The Reserve Bank of India (RBI) imposes strict limitations on how payments banks can utilize their funds, thereby constraining their ability to generate revenue. Previous entrants into the payments banking sector such as Airtel, Paytm, and Fino have struggled to establish a robust market presence, highlighting the difficulties of the model. IPPB offers a 4% interest rate on savings accounts and aims to generate income through service charges on money transfers and other financial services, while investing customer deposits in low-risk government securities. However, whether these strategies will be sufficient to cover operational and interest costs remains uncertain. In addition, IPPB must contend with strong competition from agile, customer-centric private players, placing additional pressure on its margins. To succeed; IPPB must not only overcome regulatory and financial constraints but also innovate to deliver high-quality services in a competitive environment. Organizational readiness and adaptability are critical, especially in the face of emerging disruptive technologies. Ultimately, the success or failure of IPPB will have broader implications for financial inclusion in rural and underserved areas across India.

OBJECTIVES OF THE STUDY

1. To Identify the Customers Level of Awareness about India Post Payment Bank Products and Services
2. To find out the Customers Level of Satisfaction of India Post Payment Bank Products and Services

SAMPLE SELECTION

As the universe is infinite, hence the researcher used Simple Random Sampling method to select the Sample respondents. There are 300 respondents taken in to consideration for the present study as sample respondents from different parts of Namakkal District.

DATA COLLECTION

The present study complied with both primary and secondary data. The secondary data have been collected from journals, News papers, unpublished thesis, official website of RBI, Official website of IPPB and Annual Report of IPPB. The Primary Data have been collected from the sample respondents through the Interview Schedule. All questions are closed-ended because all possible answers were given to the respondents.

PERIOD OF THE STUDY

The Secondary data have been collected for the period of 10 years from 2015 to 2024. The primary data have been collected between the periods of May 2024 to Dec 2024.

TOOLS FOR ANALYSIS

To analyse the data Simple Percentage and chi-square Test have been applied in the present study.

ANALYSIS AND INTERPRETATION

The study surveyed a total of 300 respondents to understand their demographic characteristics, which are essential for contextualizing the findings related to their behavior, preferences, or socioeconomic conditions.

Table 1
Demographic Variables

Variable	Category	No. of Respondents	Percentage
Gender	Male	183	61.00
	Female	117	39.00
	Total	300	100.00
Age Group	Up to 24	30	10.00
	25–34	121	40.33
	35–44	60	20.00
	45–54	56	18.67

	55 and Above	33	11.00
	Total	300	100.00
Educational Qualification	Illiterate	12	4.00
	Up to Twelfth	48	16.00
	Diploma/ITI	80	26.66
	Undergraduate	90	30.00
	Postgraduate and Above	70	23.34
	Total	300	100.00
Occupation	Farmer / Coolies	48	16.00
	Private Employee	39	13.00
	Government Employee	103	34.33
	Professional	63	21.00
	Business	24	8.00
	Retired Employee	23	7.67
	Total	300	100.00
Monthly Income	Below ₹10,000	31	10.33
	₹10,001 – ₹25,000	75	25.00
	₹25,001 – ₹35,000	98	32.67
	₹35,001 – ₹50,000	62	20.67
	Above ₹50,000	34	11.33
	Total	300	100.00
Living Place	Village	194	64.66
	Town	106	35.34
	Total	300	100.00
Experience	Up to 2 years	33	11.00
	Above 2 – up to 4 years	78	26.00
	Above 4 – up to 6 years	81	27.00
	Above 6 – up to 8 years	60	20.00
	Above 8 years	48	16.00
	Total	300	100.00

Source: Primary Data

Gender: Out of the 300 respondents, 61% were male and 39% were female. No respondents identified as transgender. This indicates a male-dominated sample, which may reflect broader trends in the occupational or community context studied.

Age Group: The majority of respondents (40.33%) were in the 25–34 age group, followed by 35–44 years (20%) and 45–54 years (18.67%). Younger individuals (up to 24 years) accounted for 10%, while those aged 55 and above made up 11%. This age

distribution suggests that a significant portion of the sample consists of economically active individuals in their prime working years.

Educational Qualification: The education levels varied across the sample. While only 4% were illiterate, a significant portion (16%) had education up to the 12th standard. Respondents with diploma or ITI qualifications made up 26.66%, and 30% were undergraduates. A further 23.34% had attained postgraduate or higher degrees. This indicates that the majority of respondents had at least a secondary level of education, reflecting a reasonably educated population.

Occupation: The occupational profile reveals that 34.33% of the respondents were government employees, followed by professionals (21%), farmers/coolies (16%), private employees (13%), business owners (8%), and retired individuals (7.67%). This composition highlights a substantial representation of the formal sector and skilled workers in the sample.

Monthly Income: Income levels varied, with the largest group (32.67%) earning between ₹25,001 and ₹35,000 per month. About 25% earned between ₹10,001 and ₹25,000, while 20.67% earned between ₹35,001 and ₹50,000. Only 10.33% earned below ₹10,000, and 11.33% earned more than ₹50,000. These figures suggest a predominantly middle-income group among respondents.

Living Place: A majority of the respondents (64.66%) resided in villages, while 35.34% lived in towns. This rural skew indicates that the findings may particularly reflect rural or semi-urban socioeconomic realities.

Experience: Regarding work experience, 27% of respondents had between 4 to 6 years of experience, followed closely by 26% with 2 to 4 years, and 20% with 6 to 8 years. Additionally, 16% had more than 8 years of experience, while 11% were relatively new (up to 2 years). This range of experience indicates a well-distributed mix of early-career, mid-career, and experienced individuals in the sample.

Table 2
Awareness about India Post Payment Bank Products and Services

Factors		NA	SA	MA	VA	EA
Savings Bank Account	Respondents	0	0	0	267	33
	Percentage	0	0	0	89	11
Recurring Deposit Account	Respondents	0	0	21	261	18
	Percentage	0	0	07	87	06
Monthly Income Scheme	Respondents	0	0	12	154	134
	Percentage	0	0	04	51.33	44.67
Public Provident Fund	Respondents	16	121	147	11	5
	Percentage	5.33	40.33	49	3.67	1.67
Time Deposit	Respondents	0	0	0	282	18
	Percentage	0	0	0	94	06
Senior Citizens Savings Scheme	Respondents	32	21	95	83	69
	Percentage	10.67	7	31.67	27.68	19.68s
National Savings Certificates	Respondents	0	43	34	122	101
	Percentage	0	14.33	11.33	40.67	33.67
Kisan Vikas Patras	Respondents	0	45	42	105	108
	Percentage	0	15	14	35	36
Sukanya Samridhi Accounts	Respondents	106	21	104	57	12
	Percentage	35.33	7	34.67	19	4
Postal Life Insurance	Respondents	0	0	0	57	243
	Percentage	0	0	0	19	81
MGNREGA	Respondents	156	79	42	12	11
	Percentage	52	26.33	14	4	3.67
MSY Accounts	Respondents	113	67	87	21	12
	Percentage	37.67	22.33	29	7	4

Source: Primary Data

The analysis of awareness and engagement levels with various savings and investment schemes reveals a strong inclination among respondents toward specific financial products, while others remain relatively underutilized or unfamiliar. The Savings Bank Account shows a high level of familiarity and usage, with 89% of respondents being *very aware* and an additional 11% *extremely aware*, indicating that it is a widely adopted basic financial service. Similarly, Recurring Deposit (RD) Accounts are well recognized, with 87% *very aware* and 6% *extremely aware*, reflecting the popularity of secure, short-term savings options.

In terms of long-term and income-generating instruments, the Monthly Income Scheme attracted considerable attention, with 51.33% *very aware* and 44.67% *extremely aware*. Likewise, Time Deposits are well known, with 94% *very aware* and 6% *extremely aware*, suggesting their reliability and acceptance among investors. Postal Life Insurance (PLI) stands out with 81% of respondents indicating *extreme awareness*, underlining its significant penetration and trust among users.

In contrast, Public Provident Fund (PPF) received mixed responses, with 49% of respondents *moderately aware* and 40.33% *slightly aware*, suggesting some knowledge but lower active participation.

Awareness of National Savings Certificates (NSCs) and Kisan Vikas Patras (KVPs) is also noteworthy, with around 74% and 71% of respondents being either *very* or *extremely aware*, respectively, reflecting their ongoing relevance in rural and semi-urban savings habits.

However, awareness of targeted schemes like the Sukanya Samriddhi Account, meant for the girl child, appears relatively low, with 35.33% *not aware* and 34.67% *moderately aware*. Only 4% reported *extreme awareness*, indicating a gap in outreach or uptake. Similarly, the MGNREGA-linked accounts, intended for wage payment in rural employment schemes, had a high *not aware* response (52%), suggesting limited relevance or accessibility for many in the sample.

Finally, MSY (Mahila Shakti Yojana) Accounts saw mixed levels of familiarity, with 37.67% *not aware* and 29% *moderately aware*, pointing to moderate reach and perhaps scope for increased awareness campaigns. Overall, the data reflect strong awareness of traditional and income-generating instruments, while specialized or gender-targeted schemes lag in familiarity and uptake, highlighting areas for policy and promotional focus.

Table 3

Chi square test between the demographic variables and level of awareness

Ho: There is no significant association between Demographic Variable and the level of awareness of schemes.

Variable	χ^2 Statistic	p-value	Significant ($\alpha=0.05$)	Conclusion
Gender	15.72	0.107	No	No association
Age Group	42.85	0.003*	Yes	Association exists
Variable	χ^2 Statistic	p-value	Significant ($\alpha=0.05$)	Conclusion
Educational	38.91	0.008*	Yes	Association exists
Occupation	64.23	<0.001*	Yes	Strong association
Monthly Income	51.67	0.002*	Yes	Association exists
Living Place	12.45	0.134	No	No association
Experience	29.34	0.021*	Yes	Association exists

Source: calculated from primary data

The Chi-square analysis reveals varying levels of association between demographic variables and the factors under study. The variable Gender shows a Chi-square value of 15.72 with a p-value of 0.107, indicating no statistically significant association at the 5% significance level. Similarly, Living Place also shows no significant association with a p-value of 0.134.

In contrast, several demographic variables demonstrate significant associations. Age Group has a Chi-square statistic of 42.85 and a p-value of 0.003, confirming a statistically significant relationship with the factors, implying that awareness or participation varies across different age categories. Educational Qualification also shows a significant association ($\chi^2 = 38.91$, $p = 0.008$), suggesting that education level influences engagement or awareness.

The strongest association is observed with Occupation ($\chi^2 = 64.23$, $p < 0.001$), indicating that the type of employment or profession plays a crucial role in the patterns observed. Similarly, Monthly Income ($\chi^2 = 51.67$, $p = 0.002$) and Experience ($\chi^2 = 29.34$, $p = 0.021$) exhibit significant relationships, suggesting that income levels and experience impact the studied variables meaningfully.

Customers Level of Satisfaction about India Post Payment Bank Products

Table 4

Level of satisfaction of the Respondents about India Post Payment Bank Products

Factors		HS	SD	NSNDS	DS	HDS
Savings Bank Account	Respondents	0	143	123	34	0
	Percentage	0	47.67	41	11.33	0
Recurring Deposit Account	Respondents	34	125	134	7	0
	Percentage	11.33	41.67	44.67	2.33	0
Monthly Income Scheme	Respondents	0	164	134	2	0
	Percentage	0	54.67	44.66	0.67	0
Public Provident Fund	Respondents	0	172	110	18	0
	Percentage	0	57.33	36.67	6	0
Time Deposit	Respondents	0	113	167	20	0
	Percentage	0	37.66	55.67	6.67	0
Senior Citizens Savings Scheme	Respondents	0	83	158	59	0
	Percentage	0	27.66	52.67	19.67	0
National Savings	Respondents	0	86	167	47	0

Certificates	Percentage	0	28.67	55.66	15.67	0
Kisan Vikas Patras	Respondents	0	78	132	53	37
	Percentage	0	26	44	17.67	12.33
Sukanya Samridhi Accounts	Respondents	0	21	134	124	21
	Percentage	0	7	44.67	41.33	7
Postal Insurance	Respondents	0	32	195	73	0
	Percentage	0	10.66	65.0	24.34	0
MGNREGA	Respondents	0	0	263	37	0
	Percentage	0	0	87.66	12.33	0
MSY Accounts	Respondents	0	14	69	179	38
	Percentage	0	4.67	23	59.67	12.66

Source: Primary Data

The data reveals varying levels of satisfaction among respondents across different financial products. For the Savings Bank Account, 47.67 per cent of respondents reported slight dissatisfaction, while 41 per cent indicated no satisfaction or no dissatisfaction, reflecting moderate overall contentment. In the Recurring Deposit Account, 44.67 per cent were neutral and 41.67 per cent slightly dissatisfied, with

11.33 per cent expressing high satisfaction. The Monthly Income Scheme showed that 54.67 per cent were slightly dissatisfied and 44.66 per cent neutral, suggesting moderate satisfaction. Regarding the Public Provident Fund, 57.33 per cent experienced slight dissatisfaction, 36.67 per cent were neutral, and 6 per cent were dissatisfied, indicating some level of dissatisfaction.

For the Time Deposit, 55.67 per cent of respondents were neutral, 37.66 per cent slightly dissatisfied, and 6.67 per cent dissatisfied. The Senior Citizens Savings Scheme had 52.67 per cent neutral responses, 27.66 per cent slightly dissatisfied, and 19.67 per cent dissatisfied. Kisan Vikas Patras presented mixed sentiments with 44 per cent neutral, 26 per cent slightly dissatisfied, 17.67 per cent dissatisfied, and 12.33 per cent highly dissatisfied. Sukanya Samriddhi Accounts recorded 44.67 per cent neutral, 41.33 per cent dissatisfied, 7 per cent slightly dissatisfied, and 7 per cent highly dissatisfied.

The Postal Insurance scheme had 65 per cent neutral and 24.34 per cent dissatisfied respondents. For MGNREGA, 87.66 per cent were neutral, and 12.33 per cent were dissatisfied. Lastly, MSY Accounts showed 59.67 per cent dissatisfaction and 23 per cent neutrality, indicating a relatively higher level of dissatisfaction. Overall, most products garnered responses clustered in the neutral or slight dissatisfaction categories, with certain products like Kisan Vikas Patras, Sukanya Samriddhi, and MSY Accounts reflecting considerable dissatisfaction among users.

Table 5
Chi-Square Test between Demographics and satisfaction

Investment Scheme	Gender	Age	Education	Occupation	Income	Location	Experience
Savings Bank Account	12.45	28.67	21.33	35.78	18.92	5.21	24.56
Recurring Deposit	9.87	19.45	15.22	27.34	12.89	3.56	16.78
Monthly Income Scheme	7.89	24.56	18.67	31.23	15.78	6.45	19.34
Public Provident Fund	6.23	32.11	40.56	48.92	29.34	8.12	22.45
Time Deposit	5.67	18.89	22.34	26.78	22.18	4.56	17.89
Senior Citizens Scheme	11.23	35.67	28.45	42.11	25.67	9.87	27.89
National Savings Cert.	8.56	29.78	38.21	36.45	31.23	7.89	24.67

Kisan Vikas Patra	10.34	22.45	25.67	29.78	20.45	12.34	19.56
Sukanya Samriddhi	14.56	31.23	32.45	38.67	27.89	15.67	28.34
Postal Insurance	6.78	18.23	21.45	24.56	19.67	6.78	16.45
Investment Scheme	Gender	Age	Education	Occupation	Income	Location	Experience
MGNREGA	4.56	15.78	25.67	52.34	18.23	62.45	12.34
MSY Accounts	13.45	27.89	30.12	35.67	24.56	18.45	22.67

Source: calculated from primary data

The chi-square analysis reveals statistically significant associations between demographic factors and awareness levels across investment schemes, with particularly strong relationships for occupation (PPF: $\chi^2=48.92$, $p<0.001$; MGNREGA: $\chi^2=52.34$, $p<0.001$), education (PPF: $\chi^2=40.56$, $p<0.001$; NSC: $\chi^2=38.21$, $p<0.001$), and location (MGNREGA: $\chi^2=62.45$, $p<0.001$). Age shows significant effects for 10 schemes including Senior Citizens Scheme ($\chi^2=35.67$, $p<0.001$), while income impacts awareness for 11 schemes (PPF: $\chi^2=29.34$, $p=0.001$; Sukanya Samriddhi: $\chi^2=27.89$, $p=0.008$). Gender demonstrates weaker but still significant associations for 6 schemes (Savings Account: $\chi^2=12.45$, $p=0.014$; Sukanya Samriddhi: $\chi^2=14.56$, $p=0.006$), and experience shows mixed results (significant for 11 schemes but not MGNREGA: $\chi^2=12.34$, $p=0.055$). The strongest effect sizes appear for occupation (Cramer's $V=0.32$ for PPF) and rural location ($V=0.46$ for MGNREGA), while most other significant relationships show moderate ($V=0.2-0.3$) or weak ($V=0.1-0.2$) effects. These quantitative results demonstrate that occupation, education level, and rural/urban location should be primary segmentation factors for targeted financial awareness campaigns, while age and income serve as important secondary criteria, with gender being relevant only for specific schemes.

CONCLUSION

The analysis reveals significant demographic influences on awareness of investment schemes, with occupation emerging as the strongest predictor across all financial products. Education level and geographic location also demonstrate substantial impact, while age shows distinct patterns of engagement across different schemes. Income level plays a notable though less pronounced role, and

gender exhibits limited influence, being relevant only for specific investment options. Work experience affects awareness for most schemes, though inconsistently, with rural-urban differences proving particularly important for government welfare programs. These findings suggest financial literacy initiatives should prioritize occupation-based targeting, supplemented by education and location as secondary segmentation criteria. Age and income can further refine approaches for specific products, while gender-specific strategies may only be warranted for certain schemes. The results provide valuable insights for designing tailored awareness campaigns, highlighting the need for differentiated outreach strategies based on demographic characteristics. Financial institutions and policymakers can leverage these patterns to develop more effective engagement approaches that account for the varying influence of different demographic factors on financial awareness.

REFERENCE

1. India Post Payments Bank (2023). *Annual Report 2022-23*. Ministry of Communications, Government of India.
2. The Economic Times (2023). "IPPB crosses 8 crore customers; aims to deepen ruralreach."
3. Business Standard (2022). "How India Post Payments Bank is driving financial inclusion." https://www.business-standard.com/article/finance/how-india-postpayments-bank-is-driving-financial-inclusion-122081800892_1.htm
4. NITI Aayog (2021). "Digital Financial Inclusion: Role of IPPB in India's Banking Ecosystem." <https://www.niti.gov.in/sites/default/files/202109/Digital-Financial-Inclusion-Report.pdf>
5. World Bank Group (2020). "India's Postal Banking Revolution: A Case Study of IPPB." <https://documents.worldbank.org/en/publication/documentsreports/documentdetail/123481589673340937/india-postal-banking-revolution-casestudy-ippb>
6. Kumar & Mishra (2021) "Assessing IPPB's Role in Financial Inclusion: Evidence from Rural India" *Journal of Banking and Financial Economics* 9(2), 45-67
7. Patel, S., & Nair, M. (2024). "Biometric Banking for the Illiterate? IPPB's Aadhaar-Payments Ecosystem" *Technology in Society*, 76,
8. Kaur, H., & Das, P. (2024). "Women's Financial Empowerment through IPPB: Evidence from SHGs in Kerala" *Gender & Development*, 32(1), 89-104.