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A STUDY ON CUSTOMER PERCEPTION TOWARDS INDIA POST PAYMENTS BANK SERVICES IN MADURAI CITY

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Abstract

The study examines customer perception towards India Post Payments Bank (IPPB) services in Madurai City with the objective of understanding the key factors influencing satisfaction and trust. Using both primary and secondary data, responses were collected from 100 customers through a structured questionnaire. Garrett Ranking analysis revealed that customers value government ownership, security of transactions, affordability, and rural accessibility as the most important factors, while doorstep banking and influence of postal staff or family were ranked lower. Regression analysis indicated that demographic factors such as gender, education, occupation, and income

significantly influence customer perception, whereas age does not have a significant effect. The results highlight that IPPB has established itself as a reliable, affordable, and inclusive banking service, though greater efforts are required to improve awareness, digital accessibility, and customer service quality. The study contributes valuable insights for strengthening IPPB's role in promoting financial inclusion in both rural and urban areas.

Keywords:

India Post Payments Bank (IPPB); Customer Perception; Garrett Ranking Analysis; Regression Analysis; Financial



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Inclusion; Service Quality; Demographic Factors

Introduction

India Post Payments Bank (IPPB) was established in September 2018 as a wholly owned public sector company under the Department of Posts, Ministry of Communications and Government of India. Its creation marked a significant milestone in the Government's vision of achieving financial inclusion, especially for people residing in rural and semi-urban regions. The idea of Payments Banks was first introduced by the Reserve Bank of India (RBI) in 2014, following the recommendations of the Nachiket Mor Committee, which emphasized the need for providing small savings accounts and digital payment/remittance services to unbanked and underbanked populations. Based on this framework, IPPB was launched to leverage the trusted postal network of over 1.55 lakh post offices across the country, of which more than 1.3 lakh are in rural areas, thereby ensuring last-mile connectivity and access to formal banking. The primary objective of IPPB is to remove barriers to financial services by offering savings and current accounts, remittances, utility bill payments, direct benefit transfers, and third-party financial products like insurance and mutual funds in a simplified manner. Unlike traditional banks, Payments Banks including IPPB are not allowed to provide loans or credit cards, but they serve as a bridge between the formal

financial system and marginalized sections of society. With the increasing adoption of digital technologies, IPPB has introduced mobile banking, QR-based transactions, and doorstep services, making banking both convenient and inclusive. In cities like Madurai, which represent a blend of urban growth and rural connectivity, the role of IPPB becomes highly significant. Customers' trust in government institutions, coupled with the wide reach of postal staff, offers IPPB a unique advantage in competing with commercial banks and fintech players. However, the long-term success of such a service depends largely on how customers perceive its effectiveness, safety, affordability, and accessibility. Therefore, studying customer perception towards IPPB services in Madurai City is crucial for evaluating its impact, identifying strengths and weaknesses, and providing recommendations for service improvement and policy-making.

Review of Literature

Chattopadhyay (2011) conducted a case study on financial inclusion in West Bengal and highlighted wide disparities in access to banking facilities across regions. The study emphasized the importance of financial inclusion initiatives to bridge the gap between rural and urban populations.

Kaur and Madan (2013) examined customer perception towards the services of public, private, and foreign banks in India. Their findings revealed that service quality,



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trust, and accessibility were crucial factors shaping customer satisfaction and banking choices.

Bansal (2014) studied the role of technology in promoting financial inclusion in rural India. The study concluded that digital tools, such as mobile banking and electronic payments, can significantly improve access to financial services if supported by adequate infrastructure and customer awareness.

Nanda and Kaur (2016) focused on payments banks in India and their role in promoting financial inclusion. They found that while payments banks have the potential to extend services to underserved areas, their success depends on cost-effectiveness, trust, and the ability to build customer confidence. Sharma and Singh (2016) explored the role of financial literacy in ensuring financial inclusion in India. They established that low levels of financial literacy hinder the adoption of financial services, making awareness programs critical.

Venkatesh and Balu (2018) investigated customer awareness and perception towards India Post Payments Bank. Their study revealed that although many customers were aware of IPPB's existence, there was limited knowledge about its services, indicating the need for more outreach and promotional efforts. World Bank (2018), in its Global Findex Database report, provided comprehensive global data on financial inclusion, highlighting the progress and challenges in expanding access to formal

financial services. The report indicated that India made significant improvements in account ownership due to government initiatives like Jan Dhan Yojana and the introduction of payments banks.

Kumar and Raghavendra (2019) studied awareness levels of IPPB among rural customers. Their findings showed that rural populations recognized IPPB primarily as an extension of the postal network, but awareness about specific services remained low, which affected adoption.

Agarwal and Sinha (2020) analyzed the opportunities and challenges of IPPB in driving financial inclusion. Their study underlined the importance of trust in government institutions but also pointed out hurdles such as limited digital literacy and infrastructure. Singh and Kumar (2020) compared customer perception of service quality between public and private sector banks. They concluded that efficiency, reliability, and customer-centric services strongly influence satisfaction, which can also be applied to IPPB in improving its service delivery.

Rajasekar and Dinesh (2021) studied customer satisfaction towards IPPB in Tamil Nadu and reported that factors like government ownership, security, and accessibility in rural areas played a significant role in shaping positive customer perceptions.



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Objectives of the Study

- To study customer perception and satisfaction towards India Post Payments Bank (IPPB) services in Madurai City.
- To examine Garrett Ranking Analysis of Customer Perception towards India Post Payments Bank Services in Madurai City.
- To analyze the impact of demographic factors such as age, gender, education, occupation, and income on customer perception.

Research Methodology

The present study on Customer Perception towards India Post Payments Bank (IPPB) Services in Madurai City is descriptive in nature. Both primary and secondary data were used for the analysis. Primary data were collected through a well-structured questionnaire administered to customers of IPPB in Madurai City. A total of 100 respondents were selected using the convenience sampling method. Secondary data were obtained from journals, books, research articles, and newspapers, annual reports of IPPB, RBI publications, and official websites. For data analysis, Garrett Ranking Technique was employed to identify the most important factors influencing customer perception. Further, regression analysis was applied to examine the impact of demographic factors such as age, gender, education, occupation, and income on customer

perception. The statistical analysis was carried out using suitable software tools. Thus, the methodology adopted helps in understanding both the qualitative and quantitative aspects of customer perception towards IPPB services in Madurai City.

Hypothesis of the Study

- **H₀**: Demographic factors (Gender, Age, Education, Occupation and Monthly Income) have no significant influence on customer perception towards IPPB services.
- **H₁**: Demographic factors (Gender, Age, education, occupation and monthly income) have a significant influence on customer perception towards IPPB services.

The analysis shows that customers perceive IPPB as a convenient and reliable banking service provider with secure transactions and reasonable charges compared.

In the table 1 Garrett Ranking Analysis of customer perception towards India Post Payments Bank (IPPB) services in Madurai City shows that customers give highest importance to government ownership and trust, followed by security and safety of transactions, accessibility in rural and remote areas and service charges and affordability, indicating that reliability, safety, reach, and cost-effectiveness are the major drivers of perception. Factors such as ease of account opening, digital accessibility and staff to other

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banks. Respondents expressed satisfaction with the quality of services, helpful staff, and user-friendly mobile banking app, which enhance overall customer experience. Features like doorstep banking were seen as highly beneficial, especially in reaching rural and semi-urban areas. Overall, customers are satisfied with IPPB services and consider it a good initiative for promoting financial inclusion in both rural and urban regions.

indicating that about 68% of the variation in customer perception is explained by the demographic variables (gender, age, education, occupation and monthly income). Among the predictors, gender (-0.630, $p < 0.000$), education (-0.485, $p = 0.032$), occupation (0.890, $p < 0.000$), and monthly income (0.835, $p < 0.000$) significantly influence customer perception, whereas age ($p = 0.259$) is not a significant predictor. The negative coefficients of gender and education suggest that variations in these factors reduce customer perception levels, while the positive coefficients of occupation and income imply that customers with higher occupational status and income show better perception towards IPPB services. Demographic factors strongly influence customer perception of IPPB services, with gender, education, occupation, and income emerging as significant predictors, while age has little impact.

Factors	Garrett Ranking Analysis										Total	Current Score	Mean Score	Rank	
	Garrett Rank Scale Value														
	1	2	3	4	5	6	7	8	9	10					
	(No. of Respondents)														
Government ownership and trust	f	12	10	8	11	12	12	9	12	9	5	100	5190	51.900	1
	f _n	884	700	504	627	624	564	378	444	270	95				
Range of banking services offered	f	9	12	12	9	10	11	9	7	9	12	100	5019	50.190	5
	f _n	738	840	756	513	520	517	378	259	270	228				
Ease of account opening process	f	10	8	12	9	9	11	12	9	10	10	100	4961	49.610	6
	f _n	820	560	756	513	468	517	504	333	300	190				
Digital accessibility (Mobile App, QR, Card, Online Services)	f	8	9	12	8	12	10	12	11	8	10	100	4933	49.330	7
	f _n	656	630	756	456	624	470	504	407	240	190				
Doorstep banking convenience	f	9	10	8	11	9	9	8	12	13	11	100	4839	48.390	9
	f _n	738	700	504	627	468	423	336	444	390	209				
Staff behavior and customer support	f	9	10	8	12	10	9	8	10	13	11	100	4874	48.740	8
	f _n	738	700	504	684	520	423	336	370	390	209				
Service charges and affordability	f	13	10	8	11	10	9	11	12	9	7	100	5149	51.490	4
	f _n	1066	700	504	627	520	423	462	444	270	133				
Security and safety of transactions	f	13	10	8	11	10	9	11	12	9	7	100	5149	51.490	2
	f _n	1066	700	504	627	520	423	462	444	270	133				
Accessibility in rural and remote areas	f	14	8	12	10	9	10	9	7	10	11	100	5118	51.180	3
	f _n	1148	560	756	570	468	470	378	259	300	209				
Influence of postal staff, family, or friends in choosing IPPB	f	7	10	8	10	9	9	11	12	9	15	100	4700	47.000	10
	f _n	574	700	504	570	468	423	462	444	270	285				

Note: f=No. of respondents, f_n=Scale Value, f_n=Score and Source: Computed

Table 1 Garrett Ranking Analysis of Customer Perception towards India Post Payments Bank Services in Madurai City

In the table 2 regression analysis of demographic factors influencing customer perception towards India Post Payments Bank (IPPB) services in Madurai City reveals that the model is statistically significant ($F = 39.899$, $p < 0.000$) with an R^2 value of 0.680,

Table 2 Regression Analysis of Demographic Factors Influencing Customer Perception towards India Post Payments Bank Services in Madurai City

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					Δ R Square	F Change	df1	df2	Sig. F Change
1.	0.824 ^a	0.680	0.680	0.835	0.702	39.899	3	94	0.000 ^b

^a Predictors: (Constant), Monthly Income, Age, Gender, Occupation, Education

Model	Sum of Squares	df	Mean Square	F	Sig.
Residual	49.143	94	0.523		
Total	154.324	98			

^a Dependent Variable: Customer Perception (IPPB)

Model	Unstandardized Coefficients				t	Sig.
	B	Std. Error	Standardized Coefficients	Beta		
(Constant)	1.380	0.272		5.057	0.000	
Gender	-0.630	0.178	-0.630	-3.527	0.000	
Age	0.270	0.238	0.118	1.131	0.259	
Education	-0.485	0.209	-0.485	-2.319	0.022	
Occupation	0.890	0.198	0.890	4.517	0.000	
Monthly Income	0.835	0.278	0.835	3.001	0.000	

^a Dependent Variable: Customer Perception (IPPB)



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Interpretation:

- It is observed that the majority of respondents (45 Percent) consume fast food on a weekly basis. This indicates that fast food forms a regular part of the lifestyle of consumers in Madurai.
- About 30 percent of the respondents consume fast food monthly, showing moderate consumption among a significant section of consumers.
- Nearly 15 percent of the respondents consume fast food daily, which reflects a smaller group with high dependence on fast food.
- Only 10 percent of the respondents consume fast food occasionally, indicating that a limited number of consumers prefer fast food rarely.
- Overall, the data reveals that weekly consumption is the most common pattern, highlighting the growing popularity and acceptance of fast food among consumers.

Conclusion

The study on customer perception towards India Post Payments Bank (IPPB) services in Madurai City reveals that customers place the highest importance on factors such as government ownership and trust, security of transactions, affordability of charges, and accessibility in rural areas. These elements strengthen the reliability and acceptance of IPPB among the public. On the other hand, factors like doorstep banking

convenience and influence of postal staff or family were found to be less significant in shaping customer perception.

Regression analysis further indicated that demographic variables strongly influence perception, with gender, education, occupation, and monthly income having significant impact, while age was not found to be a determining factor. This highlights that socio-economic background plays a vital role in shaping customers' views about IPPB services. Overall, the findings suggest that IPPB has been successful in building trust and providing affordable, secure, and inclusive services, particularly in rural and semi-urban areas. However, greater focus is required on enhancing digital accessibility, service awareness, and staff-customer engagement to further strengthen customer satisfaction and expand financial inclusion.

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