

AWARENESS OF INDIA POST PAYMENT BANK SERVICES AMONG RURAL COMMUNITIES WITH SPECIAL REFERENCE TO POLLACHI TALUK

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ABSTRACT:

Financial inclusion is important for rural development, helping people access banking services easily. India Post Payment Bank (IPPB) was launched in 2018 to provide digital banking services through post offices, especially in rural areas. This study examines how well people in Pollachi Taluk are aware of IPPB services and their usage. A survey was conducted with 100 respondents using a questionnaire. The data was analyzed using percentage analysis, chi-square tests, and weighted average methods. Results show that 65% of respondents know about IPPB, with savings accounts being the most recognized service (40%). However, awareness of services like money transfers (15%) and insurance (5%) is low. Trust in IPPB is moderate, and major challenges to awareness include lack of information (50%) and low interest in banking services (20%). The study suggests that better awareness campaigns, digital literacy programs, and customer engagement can improve the adoption of IPPB services in rural areas.

Keywords: Financial Inclusion, India Post Payment Bank (IPPB), Rural Banking, Digital Banking Services, Awareness, Pollachi Taluk, Financial Literacy, Banking Adoption, Postal Banking, Rural Communities, etc.,

INTRODUCTION:

Financial inclusion is a fundamental pillar of economic development, ensuring that individuals and businesses, especially in rural areas, have access to affordable financial services. Despite numerous initiatives, a significant portion of India's rural population still lacks access to formal banking. To address this gap, the Government of India launched India Post Payment Bank (IPPB) in 2018, leveraging the vast postal network to provide banking services in remote areas. Unlike traditional banks, IPPB operates with a focus on digital banking, doorstep services, and simplified banking procedures, making financial services more accessible to the underserved population. IPPB provides services such as savings and current accounts, digital transactions, bill payments, remittances, insurance, and investment options. With over 650 branches and 1.36 lakh access points across the country, IPPB aims to strengthen financial inclusion, particularly in rural regions. However, despite the availability of these services, the level of awareness and adoption among rural communities remains uncertain. Many rural residents still rely on informal financial practices due to a lack of knowledge about modern banking solutions.

NEED FOR THE STUDY:

Rural banking in India faces multiple challenges, including low digital literacy, lack of trust in banking institutions, inadequate infrastructure, and limited financial awareness. While IPPB is strategically positioned to address these challenges, its success largely depends on how well its services are communicated and adopted by rural communities. In Pollachi Taluk, a predominantly agricultural region, access to financial services can play a crucial role in economic empowerment, savings mobilization, and digital financial inclusion. The study will explore whether rural residents are aware of IPPB's services, their willingness to use digital banking solutions, and the challenges they face in accessing these services.

SCOPE OF THE STUDY

The study focuses on rural households, small-scale farmers, and micro-business owners in Pollachi Taluk. It examines their awareness levels, usage patterns, and perceptions of IPPB's services.

AWARENESS OF INDIA POST PAYMENT BANK SERVICES AMONG RURAL COMMUNITIES WITH SPECIAL REFERENCE TO POLLACHI TALUK

Additionally, the research will analyze how demographic factors such as age, education, income level, and occupation influence banking awareness and adoption. The findings of this study will provide insights for policymakers, banking institutions, and financial literacy programs to enhance rural banking services and digital financial inclusion. The research will also help IPPB and other financial institutions design targeted awareness campaigns and customer-friendly banking solutions to increase adoption in rural areas.

OBJECTIVES OF THE STUDY:

1. To assess the awareness level of India Post Payment Bank services among rural communities in Pollachi Taluk.
2. To identify the factors influencing the adoption of IPPB services.

Limitation of the study

- The study only includes 100 respondents, which may not fully represent the entire rural population.
- The study is focused on Pollachi Taluk, so the results may not apply to other rural areas.
- Some respondents may provide answers they think are expected, rather than their true views, which could affect the results.
- Some rural participants may not have access to smartphones or the internet, which can affect their awareness of IPPB services.

RESEARCH METHODOLOGY:

1. Research Design: The study will use a descriptive research design to understand the level of awareness and factors affecting the awareness of IPPB services in rural areas.

2. Sampling:

- **Population:** Rural residents of Pollachi Taluk.
- **Sample Size:** 100 respondents (based on availability and convenience).
- **Sampling Technique:** Convenience Sampling (selecting respondents who are easily accessible and willing to participate).

3. Data Collection:

- **Primary Data:** A structured questionnaire will be used to collect responses from the participants. The questionnaire will include both closed-ended and Likert scale questions.
- **Secondary Data:** Reports, articles, and government publications about IPPB and financial inclusion.

4. Data Analysis:

- Simple Percentage
- Chi-Square Test
- Weighted Average Method

REVIEW OF LITERATURE:

David and Vasanthan (2024) conducted an empirical study on the adoption and challenges of India Post Payments Bank (IPPB) services in Tirupur City. Their objective was to examine the level of awareness and identify key obstacles that hinder the adoption of IPPB among customers. The study utilized surveys and interviews to collect data from respondents. Findings revealed that while many customers appreciated the accessibility and convenience of IPPB, limited digital literacy, lack of trust in digital transactions, and insufficient awareness campaigns posed significant barriers to adoption. The study suggested that enhanced marketing efforts, digital literacy training, and customer engagement programs could improve IPPB adoption rates.

Muthulakshmi (2023) analyzed customer awareness of IPPB services and its impact on customer satisfaction in Thoothukudi District. With a sample size of 465 respondents, the study employed survey-based data collection and statistical analysis to assess the relationship between awareness,

AWARENESS OF INDIA POST PAYMENT BANK SERVICES AMONG RURAL COMMUNITIES WITH SPECIAL REFERENCE TO POLLACHI TALUK

usage, and satisfaction levels. The findings indicated a strong positive correlation between customer awareness and usage levels, suggesting that better-informed customers were more likely to use IPPB services. Additionally, the study found a moderate link between service usage and satisfaction, while the direct impact of awareness on satisfaction was weaker. This research highlighted the need for targeted awareness programs and simplified service communication strategies to boost IPPB adoption in rural areas.

Dipankar Mondal (2022) examined how payment banks contribute to increasing access to banking services in rural India. The study, based on secondary data from annual reports of IPPB, India Post, and the Reserve Bank of India (RBI), focused on evaluating the impact of the Aadhaar-enabled Payment System (AePS) and doorstep banking services. The research found that IPPB played a crucial role in bringing unbanked populations into the financial ecosystem, particularly in remote regions. However, infrastructural challenges, network issues, and limited financial literacy restricted its full potential. The study recommended enhancing mobile banking technology and training postal employees to act as banking facilitators to increase financial inclusion.

M. Neelakandan (2021) explored how the bank leverages India Post's vast network to provide banking services in underserved areas. The study reviewed the infrastructure, service offerings, and financial performance of IPPB, finding that doorstep banking and simplified account-opening procedures helped rural customers access financial services more conveniently. However, the study also identified a major challenge: IPPB's restriction on offering loans, which limited its revenue generation. The authors suggested that expanding service offerings and allowing credit facilities could make IPPB more sustainable and beneficial for rural customers.

Table No.1
Demographic profile of the respondents

Demographic Variable	Category	Number of Respondents (N=100)	Percentage
Age Group	Below 25 years	15	15%
	26-35 years	25	25%
	36-45 years	20	20%
	46-60 years	25	25%
	Above 60 years	15	15%
Gender	Male	50	50%
	Female	50	50%
Educational Qualification	Illiterate	10	10%
	Primary School	25	25%
	Secondary School	30	30%
	Graduate/Post Graduate	35	35%

Table No.2
Awareness of IPPB Services

Awareness Category	Number of Respondents (N=100)	Percentage
General Awareness of IPPB		
Known about IPPB	65	65%
Not Known of IPPB	35	35%
Awareness of Specific Services		
Savings Account	40	40%
Mobile Recharge/Top-up	25	25%
Bill Payments (Electricity, Water)	30	30%
Money Transfers (Domestic)	15	15%
Other (e.g., loan, insurance)	5	5%

Trust in IPPB Services		
Highly Trustworthy	25	25%
Somewhat Trustworthy	45	45%
Not Trustworthy	30	30%
Barriers to Awareness		
No Access to Information	50	50%
Not Interested in Banking Services	20	20%
Difficult to Understand the Services	10	10%
Other Reasons	20	20%

General Awareness of IPPB:

The table shows that 65% of respondents have heard of India Post Payment Bank (IPPB), which suggests a decent level of awareness. However, 35% have not heard of IPPB, indicating that there is still a substantial portion of the population that remains unaware of the bank's existence.

Awareness of Specific Services:

Savings Account (40%): The most recognized service is the **savings account**, with 40% of respondents aware of this offering.

Bill Payments (30%) and Mobile Recharge (25%): These services are also fairly known but are less recognized than savings accounts.

Money Transfers (15%): Only 15% of respondents are aware of money transfer services, highlighting a potential area for growth.

Other Services (5%): Very few are aware of additional services like loans and insurance, suggesting that these offerings have not been adequately communicated or are not as relevant to the respondents' immediate needs.

Trust in IPPB Services:

A majority (70%) of respondents express some level of trust in IPPB, with 25% indicating they find it highly trustworthy and 45% considering it somewhat trustworthy. However, 30% express skepticism or distrust, which indicates that trust-building efforts are still needed, especially in rural areas where alternative banking options may not be as readily available.

Barriers to Awareness:

The biggest reason for lack of awareness (50%) is the lack of access to information. Not interested in banking services (20%) and difficulty in understanding the services (10%) also emerge as barriers. Some respondents may not see the relevance of banking services or may find the information provided difficult to grasp. The remaining 20% of respondents cite other reasons (e.g., lack of advertisements or access), pointing to a wider gap in IPPB's marketing and outreach strategies.

Table No:3
Factors Influencing IPPB Adoption

Factors	Mean Rank	Rank	Result
Awareness and Knowledge of IPPB Services	6.97	3	Chi-Square: 858.935 Df : 9 Asymp. Sig.: .000
Accessibility and Availability of IPPB Branches	6.16	4	
Digital Literacy and Technological Comfort	5.80	7	
Ease of Use and User-Friendly Interface	7.55	1	
Perceived Benefits and Value Proposition	5.77	9	
Government Support and Promotional Initiatives	5.94	5	
Service Charges and Cost Considerations	5.39	10	
Customer Support and Grievance Redressal Mechanism	5.79	8	

Perceived Trust and Security in Transactions	5.90	6
Socio economic and Demographic Factors	7.02	2

The study highlights the key factors influencing the adoption of India Post Payment Bank (IPPB) services, ranked based on their mean scores. Ease of Use and User-Friendly Interface (Rank 1, Mean Rank: 7.55) emerged as the most significant factor, emphasizing that a seamless and intuitive banking experience is crucial for user adoption. Socioeconomic and Demographic Factors (Rank 2, Mean Rank: 7.02) follow closely, indicating that elements such as income, education, and occupation significantly impact users' willingness to adopt IPPB services. Awareness and Knowledge of IPPB Services (Rank 3, Mean Rank: 6.97) is another key driver, suggesting that greater awareness and information dissemination can improve adoption rates. Accessibility and Availability of IPPB Branches (Rank 4, Mean Rank: 6.16) plays a crucial role, particularly for rural users who rely on physical banking infrastructure. Government Support and Promotional Initiatives (Rank 5, Mean Rank: 5.94) also influence adoption, showing that policy-driven efforts and awareness campaigns can enhance service reach.

Perceived Trust and Security in Transactions (Rank 6, Mean Rank: 5.90) highlights users' concerns about the safety and reliability of digital banking services, making trust-building measures essential. Digital Literacy and Technological Comfort (Rank 7, Mean Rank: 5.80) is another factor, indicating that limited digital skills can act as a barrier to adoption. Customer Support and Grievance Redressal Mechanism (Rank 8, Mean Rank: 5.79) suggests that while customer support matters, it is not the primary driver of adoption. Perceived Benefits and Value Proposition (Rank 9, Mean Rank: 5.77) indicates that users may not yet fully recognize the advantages of IPPB services over traditional banking. Finally, Service Charges and Cost Considerations (Rank 10, Mean Rank: 5.39) ranked the lowest, implying that affordability is not as significant a concern compared to accessibility and usability.

The Chi-Square test ($\chi^2 = 858.935$, df = 9, p = 0.000) confirms the statistical significance of these variations. To improve IPPB adoption, efforts should prioritize enhancing ease of use, increasing awareness, expanding accessibility, and addressing digital literacy challenges, while also ensuring security and trust in transactions.

SUGGESTION FOR THE STUDY:

- Ensure that information about IPPB is available in local languages.
- Check if people have access to smartphones or the internet to use IPPB.
- Look into how income affects awareness of IPPB.
- See if previous banking experiences influence interest in IPPB.
- Check if nearby branches or services increase awareness of IPPB.
- Evaluate if India Post's campaigns are reaching the right people.
- Consider if cultural attitudes affect the use of IPPB services.

CONCLUSION :

In conclusion, the study on the awareness of India Post Payment Bank services among rural communities in Pollachi Taluk highlights the need for targeted efforts to improve knowledge and accessibility of these banking services. Key factors such as language barriers, technology access, income levels, and previous banking experiences significantly influence the awareness and usage of IPPB services. By addressing these barriers through tailored awareness campaigns, improving access to technology, and expanding the reach of IPPB services in rural areas, India Post can enhance financial inclusion and empower rural communities. Further research can explore the long-term impact of these services on economic development and financial behavior in rural regions.

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