

**A STUDY ON PUBLIC AWARENESS AND CUSTOMER
SATISFACTION OF INDIA POST PAYMENT BANK**

*Project submitted in partial fulfilment of the requirement for
the award of*

Bachelor Degree in Commerce

Submitted by

CATHERINE ELIZ THOMAS(Reg. No. 180021067472)

CHINNU MANILAL (Reg. No. 180021067473)

DAEWOO VENUGOPAL (Reg. No. 180021067474)

DONNA DHILAN(Reg. No. 180021067478)

DONNA SUSAN GEORGE (Reg. No.180021067479)

Under the supervision of

Mrs. SHRUTHI SARA RAJAN



SAINTGITS

COLLEGE OF APPLIED SCIENCES

KOTTAYAM, KERALA, INDIA

PG DEPARTMENT OF COMMERCE

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SAINTGITS

COLLEGE OF APPLIED SCIENCES
KOTTAYAM, KERALA, INDIA

Pathamuttom, Kottayam
Kerala, India-
686532Te:0481-2433787
Mob:954432772

Date:

CERTIFICATE

Certified that this is a bonafide report of the project work undertaken by

CATHERINE ELIZ THOMAS(Reg. No. 180021067472)

CHINNMANILAL (Reg. No. 180021067473)

DAEWOO VENUGOPAL (Reg. No. 180021067474)

DONNA DHILAN(Reg. No. 180021067478)

DONNA SUSAN GEORGE (Reg. No.180021067479)

*of B. Com Semester VI, in partial fulfilment of the requirements for the award
of the master's Degree in Commerce of Mahatma Gandhi University, Kottayam
under my supervision and guidance.*

Faculty - in- Charge

Countersigned

Principal

Head of the Department

DECLARATION

*I do hereby declare that the project titled “**A STUDY OF CONSUMER SATISFACTION AND PUBIC AWARENESS OF INDIA POST PAYMENT BANK**” is a bonafide report of the project work undertaken in partial fulfilment of the requirements for the award of the Bachelor of Commerce (Computer Application) of Mahatma Gandhi University, under the guidance of **Mrs. SHRUTHI SARA RAJAN**, Department of Commerce, Saintgits College of Applied Sciences, Pathamuttom, Kottayam. I also declare that this project report has not been submitted by me anywhere, fully or partially for the award of any degree, diploma, fellowship or other similar title or recognition of any university/institute to the best of my knowledge and belief.*

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CHAPTER I

INTRODUCTION

1.1 POST OFFICE BANKING

India Post office is one of the traditional organizations contributing a lot to Indian Economy from the day of its inception. The growing trend of Information Technology has brought the world in our hands. Now-a-days with the computerization of almost all sectors, the facilities and services provided by these sectors have also expanded. With the privatization of many government sectors, the existing government service sectors are struggling hard to compete with their private counterpart. This has led to a situation where the need to diversify their services by introducing new facilities. The India post office is no exception from this status. Specifically, with the recent technological gadgets and their e-services such as E-mail, Facebook, twitter, WhatsApp, etc. people are able to communicate with anyone anywhere in this world. This has completely reduced the culture of communicating through letters and other postal services such as telegram, telegraph etc.

The emergence of various private courier services has affected the postal services and parcel services, though a few government paper and parcel services are being operated in today's India post offices. All the above has largely reduced the regular operations of the early postal service branches, which has forced the reduction of laborers too in India post office branches. Thus, the entry and expansion of private sector and other public sector operators in communication, mail, banking and insurance sectors present a threat to India post office. These threats have paved the way for modernization of the India post office. The olden day traditional post offices with its services such as post cards, inland letters, money orders, registered posts, postal stamps, parcels etc have changed its face by expanding the services provided to issue of various application forms of various civil services exams, telephone and electricity bill payment services, sale of gold coins, share marketing etc. With the internet facilities, these services too have faced problems. Moreover, banking sector has also started providing the above-mentioned services. All these drawbacks has made the India post office to improve and provide banking services also by implementing various schemes such as savings account, fund transfer, deposits etc.

The post office saving schemes basically started for rural area development motive. But now-a-days, the people do not prefer to save in post office because of other saving banks and more schemes available in our country with high interest to pay the people. Post Office Saving is one of the best forms of saving schemes which provide substantially lesser risks of sufferings losses. Therefore, wherever you go the same schemes are available throughout India. They are widely accepted among the different sections of the Indian society and among the different age group. The minimum amount required to start the post office time deposit scheme is only Rs.200 but there is no limit set for the maximum amount. The scheme allows nomination facility and the tenure of the scheme ranges from 1-5 years. The rate of interest varies according to the tenure of deposits.

On Aug 2015 India Post got license to run a payments bank from Reserve Bank of India. India Post Payments Bank has been incorporated as a Public Limited Company under the Department of Posts with 100% Government of India equity.

This study analysis focuses on customer's perception to save through post office banking. The word perception means different type of people think differently in the same situation. Through this study, we can reveal about the customer's perception, expectations, thoughts, behavior and their activities towards post office saving schemes.

1.2 STATEMENT OF THE PROBLEM

India Post office is one of the traditional organizations contributing a lot to Indian Economy from the day of its inception. The growing trend of Information Technology has brought the world in our hands. Now-a-days with the computerization of almost all sectors, the facilities and services provided by these sectors have also expanded. Post office saving schemes is safety and it has 8 types of schemes available in post office. But people are not willing to save in post office and some of the reasons are because of the difficulty in money transfer, create new account and change in the nominee's names. With the privatization of many government sectors, the existing government service sectors are struggling hard to compete with their private counterpart. This has led to a situation where the need to diversify their services by introducing new facilities. The India post office is no exception from this status. This has completely reduced the culture of communicating through letters and other postal services such as telegram, telegraph etc. The emergence of various private courier services has affected the postal services and parcel services, though a few government paper and parcel services are being operated in today's India post offices. All the above has largely reduced the regular operations of the early postal service branches, which has forced the reduction of laborers too in India post office branches. Thus, the entry and expansion of private sector and other public sector operators in communication, mail, banking and insurance sectors present a threat to India post office. These threats have paved the way for modernization of the India post office.

The olden day traditional post offices with its services such as post cards, inland letters, money orders, registered posts, postal stamps, parcels etc have changed its face by expanding the services provided to issue of various application forms of various civil services exams, telephone and electricity bill payment services, sale of gold coins, share marketing etc. With the internet facilities, these services too have faced problems. Moreover, banking sector has also started providing the above-mentioned services. All these drawbacks have made the India post office to improve and provide banking services also by implementing various schemes such as savings account, fund transfer, deposits etc. Now adays, India post offices are offering various financial services with the computerized core banking practices and enhanced their services to attain higher level of customer satisfaction. This study will help to find the usefulness level to the customers.

1.3 SIGNIFICANCE OF THE STUDY

Customer satisfaction measurement is important for any service provider to know about their actual performance. Particularly, financial services are one of the major requirements for all people. Though there are many banking facilities in both public and private sector and other financial institutions, the new venture of the India post office branches offering financial facilities in recent years has influenced the development of many of its customers. But, a proper assessment of the actual perception of its customers towards its financial services is a must for the India post office to further improve and implement its schemes for the benefit of its customers.

The present study is to provide useful information to the India post officials about their customers satisfaction level and perception of the present financial services and schemes provided. This research is more significant as the findings of the research helps the India post office to understand the factors affecting its customers perception and satisfaction towards the financial services offered in its branches.

This research may also help to bring further improvements as per the customer's requirements and thereby enhance the overall performance of India post branches in Thiruvananthapuram district. This being a government organization, its performance appraisal will in turn have a positive effect on the economic growth of Thiruvananthapuram district, Kerala state as well as India as a whole.

The Indian economy is growing significantly and has various investment options but the government of India has provided the oldest Investment option. Still, the Postal saving scheme had not gained much importance. The changing postal environment presents an enormous challenge for traditional postal businesses, but it also creates a vast array of new business options and opportunities.

The significance of this study is also to know the customer perception in the post office saving scheme. It contains different type of customer's satisfaction level, their expectations and interest. What type of problems the customers are to be faced in post office, To know the customers age, annual income, gender and scheme type are needed in this study.

1.4 OBJECTIVES OF THE STUDY

The objectives of a research are the important elements for conducting research as it helps in determining the possibility of conducting the study. A clear objective helps in easy investigation and analysis of the problem understudy. The present study deals with is analytical study of administrative operational efficiency of India Post Payment Bank with reference to Thiruvananthapuram district.

- To find out the level of awareness of various schemes of Post office banking among the public.
- To understand the perception of investors and their expectations in post office saving schemes.
- To find out the various schemes known by the public.
- To analyze about various types of accounts provided by the post office banking system.
- To acquire knowledge about establishment of IPPB and personnel preferences of the public.

1.5 SCOPE OF THE STUDY

The study was conducted in some of the major post office branches in Thiruvananthapuram district. The customers of these branches were interviewed and their perception about the various financial services offered by these post office branches was studied. The study intended to examine the satisfaction level of the post office customers who are utilizing the various financial services and

to analyze their actual requirements and needs and how far these are fulfilled by the post offices branches.

This study examines the perception of the customers towards financial services in post offices by using various appropriate statistical techniques and tools. We have selected some popular post office branches in

Thiruvananthapuram district for this study. Due to being a busy industrial district with large and frequent fund transaction, easy and convenient financial services are the most important requirements in Thiruvananthapuram district. The study also helps to create awareness among the investors about various post office deposits schemes. On basis of the study, the Government can make suitable changes to promote the various post office saving schemes according to the respective needs of the investors. Hence there is a wide scope for conducting this research in Thiruvananthapuram district.

The study aims to create awareness among the investors about various post office deposits schemes. It helps working people to invest in various post office deposits schemes and the National Saving Organization (NSO) and the Post Offices to know the problems faced by investors while investing in post office deposits schemes. On basis of the study, the Government can make suitable changes to promote the various post office saving schemes according to the respective needs of the investors.

1.6 LIMITATION OF THE STUDY

The proposed study is confined to the following limitations:-

1. The data collected are based on the questionnaire and the results of the study would be varying according to the opinions of individuals.
2. The result of the study is based upon the information given by the respondents.
3. The study is confined to customers of India post offices in Thiruvananthapuram district, Kerala, India.
4. The statistical tools used to analyze the data have their own limitation.

1.7 METHODOLOGY OF THE STUDY

1.7.1 Design of the study: The study follows descriptive and analytical pattern.

1.7.2 Population: The population of the study is based on the customers and non-customers of India Post Payment Bank in Thiruvananthapuram.

1.7.3 Sampling method: The sampling method adopted here is through random sampling.

1.7.4 Sample Size: The number of samples is 100.

1.7.5 Sources of Data: The primary data is collected through survey method. The secondary data is collected through internet and websites.

1.7.6 Data collection method: Data is collected through questionnaires and with the help of Google forms.

1.7.7 Period of the study: The study was conducted over a month from August 2019 to March 2020.

1.8 LITERATURE REVIEW

It is relevant to refer briefly to the previous studies and research in the related areas of the subject to find out and fill up the research gaps, if any generally be found, especially in banking sector. But only a few studies on the financial services in post offices have been undertaken. Some of the related literature reviews have been listed below:

Pateiro Rodriguez and Carlos (1993): Made an analysis on "Liberalization of the Postal Sector in the European Union: Process and Model, Reference to the case of Spain" and pointed out that the last decade had witnessed sweeping changes in the field of communication in the developed world, most of which had been brought about by the new technologies. Postal services had not been an exception. The most relevant aspects of the phenomenon served to trigger changes in the field of postal communications, and some even had a bearing on the very core of the traditional setup in the postal services market, characterized until then by a predominance of monopolies, protected to a greater or lesser extent by the member state's own regulations.

A World Bank study (2002): Suggests that India Post is particularly well positioned to address the pressures of a changing of environment by expanding services into non-traditional areas such as E-Banking, E-governance and ECommerce and reinventing the services and products it offers. India Post is already a major player in the banking sector through the post office savings bank, involving a huge sum of 44 Billion US Dollars in savings account. India post handles over 110 million money orders in a year.

Saleem (2004): In his study observed the "Postal Savings behavior in India". The objectives of the study were to find out the determinants of savings by analyzing saving behavior in India over a period of nineteen years i.e., from 1980-81 to 1998-1999. The methodology adopted was simple and multiple regression models were used. From the analysis, it was found that, a favorable macroeconomic environment supported by strong structural reforms including liberalization of financial markets should help domestic savings to increase substantially.

Harinder Singh (2005): in his research study titled "Future of India Post-Rural Dimension" pointed out that, India had the largest postal network in the world with 1,55,618 post offices at the end of the financial year i.e. 31.03.2003 including 1,39,081 post offices in rural areas. At the time of independence, India had only 23,344 post offices, which were largely confined to urban areas and selected villages. The main objective of this study was that, the public confidence in India post in rural areas then the gap between revenue expenditure and the cost involved would decline substantially. The study concluded that, the ability of India Post to compete in the rural segment would depend on the extent with which new initiatives were pursued with more intensive use of infrastructure.

Sakthi Srinivasan. K and Devi Lakshmi. S (2006): Conducted a research study on "Post office Savings schemes-An impetus for rural investment". The objective of the study was to assess the saving

habit of individuals and to understand the awareness of people towards post office saving schemes and to bring out the investor's perception towards post office for their investment. In this study the sample size was selected as 300.

The data was collected purely on random basis. The collected data were tabulated in two formats, viz., and simple table and cross table. The data was analyzed by applying simple percentage and chi-square Test. The study concludes that, Government must create more awareness among the rural and urban people about the savings schemes and the benefits availed through it as it has not reached the people properly. Good reliable, Government authorized agents should be appointed so that people find it easy to handover the money so that mobilization of savings could be increased. They suggest that, all the post offices should be computerized and more staff members are to be appointed, and also there must be a change in the infrastructural facilities of post office and the staff should be more hospitable.

Sonia Riyat (2008): In her study entitled "Globalization of Indian Postal Service" applied SWOT analysis on Indian Postal Service. The main objective of this study was to present a precise scenario of the current working culture of Indian postal departments and to provide a few suggestions to the development of the postal department. Further the researcher pointed out that, today a post office was not limited to transact simple mails only, but it was also a big business icon in the business world.

CHAPTER II

THEORETICAL

OVERVIEW

2.1 ABSTRACT

Payments Bank is a new kind of bank which is promoted with the express purpose of extending the reach of banking to vast majority of the unbanked and under banked segments of the population. Payments bank promoted by India Post is expected to use the physical network of post offices as well as digital platforms such as mobile, internet banking, debit cards, point of sale devices, etc. to provide the designated financial services at low cost to target population. Payments Bank might be

able to provide last mile connectivity especially in those areas which do not have any bank branches but has a post office. Its huge presence in rural areas and the trust that it enjoys among vast segments of population might enable it to succeed where commercial banks have failed. The present study examines the role and objectives of payments banks with special reference to India Post Payments Bank, relevance in achieving financial inclusion objective, prospective challenges and problems, suggestions for overcoming those.

In 2014, RBI introduced two new categories of banks into the Indian financial system, namely Payment Banks and Small Banks. Payment banks are a new kind of bank which is potential with the express purpose of extending the reach of banking to vast majority of the unbanked and under banked segments of the population. This paper presents about the framework of the payment banks, and the expected benefits from the payment banks. How this Indian Post Payment Bank going to be remarkable step towards providing financial services to customers, especially migrant workers and those from lower income households, as well as bring them into the formal financial system. Is Indian post Payment bank going to be second wave of financial inclusion after the first wave of the Pradhan Mantri Jan Dhan Yojana.

This paper is completely based on secondary data to give overall idea about payment bank and its working mechanism and how the concept of payments bank kills two birds with one stone. Firstly, the financial inclusion initiative widens the digital payment infrastructure. Secondly, it encourages the Financial Technology culture in the Indian banking. Findings are favorable in deepening the financial services and financial inclusion in India, especially in the rural areas, mainly focusing on low-income groups and small businesses.

2.2 INTRODUCTION

With around 60 percent of the population still under banked, a need was felt for establishment of a Payments Bank which specializes in providing a channel for savings and for remittance and payment services. Payments Bank is a specialized bank formed with differentiated bank license and has limited purpose. The primary objective of setting up of payments banks is to further financial inclusion by providing small savings accounts and payments or remittance services to unbanked segments of population such as migrant workforce, low income households, small businesses and other unorganized entities.

It facilitates a large volume of low value transactions in deposits and payments or remittances, in a secure technology-driven environment. As per the Reserve Bank of India Guidelines for Licensing of "Payments Banks" issued in 27 November 2014, the following are the guidelines:

- The payments bank will be registered as a public limited company under the Companies Act, 2013 with a minimum equity capital of Rs.100 crore. It is a Scheduled bank and will be governed by the provisions of the Banking Regulation Act, 1949, Reserve Bank of India Act, 1934, Foreign Exchange Management Act, 1999, Payment and Settlement Systems Act, 2007, Deposit Insurance and Credit Guarantee Corporation Act, 1961, other relevant Statutes and Directives issued from time to time.

- It can be promoted by existing non-bank Pre-paid Payment Instrument (PPI) issuers authorized under the Payment and Settlement Systems Act, 2007 and other entities such as individuals, professionals, NonBanking Finance Companies, mobile telephone companies, super-market chains, companies, real sector cooperatives and public sector entities.
- Maximum permitted balance in current or savings account is Rs.100,000 per individual customer with aggregate withdrawals and transfers in a month not exceeding rupees ten thousand.
- Its activities are restricted to acceptance of demand deposits, provision of payments and remittance services. It cannot undertake lending activities. It can issue ATM / Debit Cards, but cannot issue credit cards.
- It can use various channels such as branches, Automated Teller Machines (ATMs), Business Correspondents (BCs) and mobile banking, etc. for providing the aforementioned services. To leverage technology for providing services at low cost, it must have enabling systems in place, collaborations with third party service providers.

The Reserve Bank of India and the Government of India have been taking many initiatives to promote financial and deepening access to financial services in India. Special scopes given to people in rural areas are low-income groups, migrant workers and small businesses. Many initiatives have been launched, such as the Pradhan Mantri Jan Dhan Yojana (PMJDY), the Digital India Campaign, launching of electronic fund transfer mechanisms such as NEFT and RTGS, and promoting mobile payment etc. The setting up of payments banks is the latest initiative taken up by the RBI and the Government of India. The RBI has set up the concept of Payment Banks is drive towards financial inclusion in India, especially in the rural areas, mainly focusing on low-income groups and small businesses. These banks are mainly being set up to focus on low value-high volume transactions. In Sep 2013 the

Reserve Bank of India constituted a committee headed under the chairmanship of Dr. Nachiket Mor to study 'Comprehensive financial services for small businesses and low-income households'. The objective of the committee was to propose measures for achieving financial inclusion and deepening access to financial services.

2.3 EVOLUTION OF INDIA POST PAYMENT BANK

IPPB is a public sector company under the Department of Posts and the Ministry of Communication with 100 per cent equity of the Government of India, and governed by the Reserve Bank of India. IPPB will focus on providing banking and financial services to people in Semi urban and rural areas, by linking almost all post office branches. At present it has 650 branches all over the India with 3250 post office and around 11,000 gramin dak sevaks in rural area and postmen in urban area that will provide doorstep banking services comparatively IPPB has 2.5 times network then the normal bank network. On August 2015 India Post got license to run a payments bank from Reserve Bank of India.

It's a third bank to get license to open run payment bank after Airtel and Paytm. On August 2016 it was registered as a public limited government company for setting up a payments bank. The pilot project been carried out in a two branch on January 2017 at Raipur and Ranchi. Final Indian Post Payment Bank got green signal to launch. The first phase nationwide inauguration happened on September 1, 2018. It is called as India's newest bank and also mother of all banks because it is 2.5 times network then normal banking network. IPPB has permission to link around 17-crore postal savings bank (PSB) accounts with its Payment bank account. India's new public-sector company, the India Post Payments Bank (IPPB) is set to be the next biggest bank in India with financial inclusion at the helm. Its terms of its network size, it's already the largest payments bank in the country with a network that extends into the rural corners of the country. The India Post Payments Bank will use the infrastructure and employees already within the umbrella of the postal network to implement this initiative. It aims to promote financial inclusion by integrating people currently employed in India's informal economy. IPPB Starting with the launch of 3250 access points, It will be spreading its footprint and leveraging the vast postal network of nearly 1.55 lakh Post Offices and 3.0 lakh postal employees in every district, town and village of the country to serve. The post office already has 34 million savings accounts that will now be able to avail digital banking services such as mobile banking, phone banking direct benefit etc. The postal network in India is one of the vast and most comprehensive. Using the post offices that are already in place and the postmen familiar with their routes, the IPPB can capitalize on the existing resources it has on hand. Rather than having to employ and train a whole new workforce, the postal service already has postmen in place that can go door-to door for customer on boarding, answering account statement requests, coordinating third-party services and other tasks.

2.4 FINANCIAL SERVICES IN INDIA POST OFFICES

The Financial service offered by Post office includes Savings and Postal Life insurance (PLI) / Rules Postal Life Insurance (RPLI). The Post Office small savings scheme provides a secure, risk free and attractive investment option for the small investors and offers the savings products across its 155000 Post offices. The Post office savings bank is the oldest and by far the largest banking system in the country, serving the investment need of both urban and rural clientele. These services are offered as an agency service for the Ministry of Finance, Government of India. Several products on offer serve various investment requirements of the customers.

1. Savings Bank account (SB): Serves the need of regular deposits and withdrawals. Cheque facility is also available.
2. Recurring Deposit account (RD): Offers a monthly investment option with a handsome return at the end of five years with option to extend the account period insurance cover facility is also available with some conditions.
3. Monthly Income Scheme (MIS): Offers a fixed investment option for five years with monthly interest payment facility. The facility of automatic credit of interest to SB account available.

4. Public Provident Fund (PPF): Offers intermittent deposit subject to certain limits for at 15 years period coupled with income tax exemptions subject to certain conditions on the investment. Loan and withdrawal facilities are also available.
5. Time Deposit (TD): Fixed deposit option for periods ranging from one, two three to five years with facility to draw yearly interest offered at compounded rates. Automatic credit facility of interest to SB account.
6. Senior Citizens Savings Scheme (SCSS): Offers fixed investment option for Senior citizens for a period of five years which can be extended, at a higher rate of interest that are paid in quarterly instalments.
7. National Savings Certificate (NSC) (VIII) issue: With a fixed investment for 5 years on certificates of varied denominations. Pledging facility are available for availing loan from Banks.
8. National Savings Certificate (IX) issue: Fixed Investment tenure of 10 years. Post Office also offers also offers insurance product through Postal Life Insurance (PLI) and Rural Postal Life Insurance (RPLI) scheme with low premium and high bonus.

2.4.1. Postal Life Insurance (FLI) Eligibility: All Government Servants and employees of Government aided institutions with certain conditions.

- Whole Life Assurance (Suraksha)
- Endowment Assurance (Santhosh)
- Convertible Whole Life Assurance (Suvidha)
- Joint Life Insurance (Yugal Suraksha)
- Anticipated Endowment Assurance (Sumangala)
- Children's Policy

2.4.2. Rural Postal Life Insurance (RPLI)

Eligibility: For people residing in rural areas

- Whole Life Insurance (Grama Suraksha)
- Endowment Assurance (Grama Santhosh)
- Convertible Whole Life (Grama Suvidha)
- 10-year Rural PLI (Grama Priya)
- Children's Policy

Besides its own products, department of India Post also provide new pension scheme to the citizens of the country.

2.4.3 Retail Services

Through its vast network of Post Offices across the country, India Post offers the facility to collect consumer bills for service industries like telephone electricity mobile phone users etc. for Government and private organizations through Retail Post. Post Offices also sell forms for public bodies across counter of Post Office. Besides this, facility of reservation of Railway Tickets through computerized passenger reservation system terminals has been commenced from 7.10.2007 in selected Post Offices. Retail Post leverages the vast network of Post Offices for sale of provider for various utility services and it is in a position to offer the retail services to the customers of any agency.

Some of the agency services that Rural Post Offers are as follows.

- Telephone revenue collection
- E-Ticketing for Road Transport Corporation and Airlines
- Sale of UPSC forms, University applications, etc.
- Sale of Passport application forms
- Sale of Gold Coins, Forex Services
- Sale of SIM and recharge coupons
- Sale of India Telephone cards
- E-Ticketing of Railway tickets

The Heads of Circle have also been empowered to provide various area specific business packages under Retail Post in their Circles.

2.4.4 Savings Bank Account (SB)

- Any number of accounts can be opened but not more than one account in one office.
- A joint account can be opened in addition to single account, NREGS account and pension account in same post office.
- An account may be opened by (a) single adult or two adults jointly (b) a guardian on behalf of the minor or person of unsound mind and (c) a minor who has attained the age of 10 years in his own name.
- A single account holder may retain maximum balance up to Rs.1 Lakh and in joint accounts up to Rs.2 Lakh. For the purpose of maximum balance, the depositor's share in the balance of a joint account(s) shall be taken as one half or one third of such balance according as the account is held by two or three adults.
- No deposit is allowed for less than Rs.5 No withdrawal shall be less in Cheque accounts.
- Interest on deposits in an account shall be allowed for a calendar month on the lowest balance at credit of an account between the close of the tenth day and end of the month.

- No interest shall be allowed on any sum in excess of the maximum balance prescribed for an account.
- Nomination facility is available both in Single and joint accounts.
- NRIs and Power of Attorney holders are not eligible to open accounts.
- If no deposit / withdrawal has taken place in an account for continuous three years, the account becomes silent and no further transaction is allowed unless the account is revived.

2.4.5 Recurring Deposit Accounts (RD)

- An account may be opened by (a) single adult or two adults jointly (b) a guardian on behalf of the minor or person of unsound mind and (c) a minor who has attained the age of 10 years in his own name.
- A depositor can have more than one account in his name or jointly with another.
- Maturity period of the account is 5 years but the account can be extended for a further period up to 5 years with or without further monthly deposits.
- If there are more than 4 defaults, the account shall be treated as discontinued account and can be revived within a period of two months from the months of fifth default.
- The rebate is also admissible for deposits in advance for 6 months or more.
- Only one withdrawal is allowed during the currency of the account.
- Interest as notified from time to time shall be payable by the depositor on the amount of withdrawal.
- NRIs and Power of Attorney holders are not eligible to open accounts.

2.4.6 Time Deposit Accounts (TD)

- There are four kinds of accounts, namely 1-year account, 2-year account, 3-year account and 5-year account in which a deposit can be made for a period of one year, two years, three years and live years respectively.
- An account may be opened by (a) single adult or two adults jointly (b) a guardian on behalf of the minor or person of unsound mind and (c) a minor who has attained the age of 10 years in his own name.
- A depositor can have more than one account in his name or jointly with another either in the same post office or in different post offices.
- There shall be one deposit in the account. The deposit shall be in multiple of Rs. 200.
- There is no maximum limit of deposit in an account. The deposit shall carry interest at the rate prescribed from time to time and such interest shall be payable to the depositor at the end of each year during the period of deposit.

- NRIs and Power of Attorney holders are not eligible to open accounts.
- Post maturity interest for a deposit not withdrawn on maturity is admissible at the rate applicable to savings accounts for a maximum period of 2 years from the date of maturity.

2.4.7 Monthly Income Scheme Accounts (MIS)

- An account may be opened by (a) single adult or two adults jointly (b) a guardian on behalf of the minor or person of unsound mind and (c) a minor who has attained the age of 10 years in his own name.
- A deposit or depositors may open more than one account either in the same post office or in different post offices subject to limit of maximum investment in a single or joint account prescribed from time to time.
- For the purpose of maximum deposits, the deposits held by an individual in his single account together with his share in joint accounts should not exceed the limit fixed for single account. The depositor's share in the joint account shall be taken as one half or one third of such balance according as the account is held by two adults or three adults.
- No final withdrawal will be permitted in the account before the expiry of 6 years from the date of opening. • The interest prescribed from time to time will be payable monthly on completion of a month from the date of deposit and if interest payable is not claimed, such interest will not earn any additional interest.
- On giving application, interest payable can be deposited in the savings account of the depositor held at the same post office.
- The amount deposited in the account in excess of the prescribed limit will be refunded with interest at the rate application to savings account.
- NRIs and Power of Attorney holders are not eligible to open accounts.
- Post maturity interest for a deposit not withdrawn on maturity is admissible at the rate applicable to savings accounts for a maximum period of 2 years from the date of maturity.

2.4.8 Senior Citizens Savings Scheme Accounts (SCSS)

- An individual who attained the age of 60 years on the date of opening of the account can open the account. An individual who attained the age of 55 years or more but less than 60 years and who retired on superannuation or otherwise on the date of opening of account can also open the account within one month of the date of receipt of retirement benefits.
- The retired personnel of Defence Services (excluding Civilian Defence Employees) shall be eligible to open the account under the Scheme irrespective of the above age limits subject to the fulfilment of other specified conditions
- The joint account can be opened with the spouse only irrespective of the age of spouse.

- Both the spouses can open individual and/or joint account with each other with maximum deposit up to the limit prescribed from time to time.
- A depositor may open more than one account subject to the condition that deposit in all accounts should not exceed the prescribed limit.
- The amount if found deposited excess than the prescribed limit, the same will carry interest at the rate applicable from time to time to Post Office Savings Account.
- The interest applicable from time to time shall be payable quarterly on 31st March, 30th June, 30th September and 31st December. Interest payable if not claimed shall not any additional interest.
- The whole amount of investment in a joint account is attributed to the 1st applicant / depositor only.
- NRIs and Power of Attorney holders are not eligible to open accounts.
- Post maturity interest for a deposit not withdrawn on maturity is admissible at the rate applicable to savings accounts for a maximum period of 2 years from the date of maturity.
- Income Tax at source is deducted at the time of payment of interest unless a declaration is given in form 15 G or 15 H as applicable.
- Account can be transferred from one deposit office to another by paying the prescribed fee.

2.4.9 Public Provident Fund Accounts (PPF)

- Non-Resident Indians and Hindu Undivided Families (HUF) are not eligible to open an account under the Public Provident Fund Scheme.
- Any individual may, on his own behalf or on behalf of a minor, of whom he is the guardian, subscribe to the Public Provident Fund the amount prescribed from time to time.
- A subscriber may apply for transfer of his account from one "Accounts Office" to another "Account Office".
- The subscription which shall be in multiples of Rs.5 may, for any year, be paid into the account in one lump sum or instalments not exceeding twelve in a year.
- Interest at the rate, notified by the Central Government in the official gazette from time to time, shall be allowed for a calendar month on the lowest balance at credit of an account between the close of the fifth day and the end of the month and shall be credited to the account at the end of each year.
- Withdrawal facility is available at any time after the completion of five years from the end of the year of initial subscription.
- Loan facility is also available for which postmaster may be contacted.
- Subscription to PPF qualifies for deduction under Section 80C of Income Tax Act.

2.5 CHALLENGES AND PROBLEMS IN OPERATION OF INDIA POST PAYMENTS BANK

1. As India Post Payment Bank is not allowed to extend credit, it will not be able to earn income by way of Interest spread. It can earn fee income by way of investment of 75% of its demand and time liabilities in government securities and treasury bills, 25% as demand/time liabilities with other scheduled commercial banks. Hence, it might take a long time for it to breakeven.
2. It will not be able to meet the credit requirements of rural population and they might be forced to turn towards money lenders. This defeats the entire purpose of financial inclusion.
3. It is expected to provide services through the application of mobile technology and other forms of digital technology. However, though there is wide spread proliferation of mobile services and mobile phone usage in rural areas, mobile banking has not caught on due to several reasons such as cash preference of customers, security concerns, illiteracy, lack of knowledge about technology products and services. Educating and convincing people to use mobile phones to access banking services could be an uphill task.
4. Since IPPB intends to use existing infrastructure in terms of the already established network of post offices and postal employees in providing payment bank services, it faces the huge task of training staff in around 1,30,000 rural post offices so that they can adequately use digital technology and deliver quality of service. It might have to recruit new staff with adequate banking experience to handle Payments Bank activities.
5. All the post offices are not completely computerized, though IT modernization project was in operation since 2012. Similarly, Core Banking Solution connectivity is available in few post offices only. It is necessary to ensure that IT modernization project is successfully completed so as to automate the back end and front-end operations of post offices and thereby reduce the cost of providing service. Project Arrow which aims to improve the working conditions in post offices is also in complete.
6. Changing the orientation of postal departmental staff towards banking culture would be another challenge 10.

2.6 SUGGESTIONS TO OVERCOME THE CHALLENGES

1. India Post Payments Bank must work in close collaboration with the Department of Postal Services so as to use its vast network of post offices and the trust that the post office enjoys among the target population. According to Global FINDEX report, 2014 around 43% of unbanked population is living in rural areas¹¹. Hence, access to postal network which made inroads in rural areas is very important in reaching the unbanked in rural areas.
2. India post already has amassed experience in mobilizing small savings, management of cash, and distribution of social security benefits through its network of post offices. It has been operating small savings schemes on behalf of the Ministry of Finance, Government of India. It also disbursed MGNREGA wages amounting to Rs.6,943 Crores to Rs.697 crore beneficiaries as on 31st March 2016¹². Its experience in handling large volumes of low margin products can be leveraged to efficiently run the Payment Bank.

3. In a study by World Bank in 2013, it was observed that Post offices have a greater chance of reaching out to financially excluded customers than traditional financial institutions¹³. Unlike commercial banks, the focus of payments bank run by India post would be customer service orientation and hence it would be able to reach out to poor, illiterate, marginalized customers. It would be an effective medium to service large volume of small value transactions.
4. In order to handle competition for providing financial services, the payments bank needs to offer the services at low cost to its customers. For this purpose, it is necessary to digitize its operations. Digitization is also required to improve the quality of service to the customer. The IT Modernisation project, which was started in 2012, was able to automate operations and achieve connectivity to electronic network in around 25,000 post offices out of a total of 156000 post offices. The connectivity rate is 16% while the world average is 58%¹⁴. This has to be accelerated so that post offices at all levels are enabled to extend uniform service to act as main customer touch points.
5. It must effectively create customer awareness about the products and services that it offers. It must develop products which are innovative, which meet the cash flow pattern and other requirements of the customers and then bring it to the notice of customers through door to door campaigning.
6. Postal staff is in direct contact with the customers and they enjoy the trust of customers. They must be trained to handle banking operations involving multiple delivery channels such as internet banking, mobile banking and so on. India post has developed a comprehensive mechanism for training the employees at all levels in various aspects of banking and computer literacy.
7. Payments Bank must be used as a medium for Direct Benefit Transfer of social security wages and pensions. This encourages people to open accounts and hence becomes an effective medium of financial inclusion.
8. Though Payments Bank cannot directly extend credit, it can offer credit facilities by tying up or in partnership with commercial banks.

2.7 CONCEPT OF PERCEPTION OF CUSTOMERS TOWARDS FINANCIAL SERVICES IN INDIA POST OFFICES

Individuals differ in the way of understanding and appreciating the environment, things and the people around them. For example, the various financial services provided by the India Post offices may be considered most favorable and more sufficient for some customer, while some may feel

that it is just sufficient while still some may feel that it is not sufficient. This difference is due to "perception".

The India Post office should follow a proactive approach i.e. begin the service and satisfaction management process before they even come in contact with customers and also be reactive i.e. look forward for customers to complain, welcome them and tell them what to do. This study is an attempt to develop a thought on how to focus on enabling and keeping promises in financial services offered by India Post offices because how promises are kept is a clear indication of how strong and for how long shall the customer relationship be.

The India Post office is going through diversification and improvements by offering various financial services to its customers in addition to its tradition services. This has helped many customers living in the remote, difficult and most isolated areas of the country where not much banks are available. It has also changed the functioning of the post offices by introducing many financial services based on the requirements of its customers.

The availability of these facilities and the related information has to be made known to the customers. But, how far a customer knows about these financial services offered by India Post offices and the services needs to be analyzed. As well as the customer's perception towards the financial services in India Post offices has to be analysed to understand their effect on India Post offices. An analysis thus is necessary to provide this useful information to further improve the performance of India Post offices.

Though the India Post offices are introducing the most appropriate financial schemes with a view of continuous development and improvements, so as to attract more customers and to enhance their business, their growth and their performance largely depends on their customers and the customer's satisfaction. Whether a customer is satisfied with the abilities and services of the India Post offices again depends on the individual customer's perception and utilization of the services offered. Hence, the above chapter explains the basic definitions, factors and importance of perception towards financial services of India Post offices.

CHAPTER III

DATA ANALYSIS

AND

INTERPRETATION

3.1 GENDER-WISE CLASSIFICATION

Table 3.1

Particulars	No. of Respondents	% of Responds
Male	52	52%
Female	46	46%
Others	2	2%

Source: Primary Data

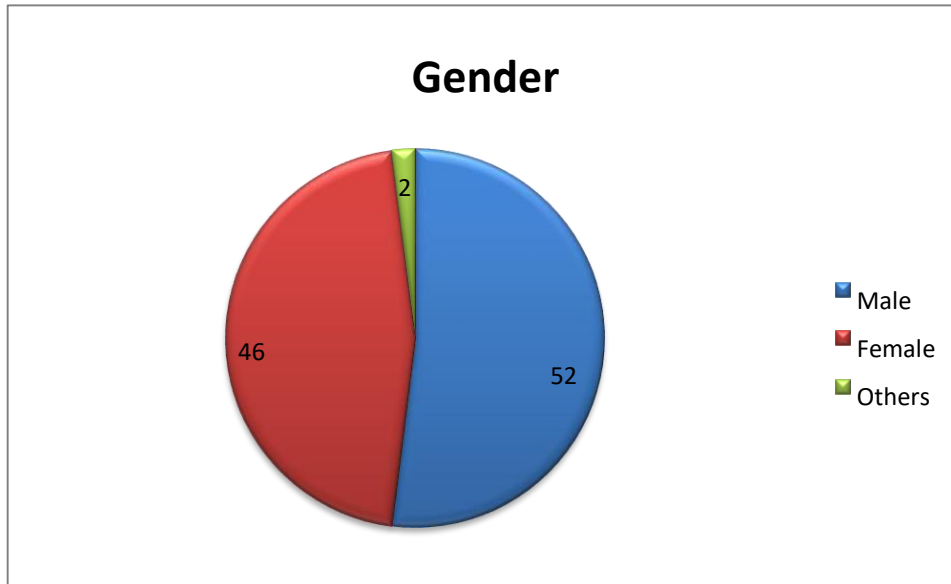


Fig 3.1

Inference

The data shows that the respondents were composed of 52% male, 46% female and 2% others. From Table 3.1, it can be inferred that majority of the respondents are male, compared to 46 female and 2 others, in a total of 100.

3.2 AGE-WISE CLASSIFICATION

Table 3.2

Particulars	No. of Respondents	% of Responds
Below 25	37	37%
Between 25 and 50	42	42%
Between 50 and 60	14	14%
Above 60	7	7%

Source: Primary Data

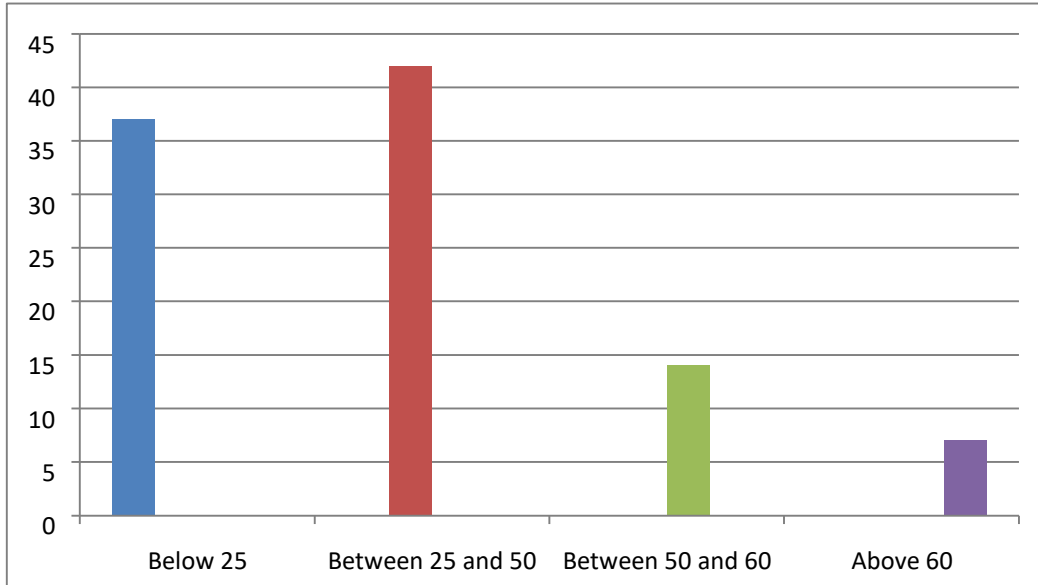


Fig 3.2

Inference

The Table 3.2 shows that out of 100, 37% of respondents fall under the age of 0-25, 42% of the respondents fall under the age group below 25, 14% of the respondents fall under the age group of 50-60 and 7% of the respondents fall under the age group above 60. The majority respondents are of the age between 25 and 50.

3.3 EDUCATIONAL QUALIFICATION-WISE CLASSIFICATION

Table 3.3

Particulars	No. of Respondents	% of Responds
Secondary	8	8%
Higher Secondary	33	33%
Graduate	36	36%
Post Graduate	20	20%
None of the above	3	3%

Source: Primary Data

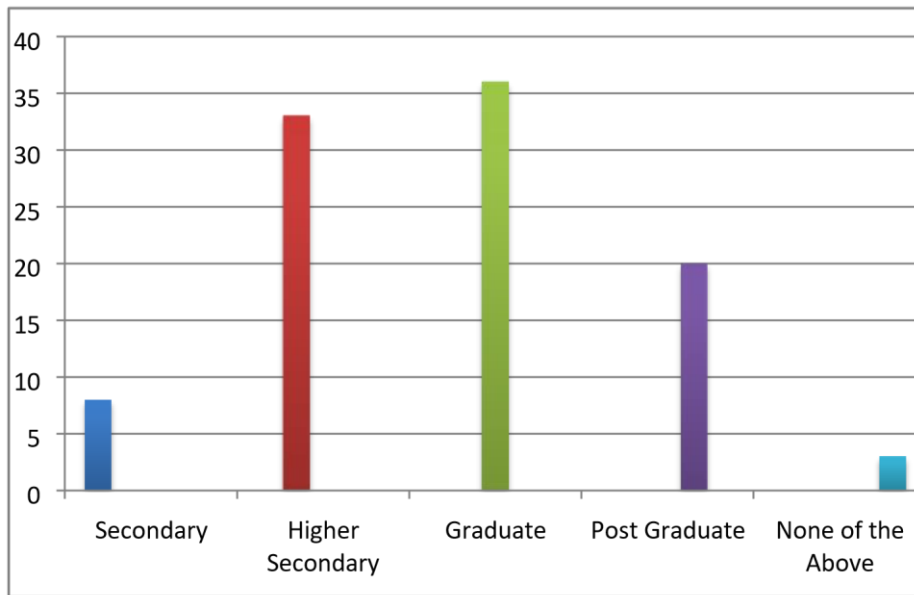


Fig 3.3

Inference

The Table 3.3 shows that out of 100, 8% of the respondents have secondary education, 33% of the respondents have higher secondary, 36% of the respondents have graduated, 20% of them have completed Post Graduation and 3% of the respondents does not have any qualifications. The majority respondents are Graduates.

3.4 CLASSIFICATION ON THE BASIS OF OCCUPATION

Table 3.4

Particulars	No. of Respondents	% of Responds
Agriculturist	8	8%
Business or Profession	23	23%
Salaried Class	21	21%
Student and Others (retired, home maker, etc.)	48	48%

Source: Primary Data

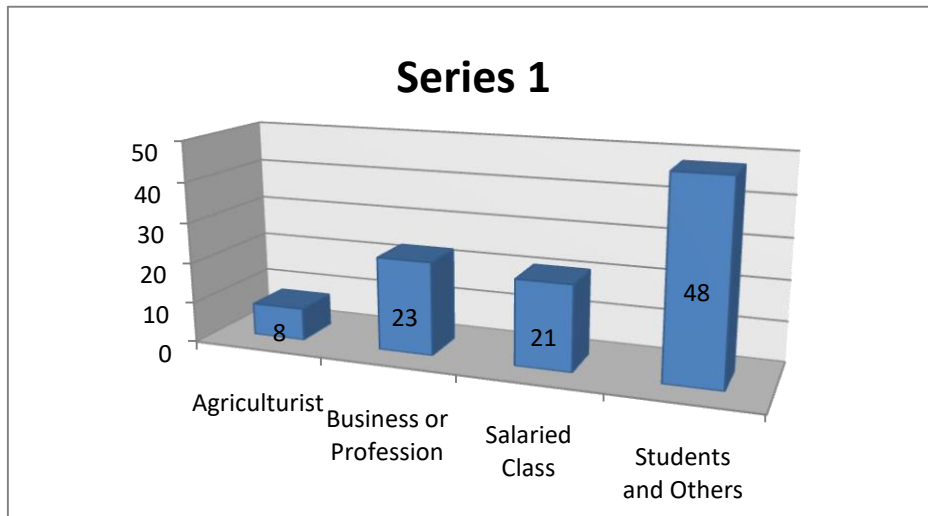


Fig 3.4

Inference

The Table 3.4 show that out of 100, 8% of respondents are agriculturist, 23% of the respondents are in the business and professional field, 21% of the respondents are salaries class and 48% of the respondents are students and others. The majority respondents are students and others (home maker, etc.).

3.5 CLASSIFICATION ON THE BASIS OF MONTHLY INCOME

Table 3.5

Particulars	No. of Respondents	% of Responds
Below 10,000	46	46%
10,000 - 50,000	34	34%
50,000- 1,00,000	15	15%
Above 1,00,000	5	5%

Source: Primary Data

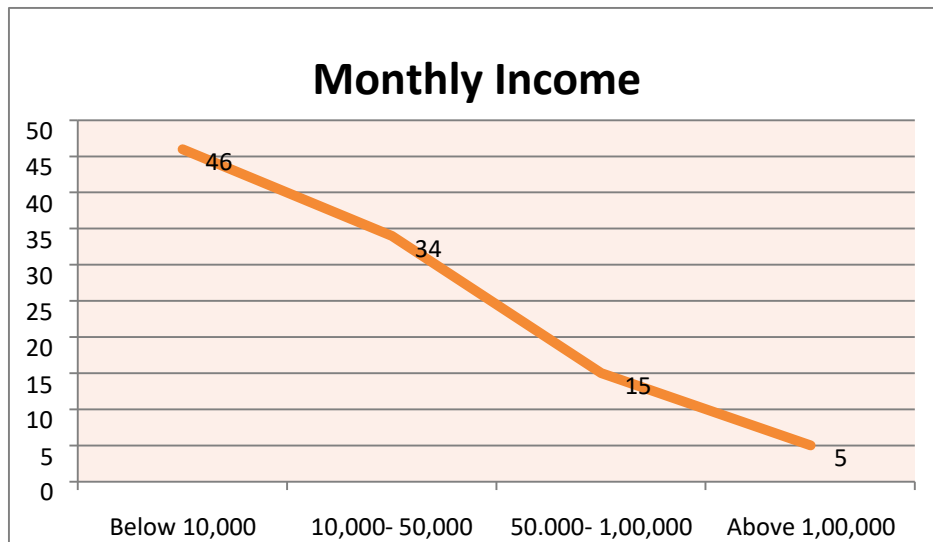


Fig 3.5

Inference

The Table 3.5 shows that out of 100 respondents, 46% of the people earn below 10,000, 34% of the people comes under 10,000 – 50,000, 15% of the people comes under 50,000- 1,00,000 and 5% comes under above 1,00,000. It can be inferred that majority of the respondents are those who earn below 10,000.

3.6 CLASSIFICATION ON THE BASIS OF NUMBER OF ACCOUNT HOLDERS

Table 3.6

Particulars	No. of Respondents	% of Responds
Yes	30	30%
No	70	70%

Source: Primary Data

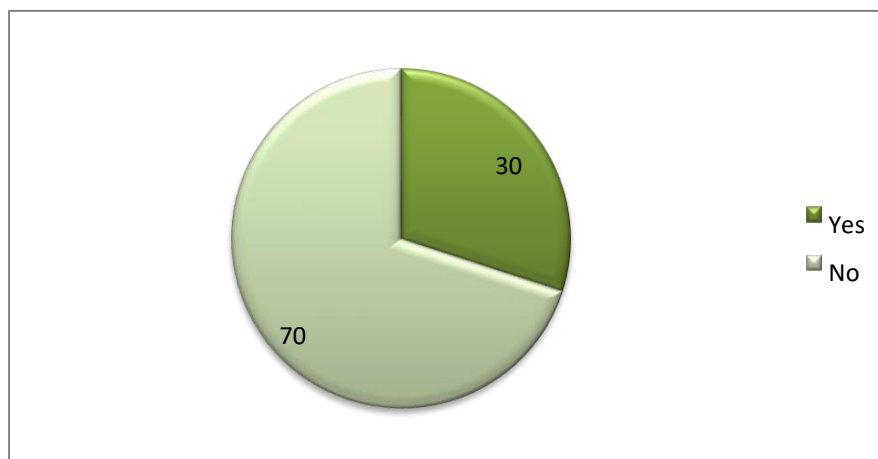


Fig 3.6

Inference

The Table 3.6 shows that out of 100 respondents, 30 % of the respondents are India Post Payments Bank Account holders and 70% of the respondents are Non-Account Holders. It can be inferred that the majority are Non account Holders.

3.7 CLASSIFICATION ON THE BASIS OF PUBLIC AWARENESS ON IPPB

Table 3.7

Particulars	No. of Responds	% of Responds
Yes	21	30%
No	49	70%

Source: Primary Data

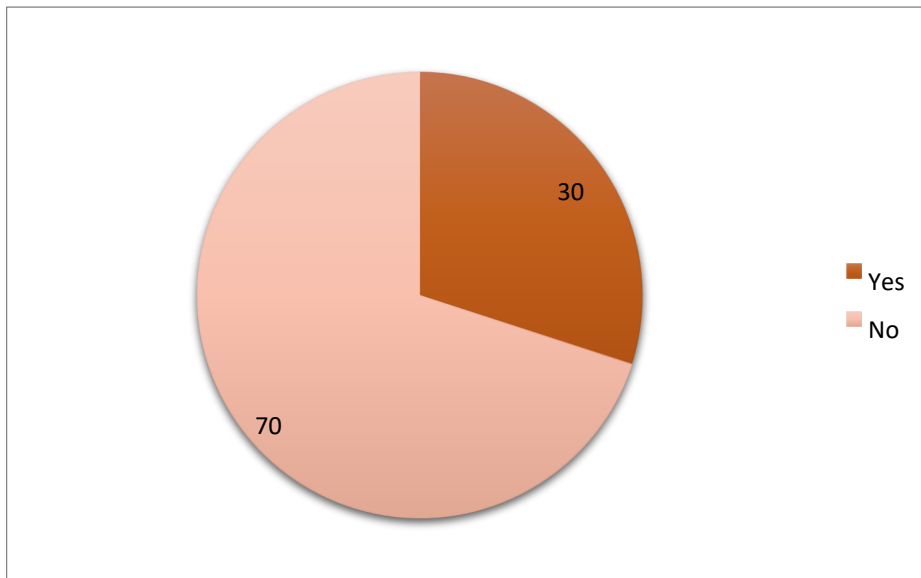


Fig 3.7

Inference

The Table 3.7 shows that out of 70 respondents, 30% of the respondents are aware about India Post Payments Bank services and 70 % of the respondents are not aware about the service. It can be inferred that majority of the respondents are not aware about the service.

3.8 CUSTOMER'S OPINION ABOUT STARTING AN ACCOUNT WITH IPPB IF THE SERVICES ARE DIGITALISED

Table 3.8

Particulars	No. of Responds	% of Responds
Yes	44	62.9%
No	26	37.1%

Source: Primary Data

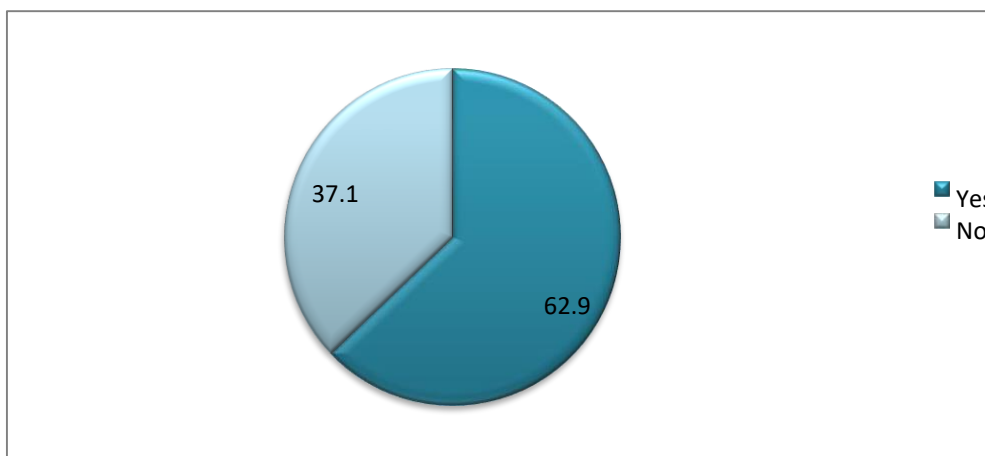


Fig 3.8

Inference

The Table 3.8 shows that out of 70 respondents, 62.9% of the respondents are ready to open an account with IPPB if the services are digitalized and 37.1 % of the respondents are not ready to open an account if the above service is provided. The majority of the respondents (62.9%) are ready to open an account.

3.9 CUSTOMER’S OPINION ABOUT STARTING AN ACCOUNT IF LOAN FACILITES ARE PROVIDED

Table 3.9

Particulars	No. of Responds	% of Responds
Yes	40	57.1%
No	30	42.9%

Source: Primary Data

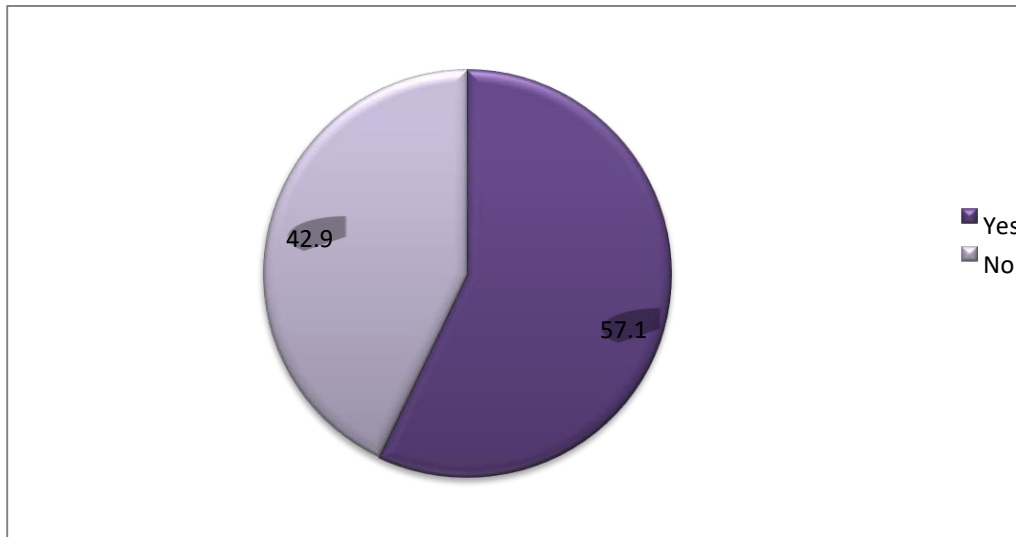


Fig 3.9

Inference

The Table 3.9 shows that out of 70 respondents, 57.1% of the respondents are ready to open an account with IPPB if loan facilities are provided and 42.9 % of the respondents are not ready to open an account if the above service is provided. The majority of the respondents (57.1) are ready to open an account.

3.10 CUSTOMER S OPINION ON STARTING AN ACCOUNT IF BETTER SECURITY IS PROVIDED

Table 3.10

Particulars	No. of Respondent	% of Respondents
Yes	55	78.6%
No	15	21.4%

Source: Primary Data

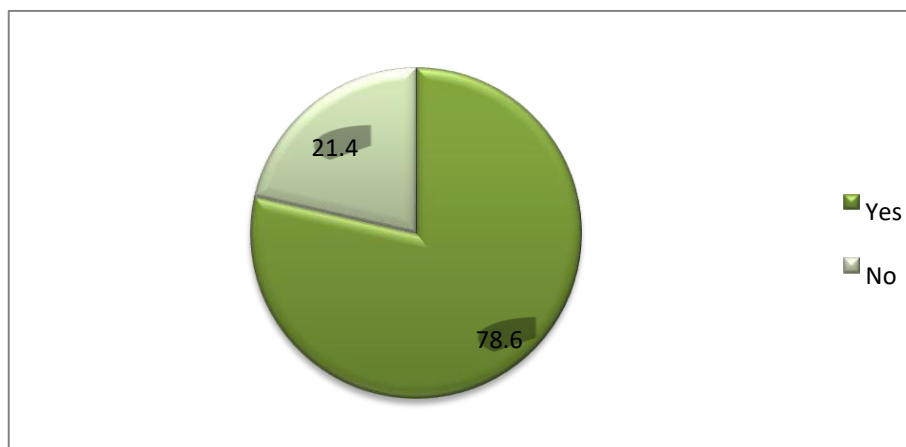


Fig 3.10

Inference

The Table 3.10 shows that out of 70 respondents, 78.6 % of the respondents are ready to open an account with IPPB if better security is provided and 21.4% of the respondents are not ready to open an account even if such services are provided. The majority of the respondents (78.6%) are ready to open an account.

3.11 CUSTOMER S OPINION ABOUT STARTING AN ACCOUNT IF INSURANCE COVER WITH ADDED BENEFITS IS PROVIDED

Table 3.11

Particulars	No. of Respondents	% of Respondents
Yes	47	67.1%
No	23	32.9%

Source: Primary Data

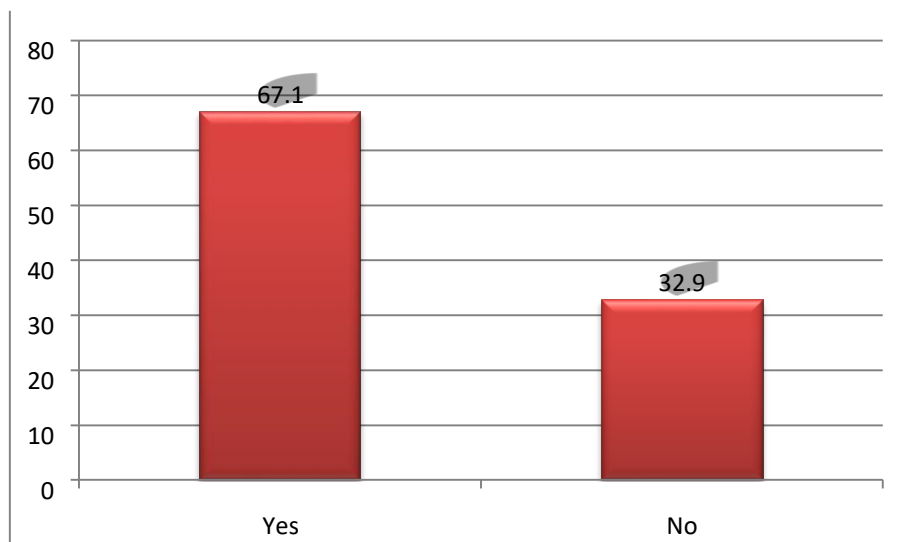


Fig 3.11

Inference

The Table 3.11 shows that out of 70 respondents, 67.1% of the respondents are ready to open an account if insurance cover with added benefits is provided and 32.9% of the respondents are not ready to open an account if such services are provided. The majority of the people are ready to open an account.

3.12 CUSTOMER S AWARENESS ABOUT INVESTMENT SCHEMES PROVIDED BY INDIA POST PAYMENT BANK

Table 3.12

Particulars	No. of Respondents	% of Respondents
Yes	12	17.1
No	58	82.9

Source: Primary Data

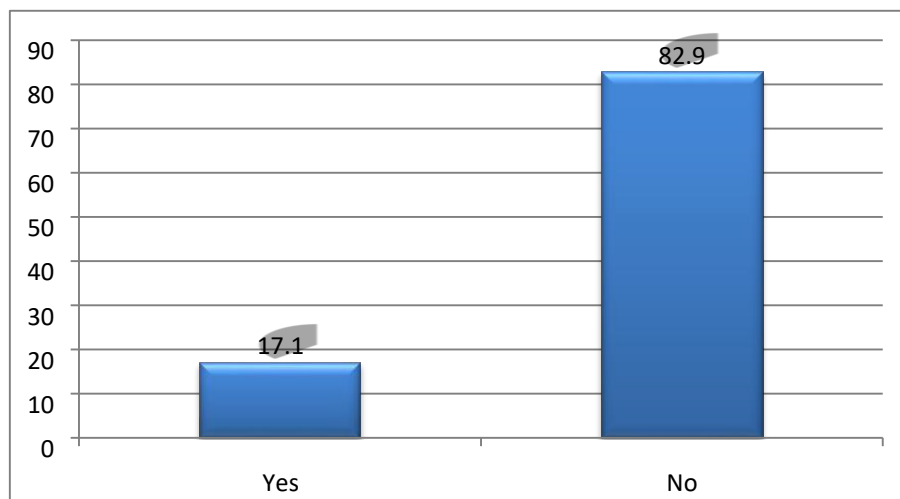


Fig3.12

Inference

The Table 3.12 shows that out of 70 respondents, 17.1% of the respondents are aware about the investment schemes provided by IPPB and 82.9% are not aware about the investment schemes. The majority of the respondents are not aware about the investment schemes provided by IPPB.

3.13 DURATION OF HOLDING AN ACCOUNT WITH IPPB

Table 3.13

Particulars	No. of Responds	% of Responds
Less than 1 year	3	10
1 Year - 3 Years	9	30
3Years - 5 Years	10	33.3
Above 5 Years	8	26.7

Source: Primary Data

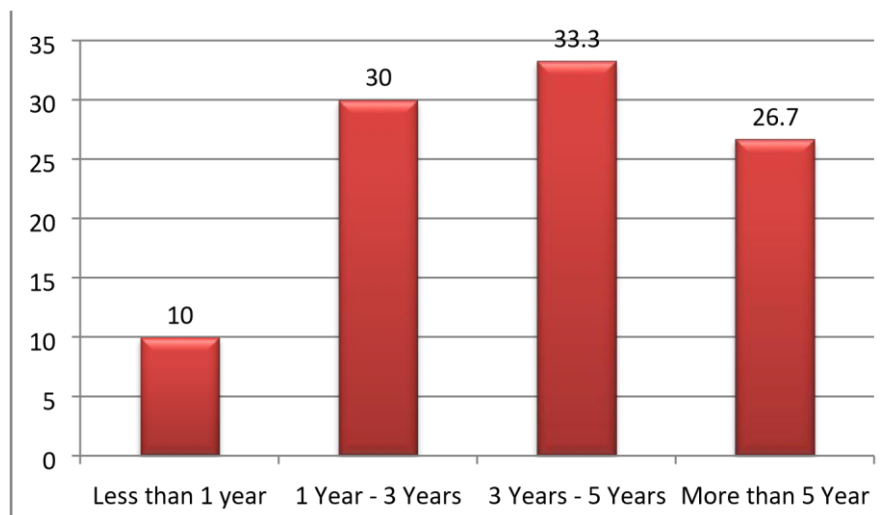


Fig 3.13

Inference

The Table 3.13 shows that out of 30 respondents, 10% belongs to category Less than 1 Year, 30% belongs to category 1 Year - 3 Years, 33.3% belongs to category 3 Years - 5 Years and 26.7% belongs to category More than 5 Years. Majority of the respondents belong to category 3 Years - 5 Years.

3.14 TYPE OF ACCOUNTS HELD BY THE RESPONDENTS

Table 3.14

Particulars	No. of Respondents	% of Respondents
Savings Account	10	33.3%
Recurring Account	6	20%
Term Deposit Account	8	26.7%
Public Provident Account	4	13.3%
Kisan Vikas Patra	2	6.7%
Others	0	0%

Source: Primary Data

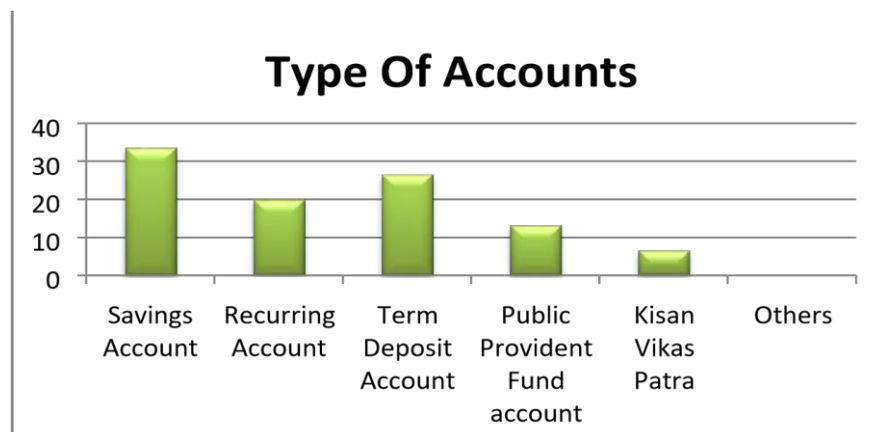


Fig 3.14

Inference

The Table 3.14 shows that out of 30 respondents, in which 33.3% belongs to Savings Account category, 20% belongs to Recurring Account category, 26.7% belongs to Term Deposit Account category, 13.3% belongs to Public Provident Fund Account category, 6.7% belongs to Kisan Vikas Patra category and 0% belongs to others. The majority of the respondents are holders of Savings Account.

3.15 SERVICES PREFERRED BY CUSTOMERS FROM INDIA POST PAYMENT BANK

Table 3.15

Particulars	No. of Respondents	% of Respondents
Postal Related	11	36.7%
Financial Related	11	36.7%
Both	8	26.7%

Source: Primary Data

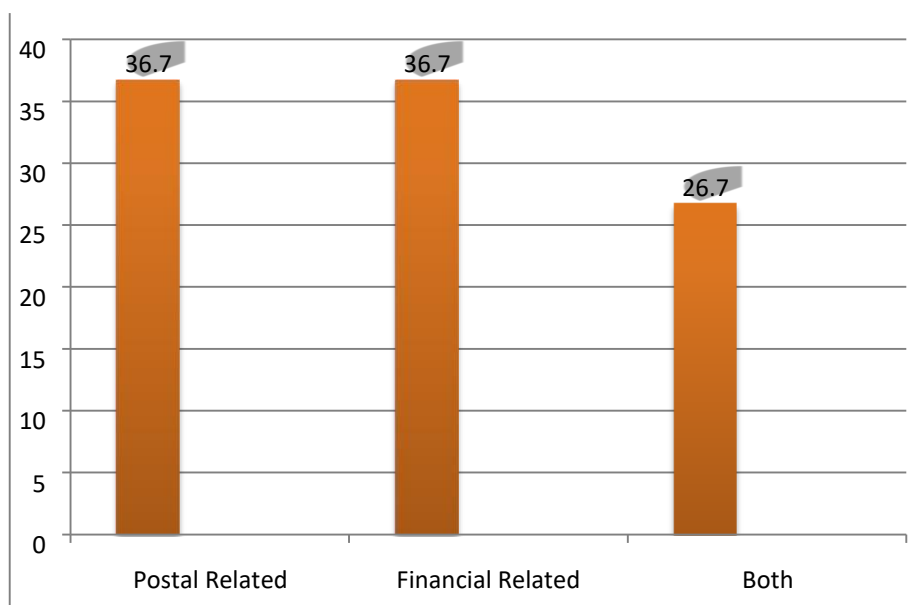


Fig 3.15

Inference

The Table 3.15 shows that out of 30 respondents, 36.7% are satisfied with Postal Services, 36.7% are satisfied with Financial Services and 26.7% are satisfied with both Financial and Postal Services.

The majority of the respondents use both Postal and Financial services provided by IPPB.

3.16 INVESTMENT PURPOSE

Table 3.16

Particulars	No. of Respondents	% of respondents
For Retirement and Old Age benefits	9	30%
Acquiring an Asset	14	46.7%
Educational Purpose	5	16.7%
Child's Marriage and Other Purpose	2	6.7%

Source: Primary Data

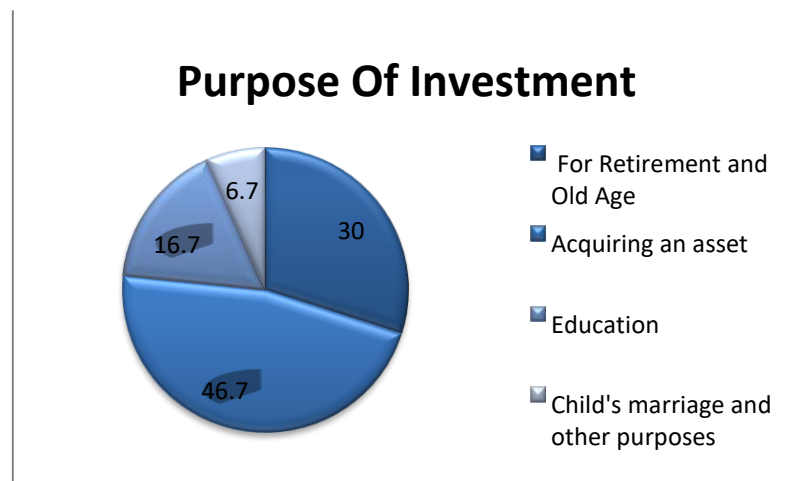


Fig 3.16

Inference

The Table 3.16 and Figure 3.16 shows that out of 30 respondents, 30% of the respondents make investment for Retirement and Old Age benefits, 46.7% of the respondents invests for acquiring an Asset, 16.7% of the respondents invests for Educational purpose and 6.7% of the respondents invests for their child's Marriage and other Purposes. The majority of the respondents are investing with IPPB for acquiring an asset.

3.17 CLASSIFICATION ON THE BASIS OF SATISFACTION OF INTEREST RATE PROVIDED

Table 3.17

Particulars	No. of Responds	% of Responds
Yes	18	60%
No	12	40%

Source: Primary Data

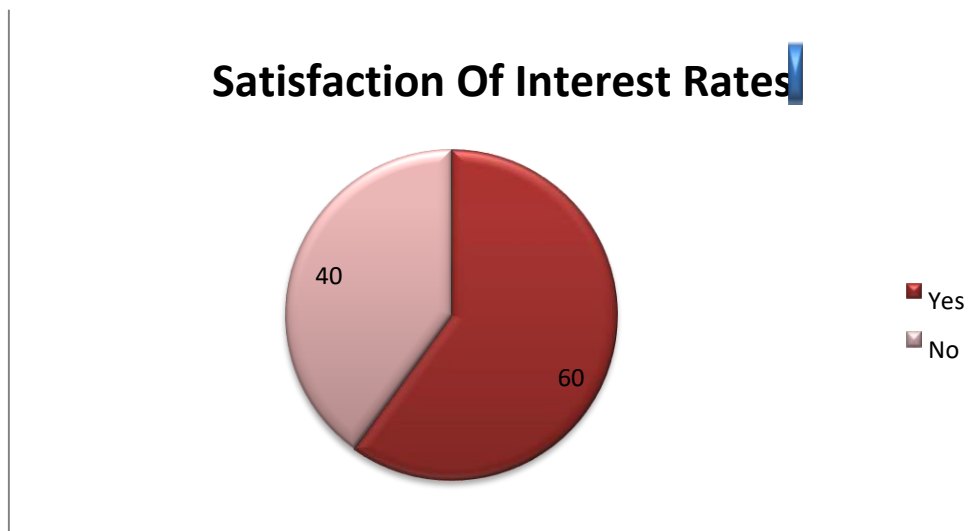


Fig 3.17

Inference

The Table 3.17 and Figure 3.17 shows that out of 30 respondents, 60% respondents are satisfied with the interest rates provided by IPPB and 40% respondents are unsatisfied with the interest rate provided by IPPB. The majority of the people are satisfied with the interest rate provided.

3.18 MONEY REMITTANCE SERVICES

Table 3.18

Particulars	No. of Respondents
Money Orders	17
Instant Money Orders	15
International Money Transfer	10
Money Gram	12
Electronic International Money Order Service	7
None of the above	1

Source primary data

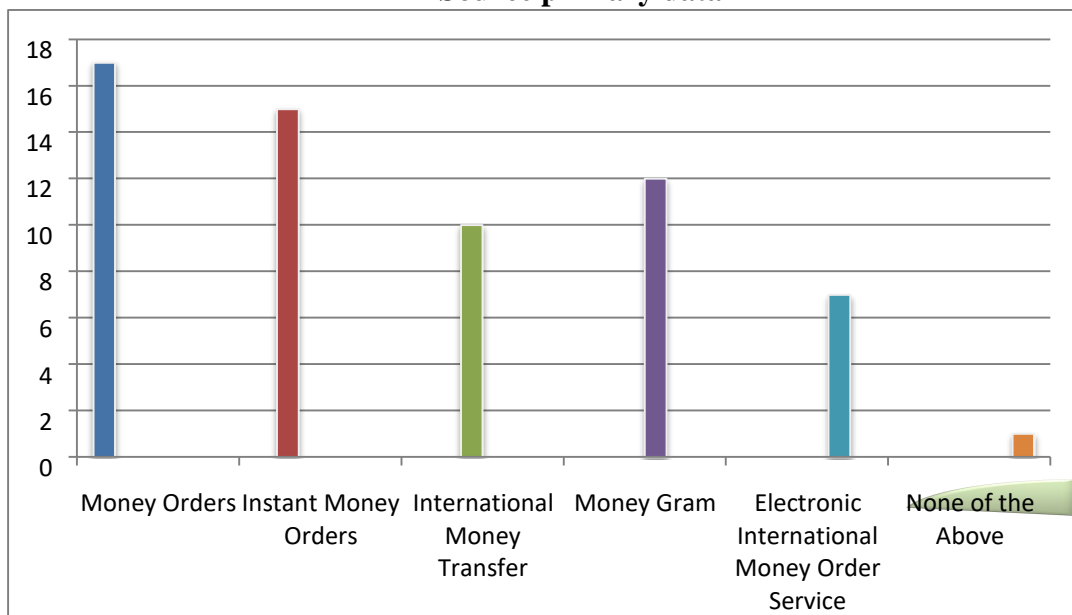


Fig 3.18

Inference

The Table 3.18 shows that out of 30 respondents in which, 17 respondents have used Money Order, 15 respondents have used instant Money Orders, 10 respondents have used International Money Transfer, 12 respondents have used Money Gram, 7 respondents have used Electronic International Money Order Service and 1 respondent has not used any of the above services. From the Figure 3.18, it is clear that most of the respondents have used more than one service and the frequently used service is Money Orders.

3.19 CUSTOMER'S OPINION ABOUT MONEY REMITTANCE SERVICES

Table 3.19

Particulars	No. of Respondents	% of Respondents
Safe	8	26.7
Instant cash	11	36.7
Less Formalities	7	23.3
Low Commission Charges	4	13.3

Source: Primary Data

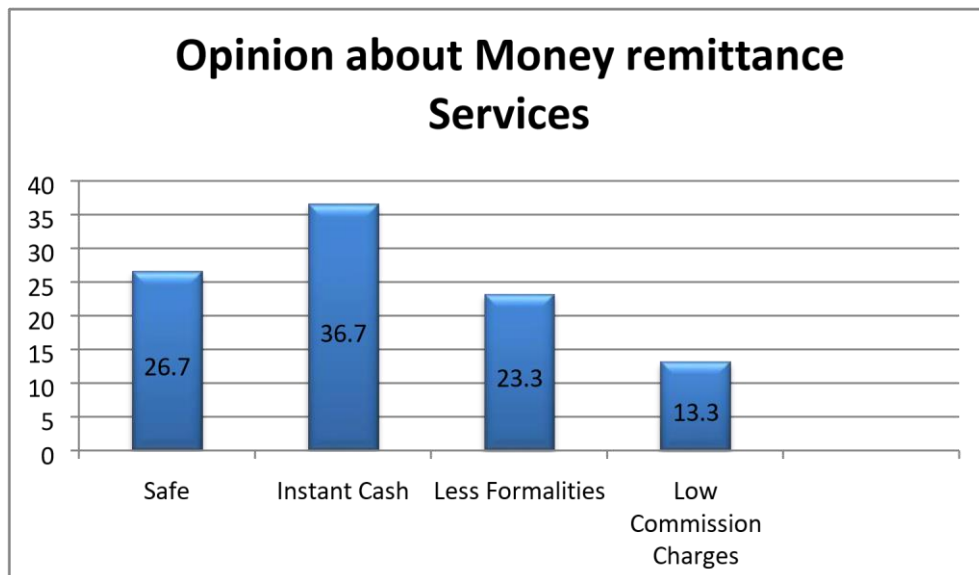


Fig 3.19

Inference

The Figure 3.19 shows that out of 30 respondents, 26.7% of the respondents feel safe about the money remittance services, 36.7% of the respondents can take instant cash under money remittance services, 23.3% of the respondents feel that there is less formalities under money remittance services and 13.3 % of the respondents have low commission charges under money remittance services. The majority of the respondents can take instant cash out of money remittance services provided by IPPB.

3.20 CLASSIFICATION ON THE BASIS OF SOURCES OF AWARENESS OF INDIA POST PAYMENT BANK

Table 3.20

Particulars	No. of Respondents	% of Respondents
Advertisement	10	33.3%
Friends and Families	11	36.7%
Agents	9	30%

Source: Primary Data

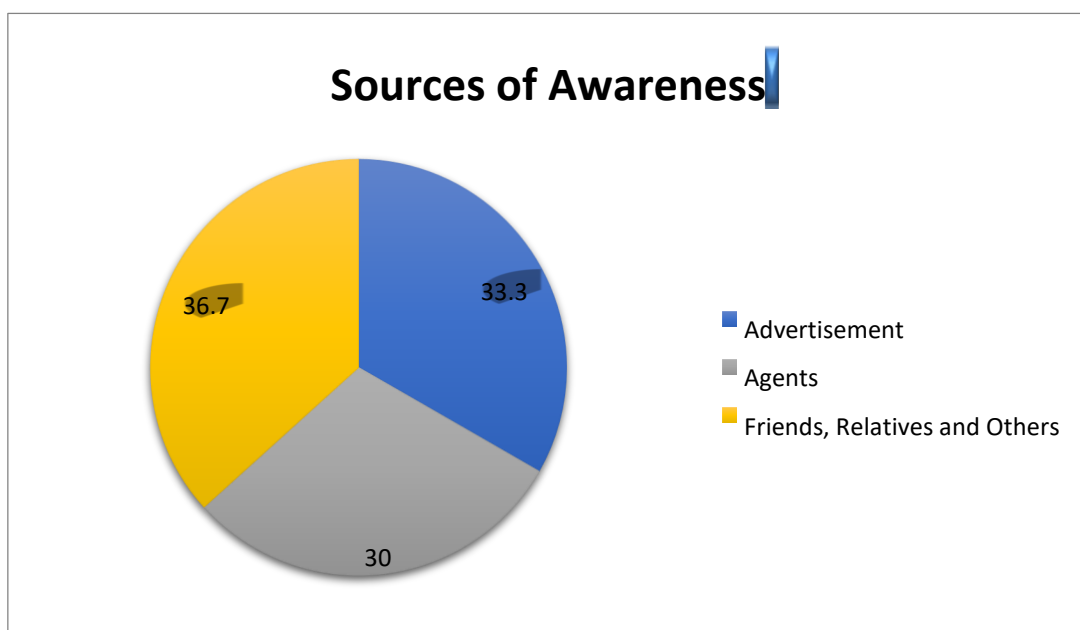


Fig 3.20

Inference

The Table 3.20 shows that out of 30 responds, 33.3% of the respondents have been aware of IPPB through the help of advertisements, 36.7% of the respondents have an account with IPPB through friends and families and 30% of the respondents got awareness from agents of IPPB. Majority of the respondents got the awareness through friends and families.

3.21 CLASSIFICATION ON THE BASIS OF HOW THE STAFFS RESPOND TO THEIR CUSTOMERS

Table 3.21

Particulars	No. of respondents	% of Respondents
Friendly	5	13.8
Late Responds	17	58.6
Indifferent Approach	7	24.1
Any Other	1	3.5

Source: Primary Data

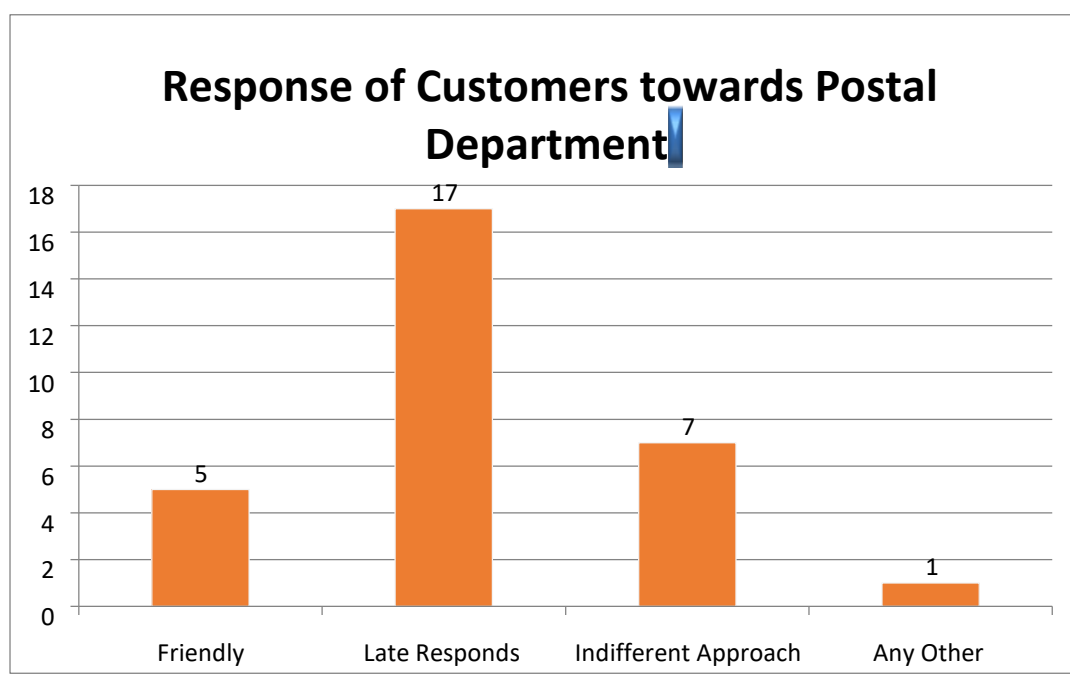


Fig 3.21

Inference

The Table 3.21 shows that out of 30 Respondents, 5 respondents find the staffs are friendly, 17 respondents find their staffs that they respond late, 7 respondents find their staffs give an indifferent approach and 1 respondent opted for others. The majority of the respondents feels are their staffs respond late.

3.22 CLASSIFICATION OF CUSTOMERS WHO WOULD SUGGEST OTHERS TO START AN ACCOUNT

Table 3.22

Particulars	No. of Respondents	% of Respondents
Yes	24	80%
No	6	20%

Source: Primary Data

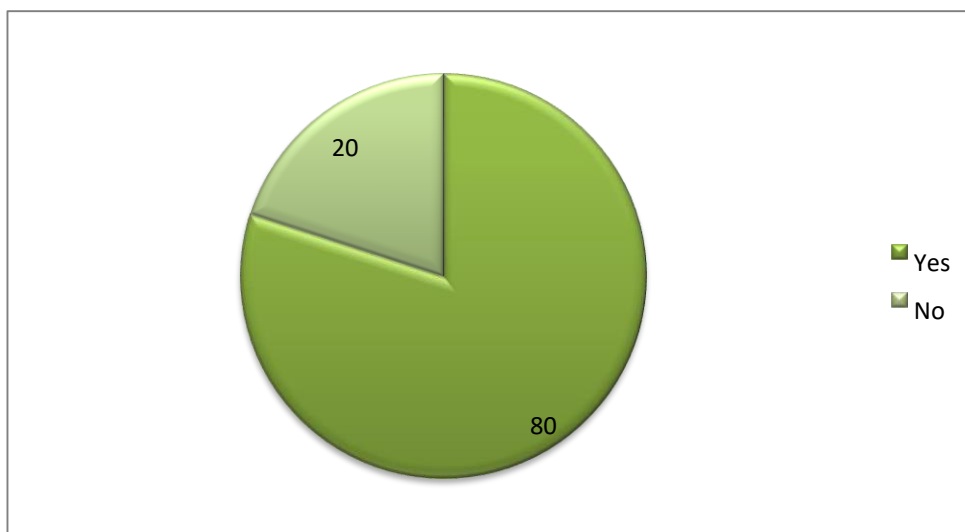


Fig 3.22

Inference

The Table 3.22 and Figure 3.22 shows that out of 30 Respondents, 80% of the respondents would suggest others to start an account and 20% of the respondents would not encourage others to start an account. The majority of the account holders are interested to suggest others to start an account with India Post.

3.23 CLASSIFICATION ON THE BASIS OF SERVICE PROVIDED BY INDIA POST PAYMENT BANK

Table 3.23

Particulars	No. of Respondents	% of Respondents
Yes	22	73.3
No	8	26.7

Source: Primary Data

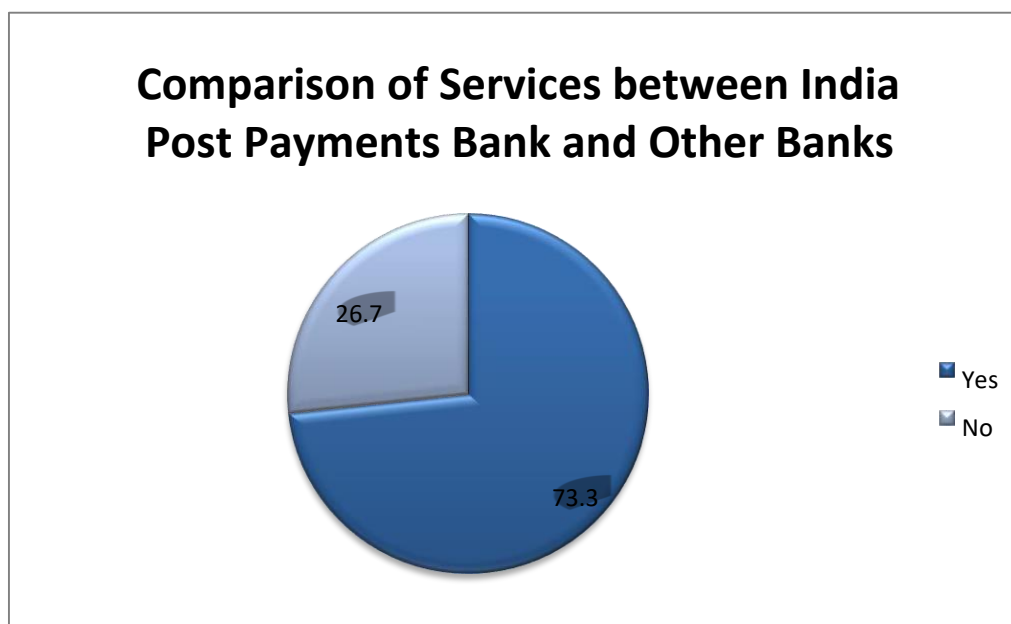


Fig 3.23

Inference

The above chart shows that out of 30 respondents, 22 respondents give the answer as Yes and 8 respondents give the answer as No. Majority of the account holders are happy with the service provided by India Post.

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CHAPTER IV FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

- On the basis of gender, 52% were composed of male, 46% female and 2% others. It can be inferred that majority of the respondents are male, compared to 46 females and 2 others, in a total of 100.
- On the basis of age, out of 100 respondents, 37% of respondents fall under the age of 0-25, 42% of the respondents fall under the age group below 25, 14% of the respondents fall under the age group of 50-60 and 7% of the respondents fall under the age group above 60. The majority respondents are of the age between 25 and 50.
- On the basis of educational qualification out of 100 respondents, 8% of the respondents have secondary education, 33% of the respondents have higher secondary, 36% of the respondents have graduated, 20% of them have completed Post Graduation and 3% of the respondents does not have any qualifications. The majority respondents are Graduates.
- On the basis of occupational status out of 100 respondents, 8% of respondents are agriculturist, 23% of the respondents are in the business and professional field, 21% of the respondents are salaries class and 48% of the respondents are students and others. The majority respondents are students and others (home maker, etc.).
- On the basis of monthly income, out of 100 respondents 46% of the people earn below 10,000, 34% of the people comes under 10,000 – 50,000, 15% of the people comes under 50,000- 1,00,000 and 5% comes under above 1,00,000. It can be inferred that majority of the respondents are those who earn below 10,000.
- On the basis of IPPB account holders, out of 100 respondents, 30 % of the respondents are India Post Payments Bank Accountholders and 70% of the respondents are Non-Account Holders. It can be inferred that the majority are NonAccount Holders.
- On the basis of awareness about IPPB, out of 70 respondents, 30% of the respondents are aware about India Post Payments Bank services and 70 % of

the respondents are not aware about the service. It can be inferred that majority of the respondents are not aware about the service.

- On the basis of digitalization of Post Office Schemes, out of 70 respondents, 62.9% of the respondents are ready to open an account with IPPB if the services are digitalized and 37.1 % of the respondents are not ready to open an account if the above service is provided. The majority of the respondents (62.9%) are ready to open an account.
- On the basis of loan facility provision, out of 70 respondents, 57.1% of the respondents are ready to open an account with IPPB if loan facilities are provided and 42.9 % of the respondents are not ready to open an account if the above service is provided. The majority of the respondents (57.1) are ready to open an account.
- On the basis of security out of 70 respondents, 78.6 % of the respondents are ready to open an account with IPPB if better security is provided and 21.4% of the respondents are not ready to open an account even if such services are provided. The majority of the respondents (78.6) are ready to open an account.
- On the basis of insurance cover, out of 70 respondents 67.1% of the respondents are ready to open an account if insurance cover with added benefits is provided and 32.9 % of the respondents are not ready to open an account if such services are provided. The majority of the people are ready to open an account.
- On the basis of awareness of investment schemes out of 70 respondents, 17.1% of the respondents are aware about the investment schemes provided by IPPB and 82.9% are not aware about the investment schemes. The majority of the respondents are not aware about the investment schemes provided by IPPB.
- On the basis of year of account holding, out of 30 respondents 10% belongs to category Less than 1 Year, 30% belongs to category 1 Year – 3 Years, 33.3% belongs to category 3 Years – 5 Years and 26.7% belongs to category More than 5 Years. Majority of the respondents belong to category 3 Years – 5 Years.
- On the basis of type of account holders, in which 33.3% are users of Savings Account category, 20% are users of Recurring Account category, 26.7% are

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users of Term Deposit Account category, 13.3% are users of Public Provident Fund Account category, 6.7% are users of Kisan Vikas Patra category and 3% are users of other accounts. The majority of the respondents are holders of Savings Account.

- On the basis of satisfaction out of 30 respondents, 36.7% are satisfied with Postal Services, 36.7% are satisfied with Financial Services and 26.7% are satisfied with both Financial and Postal Services. The majority of the respondents use both Postal and Financial services provided by IPPB.
- On the basis of investment purpose, out of 30 respondents, 30% of the respondents make investment for Retirement and Old Age benefits, 46.7% of the respondents invests for acquiring an Asset, 16.7% of the respondents invests for Educational purpose and 6.7% of the respondents invests for their child's Marriage and other purposes. The majority of the respondents are investing with IPPB for acquiring an asset.
- On the basis of satisfaction of interest rate, out of 30 respondents, 60% respondents are satisfied with the interested rates provided by IPPB and 40% respondents are unsatisfied with the interest rate provided by IPPB. The majority of the people are satisfied with the interest rate provided.
- On the various services provided, 17 respondents have used Money Order, 15 respondents have used instant Money Orders, 10 respondents have used International Money Transfer, 12 respondents have used Money Gram, 7 respondents have used Electronic International Money Order Service and 1 respondent has no used any of the above services. From the Figure 3.18, it is clear that most of the respondents have used more than one service and the frequently used service is Money Orders.
- On the basis of satisfaction of money remittance services, out of 30 respondents, 26.7% of the respondents feel safe about the money remittance services, 36.7% of the respondents can take instant cash under money remittance services, 23.3% of the respondents feel that there is less formalities under money remittance services and 13.3 % of the respondents have low commission charges under money remittance services. The majority of the respondents can take instant cash out of money remittance services provided by IPPB.
- On the basis of sources of awareness of financial services of IPPB, out of 30 responds, 33.3% of the respondents have been aware of IPPB through the help

of advertisements, 36.7% of the respondents got awareness through friends and families and 30% of the respondents got awareness from agents of IPPB. Majority of the respondents got the awareness through friends and families.

- On the basis of staff's approach towards customers, out of 30 Respondents, 5 respondents find the staffs are friendly, 17 respondents find their staffs that they respond late, 7 respondents find their staffs give an indifferent approach and 1 respondent opted for others. The majority of the respondents feels are their staffs respond late.

- On the basis of customers opinion, out of 30 Respondents, 80% of the respondents would suggest others to start an account and 20% of the respondents would not encourage others to start an account. The majority of the account holders are interested to suggest others to start an account with India Post.

- On the basis of satisfaction of services, out of 30 respondents 22 respondents gives a positive answer (yes) and 8 respondents gives a negative answer (no). Majority of the account holders are happy with the service provided by India Post.

SUGGESTIONS

- Better promotion methods of India Post Payment Bank can help them to attract the public to start an account.

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- The public will start an account with India Post Payment Bank if the savings schemes are digitalized.
 - The public will consider starting an account if loan facilities are provided with the bank.
 - The public will also consider starting an account with India Post Payment Bank if better security is provided.
 - The non-customers will encourage themselves to start an account with India Post Payment Bank if life insurance cover with added benefits are provided.
 - India Post Payment Bank must ensure to spread awareness to the public about the attractive investment schemes provided by them.
 - India Post Payment Bank must provide better services than the normal commercial banks in order to satisfy the existing customers.
 - India Post Payment Bank must take various initiatives so as to update the customers with technological advancements occurring in it.
 - The staff should improve and enhance their communication skills with the customers and must strive to solve their problems.
 - More ATM facilities should be set up in various areas in a particular city.

CONCLUSION

The study shows the various preferences of the customers as well as the public to India Post Payments Bank and their need or urge for changes in their services and facilities for meeting their needs. This study has helped to understand various needs of the people. It has also helped

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us to come to a conclusion that India Post Payments Bank must go through diversification and improvements by offering various financial services to its customers in addition to its tradition services. The availability of these facilities and the related information has to be made known to the customers. As well as the customer's perception towards the financial services in India Post offices has to be analysed to understand their effect on India Post offices. This study thus is necessary to provide this useful information to further improve the performance of India Post Payments Bank.

India Post Payments Bank should take significant efforts in selecting, training and motivating the staff members to perform to the satisfaction of customers and also continuously monitor and take feedbacks from them. Counter staff members should be trained properly for dealing with the clients or anybody in general and should be able to handle their queries and problems effectively.

India Post Payments Bank must be competitive enough to strive with the facilities provided by the commercial banks, as public have more accounts with the latter. Through the help of the study, we have come to a conclusion that majority of the public are not aware of the banking services provided in the post offices. Therefore, better advertisements should be released by the postal departments to attract the public.

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ANNEXURE I

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ANNEXURE II

INTERVIEW SCHEDULE

INTERVIEW SCHEDULE

**STUDY ON PUBLIC AWARENESS AND CUSTOMER SATISFACTION OF INDIA
POST PAYMENT BANK**

1) Name of the Respondent:

2) Gender

- ,
- Male
 - Female
 - Others
- 3) Age ○ Below 25 ○ Between 25 and 50 ○ Between 50 and 60
- a. Above 60
- 4) Educational Qualification ○ Secondary ○ Higher Secondary ○ Graduate ○ Post Graduate
- a. None of the Above
- 5) Occupational Status ○ Agriculturist ○ Business of Profession ○ Salaried Class
- a. Student and Other (Retired, homemaker, etc)
- 6) Monthly Income ○ Below 10,000 ○ 10,000 – 50,000 ○ 50,000 – 1,00,000
- a. Above 1,00,000
- 7) Do you have an account in India Post Payment Bank?
- a. Yes
 - b. No
- 8) If yes please go through (13 - 23). If no, are you aware that India Post provides banking services?
- a. Yes
 - b. No
- 9) If Post Savings Schemes were digitalised, will you start an account?
- a. Yes
 - b. No
- 10) If India Post Payment Bank provides loan facilities, will you consider opening an account?
- a. Yes
 - b. No

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- 11) If India Post Payment Bank provides better security than other commercial banks, will you consider opening an account? Yes
- a. No
- 12) If India Post Payment Bank starts providing life insurance cover with added benefits will you encourage yourself to open an account? Yes
- a. No
- 13) Are you aware about all the investment schemes that are provided by India Post Payment Bank?
- Yes
- a. No
- 14) For how many years do you have an account in India Post Payment Bank?
- a. Less than 1 year 1 year – 3 years 3 years – 5 years
- b. More than 5 years
- 15) What type of account do you have in India Post Payment Bank?
- a. Savings Account Recurring Account Term Deposit Account Public Provident Fund Account Kisan Vikas Patra Others
- 16) Which services are mostly preferred by you in India Post?
- a. Postal Related Financial Related
- b. Both
- 17) For what purpose do you invest in India Post Payment Bank?
- a. For Retirement and Old age Acquiring an asset Education Child's Marriage and other purpose
- 18) Are you satisfied with the interest rate provided by India Post Payment Bank?
- a. Yes
- b. No
- 19) Which of the following money remittance service have you used?
- Money Orders
 - Instant Money Transfer

- ,
- International Money Transfer
- Money Gram
- Electronic International Money Order Service
- None of the above

20) What is your opinion about money remittance services?

- a. Safe Instant Cash Less Formalities Low Commission Charges

21) What are the sources of awareness regarding financial services in India Post Payment Bank?

- a. Advertisement
- b. Agents
- c. Friends, relatives and others

22) How does the Postal Department staffs respond to their customers?

- a. Friendly Immediate Approach Indifferent Approach Any other

23) Would you suggest someone to start an account with India Post Payment Bank Account?

Yes or No

24) If you are also a commercial bank holder, do you think India Post Payment Bank provides better service?

- Yes
- No