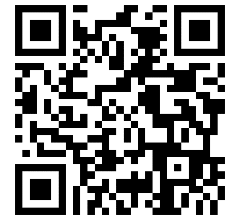


Rural Consumers' Satisfaction towards Payment Banks



Shankar P.¹, Kamaraj S.², Saravanan D.³

¹Assistant Professor of Business Administration, K.M.G. College of Arts & Science, Gudiyattam.

^{2,3}Assistant Professor of Commerce, K.M.G. College of Arts & Science, Gudiyattam.

ABSTRACT

Purpose: The study aims to investigate the satisfaction towards rural payment bank users underpins, namely flexibility, security, trust and rewards on the one hand and satisfaction on the other, as well as the mediation effects of service quality.

Methodology: The researcher designed a structured questionnaire for collection of primary data on satisfaction towards rural payment bank users in Tamil Nadu. Convenience sampling method was used. A total of 225 rural customers provided the data for the study. Percentage analysis, multiple regression analysis and One-way analysis were used to measure the satisfaction.

Findings: There is a significant influence of demographic variables on satisfaction level of rural payment banks user in Tamil Nadu. The rural payment bank users were satisfied with the services provided by the service provider and its saves time and make them comfort in payment from anywhere to any destination at any time.

Realistic Inference: The study shows that the rural payment bank users are satisfied towards the services rendered by payment banks and introducer RBI the bankers' bank in India.

KEYWORDS: Payment Banks, Technology, Satisfaction, Trust, Service Quality

INTRODUCTION

Banking sector has to adopt the changes to the benefit of the customers and manage these services through its infrastructure. Customers doing transactions in banks have increased. Evolution of technology in all banking sector leads to high competition (Hassain et. al., (2020). The big challenge today for banks is to provide good services and retain the existing customers by delivering high satisfaction through its services. In technology era the customer expectations have changed, banks have to meet the expectations of the customers and make them happy (Shinki Katyayani Pandey, 2022). Tamilnadu state is one of the developed states with 8.39 crores of population in India. The capital of Tamilnadu state i.e. Chennai city is one of the leading cities in India for digital payment transaction. Its position is the 5th on the list with 14.3 million transactions amounting to a total value of USD 35.5 billion. It is also extended to rural areas also. The focus of payment banks is to include the small business people, migrated employees and low income households into the banking systems and develop them (Muhammed Usman Arshad et. al., (2021). This is new initiative focus on low value of transactions and in turn encourage low income group to do transactions through payment banks. This system is more useful to customers to transfer funds without visiting the banks, spending more time and money (Briggs A. & Brooks L., 2011).

Banking system with inclusion of payment banks shows healthy economy in India. Technology plays an important role for the development of banking system and has reached even to the rural and remote areas in the country (Josephine V., 2017). Growth in technology in banking sector and introduction of payment banks by RBI helps the rural customers to do transactions easily and quickly (Sivathanu B., 2019). The payment banks move towards one step forward and do transactions in mobile phones by linking bank account with payment banks and through UPI wallets (Opelo A. (2015). The payment banks are more useful and flexible to use by rural customers. Day by day the payment bank users were enhancing because of flexibility, security, trust and rewards. The main aim of the research study is to investigate the rural consumers' satisfaction towards payment bank in Tamilnadu state.

REVIEW OF LITERATURE

Literature review is an exploration of conceptual and theoretical concepts by the researcher to correlate with the current research work:

Swetha Sajan and Chikku Rajan Pillai (2019) found out the driving factors that influences the consumer behavior towards payment banks and additional facilities that consumers expect from payment banks and concluded that customers are mainly focused

Rural Consumers' Satisfaction towards Payment Banks

on the quality of the service provided by the payment banks. Offers and discounts are the driving factors to adopt payment banks by the customers. Time efficiency of the payment banks services are good and security arrangement of payment banks are satisfying (Tarun Saini and Mona, 2019).

Shailesh Makwana M (2023) suggested that the need to advertisement for more development. Educated have positive perception and they are more comfortable while using payment bank (Kishore Kumar Das and Rupsa Mahapatra, 2019).

Gender, qualification and occupation impact the customer to avail the services of a payment bank. Convenience or ease in use of technology has a positive impact on the use of payment banks (Shalini Mittal, Anoop Pant, Shailesh Singh Bhadauria, 2017). Many individuals are still unaware of services, perks, and security regulations of payment banks (Aashka Thakkar, 2022). Payment bank apps make transactions very easy and convenience (24 X 7) and also enhanced the users in recent years (Gourab Ghosh, 2021). Young Indians users adapted payment apps and wallets for efficient and easy transactions (Anshari, Muhammad, et al, 2021).

The influence of demographic factors and other variables like satisfaction, reliability on the adoption of digital payment system and stated that most of the respondents satisfied with payment system (Md. Arshad Khan, 2021). Consumer's age, qualification and awareness have an influence on adoption of digital payments (Kartik Aggarwal, Sushant Malik, Dipen Paul, 2021). Through mobile device the users are hugely enhanced which helps to save time and convenient while pay online for shopping and also transfer of funds (Singh, Sindhu, 2020). Digitalization has resulted in increased innovation, ease of operation, economic growth and new job prospects there is a systematic transparency and free flow of funds across the economy (R. Joshi & Kumar, 2020).

Impact of technology in financial sectors motivates the consumer to use mobile payments for their easy of operations (Singh, Sindhu, 2020). India come forward a global competitor in innovative payment for faceless, paperless and cashless economy under the flagship programme of digital India by UPI, Mobile wallets, Mobile banking (Rahul Gupta, Cheshtha Kapoor and Jayesh Yadav, 2020). Smart phones are one the key factors influence for usage of mobile wallets and various payment systems (Cherukur, MR, 2020). The technology era creates new potential users based on digital payments for online shopping and payment of bills or transfer of funds anywhere at any time (Sathish. M, Sudha. G, 2020). The various benefits of cashless India on the factors of prompt settlement ease of use, high transparency, low risk of defaults and some challenges also connected with it like cyber crimes and digital illiteracy (Singh Deora and Dhaval Chudasama, 2021). While using digital payments system customers' perception of security helps to build trust. (Pooja Gupta and Rahul Hakhu, 2021). Suggested that cashless transaction education should be needed and marketed well hidden and extra charges must minimum or reduce to motivate the rural consumers (Hassan et al, 2020). Digital Payments system in India acts as an economic booster and encourage money flow with more ease of sending and receiving monetary payments (Rashi Singhal and Abhilash Gupta 2020). There is a positive attitude towards unified payment interface services and education of the respondents and also found that UPIs users are satisfied ultimately on cost and time effectiveness (Bijin Philip, 2019). Cashless economy is going to improve cost benefit ration and increase the level of efficiency of institution and common man. Digital payment systems impact on economic growth of nation (Gulirano et al, 2019). The supremacy of internet and digital payments is having essential role in connecting and making payment any time anywhere by the user and it leads to consumer loyalty and satisfaction (Vinitha K, Vasantha S, 2018). Biggest challenge is lack of education and awareness about digital payment and fear of loss of money (Ashish Baghla, 2018).

Payment banks help both the government and public to satisfy their needs and wants on transfer of funds and schemes. The digital payment changed the payment system by utilizing UPI, NEFT, RTGs and IMPS to transfer funds and to pay merchants.

RESEARCH GAPS

The empirical research study of national and international literature focused on the uses of payment banks in major cities and urban areas only. This research study focused on rural customers' satisfaction towards payment banks. Rural customers' awareness level, educational qualification and earnings are very low compare to cities and their transaction amounts are very low.

OBJECTIVES OF THE STUDY

To investigate the rural customers satisfaction towards payment banks services.

To suggest for improvement of payment banks services for rural customers.

HYPOTHESIS

There is no significant influence of demographic variables on rural customers' satisfaction towards payment bank.

RESEARCH METHODOLOGY

The study based on both primary and secondary data. This research study mainly depends on the primary data collected through a well structured questionnaire to collect the opinions of the respondents. Convenience sampling method was adopted for the study. A pilot study was conducted with a sample of 30 questionnaires. The statements in the questionnaire are subjected to

Rural Consumers' Satisfaction towards Payment Banks

test the reliability by Cronbach's Alpha Method. The value obtained was 0.85, which indicates the instrument is highly reliable. The study area of this research is confined to Tamilnadu state and obtained the responses from rural areas of 38 districts rationally. Data were collected from 225 respondents and the sample size was 225.

The secondary data has been drained from various records and publication of Reserve Bank of India (RBI), Digital India, National Payments Corporation of India (NCPI), Journals and websites.

The data analysis was conducted using SPSS V-16. Percentage analysis, regression analysis, one way analyses were adopted in the study.

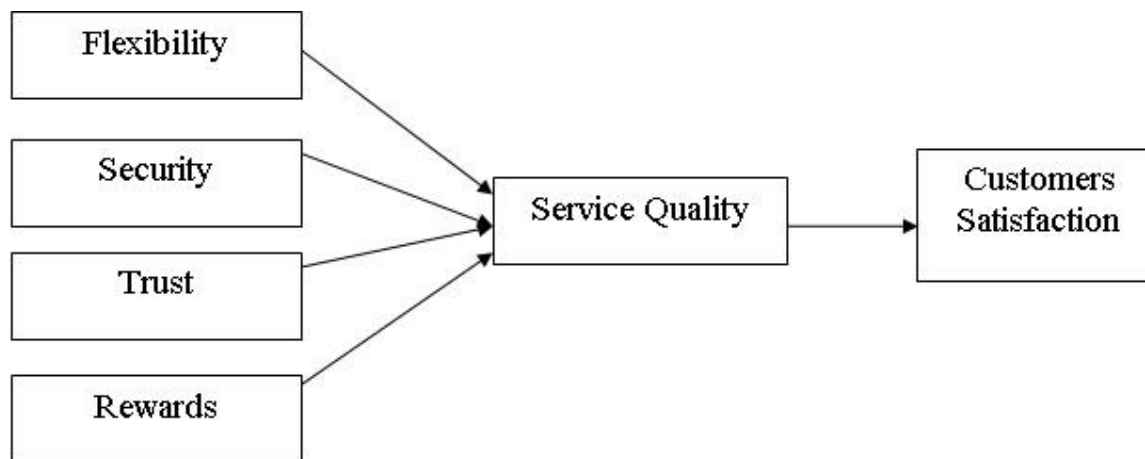


Fig.1 Research Model

DATA ANALYSIS AND INTERPRETATION

The data collected from 225 respondent's satisfaction of payment banks were analyzed and outcomes are cited below:

Table 1.

Demographic Variables	Dimensions	No. of Respondents	Percentage
Gender	Male	166	73.8
	Female	59	26.2
Age Group	Less than 30 Years	43	19.1
	Above 30 years	182	80.9
Educational Qualification	School Level	7	3.1
	Graduate	218	96.9
	Post Graduate	0	0
Occupation	Student	164	72.9
	Private/Public Sector employee	54	24.0
	Part Time Employee	7	3.1
Monthly Income	Less than Rs.10,000	114	50.7
	Rs.10,000 – Rs.20,000	57	25.3
	Above Rs.20,000	54	24.0
Payment Bank Service User	Yes	225	100.0
	No	0	0.0
How do you know about payment banks	Through Friends / Relatives	211	93.8
	Through Bank	7	3.1
	Through Seller	7	3.1
	Others	0	0

From the above table it is clear that out of 225 responses 73.8 % were male, 80.9 % of the respondents in the age group of above 30 years, 96.9 % of the respondents were graduate. 72.9% of the respondents were students, 50.7 % of the respondents monthly income were less than Rs.10,000, 100% of the respondents use payment bank services, and 93.8 % of the respondents know about PB through friends and relatives.

Rural Consumers' Satisfaction towards Payment Banks

Influence on Demographic Variables and Service Quality towards Payment Banks:

Table 2

R Square	F	Sig.	Independent Variables	Beta	t	Sig.
.241	11.509	.000 ^a	(Constant)		10.725	.000
			Gender	.037	.494	.622
			Age Group	.033	.480	.632
			Educational Qualification	-2.797	-5.785	.000
			Occupation	-2.981	-6.548	.000
			Monthly Income	2.002	6.388	.000
			Payment Bank Service Users	.052	.181	.857

The above table showed that R value = .490, R Square = .241, adjusted square is .220 are statistically important and the independent variables are 2.41% difference over the dependent variable service quality towards payment banks. It is clear that the F-value 11.509, p-value=0.000 are statistically important at 5 per cent level. This showed that there is significant between the demographic factors suitably explain the service quality towards payment banks. The results revealed that educational qualification (t=-5.785, p=.000), occupation (t=-6.548, p=.000), monthly income (t=6.388, p=.000), are statistically significant on dependent variable service quality towards payment banks.

Influence on Demographic Variables, Service Quality and Satisfaction towards Payment Banks Users:

Table 3

R Square	F	Sig.	Independent Variables	Beta	t	Sig.
.795	120.092	.000 ^a	(Constant)		-.574	.566
			Gender	-.229	-5.936	.000
			Age Group	.033	.926	.355
			Educational Qualification	.445	1.646	.101
			Occupation	-.202	-.778	.437
			Monthly Income	.406	2.282	.023
			Payment Bank Service Users	-.632	-4.233	.000
			Overall Service Quality of Payment Bank Users	.832	23.577	.000

The above table showed that R value = .892 R Square = .795, adjusted square is .788 are statistically important and the independent variables are 7.95% difference over the dependent variable service quality towards payment banks. It is clear that the F-value 120.092, p-value=0.000 are statistically important at 5 per cent level. This showed that there is significant between the demographic factors suitably explain the service quality towards overall satisfaction of payment banks. The results revealed that gender (t=-5.936, p=.000), monthly income (t=2.282, p=.023), Payment bank service users (t=-4.233, p=.000) and overall service quality of Payment bank Users (t=23.577, p=.000) are statistically significant on dependent variable satisfaction towards payment banks.

Influence of Demographic Variables on Service quality of Payment Banks users

Impact of Demographic variables on Service Quality of payment banks users is derived through one-way analysis of variance as presented below.

Table 4. ANOVA – Demographic Variables

Personal Variables	F	Sig.
Gender	10.275	.000
Age	11.939	.000
Occupation	40.716	.010
Monthly Income	8.199	.000
Payment Bank Service Users	362.262	.000

Demographic variables is influencing variable namely gender (F=10.275, p=.000), age group (F=11.939, p=.000), occupation (F=40.716, p=.010), monthly income (F=8.199, p=.000), payment bank service users (F=362.262, p=.000) on service quality of payment banks users at 5 per cent level of significance. The mean wise comparison is done to compare the demographic variables towards service quality of payment banks users.

Rural Consumers' Satisfaction towards Payment Banks

Influence of Demographic Variables on Satisfaction of Payment Banks users

Impact of demographic variables on satisfaction of payment banks users is derived through one-way analysis of variance as presented below.

Table 5. ANOVA – Demographic Variables

Personal Variables	F	Sig.
Gender	12.146	.000
Occupation	4.866	.009
Monthly Income	3.012	.000
Payment Bank Service Users	6.502	.002

Demographic variables is influencing variable namely gender ($F=12.146$, $p=.000$), occupation ($F=4.866$, $p=.009$), monthly income ($F=3.012$, $p=.000$), payment bank service users ($F=6.502$, $p=.002$) on satisfaction of payment banks users at 5 per cent level of significance. The mean wise comparison is done to compare the demographic variables towards satisfaction of payment banks users.

SUGGESTIONS

1. RBI takes overall responsibilities to create awareness to the public about payment bank benefits.
2. Parent banks solve problems if arise while using payment banks transactions.
3. Special financial literacy camps on digital transaction to be provided for men and women particularly in rural areas.
4. Reward system like cash back offer or discount in payment again introduce while using online or digital payment, which reduce the usage of paper cash flow.

CONCLUSION

The researcher revealed that the customers are highly satisfied with payment bank system which supports them to transact, transfer funds and make easy at anywhere anytime i.e., 24 & 7. Advancement in technology supported rural customers more convenient and transparent and also developing trust among them (Sanjai, Kalai Lakshmi Tr., 2021). Payment bank system has to give quality services to customers and do transaction to others from home itself. The researcher finds that the range of strengths of payment banks such as quality customer service, greater reach, time saving, customer loyalty, easy access of information and services, cost reduction and efforts, no need to carry cash and easy to pay online at any time.

EXTENT FOR FUTURE RESEARCH

The study by researcher on satisfaction towards payment bank users and their suggestions lay concrete on future energetic researchers to undertake up on the following challenges concepts for their study purpose:

- To make a comparative study on consumer perception and attitude towards traditional payment banks and modern payment banks.
- To analyze the perception of bankers, retailers, financial lenders and consumers of digital payment users.
- To know the factors not adopting the digital mode of payments.

REFERENCES:

- 1) Aashka Thakkar (2022), Impact of Payment Banks on Indian Banks and Customers, Journal of Emerging Technologies and Innovative research, Vol.9, No.3, pp 499-505.
- 2) Ashish Baghla (2018), A study on the future of Digital Payments in India, International Journal of Research and Analytical Reviews, Vol.5, No.4, pp 85-89.
- 3) Bijin Philip (2019), Unified Payment Interface – Impact on UPI in Customer Satisfaction, Online Journal of Multidisciplinary Subjects, Vol.12, No.4, pp 124-129.
- 4) Briggs, A. & Brooks, L. (2011). Electronic Payment Systems Development in a Developing Country: The Role of Institutional Arrangements. The Electronic Journal on Information Systems in Developing Countries, Vol.49, No.3, pp 1-16.
- 5) Cheng, N. R. (2013), A risk perception analysis on the use of electronic payment system by young adult. Wseas transactions on information science and applications, 26-35.
- 6) Cherukur, M.R.B. and Ruby, M.S. (2020), Study on electronic banking towards customer satisfaction, Journal of Contemporary Issues in Business and Government, Vol.26, No.2, pp 938.
- 7) Geetha M Iyer, et., al., (2018), Role of Payment Banks in India: Opportunities and Challenges, International Journal of Advances in Management and Economics, Vol.7, No.1.

Rural Consumers' Satisfaction towards Payment Banks

- 8) Gourab Ghosh (2021), Adoption of Digital Payment system by consumer: A review of Literature, *International Journal of Creative Research Thoughts*, Vol.9, No.2, pp 412-418.
- 9) Gulirano, I., Dilorom, H., Khurshida, A., & Dildor, S. (2019). Challenges on digital economy in sample of various income economies as an development instrument in Uzbekistan. *American Journal of Economics and Business Management*, Vol.2, No.2, pp 41–53. <https://doi.org/10.31150/ajebm>.
- 10) Hassan, Md Arif, Zarina Shukur, Mohammad Kamrul Hasan, and Ahmed Salih Al-Khaleefa. (2020), "A Review on Electronic Payments Security." *Symmetry*, Vol.12, No.8, pp 1–24.
- 11) Josephine .V (2017)," A Study on Consumer Preference towards e-Payments", *International Journal of Advance Research in Computer Science and Management Studies*, Vol.5, No.2.
- 12) Joshi, R., & Kumar, B. (2020). *IMPACT OF DIGITAL INDIA ON INDIANECONOMY* Cite this paper.
- 13) Kartik Aggarwal, Sushant Malik, Dharmesh K. Mishra and Dipen Paul (2021), moving from cash to cashless Economy: Toward Digital India, *Journal of Asian Finance, Economics and Business*, Vol8, No.4, pp 43-54.
- 14) Kishore Kumar Das and Rupsa Mahapatra (2019), Customer perception towards payment bank: A case study of cuttack city, *International Journal of Management*, Vol.10, No.4, pp 1-8.
- 15) Mohammed Arshad Khan (2021), Netizens' Perspective towards Electronic Money and Its Essence in the Virtual Economy: An Empirical Analysis with Special Reference to Delhi-NCR, India, *Hindawi Complexity*, Vol.1, No.1, pp 1-18.
- 16) Muhammed Usman Arshad et. al. (2021), Financial inclusion and monetary policy effectiveness: A sustainable development approach of developed and under developed countries, Vol.16, No.12.
- 17) Opelo. A (2015), Problems and Risks of Digital Technologies Introduction into E-Payments, *Transformations in Business and Economics*, Vol.14, No.1, pp 42-59.
- 18) Pooja Gupta and Rahul Hakhu (2021), Impact of Perceived Security and Perceived Trust on Intention to Use Digital Payments – A study on Indian Customers, *Webology*, Vol.18, No.6, pp 169-181.
- 19) Rahul Gupta, Cheshtha Kapoor, Jayesh Yadav (2020), Acceptance towards Digital Payments and Improvements in Cashless Payment Ecosystem, *International Conference for Emerging Technology*.
- 20) Rashi Singhal and Abhilash Gupta (2020), Impact of Covid-19 on Digital Payment Services at Towns and Villages, *International Journal of Creative Research Thoughts*, Vol.9, No.5, pp 585-594.
- 21) Sanjai, Kalai Lakshmi Tr. (2021), A study on usage of online payment apps by customers, *International Journal of creative research thoughts*, Vol.9, No.5, pp 312- 360.
- 22) Shailesh Makwana M (2023), A study on Customer Satisfaction using to Indian Post Payment Bank Services with special reference to Jamnagar city of Gujarat, *International Journal of Creative Research Thoughts*, Vol.11, No.7, pp 354-362.
- 23) Shalini Mittal, Anoop Pant, Shailesh Singh Bhadauria, (2017), An Empirical study on Customer Preference towards payment banks over Universal Banks in Delhi NCR, *Procedia Computer Science*, Vol.122, pp 463-470.
- 24) Shinki Katyayani Pandey (2022), A study on Digital Payment system and consumer perception: An Empirical Survey, *Journal of Positive School Psychology*, Vo.6, No.3, pp 10221-10131.
- 25) Sindhu Singh & R. K. Srivastava (2020), "Understanding the intention to use mobile banking by existing online banking customers: an empirical study," *Journal of Financial Services Marketing*, Palgrave Macmillan, Vol. 25, No.3, pp 86-96.
- 26) Singh Deora and Dhaval Chudasama (2021), Brief Study of Cybercime on an Internet, *Journal of Communication Engineering & Systems*, Vol.11, No.1, pp 1-6.
- 27) Sivathanu, B. (2019), "Adoption of digital payment systems in the era of demonetization in India: Anempirical study", *Journal of Science and Technology Policy Management*, Vol. 10 No. 1, pp. 143-171.
- 28) Sudha .G and Thangajesu Sathish .M (2020), Demonetization: The way to Increase the Digital Cash", *International Journal of Creative Research Thoughts*, Vol.8, No.5, ISSN: 2320-2882.
- 29) Swetha Sajan and Chikku Rajan Pillai (2019), An analytical study of customer satisfaction towards payment banks, *Journal of Emerging Technologies and Innovative Research*, Vol.6, No.4, pp 581-588.
- 30) Tarun Saini and Mona (2019), Customer Perception and Satisfaction towards Payment Banks: A Study of Haryana, *Journal of Advances and Scholarly Researches in Allied Education*, Vol.16, No.1, pp 1107-1113. DOI: 10.29070.
- 31) Vinitha K and Vasantha S (2017), Factors Influencing Consumer's Intention to Adopt Digital Payment – Conceptual Model, *Indian Journal of Public Health Research & Development*, Vol.8, No.3, pp 170-175.



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.