

PROSPECTS AND CHALLENGES OF PAYMENT BANKS

Submitted in partial fulfillment of the requirements for the award of

Master of Business Administration

by

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SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)

Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
JEPPIAAR NAGAR, RAJIV GANDHI SALAI, CHENNAI - 600 119

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **NITHYA BHARATHI A 39410140** who carried out the project entitled "**Prospects And Challenges of Payment Banks**" under my supervision from January 2021 to March 2021.

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DECLARATION

I **NITHYA BHARATHI A 39410140** hereby declare that the Project Report entitled **Prospects And Challenges Of Payment Banks** is done by me under the guidance of Dr.Y.AYSHA FATHIMA., M.COM, MBA, M.Phil., Ph.D., at SATHYABAMA INSTITUTE OF SCIENCE AND TECHNOLOGY, CHENNAI is submitted in partial fulfillment of the requirements for the award of Master of Business Administration degree.

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ABSTRACT

Financial inclusion change of financial services provider to the nation and develop a new technology for service utilize. Past decade passed through many technology and innovative changes for banking sector. The study focuses on prospects and challenges faced by payment banks. In September 2013, to study comprehensive financial services for small business and low income households Reserve Bank Of India constitute a committee headed by Nachiket Mor. Committee suggested to introduce payment banks to cater to low income group and small business. The main objective of payment banks is to widen the spread of payment and financial services. The objective of the present study is to understand the prospects and challenges of payment banks. This study explains the views of customer acceptance on the influencing factors, attracting features, issues faced by customers and some of the suggestions regarding the improvement of services. The study uses Questionnaire to collect primary data from the customers. The study found that the prospects for payment banks are size of the market as India's unbanked population and the different challenges faced by payment banks. Statistical tools used are percentage analysis, chi square, ANOVA on SPSS.

Key words : usage of services, convenience to use, social influence, security etc.

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CHAPTER-1

1.1 INTRODUCTION

A payment banks (Airtel Payments Bank, India Post Payments Bank, Paytm Payments Bank, Jio Payments Bank, etc.) is like any other bank, but operating on a smaller or restricted scale without any credit risk. It can carry out most banking operations but cannot advance loans or issue credit cards. It can accept demand deposits only i.e. savings and current accounts, not time deposits. The Payment Banks cannot set up subsidiaries to undertake non-banking financial services activities. A committee headed by Dr. Nachiket Mor recommended setting up of 'Payments Bank' to cater to the lower income groups and small businesses. Payment bank reach citizen where traditional banks cant. Payment banks in much the same way as traditional banks , offers interest on deposits in saving account made with them.

Prospects: Expansion of rural banking, access to diversified services, social & financial inclusion are some of the benefits.

Challenges: Lack of customer awareness, lack of incentives for agents, lack of infrastructure, technological issues are some of the challenges.

There are two kinds of banking licenses that are granted by the Reserve Bank of India - universal bank license and differentiated bank license. Payments bank comes under a differentiated bank license since it cannot offer all the services that a commercial bank offers. In particular, a payments bank cannot lend. It can take deposits up to 1 lakh per account and it can issue debit cards but not credit cards. Commercial banks in India like State Bank of India or ICICI Bank, do not have any such restrictions. The main objectives that I discussed here is to analyze the prospects and challenges of payment banks and to analyze the factors influencing the customer acceptance on payments bank. The study reveals that payment banks is more technological innovation with mobility by hand wherever we go and easy to access by anyone with their advanced technology and easy to operate by their instruction. Aim of payment banks is to promote digital, paperless, and cashless

banking in India. Payment banks helps you, poor migrant workers and citizen of low income households avail banking services in the country. Soon payment banks will pull all these citizen into formal banking system in India. You and other poor citizen migrant to big citizen in search of jobs and a better lifestyles. How will you and other poor migrant send hard earned money to your parents back home. Payment will reach poor villages by soon . The RBI and the Government of India have been taking many initiatives to promote financial inclusion of people in rural areas, low-income groups, migrant workers and small businesses. Many initiatives have been launched, such as the Pradhan Mantri Jan Dhan Yojna (PMJDY), the Digital India Campaign, launching of electronic fund transfer mechanisms such as NEFT and RTGS, and promoting mobile payment tools such as Airtel Money and Paytm. The setting up of payments banks is the latest initiative Taken up by the RBI and the Government of India. Payments banks can play a fundamental role in further growth of financial inclusion in India. Their distribution network and reliance on technology act as solutions to concerns regarding profitability and its success

1.1.1 Overview of Payments Bank License

- In September 2013, the RBI constituted a committee to study 'Comprehensive financial services for small businesses and low income households' headed by Dr. Nachiket Mor. The focus of the committee was to recommend innovative solutions to the RBI to accelerate financial inclusion in unbanked and under-banked sections of the society in sustainable and cost effective way
- The committee submitted its report to the RBI in January 2014. One of the key recommendations of the committee was to introduce specialized banks to cater to the lower income groups and small businesses. The report also provided high level criteria to assess 'Fit and Proper' status of the Payments bank license aspirants
- The draft guidelines for setting up Payments Bank were issued by the RBI in July 2014, and comments were sought from various participants by August 2014. Finally, the RBI has released the final guidelines for licensing of Payments Bank on

November 27, 2014 keeping the application submission deadline as January 16, 2015
Financially Inclusive and Sound Business Model

- Through the issue of Payments bank license, the RBI wishes to further its goal of broader financial inclusion
- Applicants for Payments Bank licenses will be required to forward their business plan for a Payments Bank along with their applications addressing how the bank proposes to achieve financial inclusion
- Further, a Payments Bank will only provide deposit and payment products and not the credit products. As a result, the applicants may need to convince the RBI about financial viability of the venture Adequate Capital Structure
- As a Payments Bank does not assume any credit risk, the RBI has prescribed the minimum capital requirement of Rs. 100 crore for a Payments Bank (lower than that for universal bank license which was pegged at Rs. 500 crore)
- The RBI is likely to prefer applicants with strong capital base since ‘financially sound’ applicant may be better positioned to sustain the ‘financial inclusion’ agenda Strong management track record
- The RBI will evaluate the ‘fit and proper’ status of the promoter/ promoter groups as well as the board of directors and look for a sound track record of running businesses for at least a period of 5 years the credentials, integrity and track record of the promoter/ promoter groups for awarding a Payments Bank license – the corporate governance practices followed, the board composition, and the level of ring fencing of the Payments Bank from other promoter group companies Likely considerations of the RBI for issuing Payments Bank license

1.1.2 PAYMENT BANKS: THE PRESENT SCENARIO IN 2019

The Central bank of India had encouraged the idea of “Payment Banks in India” to extend the banking services to the unbanked sectors. However, these new business models didn’t meet the expectations. The reasons may be lack of clarity or

different internal and external business factors. Although license was issued to 11 entities originally, but 4 of these returned their permits. Out of the remaining 7 also, only 4 payment banks are fully operational. Airtel Payments Bank, India Post Payments Bank, Fino Payments Bank, Paytm Payments Bank.

1.1.3 PROSPECTS OF PAYMENT BANKS :

- Big size of the market: There is a big market which has not been tapped and efforts can be made to include the unbanked population, to use banking facilities. To achieve their objectives, the payment banks should segment the whole market on the basis of both demography and geography, to offer the custom made products for the prospective customers.
- Provide for Financial Advisory: Financial advisory is a conventional term, that has been used but rarely applied. Most of the Indians have a little or no access to the financial advice being given by banks or any other third party and hence there lies a huge gap in the services and their implementation.
- Future pillars: customer friendly and tailor made interfaces in public perception. Tie up with entities in local feel. Easily accessible by anyone and anywhere. multi product and multi services model. Feel secured to adopt and use. Offers and other facilities provided by payment banks is very easy and helpful for everyone.
- Largely, payment bank is serving unbanked rural areas, migrant workers, low-income household, unorganized sector entities and alike. This segment is unserved and can be a good market for them.
- Currently payment banks can take deposits up to only Rs. 1 lakh per person and can issue ATM/debit cards. They have to deposit 75% of this amount in government bonds, so their amounts are safe and they can earn certain return. Rest of the deposited amount they can invest in commercial banks which can help them in liquidity management.
- Payment banks can sell financial products like mutual fund units and insurance policies.

- Because payment banks are not in the business of advances loan, they do not have to make provisions for bad debt and they do not have to worry about the solvency of their funds. This fact works in the favor of these banks.

1.1.4 CHALLENGES OF PAYMENT BANKS:

- Accept 'deposits, with an initial limitation of Rs.1,00,000 per individual customer.
- Issue ATM/debit cards – but not credit cards.
- Provide payments and remittance services through various channels.
- Serve as Business Correspondents of other banks.
- Distribute simple, non-risk sharing financial products like mutual fund units and insurance – but not provide loans.
- Assuming they're able to comply with government requirements, these new Payment banks entities – which range from telecommutes to the national Postal Department – will officially receive their licenses in 18 months.
- The challenge of moving toward e-payments isn't limited to infrastructure: For PBs to succeed, cash-obsessed Indians will need to migrate to digital alternatives, which will require behavioral changes above and beyond technological hurdles. Though a few e-wallet players and online marketplace providers like Paytm, Food panda, Shop clues, etc.,

1.2 INDUSTRY PROFILE

BANKING INDUSTRY: As per the reserve bank of India. The Indian banking system consists of 18 public sectors banks, 22 private sectors banks, 46 foreign banks, 53 regional rural banks, 1542 urban cooperative banks and 94,384 rural cooperative banks in 2019. The global banking system continues its positive streak, with profitability increases to new post crisis levels. The banking sector that has driven the stock market rally in the past decade giving returns of more than 200%. However, since march 2020, the sector has been one of the worst performing sector and has recovered only starting November 2020, once there was some clarity on the covid-19 vaccines. Most advantage in banking sector in India is innovation in services. Like

mobile, internet banking, and payment banking facilities at Atm for ease of usability. It is more secured for customer to avoid travel, paper less, cash less, travel less etc.,

PAYMENT BANKS: Payment bank is an Indian new model of banks conceptualized by the Reserve Bank Of India. These banks can accept a restricted deposit, which is currently limited to Rs. 100,000 per customer and may be increased further. These banks cannot issue loans and credit card. Both current account and saving account can be operated by such banks. Payment banks can issue ATM cards or debit cards and provide online /mobile banking. The Reserve Bank of India grant full licenses under section 22 of the banking regulation act 1949, after it is satisfied with that conditions. The following are the list of active payment banks,

- Airtel payment bank
- Indian post payment bank
- Fino payment bank
- Jio payment bank
- Paytm payment bank
- NSDL payment bank

DIGITAL PAYMENTS :The digital payments revolution will trigger massive changes in the way credit is disbursed in India. Debit cards have radically replaced credit cards as the preferred payment mode in India after demonetization. Payments on Unified Payments Interface (UPI) hit an all-time high of 1.49 billion in terms of volume with transactions worth nearly Rs. 2.90 lakh crore (US\$ 41.22 billion) in July 2020.

TRAVEL LESS: While early days we travel through bank and get money. It may be waste of time by walking, travelling and so on, but in recent days are else in this pandemic situation payment banks were plays vital role in our daily life because it reduce travel less, road less, walk less we sat at home and pay all bills within a seconds.

INNOVATIVE TECHNOLOGY: Mobile banking, internet banking and extension of facilities of ATM's will improve operational efficiency. Payment banks is more useful innovation in digital banking in banking sector.

RURAL BANKING: Increase in working population and growing disposable income will raise the demand for banking system and related services. In rural banking sector, is expected to increase in future demand. So they launch payment banks in India to reach banking sector in rural areas to make account to transfer money, bill payment and have secured money with us.

DRIVES AND CHALLENGES: The major factor driving the adoption of Payment bank solutions is the rising usage of mobile technology among individuals. In India, rural and urban both places, individuals have been adopted mobile technology significantly for online shopping, online banking and others. The concept of Payment bank solution is also getting adopted by individuals due to internet facilities and easy to understand concept.

The key challenge for Payment bank solution is the lack of knowledge payment banking solutions. RBI has issued license to 11 entities to launch payment banks due to which only these 11 companies are offering solutions to areas where they already exist. This concept is in introductory stage due to which it will take time for individuals to adopt.

SERVICES OFFERED BY PAYMENTS BANK

- The bank can accept demand deposits with maximum balance of **100,000** per individual customer.
- They can issue ATM/Debit Cards.
- They can provide payments and remittance services through various channels.
- They can act as Business Correspondents of another bank
- They can act as distribution channel of non-risk sharing simple financial products like mutual fund units and insurance products, etc.

SEGMENTATION: Segmentation on the basis of type,

- Hardware
- ATM cards
- Debit cards

- Forex cards
- Software
- Platforms
- Mobile Apps

EASY TO ADOPTION: The best innovation in technology is payment banks and it easily accessible through mobile ,internet and its main learning process also easy to understand by everyone. We can use anywhere we go or by home itself. In the recent pandemic situation payment banks plays vital role in people life. In this generation, everyone accept or adopt the new technology easily and it will useful for all .

3.1 NEED FOR THE STUDY:

- The concept and players are relatively new, however only the positive aspects are focused upon. The negative aspects which may arise due to increasing competition or sour attitude of traditional banks due to missing out on a new avenue or a business opportunity has been looked over. The Internet has reached wide range of people around the world and is still increasing as the number of utilizers of internet increase. This leads the world to introduce facilities that can be used through devices that we hold with us. And one of the facilities that made the life of online payment banking system.
- It will help us to pay our home appliances bills, recharge bill, electricity bill, travelling charge, online shopping bills and so on by home itself it. While we step on to earlier days there is no more facility to pay at home itself instead of walking, travelling to reach the bank and waiting for to transfer money in a day, this will lead to waste of time and waste of energy to get money. So ,our government step into innovation in technology to launch payment banks in India.
- In today's era of digital technology, online businesses, e, and m-commerce customers and merchants both expect a secure digital experience. But as the online marketing and selling experience is reaching to more and more customers, user demands are also increasing with it. Though it is proved to be a wonderful opportunity, as they say with new opportunities comes an even

greater challenge. Accepting online payments and online payment processing poses some unique challenges. The one of the most important challenges faced by all the payment banks users is online fraud. This study aims to identify the prospects and challenges of payment banks and how to leverage the usage of payment bank among bank consumers.

3.2 SCOPE AND SIGNIFICANCE OF THE STUDY:

- India is the country with a huge population and there are many internet users increasing day-by-day, so this technology helps to improve banking system in rural areas.
- It is possible through various channels such as branches ,internet banking, mobile banking etc. it involves of acceptances of payment from one end and its payout at one end.
- It is expected to leverage technology in order to offer low cost banking solutions.
- Many people are getting used this innovative technology and its features of transferring money from one end to another end, balance enquiry system, and ability to maintain all transaction clear and secured.
- Maintain the security checks and fraudulent activity by others is confidential.
- Feed backs of the customer can be collected after few minutes while transferring money from one to one.

3.3 OBJECTIVES OF THE STUDY :

3.3.1 PRIMARY OBJECTIVES :

- To analyze the prospects and challenges of payment banks.

3.3.2 SECONDARY OBJECTIVES :

- To analyze the factors influencing customers acceptances in payments banks.
- To analyze the issue faced by customer using payment banks.

3.4 LIMITATIONS OF THE STUDY

- The research was carried out in a short period of time .so, therefore the sample size and other parameter were selected accordingly so as to finish the work in given period of time.
- Some of the respondent of the survey were unwilling to share their information.
- The information given by the respondent might be biased because some of them might not be interested to provide correct information.
- A sample size of 130 respondents are taken to primary data analysis and I have used some of statistical tools to analysis the data.
- This study is based on the prevailing respondents satisfaction .but their satisfaction may change according to time, fashion, need etc.
- The study is limited to Chennai only.

CHAPTER-2

REVIEW OF LITERATURE

Kunnel et al.,(2014) they discussed about that prospects of payment banks and RBI will create a framework for licensing small banks and other differentiated banks. These local area banks, payment banks and Small Banks are expected to meet credit and remittance needs of small businesses, unorganized sector, low income households, farmers and migrant work force. Within a week of the budget, RBI (Reserve Bank of India) had already issued guidelines for licensing Payments and Small Banks.

Roy & sinha(2014) they focused on globalization, financial liberalization and technology revolution have opened the door of new and more efficient delivery and processing channels as well as more innovative products and services in banking industry.

Dwivedi & sirohi (2016) they focused on the new technology on banking sector and the RBI gave “in principle” licenses to 11 entities to launch payment banks and it valid for 18 month within its requirements and they can’t engage with other banking activities the period and they defined how it useful for low households and small business and also for all villages and rural areas to promote digital, paperless, cashless banking in India.

Mukesh & suresh (2016) Payment bank and small finance bank. RBI has already given its nod to the license of payment banks. The core objective of setting up of payments banks will be to further financial inclusion by providing small savings accounts and payments/remittance services to migrant labor workforce, low income households, small businesses, other unorganized sector entities and other users. On the other hand small finance bank may come out from the pipeline in near future with an objective to supply of credit to small business unit, small and marginal farmers, micro and small industries, and other unorganized sector through high technology-low cost operations.

Madhavi Dample et al., (2016) :discussed the parameter of for financial inclusion and business model of existing system and payment banks and issued faced by traditional banking system includes business correspondent, ATM, mobile banking, basic saving bank deposit etc., are more advantage in banking sector in India is innovation in services.

Chabi Gupta (2016) recent performance of the banking sector in India, the need to demonetize and payment banks. It is necessary whenever there is a change of national currency. The old unit of currency must be wiped of and replaced with a new currency unit. It true that since payments banks won't be able to disburse loans, their net interest income will be limited. So, it seems that without traditional baking economics, the road for payment banking players is not lucrative. It's a long due experiment that logically follows after agriculturally dominated traditional economy like India embraces digital payments widely.

Ismail (2016) defines that small banks and payment banks have emerged from the recommendation of Nachiket Mor committee that has highlights of financial inclusion in India. There are few similarities between small banks and payment banks may vary in terms of promoter shares, type of account, loan facility, and target group.

Iwanczuk & kaliska (2017) they discuss key challenges facing central banks due to evolution of payment systems. The author distinguishes two aspects of the problem. The first one considers the implications of changes in payments for the roles of central banks in national payment systems, namely their role as operators, oversight authorities and catalysts. The second question is how evolution of payment systems influences the nature of central banking.

Shalini mittal et al.,(2017) focuses on assessing customer preference in using services of payment banks over universal banks by using bivariate correlation analysis. The paper talks about the services that the customer prefer to use the effect of reference group on the customers decisions to choose a bank.

Meena Kumari (2017) defines that the 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.

Geetha iyer et al.,(2017) focudes on the new technology and services in financial inclusion and RBI introduces innovation in Inda that is payment banks and whole study discussed about the prospects and challenges of payment banks in India and it show rapid growth and identified dimensions for the usage of payment banks and adoption od new technology by people without any risks.

Piyush Thukral (2017) outlined The Technology and innovation is at the focal point of this interruption in the banking paradigm. Payments banks can deliberately utilize innovation and shrewd segmentation as interruption instruments and strategically use their current client base and circulation channels to rapidly obtain critical mass. Further, the enunciations surrounded by RBI are not close ended directions and might be evolved after some time, contingent upon the execution, development, and learning of the payments bank plan of action.

Ahmed And Gugloth (2018) the study evaluates that the payment banks aim to services migrant workers, lower income households to bring them into the formal financial system. It also has the added benefit of secured, technology-driven transaction which can easily be tracked.

Mishra et al., (2018) analyzed current scenario, as the payments bank is still in its initial stages there are a lot of regulations put on their operations by the Reserve Bank of India (RBI) which has restricted their operating freedom and has not allowed them to find other innovative solutions to the challenges that they face. The people in rural areas are not aware about these payments bank and thus the payments bank companies also face the challenge of acquiring more customers. In the current scenario, payments banks are not a viable business option in India given the

challenges that they face and all the regulations put by the reserve bank of India (RBI) on them.

Shrey et al.,(2018) the study focuses on the scope of payment banks in India ,a latest initiative taken up by the reserve bank of India and the government of India try to bring new banking sector in rural India to reach low income households and small business .and some of the challenges faced by people for this new initiative.

Amin & Bhattacharjee (2019) They discussed about the new technology and innovative changes in ignite new services providing platform to the nation and which facilitate new changes in economy. After banking correspondents services under financial inclusion new services offer to the mass of the people through payment banks.

Sangappa et al., (2019) focused on the payment banks in India , latest initiative taken up by the reserve bank of India and the government of India .the aim of the study evaluates that the viability of payment banks and opportunity and challenges of this new initiative and the perception of the people as regards to payment banks .

Rakhecha & Manisha(2019) defined as new model of banks that are permitted to receive cash deposits from customer, store them in a digital wallet and allow customer to pay for goods and services from their digital wallet .They also highly discussed the useful for migrant labor, low income households, farmers, small business and other users.

Mehtra & shah (2020) They discussed to find out the dimensions and impact of various demographic factors on the usage of payment banks in the Ahmedabad district of Gujarat. The payment banks show a rapid growth and identified dimensions for the usage of payment banks are; user friendly, convenience, cost effectiveness, security and easy cash management. People look for the aforesaid factors while they transact through payment banks. It is observed that most of the people use Paytm, Freecharge and Jio money payment banks to transact and awareness has impact on the usability of payment banks for bill payment, recharge, ticket booking and shopping.

Uttam chakraborty (2020) defined the significance contribution towards theoretical and practical body of knowledge in the context of financial innovations especially in emerging economies. Therefore, there is an impending need to determine the factors influencing people to use payment banks services.

Dzhaksybekova & Pulatov (2020): they discussed the problematic aspects of the features and prospects of biometric security measures in operation with payment banks cards. And their study defines customer biometric identification is one of the most innovative and modern technology in the banking services market.

Vishnavi & Shruthi (2017) they focused on adoption of payment banks has resulted in greater financial penetration among Indian in the form of increased awareness among customers and their retention, reduced burden of commercial banks and the increased the digitization of banking transaction.

subodh sakpal& rashmi soni (2019) discussed the opportunity and challenges faced by payment banks towards their sustainability . this study is focused on the scope of payment banks and how people adopt this new initiative in recent times .

CHAPTER-3

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN :

DESCRIPTIVE RESEARCH :

The research design of the study is descriptive research . the descriptive research studies are those studies which are concerned with describing the characteristics of particular individual or a group. The studies concerned with specific prediction, with narration of facts & characteristics concerning individual, group or a situation are all example of descriptive research studies.

3.2 SAMPLING TECHNIQUE:

Sampling is the part of statistical practice occupied with the selection of some people for the observation proposed to yield knowledge about a population of a concern mainly for the purpose of statistical interference. Each and every observation quantifies one or more properties of an observable entity set out to distinguish objects or individuals.

POPULATION: The population of the projects is users of online payment banks in Chennai.

SAMPLE UNIT: The sample unit for the project is people using online payment banks in Chennai.

3.3.SOURCE OF DATA:

There are two different types of data that are adopted for a project. They are primary and secondary data .

PRIMARY DATA: Primary data are those which are collected for the first time and they happens to be original in nature. Primary data are collected through questionnaire.

SECONDARY DATA: Secondary data are collected from journals and articles available online.

3.4 STRUCTURE OF QUESTIONNAIRE

In this study, a questionnaire is used to collect the primary data from the sample. A questionnaire is sent to the persons concerned with the request to answer

the question and return the questionnaire consists of many questions set in a definite order or set of forms. In this study, likert scale is used in most of the questions. Firstly, the demographic factors occupies the questionnaire, followed by the questions related to the variables used for the study. The questionnaire is mailed to respondents who are expected to read and understand the questions and write down the reply in the space left for the purpose in the questionnaire itself. The respondents have to answer the questions on their own.

3.5 SAMPLE SIZE

The sample size of the research consists of 130 respondents.

3.6 PERIOD OF STUDY

The study is carried out for the period of three months from January 2021-March 2021.

Sampling Size: The sample size contains about 130 respondents.

3.7 ANALYTICAL TOOLS USED FOR DATA INTERPRETATION

3.7.1 Percentage Method :

Percentage is explained in information as a proportion of the whole. Percentage is calculated by taking the number of sub category and dividing by the total.

Percentage = Number of sub category / Total number of respondents × 100

3.7.2 Chi-Square Test:

χ^2 is the statistical measure how a model collate to actual observed data. The data which is used in this statistic should be random, raw, drawn from independent variables and also from large enough sample. The researcher used in this test for his study to test the significance of association between two attributes.

$$\chi^2 = \sum (O_{ij} - E_{ij})^2 / E$$

Chi-square test:

Null Hypothesis (H_0) – There is no association between annual income and usage of payment banks.

3.7.3 Anova test :

One way ANOVA is a statistical technique that is used to compare the means of more than two groups.

Null Hypothesis (H_0) 1– There is no significance difference between age and making mistakes while entering credential data

Null Hypothesis (H_1) 2– There is no significance difference between profession and while using payment banks their transaction as secured.

3.7.4 Correlation coefficient

The correlation coefficient is a statistics which are used to measure the strength of the relationship between the relative movements of two variables or attributes. The values ranges between -1.0 to 1.0. A correlation which shows 0.0 that states that a linear relationship between the movement of the two attributes.

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{[n\sum x^2 - (\sum x)^2][n\sum y^2 - (\sum y)^2]}$$

Null Hypothesis (H_1) - There is no association between services provided by payment banks are satisfying their satisfaction and while using payment banks their transaction as secured.

CHAPTER- 4

DATA ANALYSIS AND INTERPRETATION

4.1 PERCENTAGE ANALYSIS

Table 4.1 showing Gender of the Respondent

Particular	No of Respondent	Percentage of Respondent
Male	45	34.6
Female	85	65.4
Total	130	100.0

Source : primary data

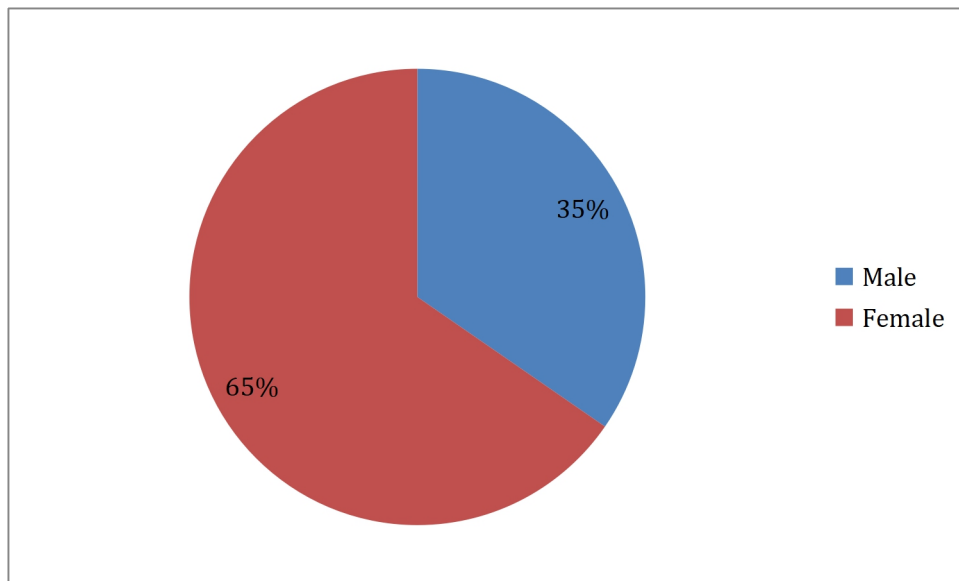


Chart 4.1 showing the Gender of the Respondent

Interpretation:

From the above table, it is inferred that 65.4% of the respondents are male and 34.6% of the respondents are female.

Table 4.2 showing Age of the Respondent

Particulars	No of Respondent	Percentage of Respondent
Below 25	92	70.8
26-35	28	21.5
36-45	8	6.2
46-55	2	1.5
Above 55	0	0
Total	130	100.0

Source : primary data

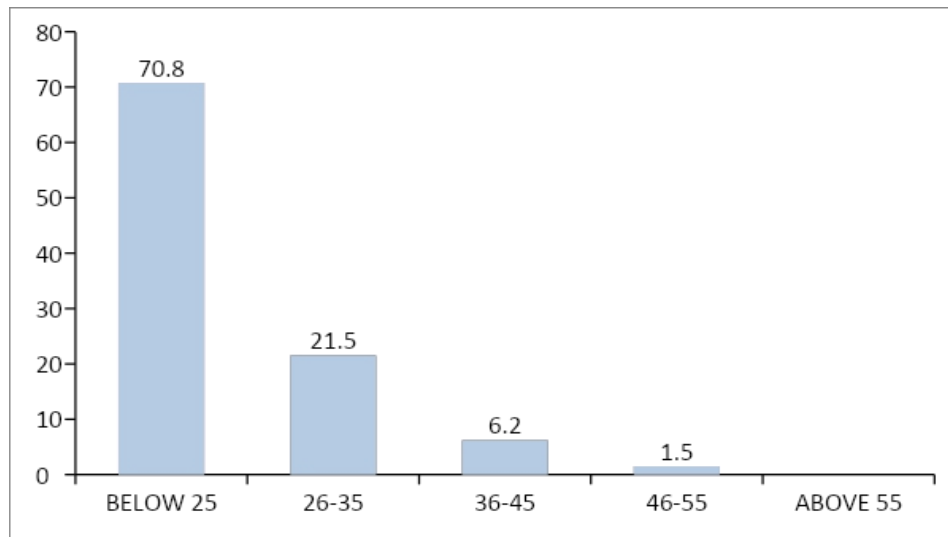


Chart 4.2 showing the Age of the Respondents

Interpretation :

From the above table, it is inferred that 70.8% of the respondents belongs to the age group of below 25 years, 21.5% of the respondents belongs to the age group of 26-35 years, 6.2% of the respondents belongs to the age group of 36-45 years, 1.5% of the respondents belongs to the age group of 46-55 years and none of the respondents belongs to the age group above 55 years.

Table 4.3 showing Marital Status Of The Respondent

Particulars	No of Respondent	Percentage Of Respondent
Married	104	80
Unmarried	26	20
Total	130	100

Source : primary data

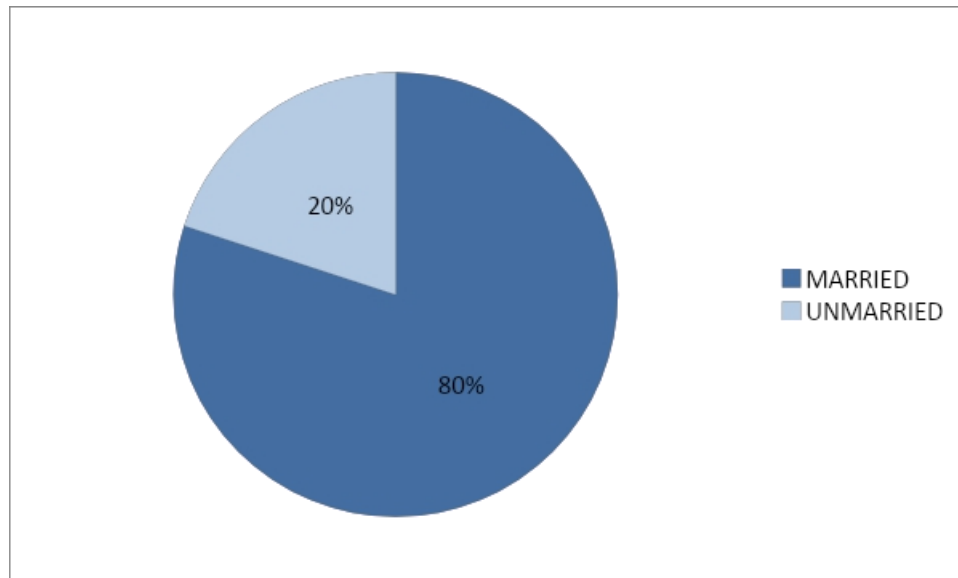


Chart 4.3 showing Marital Status Of The Respondents

Interpretation :

From the above table, it defines that 80% of the respondents are unmarried and 20% of the respondents are married.

Table 4.4 showing Education Of the Respondent

Particulars	No of Respondent	Percentage Of Respondent
Higher Secondary	20	15.4
Diploma	9	6.9
Under Graduate	60	46.2
Post Graduate	41	31.5
Total	130	100.0

Source : primary data

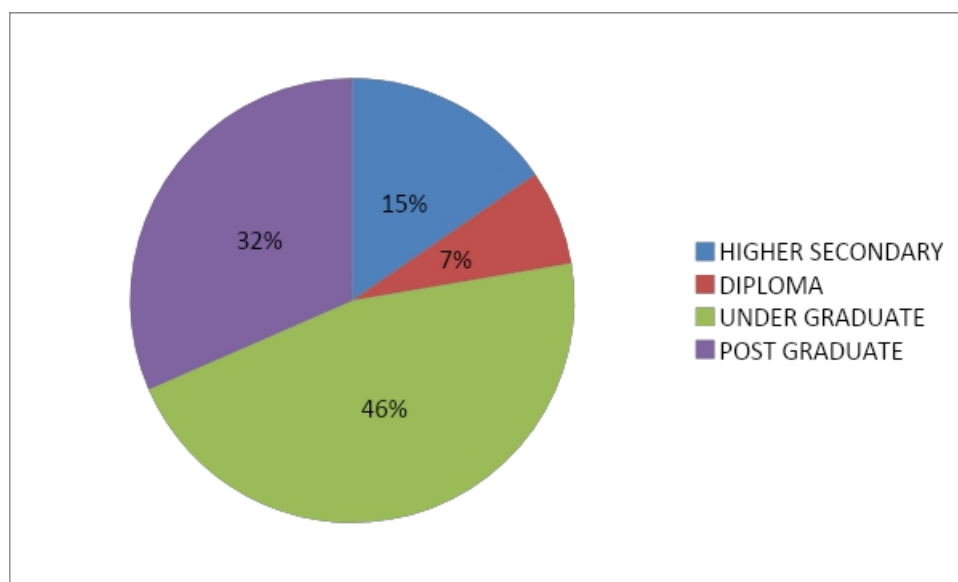


Chart 4.4 Showing Education Of The Respondents

Interpretation:

From the above table reveals that 46.2% of the respondents under graduate, 31.5% of the respondents post graduate, 15.4% of the respondents higher secondary, and 6.9% of the respondents diploma.

Table 4.5 showing the Profession of the Respondent

Particulars	No of Respondent	Percentage of Respondent
Salaried	48	36.9
Business	5	3.8
Self Employed	14	10.8
Retired	0	0
Student	48	36.9
House Wife	14	10.8
Employee	1	0.8
Total	130	100.0

Source : primary data

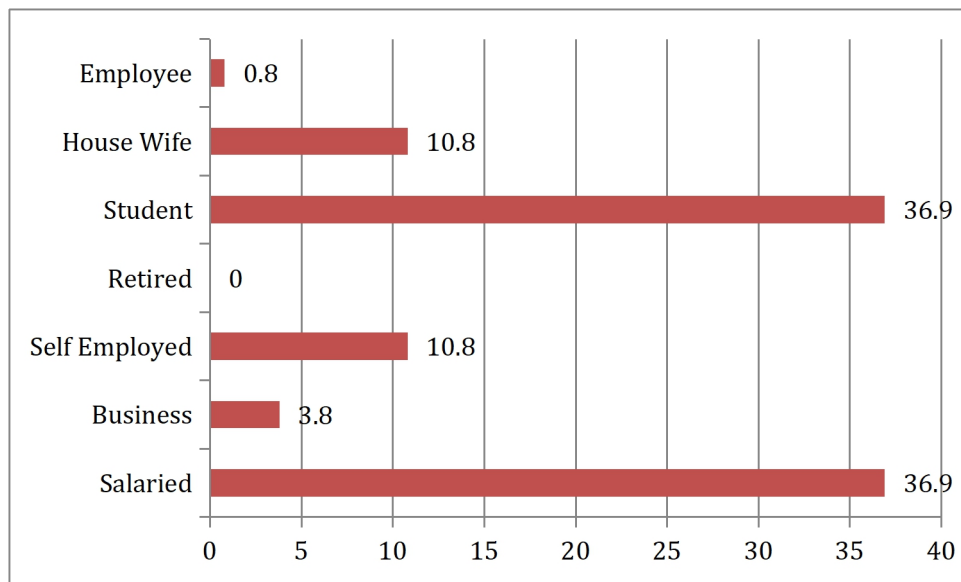


Chart 4.5 showing the Profession Of The Respondent

Interpretation:

From the above table, it is inferred that 36.9% of the respondents salaried, 36.9% of the respondents student, 10.8% of the respondents self employed, 10.8% of the respondents house wife, 3.8% of the respondents business, 0.8% of the respondents employee, and none of the responded retired.

Table 4.6 Showing the Annual Income of the Respondent

Particulars	No of Respondent	Percentage of the Respondent
Below 2,50,000	68	52.3
2,50,000-5,00,000	51	39.2
5,00,001-10,00,000	8	6.2
Above 10,00,000	3	2.3
Total	130	100.0

Source : primary data

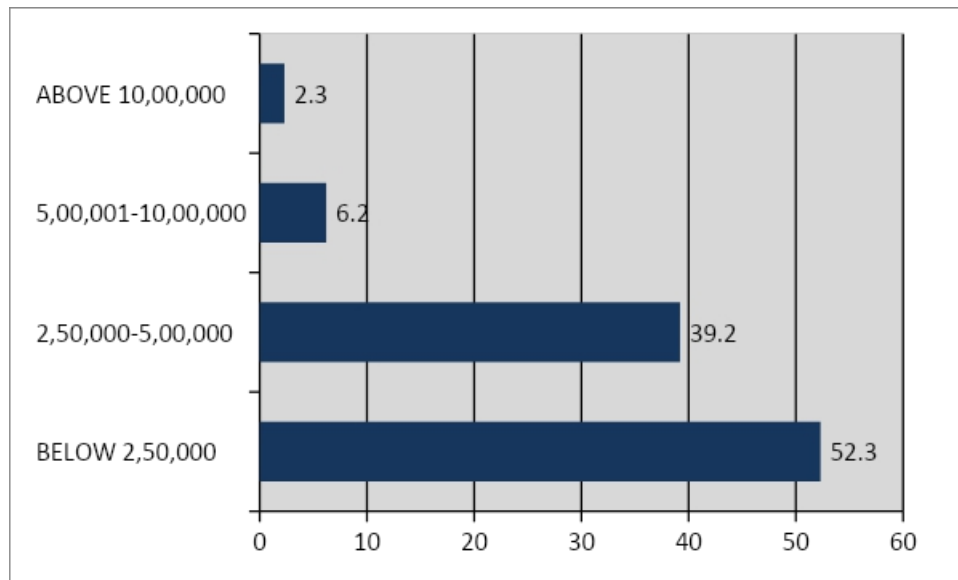


Chart 4.6 showing the Annual Income of the Respondent

Interpretation:

From the above table, it is inferred that 52.3% of the respondents are below Rs.2,50,000, 39.2% of the respondents are Rs. 2,50,000-5,00,000, 6.2% of the respondents are Rs.5,00,001-10,00,000, 2.3% of the respondents are above 10,00,000.

Table 4.7 Respondents opinions as to whether the usage of Payment Banks

Particulars	No of Respondent	Percentage of the Respondent
Daily	21	16.2
Weekly	55	42.3
Monthly	43	33.1
Yearly	7	5.4
Never	4	3.0
Total	130	100.0

Source : primary data

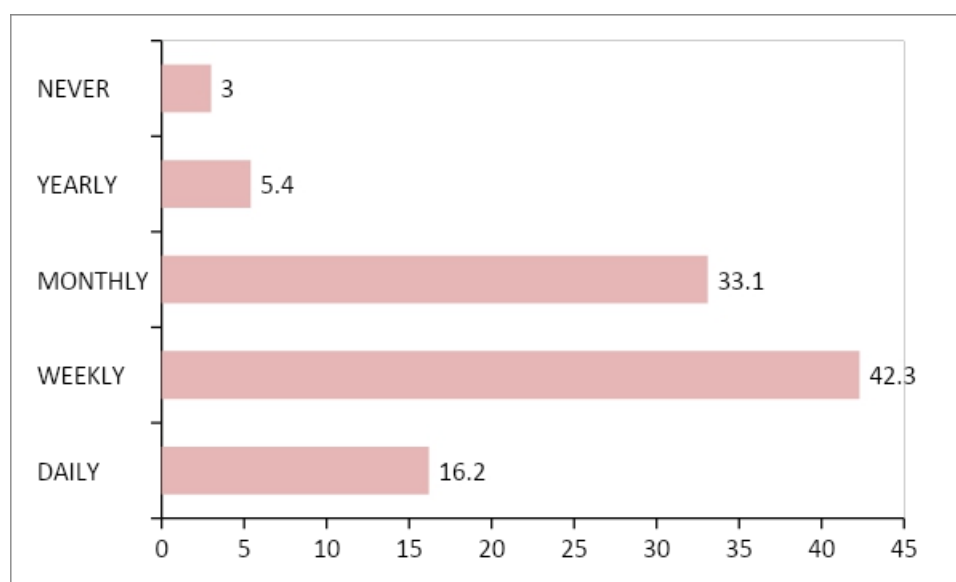


Chart 4.1.7 Respondents opinions as to whether the Usage Of Payment Banks

Interpretation:

The above table depicts that 42.3% of the respondents are weekly, 33.1% of the respondents are monthly, 16.2% of the respondents are daily, 5.4% of the respondents are yearly.

Table 4.8 Respondents opinions as to whether the usage of bill payment, usage of ticket/cab booking, usage of money transfer, usage of online shopping and usage of mobile recharge Services In Payment Banks

Particulars	No of Respondent	Percentage of the Respondent
Never	53	10.6
Rarely	86	17.2
Sometimes	177	35.4
Often	118	23.6
Always	216	43.2

Source : primary data

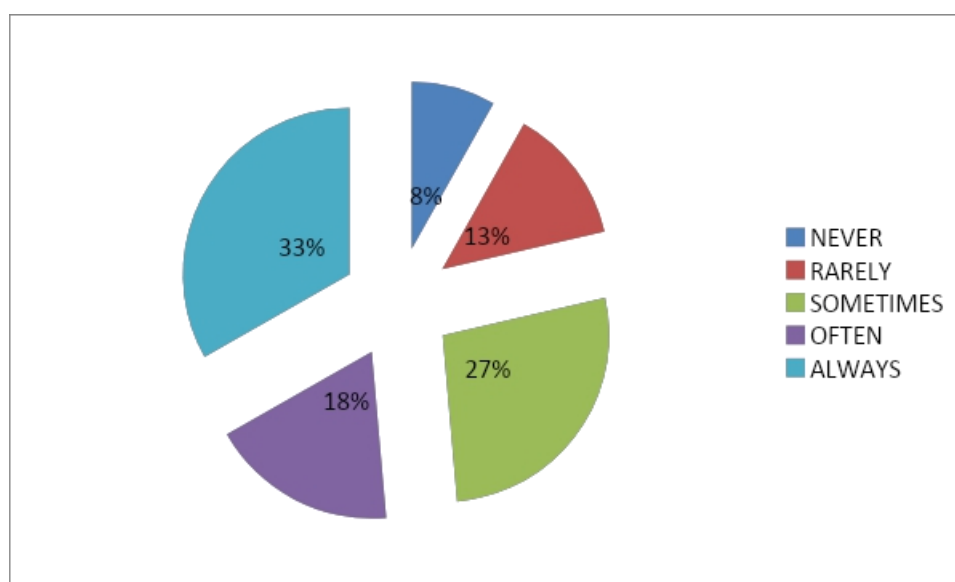


Chart 4.8 Respondents opinions as to whether the usage of bill payment, usage of ticket/cab booking, usage of money transfer, usage of online shopping and usage of mobile recharge Services In Payment Banks

Interpretation :

From the above table, it is inferred that 34% of the respondents always, 27% of the respondents sometimes, 18% of the respondents often, 13% of the respondents rarely, and 8% of the respondents never.

Table 4.9 Respondents opinions as to whether the Attractive Features In Payment Banks

Particulars	No of Respondent	Percentage of the Respondent
Convenience	53	40.8
To Save Cost	62	47.7
To Save Time	109	83.8
Safe And Secured	68	52.3
Privacy	66	50.8
Faster Service	55	42.3
Easy To Maintain Banking Transaction	88	67.7

Source : primary data

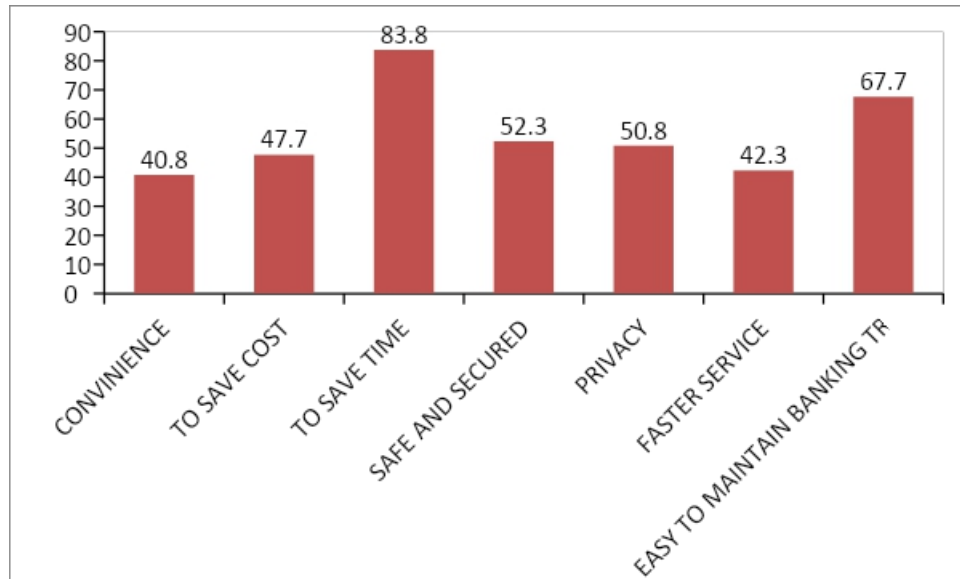


Chart 4.9 Respondents opinions as to whether the Attractive Features In Payment Banks

Interpretation :

From the above table, it is inferred that 83.8% of the respondents to save time, 67.7% of the respondents easy to maintain transaction, 52.3% of the respondents safe and secured, 50.8% of the respondents privacy, 47.7% of the respondents to save cost, 42.3% of the respondents faster service, and 40.8% of the respondents convenience ,

Table 4.10 Respondents opinions as to whether the Efficiency In Making Financial Transaction

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	52	40
Agree	70	53.8
Neither Agree Nor Disagree	5	3.8
Disagree	3	2.3
Strongly Disagree	0	0
Total	130	100.0

Source : primary data

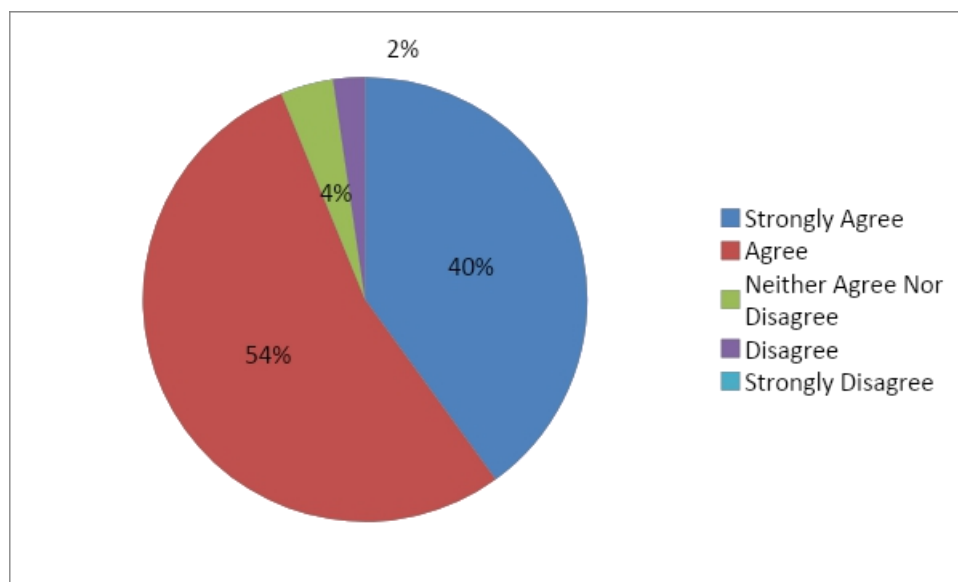


Chart 4.10 Respondents opinions as to whether the Efficiency In Making Financial Transaction

Interpretation :

From the above table, it is inferred that 53.8% of the respondents agree, 40% of the respondents strongly agree, 3.8% of the respondents neither agree nor disagree, 2.3% of the respondents disagree, and none of them responded strongly disagree regarding efficiency in financial transaction.

Table 4.11 Respondents opinions as to whether the Payment Banks is More Convenient to use

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	62	48.1
Agree	53	40.1
Neither Agree Nor Disagree	12	9.3
Disagree	3	2.5
Strongly Disagree	0	0
Total	130	100.0

Source : primary data

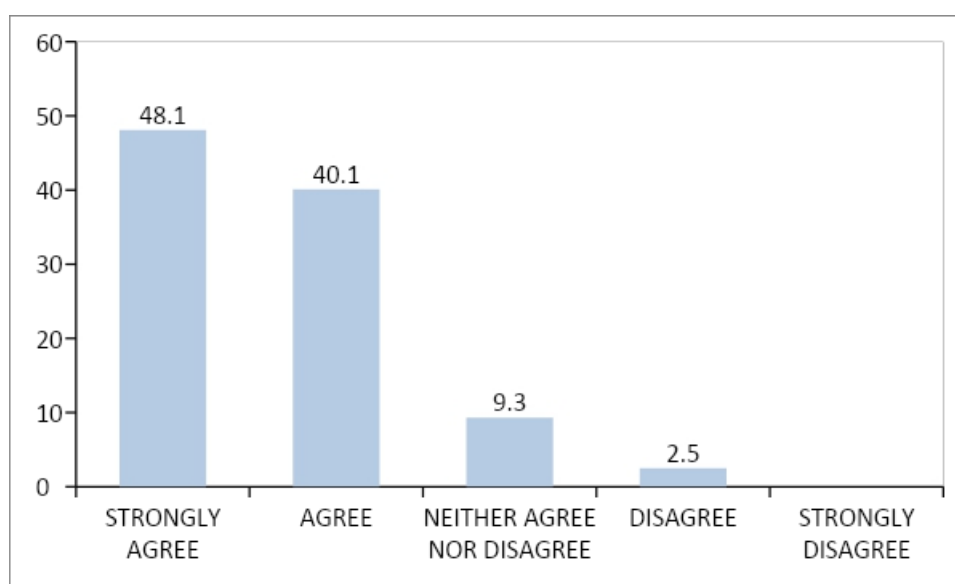


Chart 4.11 Respondents opinions as to whether the Payment Banks Is More Convenient To Use

Interpretation:

From the above table, it is inferred that 48.1% of the respondents strongly agree, 40.1% of the respondents agree, 9.3% of the respondents neither agree nor disagree, 2.5% of the respondents disagree, and none of them respondent strongly disagree for convenient to use.

Table 4.12 Respondents opinions as to whether the Payment Banks Is Easily Accessible Via Mobile Phone

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	69	53.1
Agree	51	39.2
Neither Agree Nor Disagree	6	4.6
Disagree	3	2.3
Strongly Disagree	1	0.8
Total	130	100.0

Source : primary data

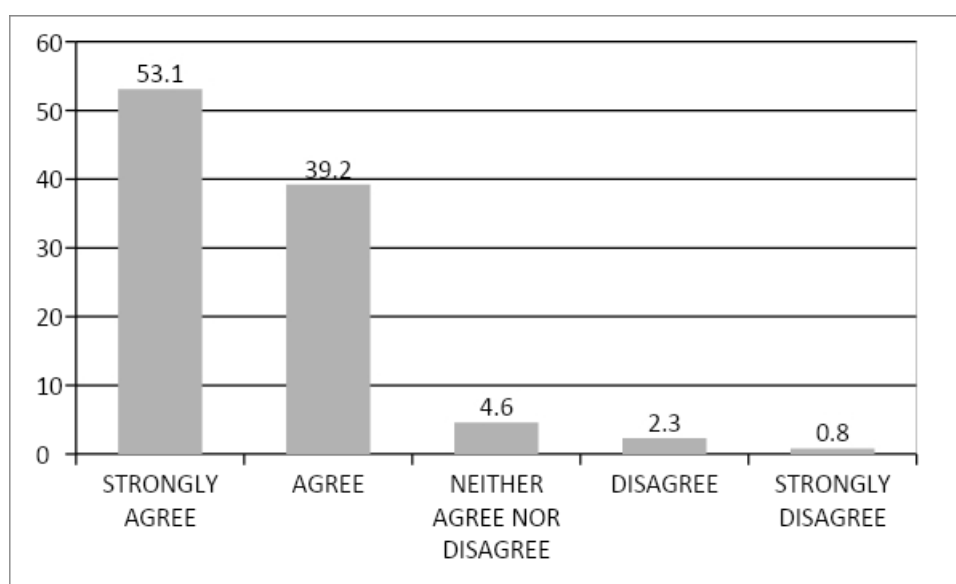


Chart 4.12 Respondents opinions as to whether the Payment Banks Is Easily Accessible Via Mobile Phone

Interpretation :

From the above table, it is inferred that 53.1% of the respondents strongly agree, 39.2% of the respondents were agree, 4.6% of the respondents neither agree nor disagree, 2.3% of the respondents disagree, and 0.8% of the respondents strongly disagree regarding easily accessible via mobile phone.

Table 4.13 Respondents opinions as to whether the Facing Any Issues Or Errors While Making Online Transaction

Frequency Level	No. Of. Respondents	Percentage Of Respondents
Never	22	16.9
Occasionally	35	26.9
Sometimes	58	44.6
Often	14	10.8
Always	1	0.8
Total	130	100.0

Source : primary data

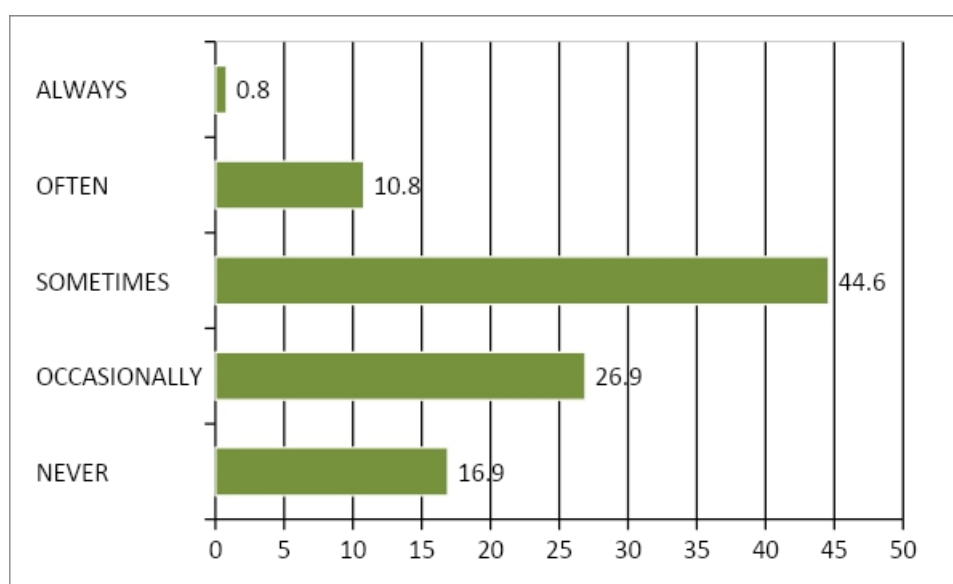


Chart 4.13 Respondents opinions as to whether the Facing Any Issues Or Errors While Making Online Transaction

Interpretation :

From the above table, it is inferred that 44.6% of the respondents sometimes, 26.9% of the respondents occasionally, 16.9% of the respondents never, 10.8% of the respondents often, and 0.8% of the respondents always regarding issues and errors while making online transaction.

Table 4.14 Respondents opinions as to whether the Payment Banks Responds Quickly To the Help And Support Which Seek To Them

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	26	20
Agree	58	44.6
Neither Agree Nor Disagree	35	26.9
Disagree	10	7.7
Strongly Disagree	1	0.8
Total	130	100.0

Source : primary data

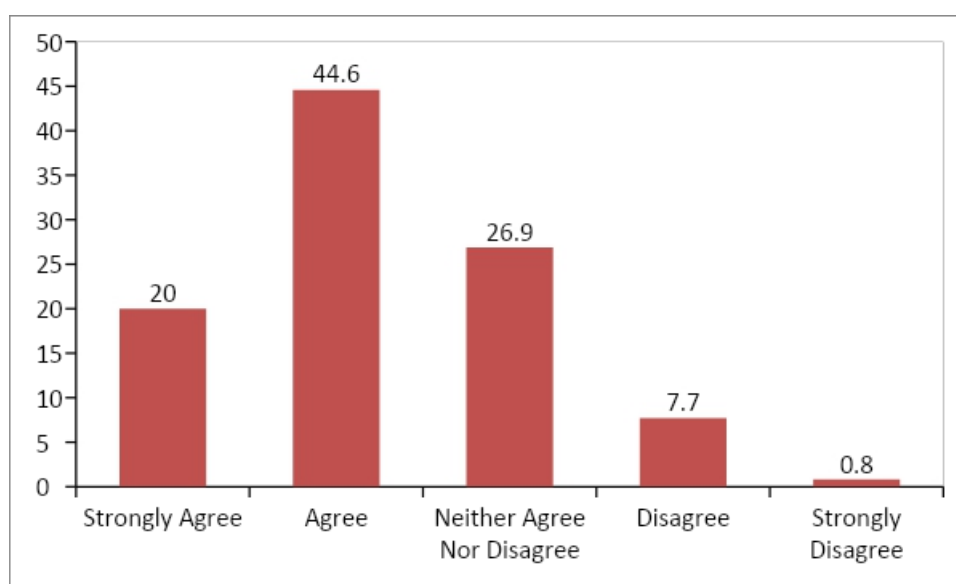


Chart 4.14 Respondents opinions as to whether the Payment Banks Responds Quickly To The Help And Support Which Seek To Them

Interpretation:

From the above table, it is inferred that 44.6% of the respondents agree, 26.9% of the respondents neither agree nor disagree, 20% of the respondents strongly agree, 7.7% of the respondents are disagree, and 0.8% of the respondents strongly disagree are responded quickly to the help and support which seek to them.

Table 4.15 Respondents opinions as to whether the Problems Arise During Online Transaction Is Resolved Quickly

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	26	20
Agree	57	44
Neither Agree Nor Disagree	34	26
Disagree	13	10
Strongly Disagree	0	0
Total	130	100.0

Source : primary data

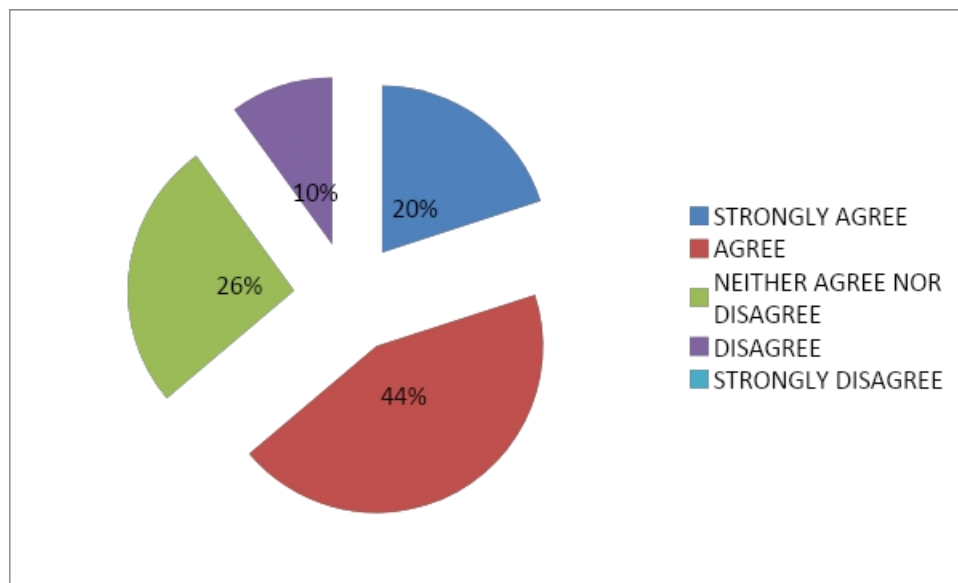


Chart 4.15 Respondents opinions as to whether the Problems Arise During Online Transaction Is Resolved Quickly

Interpretation:

From the above table, it is inferred that 44% of the respondents agree, 20% of the respondents neither agree nor disagree, 26% of the respondents strongly agree, 10% of the respondents disagree, and none of them responded strongly disagree regarding problems during online transaction is resolved quickly.

Table 4.16 Respondents opinions as to whether the Error Messages Pop Up During Online Transaction Is Helpful

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	29	22.3
Agree	74	56.9
Neither Agree Nor Disagree	15	11.5
Disagree	10	7.7
Strongly Disagree	2	1.6
Total	130	100.0

Source : primary data

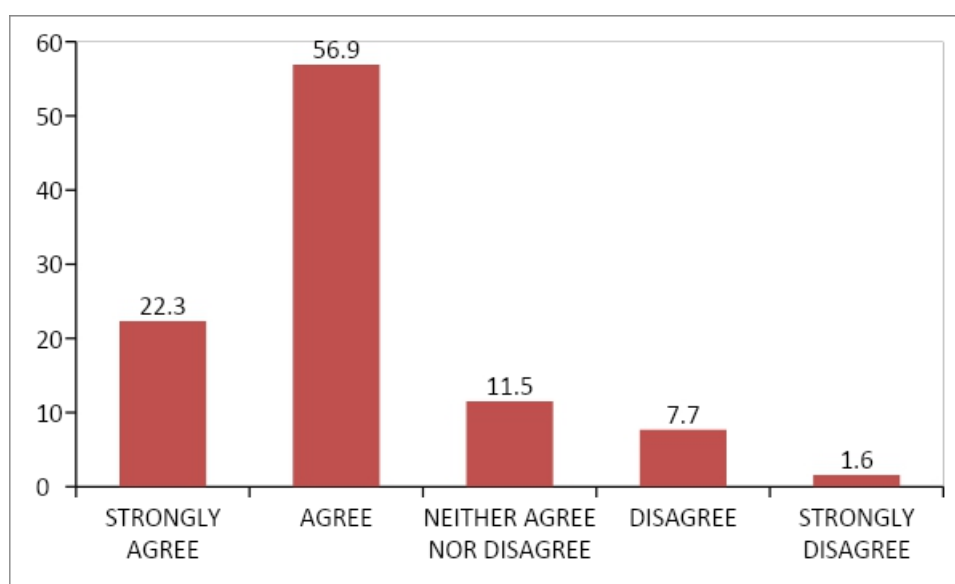


Chart 4.16 Respondents opinions as to whether the Error Messages Pop Up During Online Transaction Is Helpful

Interpretation:

From the above table, it is inferred that 56.9% of the respondents agree, 11.5% of the respondents neither agree nor disagree, 22.3% of the respondents strongly agree, 7.7% of the respondents disagree, and 1.6% of the respondents strongly disagree are responded error messages pop up during online transactions.

Table 4.17 Respondents opinions as to whether the Friends Family Members Using Payment Banking

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	33	25.4
Agree	68	52.3
Neither Agree Nor Disagree	24	18.5
Disagree	5	3.8
Strongly Disagree	0	0
Total	130	100.0

Source : primary data

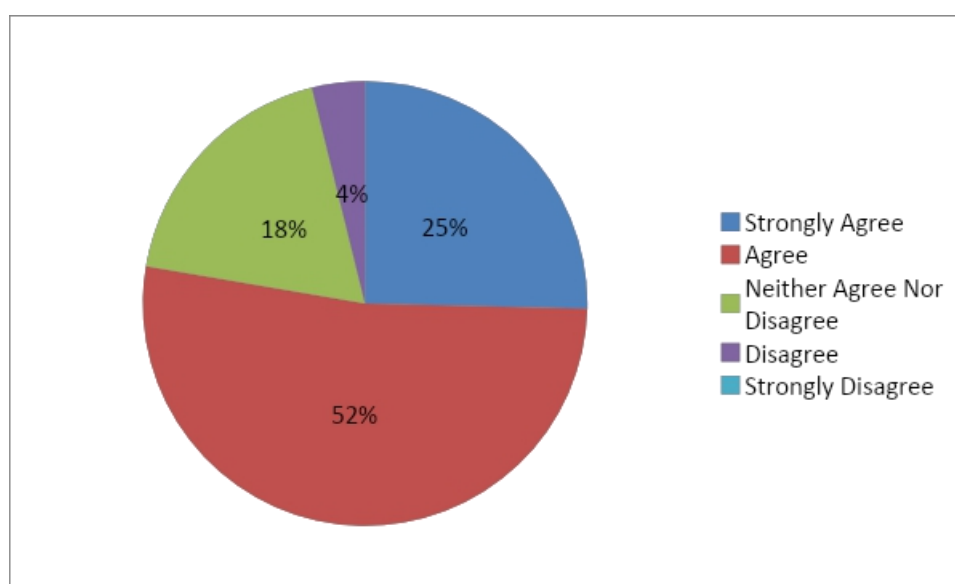


Chart 4.16 Respondents opinions as to whether the Friends Family Members Using Payment Banking

Interpretation:

From the above table, it is inferred that 52.3% of the respondents agree, 25.4% of the respondents strongly agree, 18.5% of the respondents neither agree nor disagree, 3.8% of the respondents disagree, and none of them responded strongly disagree regarding family friends using payment banking.

Table 4.18 Respondents opinions as to whether the Services Provided By Payment Banks Are Satisfying Your Expectation

Frequency Level	No of Respondent	Percentage of Respondent
Highly Satisfied	26	20.0
Satisfied	65	50.0
Neutral	35	26.9
Dissatisfied	3	2.3
Highly Dissatisfied	1	0.8
Total	130	100.0

Source : primary data

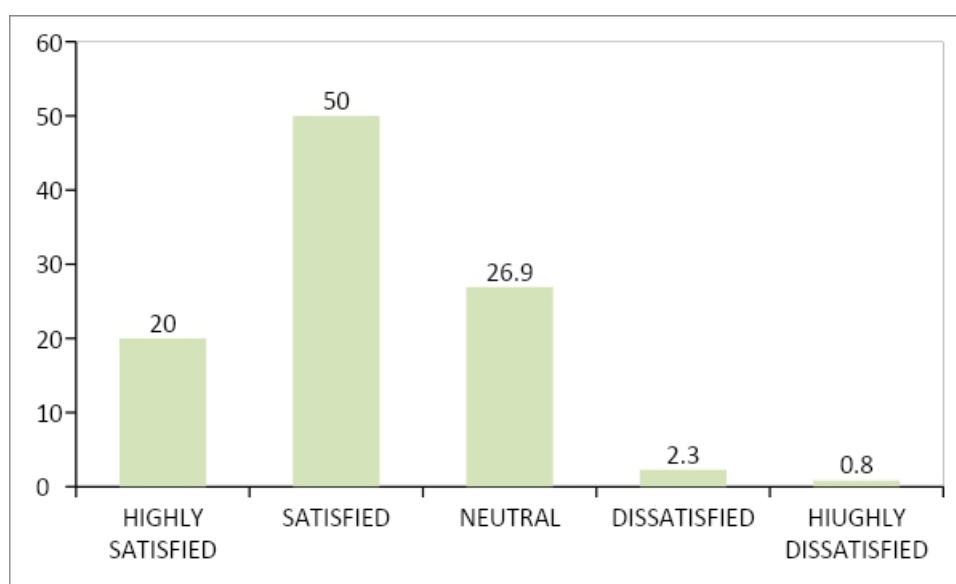


Chart 4.18 Respondents opinions as to whether the Services Provided By Payment Banks Are Satisfying Your Expectation

Interpretation :

From the above table, it is inferred that 50% of the respondents satisfied, 26.9% of the respondents neutral, 20% of the respondents highly satisfied, 2.3% of the respondents dissatisfied, and 0.8% of the respondents highly dissatisfied regarding services provided by payment banks satisfying their expectation.

Table 4.19 Respondents opinions as to whether the Fear of Making Mistakes While Entering Credential Data

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	25	19.2
Agree	52	40.0
Neither Agree Nor Disagree	41	31.5
Disagree	11	8.5
Strongly Disagree	1	0.8
Total	130	100.0

Source : primary data

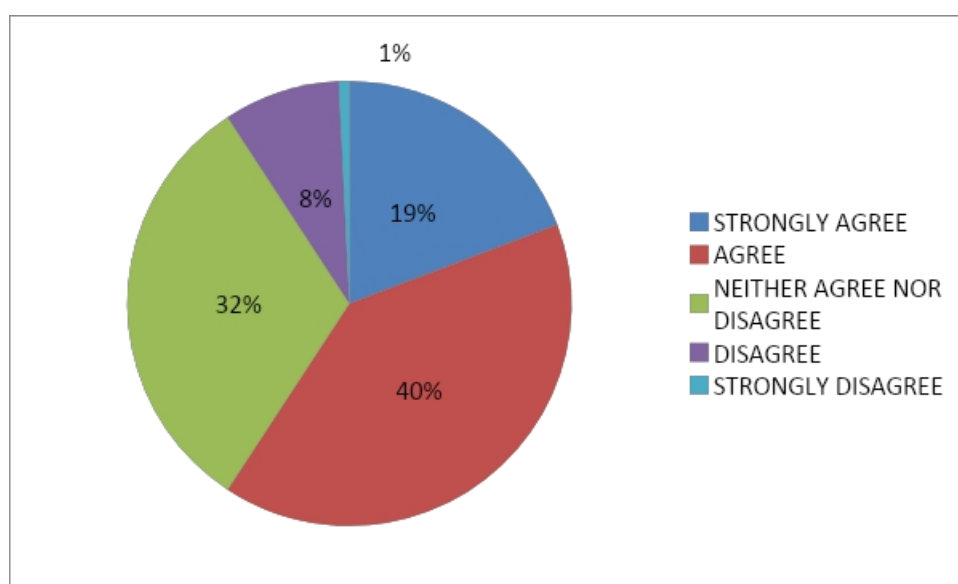


Chart 4.19 Respondents opinions as to whether the Fear of making Mistakes While Entering Credential Data

Interpretation :

From the above table, it is inferred that 40% of the respondents agree, 32% of the respondents neither agree nor disagree, 19% of the respondents strongly agree, 8% of the respondents disagree, and 1% of the respondents strongly disagree for making any mistakes while entering credential data.

4.20 Respondents opinions as to whether the Need To Undergo Several Security Checks Even For Small Transaction

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	22	16.9
Agree	62	47.7
Neither Agree Nor Disagree	34	26.2
Disagree	11	8.5
Strongly Disagree	1	0.8
Total	130	100.0

Source : primary data

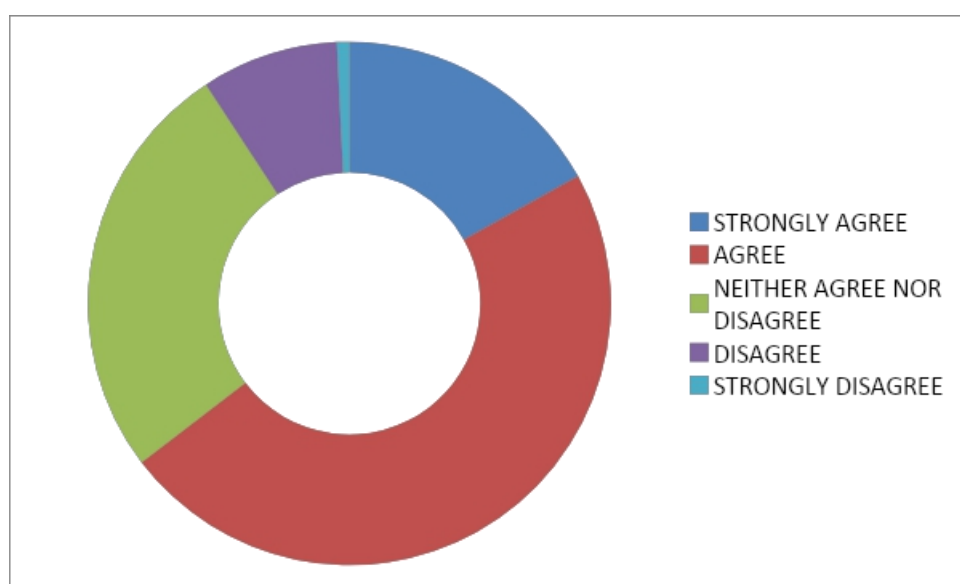


Chart 4.20 Respondents opinions as to whether the Need To Undergo Several Security Checks Even For Small Transaction

Interpretation:

From the above table, it is inferred that 47.7% of the respondents agree, 26.2% of the respondents neither agree nor disagree, 16.9% of the respondents strongly agree, 8.5% of the respondents disagree, and 0.8% of the respondents strongly disagree for security checks even for small transaction.

Table 4.21 Respondents opinions as to whether the Need Guidance Or Clarification Could Not Get Immediately

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	16	12.4
Agree	64	49.6
Neither Agree Nor Disagree	31	24.0
Disagree	18	14.0
Strongly Disagree	0	0
Total	130	100.0

Source : primary data

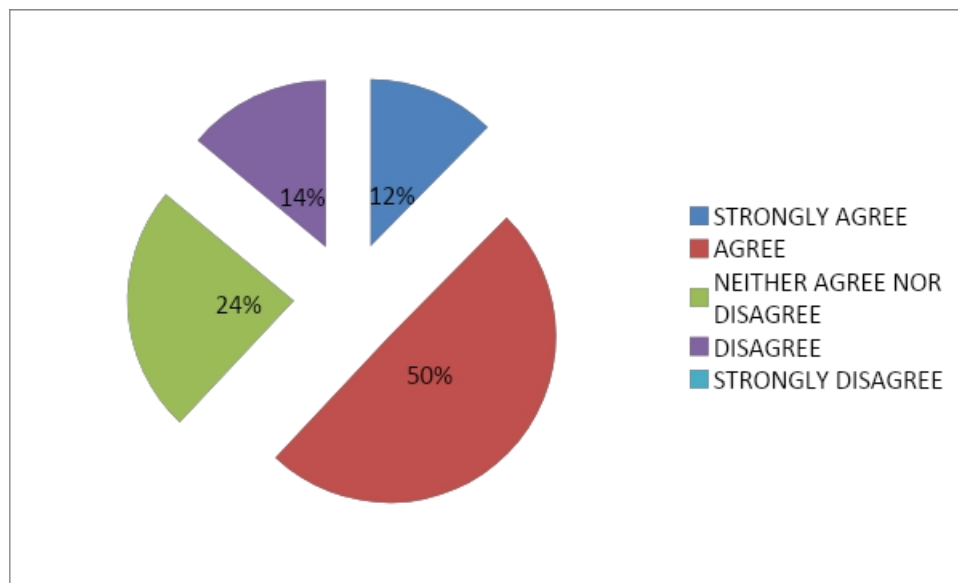


Chart 4.21 Respondents opinions as to whether the Need Guidance Or Clarification Could Not kept Immediately

Interpretation :

From the above table, it is inferred that 50% of the respondents agree, 24% of the respondents neither agree nor disagree, 12% of the respondents strongly agree, 14% of the respondents disagree, and none of them responded strongly disagree for guidance and clarification .

4.22 Respondents opinions as to whether the Chances of Fraud or Forget Transaction in Payment Banks

Frequency Level	No of Respondent	Percentage of Respondent
Never	30	23.3
Occasionally	40	31.0
Sometimes	44	34.1
Often	14	10.9
Always	1	0.8
Total	130	100.0

Source : primary data

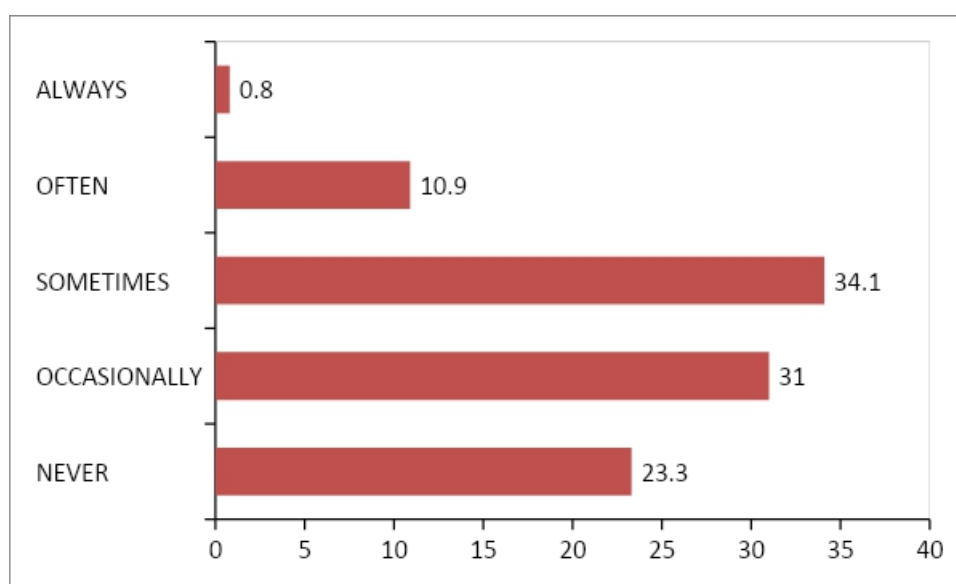


Chart 4.22 Respondents opinions as to whether the Chances of Fraud or Forget Transaction in Payment Banks

Interpretation:

From the above table, it is inferred that 34.1% of the respondents sometimes, 31% of the respondents occasionally, 23.3% of the respondents never, 10.9% of the respondents often, and 0.8% of the respondents always regarding the fraud or forget transaction.

Table 4.23 Respondents opinions as to whether the Speed of Internet to Which Their Have Access Is Low

Frequency Level	No of Respondent	Percentage Of Respondent
Never	17	13.1
Occasionally	36	27.7
Sometimes	61	47.0
Often	13	10.0
Always	3	2.3
Total	130	100.0

Source : primary data

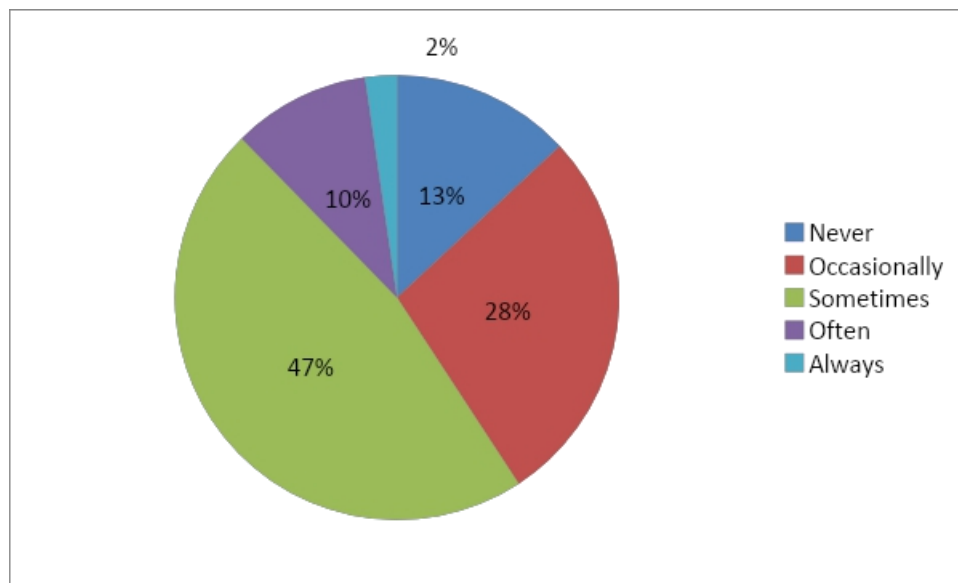


Chart 4.23 Respondents opinions as to whether the Speed Of Internet To Which Their Have Access Is Low

Interpretation:

From the above table it is inferred that 47% of the respondents sometimes, 27.7% of the respondents occasionally, 13.1% of the respondents never, 10% of the respondents often, and 2.3% of the respondents always regarding the speed of internet to which they have access is low..

Table 4.24 Respondents opinions as to whether the Using Payment Banks Information Is kept Confidential

Frequency Level	No of Respondent	Percentage of Respondent
Strongly Agree	20	15.4
Agree	82	63.1
Neither Agree Nor Disagree	20	15.4
Disagree	5	3.8
Strongly Disagree	3	2.3
Total	130	100.0

Source : primary data

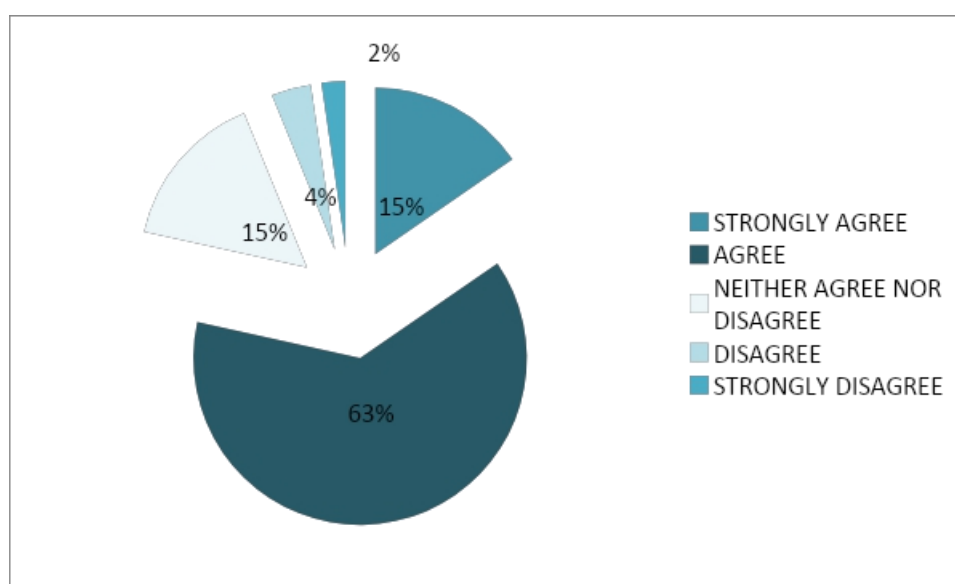


Chart 4.24 Respondents opinions as to whether the Using Payment Banks Information Is kept Confidential

Interpretation:

From the above table it is inferred that 63% of the respondents agree, 16% of the respondents neither agreed nor disagree, 15% of the respondents strongly agree, 4% of the respondents disagree, and 2% of the respondents strongly disagree regarding payment information is kept confidential.

Table 4.25 Respondents opinions as to whether the Usage of Payment Banks Transaction as Secured

Frequency Level	No of Respondents	Percentage Of Respondents
Strongly Agree	23	17.7
Agree	78	60.0
Neither Agree Nor Disagree	22	16.9
Disagree	5	3.8
Strongly Disagree	2	1.5
Total	130	100.0

Source : primary data

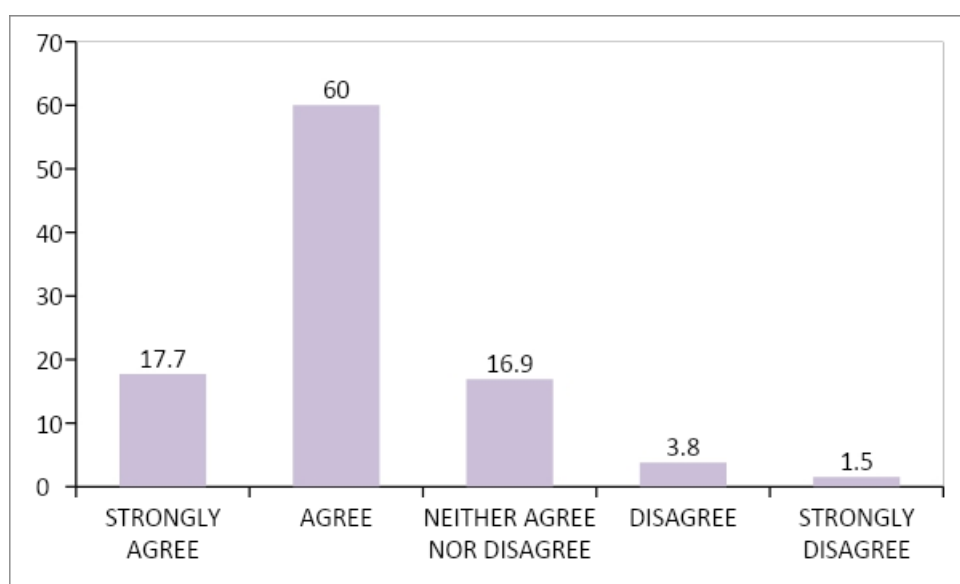


Chart 4.25 Respondents opinions as to whether the Usage of Payment Banks Transaction As Secured

Interpretation:

From the above table, it is inferred that 60% of the respondents agree, 16.9% of the respondents neither agreed nor disagree, 17.7% of the respondents strongly agree, 3.8% of the respondents disagreed, and 1.5% of the respondents strongly disagree for payment banking transaction is secured.

Table 4.26 Respondents opinions as to whether the Overall Satisfaction Of Payment Banks

Rating	No of Respondent	Percentage of Respondent
Highly Dissatisfied	2	1.5
Dissatisfied	10	7.7
Neither satisfied nor dissatisfied	36	27.7
Satisfied	54	41.5
Highly satisfied	28	21.5
Total	130	100.0

Source : primary data

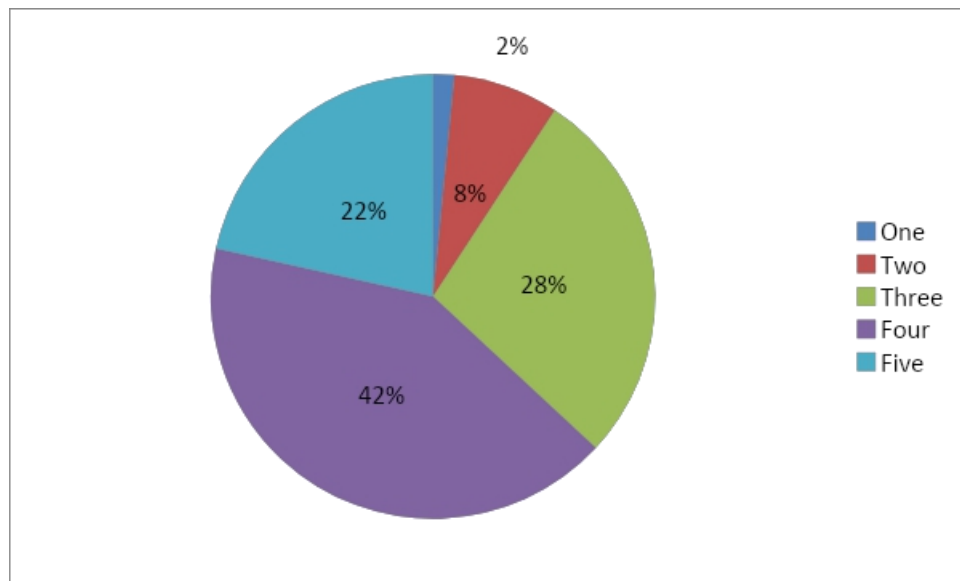


Chart 4.26 Respondents opinions as to whether the Overall Satisfaction Of Payment Banks

Interpretation:

From the above table, it defines that 41.5% of the respondents are rated as Satisfied, 27.7% of the respondents are rated as Neither satisfied nor dissatisfied, 21.5% of the respondents are rated as Highly dissatisfied, 7.7% of the respondents are rated as 2, and 1.5% of the respondents are rated as 1 for overall satisfaction of the payment banking.

4.2 CHI-SQUARE

Null Hypothesis (H_0) – There is no association between annual income and usage of payment banks.

Alternate Hypothesis (H_1) – There is association between annual income and usage of payment banks

TABLE 4.27: Table showing the cross tabulation between annual income and usage of payment banks

		usage of payment banking by the customers					Total
		daily	weekly	monthly	yearly	never	
Annual income	below 2,50,000	11	24	27	3	3	68
	2,50,000-5,00,000	4	28	15	3	1	51
	5,00,000-10,00,000	3	3	1	1	0	8
	above 10,00,000	3	0	0	0	0	3
Total		21	55	43	7	4	130
		usage of payment banking by the customers					Total

TABLE 4.28: Table showing the association between annual income and usage of payment banks

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	26.631 ^a	12	0.009
Likelihood Ratio	22.085	12	0.037
N of Valid Cases	130		

a. 14 cells (70.0%) have expected count less than 5. The minimum expected count is .09.

Source: primary data *significance at 5% level

Interpretation:

Since p value is lesser than 0.05, we accept Alternate Hypothesis and reject Null hypothesis. Therefore, there is association between annual income and usage of payment banks.

4.3 ANOVA - I

Null Hypothesis (H_0) – There is no significant difference between age and fear of making mistakes while entering credential data.

Alternate Hypothesis (H_1) – There is significant difference between age and fear of making mistakes while entering credential data.

TABLE 4.29 showing the descriptive statistics between age and fear of making mistakes while entering credential data.

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min	Max
					Lower Bound	Upper Bound		
Strongly agree	92	2.3587	0.81983	0.08547	2.1889	2.5285	1.00	5.00
agree	28	2.2143	1.06657	0.20156	1.8007	2.6279	1.00	4.00
disagree	8	2.2500	1.28174	0.45316	1.1784	3.3216	1.00	4.00
Strongly disagree	2	2.0000	1.41421	1.00000	-10.7062	14.7062	1.00	3.00
Total	130	2.3130	0.90370	0.07896	2.1568	2.4692	1.00	5.00

Source: Primary data

TABLE 4.30 showing the results of ANOVA between age and fear of making mistakes while entering credential data.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.692	3	0.231	0.276	0.843
Within Groups	105.377	126	0.836		
Total	106.069	129			

Interpretation:

Since p value is greater than 0.05, we accept null Hypothesis and reject alternate hypothesis. Therefore, there is no significance between age and making mistakes while entering credential data.

4.4 ANOVA - II

Null Hypothesis (H_0) – There is no significance difference between profession and “while using payment banks, their belief my transaction as secured”

Alternate Hypothesis (H_1) – There is significance difference between profession and “while using payment banks, their belief my transaction as secured”

Table 4.31 showing the descriptive statistics between profession and while using payment banks, their belief my transaction as secured.

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Min	Max
					Lower Bound	Upper Bound		
Strongly agree	92	2.1739	0.73543	0.07667	2.0216	2.3262	1.00	5.00
agree	28	1.8929	0.91649	0.17320	1.5375	2.2482	1.00	5.00
disagree	8	2.1250	0.99103	0.35038	1.2965	2.9535	1.00	4.00
Strongly disagree	2	2.5000	0.70711	0.50000	-3.8531	8.8531	2.00	3.00
Total	130	2.1154	0.79372	0.06961	1.9777	2.2531	1.00	5.00

Source: Primary data

Table 4.32 showing the results of ANOVA between profession and while using payment banks, their belief my transaction as secured.

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.998	4	0.666	1.059	0.369
Within Groups	79.271	126	0.629		
Total	81.269	130			

Interpretation:

Since p value is greater than 0.05, we accept null Hypothesis and reject alternate hypothesis. Therefore, there is no significance between profession and “while using payment banks, I belief my transaction as secured”.

4.5 CORRELATION

Null Hypothesis (H_0) – There is no relationship between services provided payment banks are satisfying their expectation and “while using payment banks, their belief my transaction as secured”

Alternate Hypothesis (H_1) – There is relationship between services provided by payment banks are satisfying their expectation and “while using payment banks, their belief my transaction as secured”

Table 4.33 showing the correlation between services provided by payment banks are satisfying their expectation and “while using payment banks, their belief my transaction as secured”

		Services provided by payment banks are satisfying your expectation.	While using payment banks, I belief my transaction as secured
Services provided by payment banks are satisfying your expectation.	Pearson Correlation	1	
	Sig. (2-tailed)		
	N	130	130
While using payment banks, I belief my transaction as secured	Pearson Correlation	.559**	1
	Sig. (2-tailed)	.000	
	N	130	130

Interpretation:

Since p value is greater than 0.05, we accept null Hypothesis and reject alternate hypothesis. Therefore, there is no relationship between services provided by payment banks are satisfying their expectation and “while using payment banks, their belief my transaction as secured”.

CHAPTER-5

5.1 FINDINGS:

- Majority (65.4%) of the respondent are Female.
- Majority (70.8%) of the respondent are age of below 25.
- Majority (80%) of the respondent are Unmarried.
- Mostly (46.2%) of the respondent are under graduate.
- Mostly (36.9%) of the respondent are Salaried and Student.
- Majority (52.3%) of the respondent annual income is Below 2,50,000.
- Mostly (42.3%) of the respondent weekly using payment banks.
- Mostly (34%) of the respondent always using the services in payment banks.
- Majority (83%) of the respondent saving time by using the attractive features in payment banks.
- Majority (53.8%) of the respondent agree to making financial transaction efficiently.
- Mostly (48.1%) of the respondent strongly agree for more convenient to use payment banks.
- Majority (53.1%) of the respondent strongly agree for easily accessible via mobile phone.
- Mostly (44.6%) of the respondent sometimes facing errors while making online transaction in payment banks.
- Mostly (44.6%) of the respondent agree to quickly to the help and support which they seek to them.
- Mostly (44%) of the respondent agree for their quick response by the company while they face any problems during online transaction are resolved
- Making online transaction majorly (56.9%) of the respondent agree to feel helpful to resolve their error messages and pop up.
- Majority (52.3%) of the respondent agree for using payment banks.
- Majority (50%) of the respondent satisfied with expectation level in payment banks.

- Mostly (40%) of the respondent agree to feel that they make any mistake while entering any credential data.
- Mostly (47.7%) of the respondent agree to need undergo several security checks even for small transaction.
- Majority (50%) of the respondent agree to get clarification could not quickly .
- Mostly (34.1%) of the respondent sometimes feel that fraud or forget transaction in payment banks.
- Mostly (47%) of the respondent sometimes facing the speed of internet which I access is low.
- Majority (63.1%) of the respondent agree for confidential information.
- Majority (60%) of the respondent agree for secured transaction in payment banks.
- Overall (41.5%) of the respondents are rating to four for payment banks.

5.2 SUGGESTION:

From the survey,

- Errors, issues, or several clarification faced by customer could not get any information quickly.
- Data privacy and security needs more attentions.
- The bank really should arrange program to people learn online banking so that the customer so not have to rush the banks which ultimately save their time also.
- Online banking is better option so it should use instead of traditional banking because traditional banking system is wastage of time and incomplete process.
- The payment banks should focus on ensuring reliable services delivery through investing in and implementing right technology.
- For online banking English is necessary for all so, everybody should have basic knowledge regarding English.
- The knowledge regarding how to do it online banking and basic computer operating is necessary so customer should have knowledge of it.
- For providing the additional security services for customers, bank should focus on multi factor association system.
- Encryption plays a crucial role in online security, so all payment banks keeping in mind the security issues should upgrade through online portal.
- The use same password for a long time is not secured. Bank should make compulsory rule regarding changing password, internet login and transaction password etc.. After a specific period.
- Payment banks should educate people regarding the use of genuine sites and give security tips for further payments.
- Access to internet payment should be allowed only after entering one time password which comes in entering mobile number.
- Most of them face low internet access while making online transaction.
- Customer may feel bad about the fraud and forget transaction in payment banks.

- Most of them need to undergo some several security check even for small transaction.
- People feel that they make any mistake while entering any credential data.

5.3 CONCLUSION:

Payment banks aim to serve migrant workers , lower income households, to bring them into formal financial system. It is also added benefit of secured, technology driven which can easily be tracked. Commercial bank can't do everything payment bank can, due to their structures and business priorities they may be unable to cater to certain segments, its impossible to open branches in every villages across the country so they decided to launch payment banks by using mobile phones. The way the payment banks are different from commercial banks are they can accept deposit up to Rs. 1 lakh, and they cannot lend, payment banks make their profits by selling their products to third party. There are 11 entities which are get approved from the RBI and running 6 payment banks which are available for people to use. The viability of the payment banks is not easy for all to maintain, we need creativity, innovative approach technology. The study concludes that there are many customers who get satisfied with the featured which are convenient, attractive, and beneficial but there are few customers who are always demanding.

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APPENDIX-I

QUESTIONNAIRE:

1. Gender: a) Male b)Female

2. Marital status :

- ☐ Married
- ☐ Unmarried

3. Age

- ☐ Below 25
- ☐ 26-35
- ☐ 36-45
- ☐ 46-55
- ☐ Above 55

4. Education:

- ☐ Higher secondary
- ☐ Diploma
- ☐ Under graduate
- ☐ Post graduate
- ☐ Others

5. Profession:

- ☐ Salaried
- ☐ Business
- ☐ Self employed
- ☐ Retired
- ☐ Student
- ☐ House wife
- ☐ Others

6. Annual income

- ☐ Below 2,50,000
- ☐ 2,50,000-5,00,000
- ☐ 500001-10,00,000

- Above 10,00,000

7. How often you use online payment banks?

- Daily
- Weekly
- Monthly
- Yearly
- Never

8.what kind of services you use most in the payment banks?

factors	never	rarely	sometimes	often	always
Bill payment					
Money transfer					
Ticket/cab booking					
Online shopping					
Mobile recharge					

9. What was the most attractive features that motivates you to adopt payment banks?(multiple choice)

- Convenience
- To save cost
- To save time
- Safe and secured
- Privacy
- Faster service
- Easy to maintain banking transaction
- Others

10. Payment bank improves your efficiency in making financial transaction.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

11. It is convenient to use the services in payment banks.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

12. Offers provided by payment banks is more convenient for you to use.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

13. Payment banks is easily accessible via mobile phone.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

14. Do you faced any issues or errors while making online transaction.

- ☐ Never
- ☐ Occasionally
- ☐ Sometimes
- ☐ Often
- ☐ Always

15. Payment banks responds quickly to the help and support which you seek to them.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

16. Problem arise during online transaction is resolved quickly.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

17. Error messages pop up during online transaction is helpful.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

18. Your family friends and colleagues are using payment banks.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

19. I fear I may make mistakes while entering credential data.

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly disagree

20. I need undergo several security checks even for small transaction.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

21. If I need guidance or clarification I could not get any response.

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

22. There are chances of fraud or forget transaction in payment banks.

- Never
- Occasionally
- Sometimes
- Often
- Always

23. The speed of internet to which I have access is low

- Never
- Occasionally
- Sometimes
- Often
- Always

24. Services provided by payment banks are satisfying your expectation.

- Highly satisfied
- Satisfied
- Neutral
- Dissatisfied
- Highly dissatisfied

25. While using payment bank, I belief information is get confidential.

- Strongly agree

- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

25. While using payment banks, I believe my transaction is secured?

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

26. Rate your overall satisfaction of payment banks.

- Highly satisfied
- Satisfied
- Neutral
- Dissatisfied
- Highly dissatisfied

Prospects and Challenges of Payment Banks

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ABSTRACT

The change of financial services provider to the nation and develop a new technology for service utilization. Many technology and innovation change the banking sector in recent times and play vital role. The study focuses on prospects and challenges faced by payment banks. In September 2013, to study comprehensive financial services for small business and lower income people (households) Reserve Bank of India constitute a committee headed by Nachiket Mor. Committee suggested to introduce payment banks to cater to low income group and small business. The main objective of payment banks is to widen the spread of payment and financial services for all the rural areas and villages that we can't fix bank everywhere so they create online payment banks. The objective of the present study is to understand the prospects and challenges of payment banks. This study explains the views of customer acceptance on the influencing factors, attracting features, issues faced by customers and some of the suggestions regarding the improvement of services. The study uses Questionnaire to collect primary data from the customers. The study found that the prospects for payment banks are size of the market as India's unbanked population and the different challenges faced by payment banks. Statistical tools used are percentage analysis, chi square, ANOVA on SPSS.

Key words: usage of services, convenience to use, social influence, security, etc.

INTRODUCTION

The payment bank is same as other banks but functioning on trivial places without any credit risk. The main aspect is to spread the banking sector all over the rural areas, village etc. to change un-banking into banking. One of the main prospects is broaden the banking sector, innovation in technology, online transaction and access to pay all bills through online itself. The most challenges faced by customer is error messages, pop-ups, forget password, fear of making mistakes while entering credential data these are the main issues that people are facing now a days.

The study defines factors influencing customer acceptance on online / payment banking like usage of services, responsiveness of services, etc. payment banks is a new technological drive to adopt easily by everyone. In recent time, we were using digital technology all over the world so we can adopt any innovative technology easily and learn to get any information about that particular technology savvy. The main advantage in payment banking is safety of money, travel less, saving time, transfer money easily, pay the bill through online transaction and the main disadvantage is low internet access, forget password. The study found that the prospects for payment banks are size of the market as India's unbanked population to became banked all over the rural areas and the different challenges faced by payment banks. The primary objective is to analyze the prospects and challenges of payment banks. The secondary objective is to analyze the factors influencing the customer acceptance on payment banks, to analyze the issues faced by customer while using online payment banking and to study whether the payment banks are convenient to use.

Prospects of Payment Banks

The main opportunity is widen the banking sector, so many people using internet services in recent times so we access the mobile banking or internet banking or payment banking in our home itself or where ever we go. It will helpful for all the citizen to transfer money within in a second or a minute. Now a days most of them adopting into their life into new technology and innovation, so they can accept the new model of banking sector. Payment bank is just like other bank, we can access it by mobile, internet, etc. by easily.



Challenges of Payment Banks:

The main challenge is customer satisfaction on new technology drive. Most of the people facing issues and data corruption while transfer money from one to one. The main risk faced by customer is error messages and pop up while transfer funds or money. One of the most important issues is security and forgot password maintenance.

REVIEW OF LITERATURE

Kunnel et al. (2014) they discussed about that prospects of payment banks, so they create new technological drive for innovative services. To fulfill the un-banked into banking sector all over the rural and village areas and they will create a new framework for 11 entities for licensing small banks and other banks too. They also explained about budgetary, small business, low income households for able to use payment banks in anywhere.

Roy & sinha (2014) they focused on globalization, financial liberalization and technology revolution have opened the door of new and innovative technology is more efficient delivery and processing for all channels as well as more innovative products and services in banking industry. Payment banks is more innovative and globalization in services to use through online itself.

Madhave et al. (2016) they discussed about genesis of payment banks which is stimulus on the financial inclusion for the existing system in banking sector in India. They also give some detailed information about parameters in financial inclusion in India. They also explain about the existing business model of payment banks and define the issues faced by some traditional banks system which includes some business correspondents in banking industry. Their story based on the genesis of PB and problem or issues faced by existing system in India.

Sunita et al. (2016) they discussed about the new comers in banking industry. The past system or existing system does not give more advantage and cannot save our time to lead the running life now a days. Their study focused on the new technologies which give high profitability and high usability in recent times. Most of them accept the new comers and use the technology highly. Payment banks is more use full for all the people now a day because for consuming time, energy, waste of travel sequences, and also to fill unbanked into banked that the reason to launch new banking system in online and for make all the people to use this techniques and transfer money from one to one easily.

Chabigupta (2016) they focused on historic policy changes such as goods and services tax in India and demonetization much recently such as payment banks which are new player in banking sector to improve the banking system in rural areas and all over places. Demonetization is nothing but change of national currency. Their study is focuses on recent performance of the past demonetization. And an new implement of banking sector in Indian banking system. They define recent activation of the payment banks and its demonization.

Bhansali et al. (2018) they defined that problems, opportunity and challenges faced by payment banks. Their study explains that opportunity in payment banks is higher because now a day we are in technologically high so we adopt the latest and innovative in technology. The main opportunity in internet is users are high in technology so everyone accept that move on. Most of the opportunity highly involved in technological drive and acceptance from the customer. Most of the challenges faced by the customer now a days is internet speed is low and forgot password in transaction money.

RESEARCH METHODOLOGY AND HYPOTHESIS

Descriptive Research:

The research design of the study is descriptive research. The descriptive research studies are those studies which are concerned with describing the characteristics of particular individual or a group. The studies concerned with specific prediction, with narration of facts & characteristics concerning individual, group or a situation are all example of descriptive research studies. The sample size contains about 130 respondents.

Research Model:

In research, the model is a pictorial representation of a crucial concept. It explains the relationship between several variables.

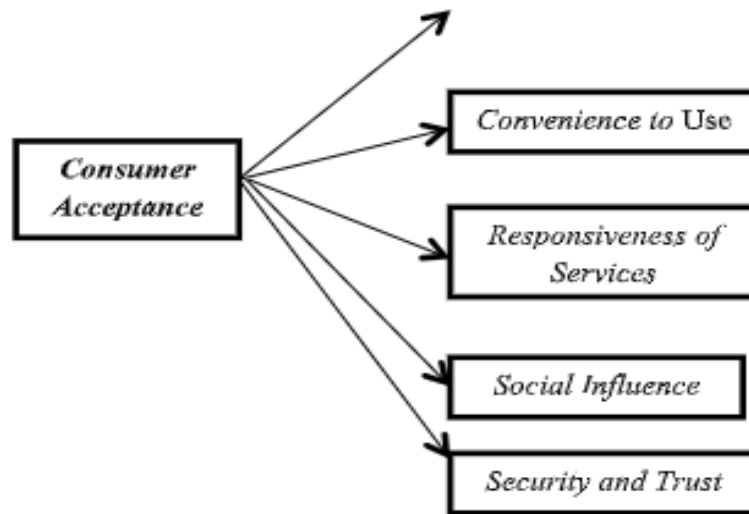


Fig. 1: The Chart Showing the Dependent and Independent Variables of the Research

Sampling Technique:

Sampling is the part of statistical practice occupied with the selection of some people for the observation proposed to yield knowledge about a population of a concern mainly for the purpose of statistical interference. Each and every observation quantifies one or more properties of an observable entity set out to distinguish objects or individuals. The population of the projects is users of online payment banks in Chennai. The sample unit for the project is people using online payment banks in Chennai.

Source of Data:

Primary data are those which are collected for the first time and they happen to be original in nature. Primary data are collected through questionnaire. Secondary data are collected from journals and articles available online. The sample size contains about 130 respondents.

HYPOTHESIS

Null Hypothesis (H_0) – There is no association between annual income and usage of payment banks.

Alternate Hypothesis (H_1) – There is association between annual income and usage of payment bank.

Table showing the association between annual income and usage of payment banks

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	26.631 ^a	12	0.009
Likelihood Ratio	22.085	12	0.037
N of Valid Cases	130		

Source: primary data *significance at 5% level

Since p value is lesser than 0.05, we accept Alternate Hypothesis and reject Null hypothesis. Therefore, there is association between annual income and usage of payment banks.

HYPOTHESIS

Null Hypothesis (H_0) – There is no significant difference between age and fear of making mistakes while entering credential data.



Alternate Hypothesis (H_1) – There is significant difference between age and fear of making mistakes while entering credential data.

Table showing the descriptive statistics between age and fear of making mistakes while entering credential data

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	0.692	3	0.231	0.276	0.843
Within Groups	105.377	126	0.836		
Total	106.069	129			

Since p value is greater than 0.05, we accept null Hypothesis and reject alternate hypothesis. Therefore, there is no significance between age and making mistakes while entering credential data.

HYPOTHESIS

Null Hypothesis (H_0) – There is no relationship between services provided payment banks are satisfying their expectation and “while using payment banks, their belief my transaction as secured”

Alternate Hypothesis (H_1) – There is relationship between services provided by payment banks are satisfying their expectation and “while using payment banks, their belief my transaction as secured”

Table showing the correlation between services provided by payment banks are satisfying their expectation and “while using payment banks, their belief my transaction as secured”

		Services provided by payment banks are satisfying your expectation.	While using payment banks, I belief my transaction as secured
Services provided by payment banks are satisfying your expectation.	Pearson Correlation	1	Services provided by payment banks are satisfying your expectation.
	Sig. (2-tailed)		
	N	130	
While using payment banks, I belief my transaction as secured	Pearson Correlation	.559**	While using payment banks, I belief my transaction as secured
	Sig. (2-tailed)	.000	
	N	130	

Since p value is greater than 0.05, we accept null Hypothesis and reject alternate hypothesis. Therefore, there is no relationship between services provided by payment banks are satisfying their expectation and while using payment banks, their belief my transaction as secured.

SUGGESTION

- Errors, issues, or several clarification faced by customer could not get any information quickly.
- Data privacy and security needs more attentions.
- The bank really should arrange program to people learn online banking so that the customer save their time also.
- Online banking is better option so it should use instead of traditional banking because traditional banking system is wastage of time and incomplete process.

CONCLUSION AND FUTURE RESEARCH

Payment banks play vital role in recent times because of covid-19. The main prospects of payment banks can widen the spread of banking sector in innovative services and new technological services for customers. Now a day most of the people are online users so this innovation makes all the people to adopt the new technology drive. From the survey, most of them face online interruption, forget password, fraudulent activity, etc. these are main challenges faced by online users. The usage of internet users is more now a day so we can adopt the new systematic in banking sector and change our life style for this innovative technology. The main purpose of launch this sector is to broaden the banking sector in rural areas and



villages that we can't fix or locate physical bank everywhere that's the main reason to launch payment banks in India to fulfil the unbanked into banked. The study concludes that payment banks have more scope for banking sector in future too. The study explains that prospects and challenges faced by payment banks users. The main objective is to analyse the issues faced by customers while transferring money from one to another. The study used some of the main tools to identify the customer satisfaction and problems by using questionnaire, Chi-square, Anova, Correlation in SPSS.

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