

## **Acquaintance and Acceptance of Payment Banks among College Students during the Pandemic period**

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### **Abstract**

After many decades, the term 'financial inclusion' was commemorated in the Indian banking sector. RBI fascinated giant strides to reach small villages and low income group of people progressing Digital India. It is an analogous proposal within which different non-banking monetary organizations are conceded the authority to ensure basic bank services to each Indian National. Pradhan Mantri Jan Dhan Yojana congregated the amount of unbanked people within the country, although there are millions who are still inaccessible. Pandemic period hooked up the need for digital payments and hence there is possibility of payment banks to reach several people. According to the World Bank report, 21% chunk of Indian population is unbanked. The present paper dispenses a perspective on the cognizance and acceptance of payment banks among college students during the pandemic period. For the aim of the study both primary and secondary knowledge is used. The information collected are analyzed using applicable statistical techniques. It will collaboratively highlight the prerequisites of payment banks in India and its future.

**Key words:** Digital India, financial inclusion Payment bank, RBI, Pandemic period.

### **1.Introduction**

After many decades, the term 'financial inclusion' was commemorated in the Indian banking sector. RBI fascinated giant strides to reach small villages and low income group of people progressing Digital India. It is an analogous proposal within which different non-banking monetary organizations are conceded the authority to ensure basic bank services to each Indian National. Pradhan Mantri Jan Dhan Yojana congregated the amount of unbanked people within the country, although there are millions who are still inaccessible. According to the World Bank report, 21% chunk of Indian population are unbanked. “The effective way of financial inclusion is to ensure delivery of financial services which includes opening the bank accounts for savings and transactional purposes; low-cost credit for personal, productive and for other purposes, life and non-life insurance facilities, financial advisory services, etc” (RBI, 2013). In Sep 2013 the Reserve Bank of India constituted a committee headed under the chairmanship of Dr. Nachiket Mor to study 'Comprehensive financial services for small businesses and low-income households'. The objective of the committee was to propose measures for achieving financial inclusion and deepening access to financial services. The committee submitted its report to RBI on 7th January, 2014. One of the key suggestions of the committee was to introduce specialized banks or 'payments bank' to cater to the lower income groups and small businesses so that by January 1, 2016 each Indian resident can have a global bank account. Payments bank is one of a kind like ancient standard bank restricted to perform solely few of the banking services as compared to traditional banks. Payments banks are regulated by the apex organization Reserve Bank of India. It was introduced to reach all groups of people mainly through mobile phones rather than traditional bank branches as a step towards economic progress. It facilitates the transactions between two or more parties eliminating middlemen. Payments banks could be a different bank with the apt intention of occupation to the unbanked and under banked. On 27th November 2014 RBI released final guidelines for payment banks. On February 2015, RBI released the list of entities which had applied for a payment banks license in which there were 41 applicants. It also announced that the External Body Committee (EAC) headed by the Nachiket Mor would evaluate the license applications. On 19 August 2015, RBI gave “in-principle” licenses to eleven entities to launch payments banks, such as, Aditya Birla Nuvo Limited (Idea), Airtel M Commerce Services Limited (Airtel Payments Bank), Cholamandalam Distribution Services Limited, Fino PayTech Limited (Fino Payments Bank), India Department of Posts (India Post Payments Bank), Paytm Payments Bank Limited (Paytm Payments Bank),

NSDL Payments Bank, Reliance Industries Limited, Shri Dilip Shantilal Shanghvi, Tech Mahindra Limited, Vodafone m-pesa Limited (Jio Payments Bank). But three payment banks surrendered its license, such as, Cholamandalam Distribution Services Limited, Shri Dilip Shantilal Shanghvi, Tech Mahindra Limited. Out of remaining eight payment banks six banks actively started operating. They are Airtel Payments Bank, India Post Payments Bank, Fino Payments Bank, Paytm Payments Bank, NSDL Payments Bank, and Jio Payments Bank. This paper is an attempt to understand the perspective on the cognizance and acceptance of these payment banks among college students during the pandemic period.

## 2.Statement of the problem

With the economy to be severely hit by the COVID - 19 pandemic, the financial outlook of the digital payments sector are expected to be abundant. Since physical movement of people seems to be less in this period, digital payments are expected to uptick during the lockdown. Digital payments being a convenience, have become a necessity in these times. College students are those who acquire new information, engage in critical inquiry and also demonstrate the ability to apply the learning. Hence, there is need to study 'Acquaintance and Acceptance of Payments Banks among the college students During the Pandemic Period'. It is still too early to ascertain the long term impact of COVID 19 on Payment banks.

## 4. Review of literature

R. Srinivasan & M. Subramanian (2012) has made a detailed conceptual study of Payment Banks. The researchers mainly concentrated on finding an answer to certain questions like who are these payment banks, why do we need Payment Banks when we already have public, private, foreign and cooperative banks, what are the value-added services rendered by payment banks and so on. The researchers concluded there is much possibility in the near future to open more Payment Bank Accounts in addition to their regular bank accounts.

Tavishi and Santosh Kumar (2013) in their study "An Empirical Study on Technology Adoption by Indian Banks" illustrated the factors influencing the customers to avail internet banking and mobile banking services in India and hence examined the impact of perceived usefulness and perceived risk on the use of internet banking and mobile banking. He also identified that the evolution of e-banking started from the use of Automatic Teller Machines (ATMs) and telephone banking (Tele-banking), direct bill payment, electronic fund transfer and a wide variety of allied services offered by the modern banking system.

CARE (2014) brought focus on the CARE's view towards RBI guideline for payment banks and small finance banks in respect of financial inclusion. CARE mentioned that these banks facilitate saving fund habit among the unbanked population by providing them deposit products with a regulated institution. Payment and remittance facilities would be useful for the migrant worker population. The report also mentioned that payment banks can minimize credit and liquidity risk as there is the mandatory maintenance of CRR and investment of funds in government securities. The report focused on low transaction cost in payment banks for customers because of leveraging technology in providing services.

Nidhi Chandarana (2015) in her paper "Payment Banks- A Need of Digital India" suggested that payment banks promises to be a game changer because of by using the mobile platform to provide basic banking transactions through mobile phones and the decision to license some of the country's biggest corporate and mobile telecom firms to start payment banks promises to be similar game changer in India. And payment banks present an exciting opportunity for digital financial inclusion in India.

Kesavan (2015) in his study "To The Era of Payment Banks by Reserve Bank of India with Specific Reference to Indian Banking Sector" has examined that innovation can give the better success to the banking sector in India to attain a paradigm shift in bank financing to suit the customer needs. It must also showcase an exemplary performance in gaining customer satisfaction and fulfilling the requirements of customers by all means, it is the only way of gaining success for a bank.

KPMG (2015) defined payment banks as the 'challenger' banks in India. The report says that payment banks will challenge other existing banks as payment banks will offer selective banking services and with no legacy constraints and greater responsiveness towards customers need can attract more customers.

Micro Save (2016) focused on how the Payment Banks can earn profit. This article highlighted that those mobile network operators (MNOs) like Airtel, Vodafone, Idea and Reliance Jio will operate with the help of their agent network and on their existing customer base. It will depend on the payment banks that how they will reduce costs and will offer diversified services to serve the huge market with the help of technology and agent network. This article also talked about the major challenges in front of the Payment Banks such as how to optimize the distribution network and how to create value for the customer.

Major Sinha (2016) Payment bank is a revolutionary step said that, it's important to remember that payment banks are different from commercial banks in a number of ways. And while the Minister of State for Communications claims that this will launch the 'second wave of financial inclusion', the first wave of the Pradhan Mantri JanDhan Yojana is yet to be effectively implemented.

N.Rajasekaran (2018) Including the Excluded: The Scenario of Financial Inclusion in India In this paper the author has explored the situation of financial exclusion in India, and the barriers that restrict the growth of the opportunities available to the poor as well as the underlying developments that the RBI and the government collectively initiated in order to reach out to as many financially excluded as possible. It also brings to light the outcome of the same. The paper states that one of the many issues in the country is lack of proper education amongst the rural population regarding the financial sources available to them and exploitation of the poor due to high dependence on informal sources of finance such as local lenders and creditors. There also seems to be the issue of irregular income that leads to inability in proper management of finances by the financially excluded.

Naik, Firdous, & Harika (2018) A study on role of payment banks in India-Financial Inclusion This paper focused on role of payment banks in financial inclusion on M-Banking, The Department of Post, Pradhan Mantri Jan-DhanYojana and the Indian Post Payment Banks. In 2014, RBI introduced two new categories of banks into the Indian financial system, namely Payment Banks and Small Banks. The objective of introducing these new categories of banks is to provide a much needed rigour to the financial inclusion drive. Payment banks is a new kind of bank which is potential with the express purpose of extending the reach of banking to vast majority of the unbanked and under banked segments of the population. The payment banks plays a significance role in implementing government's direct benefit, transfer schemes, where subsidies on health care, education and gas are paid directly to beneficiaries account.

#### **4.Objectives of the study**

- To understand the acquaintance of payment banks among the college students in Coimbatore city during the pandemic period.
- To analyze acceptance of payment banks among the college students in Coimbatore city during the pandemic period.
- To understand the perspectives on payment banks among the college students in Coimbatore city during the pandemic period.

#### **5.Significance of the study**

This research is undertaken to study the acquaintance, acceptance and perspectives on Payment banks among college students in Coimbatore City. The findings of this study will predominantly redound to the benefit of Payment Banks and Government of India. The payment banks will be bought into notice the multitude of people who are using their payment bank so that they can make necessary changes their strategies to reach more people. The Government of India will come to know to which extent payment banks has reached people and to which section of people the payment bank is furthermore to be reached and what are all the means to promote these banks.

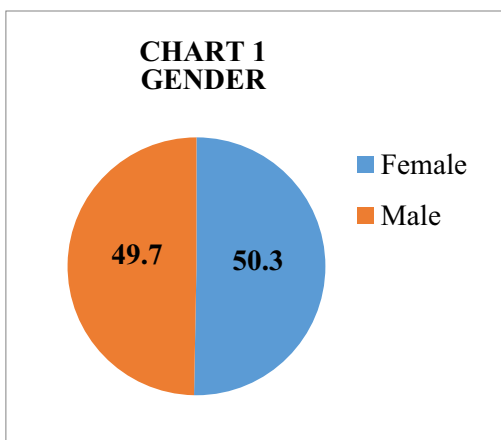
#### **5.Scope of the study**

This study has been conducted during the Pandemic Period i.e., January to May 2021 among college students in Coimbatore city. This study has been conducted to observe the acquaintance on payment banks among the college students in Coimbatore, to perceive the acceptance of payment banks among youth and to know the perspective among the age bracket.

#### 4.Methodology

The population of the study is limited to the college students in Coimbatore City (who are also the respondents of the study). The random convenient sampling is used for carrying out the research work. A sample of 300 respondents were studied gathering their demographic variables such as age, gender, education, place of stay, parent's occupation is used. This research involves both primary and secondary data. Primary data has been gathered from the respondents through online questionnaire (Google forms) which comprises of 31 questions including demographic information. Secondary data has been gathered from online databases of journals, magazines, articles, books, papers, websites and other sources. The data collected has been analyzed using percentage analysis, Cross Tabulation and Chi – Square Analysis. Percentage analysis is used to know how many participants gave particular answers appropriately. Chi – square research methodology is used to examine the difference between categorical variables in the same population.

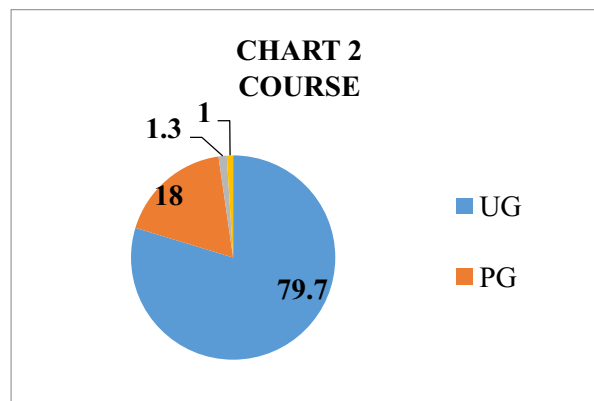
#### 8. Data analysis and interpretation



Source: Primary Data

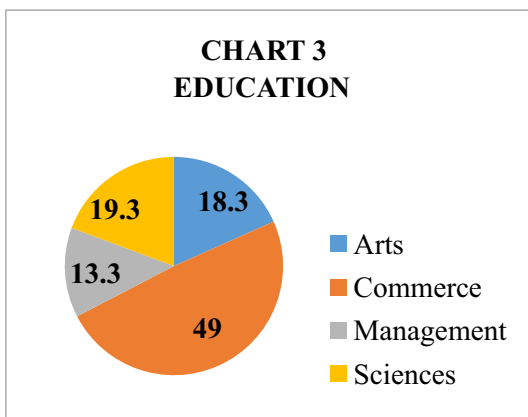
**Interpretation:** It is inferred from the above chart that the gender of the respondents surveyed in this study is more or less equal. 50.3% of the respondents are female and 49.7% of the respondents are male.

Table 2



Source: Primary Data

**Interpretation:** It is revealed from the above chart that the majority (79.7%) of the respondents belong to UG. Only 1.3% of the respondents study M.Phil and 1% study PhD.

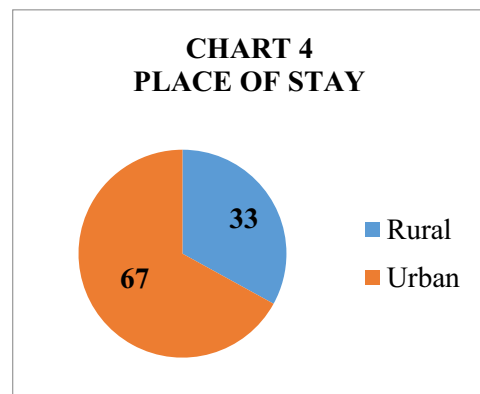


Source: Primary Data

**Interpretation:** It is understood from the above chart that majority of the respondents belong to Commerce stream which is 49%, followed by Science - 19.3%, Arts - 18.3% and Management - 13.3%.

Source: Primary Data

**Interpretation:** It is clear from the above table that the respondents of this study mostly reside in urban area which is about 67% and people belonging to rural places is about 33%.



**TABLE NO. 1 PREFERRED MODE OF PAYMENT**

S.No	Preferred mode of payment.	No. of Responses	Percentage
1	Cash on delivery	130	43.3
2	Online payment	138	46
3	No online purchase	32	10.7
	<b>Total</b>	300	100

Source: Primary Data

Interpretation: It is inferred from the above table that 46% of the respondents prefer online payment. 43.3% of the respondents choose cash on delivery as a payment mode. Only 10.7% do not purchase online.

**TABLE NO.2 AWARENESS ON PAYMENT BANKS**

S.No	Are you aware of 'Payment Bank'	No. of Responses	Percentage
1	Yes	154	51.3
2	No	146	48.7
	<b>Total</b>	300	100

Source: Primary Data

Interpretation: It is revealed from the above table that about 51.3% of the respondents are aware of Payment Banks and 48.7% of the respondents are not aware of payment banks.

**TABLE NO. 3 USAGE OF PAYMENTS BANKS**

S.No	Are you using payment bank?	No. of Responses	Percentage
1	Yes	104	34.7
2	No	196	65.3
	<b>Total</b>	300	100

Source: Primary Data

Interpretation: It is evident from the above table that among 300 respondents only 104 (34.7%) are using Payment Banks and 196 (65.3%) are not using of payments banks.

**TABLE NO. 4 PAYMENT BANKS USED BY THE RESPONDENTS**

S. No.	Which of the payment banks are you using?	Percentage
1	Airtel Payments Bank.	39.4
2	India Post Payments Bank.	11.5
3	Fino Payments Bank.	5.8
4	Jio Payments Bank.	19.2
5	Paytm Payments Bank.	61.5
6	NSDL Payments Bank.	0
	<b>Total</b>	100

Source: Primary Data

Interpretation: It can be inferred from the above table that among the 104 students who are using payments banks majority of them (61.5%) are using Paytm Payments bank. Even though Jio is the most common network people are currently using its payments bank facility has not reached many, only 19.2% of the respondents are using payments banks. India Post Payment Bank was started to reach all the easily unreachable rural areas but only 11.5% are using IPPB. It is also revealed that percentage of people who are using NSDL Payments Banks is zero and we can understand that NSDL Payment Bank must work towards its reach and development.

**TABLE NO. 5 YEARS OF USAGE OF PAYMENT BANKS**

S.No	How long you are using payment bank ?	No. of Responses	Percentage
1	Since 2015	0	0
2	Since 2016	3	2.9
3	Since 2017	3	2.9
4	Since 2018	29	27.9
5	Since 2019	30	28.8
6	Since 2020	35	33.7
7	Since 2021	4	3.8
	<b>Total</b>	104	100

Source: Primary Data



Interpretation: It is clear from the above table that majority of the respondents (33.7%) started using payment banks from 2020 that is during the COVID - 19 pandemic lockdown. Even though Payments bank was introduced during 2015 no one started using it from then. 27.9% started using payments banks from 2018.

**TABLE NO. 6 PAYMENTS BANKS LEADS TO DIGITAL INDIA**

S. No	Do you think Payment Banks leads to digital India?	No. of Responses	Percentage
1	Highly Disagree	0	0
2	Disagree	4	3.8
3	Neutral	40	38.5
4	Agree	51	49
5	Highly Agree	9	8.7
	<b>Total</b>	104	100

Source: Primary Data

Interpretation: It is understood from the above table that majority of the respondents (49%) agree that payments banks will lead to Digital India. 38.5% of the respondents are not clear whether payments banks will lead to Digital India. Only 3.8% of the respondents disagree that Payment Banks leads to digital India.

**TABLE NO. 7 PAYMENT BANK IS BENEFITTING RURAL SECTION**

S.No	Do you think Payment Bank is benefitting rural section?	No. of Responses	Percentage
1	Highly Disagree	2	1.9
2	Disagree	15	14.4
3	Neutral	39	37.5
4	Agree	42	40.4
5	Highly Agree	6	5.8
	<b>Total</b>	104	100

Source: Primary Data

Interpretation: It is inferred from the above table that 40.4% of the respondents say that payments banks is benefitting rural section. About 37.5% of the respondents are not sure whether payments banks are benefitting rural section. Around 14.4% of the respondents disagree that Payment Bank is benefitting rural section.

**TABLE NO. 8 SMART PHONE ACT AS A SOLUTION FOR E-COMMERCE INDUSTRY TO USE PAYMENTS BANKS**

S.No	Smart Phone act as a solution for E-Commerce industry to use payment banking?	No. of Responses	Percent age
1	Strongly Disagree	2	1.9
2	Disagree	8	7.7
3	Neutral	30	28.8
4	Agree	50	48.1
5	Strongly Agree	14	13.5
	<b>Total</b>	104	100

Source: Primary Data

Interpretation: It is clear from the above table that 48.1% of the respondents say that smart phone act as a solution for a E-Commerce industry to use payment banking. 1.9% of the respondents strongly disagree that smart phone will act as a solution for a E-Commerce industry to use payment banking. About 7.7% of the respondents disagree to the statement. Around 28.8% of the respondents are not sure about the answer for the statement. Only 13.5% strongly believe that smart phone act as a solution for E- Commerce industry to use payment banking.

**TABLE NO. 9 REASON TO ADOPT AN ONLINE PAYMENT PLATFORM OVER PHYSICAL PAYMENT**

S.No	Why do you adopt an online payment platform over physical payment?	Percentage
1	Convenience, Get instant receipt	34.6
2	Lower transaction, Time saving, More payment options	51.9
3	Usage of Advanced Technology	29.8
4	Interest rate for deposits	14.4
5	Better service to customers	24
6	Elimination of black money	19.4
7	Don't want to carry cards or cash	36.5
8	To get rewards, Bundled offers and discounts	19.2
	<b>Total</b>	100

Source: Primary Data

Interpretation: It can be inferred from the above table that majority of the respondents use payments banks because they do lower transaction, transactions through payments banks are time saving, and it has more payments options. One of the reason to start payment bank was also to bring saving habits to the rural people but only 14.4% of the respondents use Payments banks to get Interest rate for deposits

**TABLE NO. 10 GOVERNMENT SHOULD ENCOURAGE PEOPLE AND CREATE AWARENESS TO USE PAYMENT BANKS SO THAT IT WOULD BENEFIT EVERYONE**

S. No	Do you think government should encourage people and create awareness to use payment banks so that it would benefit everyone?	No. of Responses	Percentage
1	Highly Disagree	5	4.8
2	Disagree	6	5.8
3	Neutral	27	26
4	Agree	44	42.3
5	Highly Agree	22	21.2
	<b>Total</b>	104	100

Source: Primary Data

Interpretation: It is inferred from the above table that majority of the respondents(42.3%) think that the government should encourage people and create awareness to use payment banks so that it would benefit everyone and 26% are not sure whether government needs to encourage and create awareness to use payments banks.

**TABLE NO. 11 SATISFACTION ON USAGE OF PAYMENTS BANKS**

S.No	Satisfaction on usage of Payment Banks	No. of Responses	Percentage
1	Highly Dissatisfied	1	1
2	Dissatisfied	2	1.9
3	Neutral	32	30.8
4	Satisfied	59	56.7
5	Highly Satisfied	10	9.6
	<b>Total</b>	104	100

Source: Primary Data

Interpretation: It is evident from the above table that majority of the respondents (56.7) are satisfied using payment banks and 30.8% of the respondents are unbiased about the satisfaction of usage of payments banks. Only 1.9% of the respondents are dissatisfied using payments banks.

**TABLE NO. 12 PAYMENT BANKS ARE RISKY**

S.No	Do you think Payment Banks are Risky?	No. of Responses	Percentage
1	Yes	12	11.5
2	No	23	22.1
3	May be	69	66.3
	<b>Total</b>	104	100

Source: Primary Data

Interpretation: It can be interpreted from the above table that 22.1% of the respondents feel that payments banks are not risky and majority of the respondents (66.3%) think it may be risky. Only 11.5% of the respondents think payment bank is risky.

**TABLE NO. 13 PAYMENT BANKS WILL BE A THREAT TO COMMERCIAL BANKS**

S.No	Do you think Payment Banks will be a threat to commercial banks?	No. of Responses	Percentage
1	Highly Disagree	3	2.9
2	Disagree	7	6.7
3	Neutral	68	65.4
4	Agree	24	23.1
5	Highly Agree	2	1.9
	<b>Total</b>	104	100

Source: Primary Data

Interpretation: It is inferred from the above table that majority of the respondents (65.4%) are unprejudiced about the statement “Payment Banks will be a threat to commercial banks” and 23.1% of the respondents agree that Payment Banks will be a threat to commercial banks. About 6.7% of the respondents disagree to the statement.

**TABLE NO. 14 PAYMENT BANKS HAS REDUCED THE NUMBER OF TIMES ONE VISITS BANKS**

S.No	How payment banks have reduced the number of times you visit banks?	No. of Responses	Percentage
1	Very High	13	12.5
2	High	25	24
3	Neutral	28	26.9
4	Low	27	26
5	Very Low	11	10.6
	<b>Total</b>	104	100

Interpretation: It is revealed from the above table that 26.9% of the respondents are unbiased about whether payment banks have reduced the number of times they visit banks. 26% of the respondents answers that payments banks has not reduced to that extent the time they visit banks. 24% of the respondents say that payment banks has highly reduced the time they visit banks.

**TABLE NO. 15 RECOMMENDED SOMEONE TO OPEN AN ACCOUNT IN PAYMENT BANK**

S.No	Have you recommend someone to open an account in payment bank?	No. of Responses	Percentage
1	Yes	75	72.1
2	No	29	27.9
	<b>Total</b>	104	100

Interpretation: It can be inferred from the above table that 72.1% of the respondents recommended others to open an account in Payment bank and 27.9% of the respondents did not recommend others to open an account in Payment bank.

**TABLE NO. 16 PAYMENT BANKS OFFER LOANS**

S.No	Payment banks offer loans?	No. of Responses	Percentage
1	Highly Disagree	5	4.8
2	Disagree	23	22.1
3	Neutral	57	54.8
4	Agree	19	18.3
5	Highly Agree	0	0
	<b>Total</b>	104	100

Interpretation: It can be interpreted from the above table that majority of the respondents 54.8% of the respondents are not sure whether payments banks offer loans. 22.1% of the respondents disagree. 18.3% of the payments banks users agree that payments banks offer loans which is not true.

**TABLE NO. 17 PAYMENT BANKS OFFER CREDIT CARDS**

S.No	Do you think Payment banks offer credit cards?	No. of Responses	Percentage
1	Yes	22	21.2
2	No	39	37.5
3	May be	43	41.3
	<b>Total</b>	104	100

Interpretation: Among 104 respondents who are using payment banks 37.5% of them answered that Payment banks do not issue credit cards and 21.2% of the respondents told that they issue credit cards which is wrong. We can infer that among 104 respondents who are using payments banks 41.3% of the respondents are unaware whether payments banks issue credit cards are not issued by payments banks.

**TABLE NO. 18 DEPOSIT LIMIT IN PAYMENT BANKS**

S.No	What is the deposit limit in payment banks?	No. of Responses	Percentage
1	1,00,000	48	46.2
2	5,00,000	13	12.5
3	10,00,000	7	6.7
4	No limit	36	34.6
	<b>Total</b>	104	100



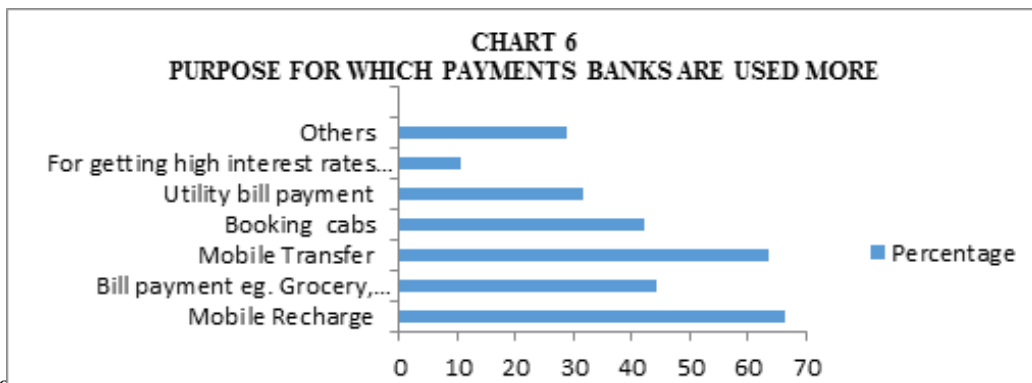
Interpretation: It can be understood from the above table that majority of the respondents (46.2%) are sure that payments banks fixes the deposit limit as Rs. 1,000. 34.6% of the respondents responded that there is no deposit limit which is not true. This shows that the students who are using payments banks are still not aware of the deposit limit in payments banks.

**TABLE NO. 19 PAYMENT BANK HAS REACHED TO ALL SECTIONS OF PEOPLE**

S.No	Payment Bank has reached to all the sections of people	No. of Responses	Percentage
1	Highly Disagree	8	7.7
2	Disagree	16	15.4
3	Neutral	48	46.2
4	Agree	31	29.8
5	Highly Agree	1	1
	<b>Total</b>	104	100

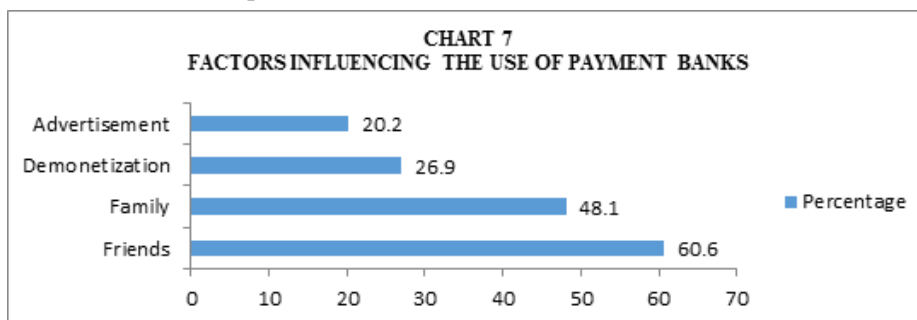
Source: Primary Data

Interpretation: It can be inferred from the above table that majority of the respondents (46.2%) are not sure whether Payment Bank has reached to all the sections of people. 29.8% of the respondents agree that it has reached to all sections of people. 15.4% of the respondents disagree and 7.7% highly disagree that Payment Bank has reached to all the sections of people.



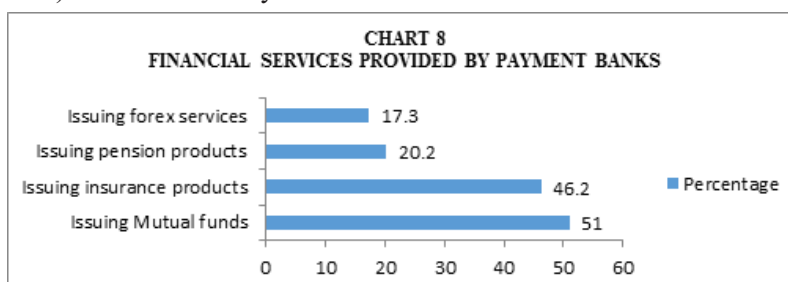
Source: Primary Data

Interpretation: It can be inferred from the above table that 66.3% of the respondents use payments banks to recharge their mobile phones and 63.5% use for mobile transfer. Only 10.6% of the respondents use payments banks for getting high interest rates on deposit.



Source: Primary Data

Interpretation: It is revealed from the above table that majority of the respondents (60.6%) are influenced by their friends and only few (20.2%) are influenced by advertisement.



Interpretation: It can be understood from the above table that around 51% are aware that payments banks issue mutual funds. Only 17.3% of the respondents are aware that payments banks issues forex services. It can be inferred that among the 104 respondents only few are aware about all the services provided by the payments banks.

**TABLE NO. 20** PAYMENT BANKS ARE EXPECTED TO GROW WITH CONTINUOUS FINTECH GROWTHS

S.No	Payment banks are expected to grow with continuous FinTech growths	No. of Responses	Percentage
1	Highly Disagree	2	1.9
2	Disagree	7	6.7
3	Neutral	54	51.9
4	Agree	37	35.6
5	Highly Agree	4	3.8
	<b>Total</b>	104	100

Source: Primary Data

Interpretation: It can be inferred that majority of the respondents (51.9%) are not sure about whether payment banks are expected to grow with continuous FinTech growths. 35.6% of the respondents say that payment banks are expected to grow with continuous FinTech growths. Only 6.7% of the respondents disagree that payment banks are expected to grow with continuous FinTech growths.

**TABLE NO. 21** AFTER FEW YEARS PEOPLE WILL HARDLY USE PHYSICAL CASH FOR PAYMENTS

S.No	After few years people will hardly use physical cash for payments.	No. of Responses	Percentage
1	Highly Disagree	1	1
2	Disagree	15	14.4
3	Neutral	32	30.8
4	Agree	46	44.2
5	Highly Agree	10	9.6
	<b>Total</b>	104	100

Source: Primary Data

Interpretation: It can be understood from the above table that majority of the respondents (44.2%) agree that after few years people will hardly use cash for payments and only 14.4% of the respondents disagreed for the question asked.

**TABLE NO. 22** PAYMENTS BANKS HELPS IN FUTURE BUDGETING

S.No	Payment banks will help you get details about your purchases for future budgeting?	No. of Responses	Percentage
1	Highly Disagree	1	1
2	Disagree	4	3.8
3	Neutral	47	45.2
4	Agree	47	45.2
5	Highly Agree	5	4.8
	<b>Total</b>	104	100

Source: Primary Data

Interpretation: It is revealed from the above table that majority of the respondents 45.2% agree that payments banks helps in future budgeting and 45.2% neither agree nor disagree that payments banks helps in getting details about the purchases for future budgeting.

**TABLE NO. 23** - GENDER AND AWARENESS ON PAYMENTS BANKS

Significance level	0.05
P value	0.004
Degrees of freedom	1
Chi - Square value	8.322
Critical value	3.84

Source: Computed value based on primary data

**Null Hypothesis:** There is no relationship between gender and awareness

**Alternative Hypothesis:** There is relationship between gender and awareness

A Chi - Square test of independence was performed to examine the relationship between gender and awareness of payment banks. Since Chi- Square value which is 8.322 is greater than critical Chi - Square value which is 3.84, then the relationship between the variables are significant, at  $\alpha=0.05$ . Meaning: Awareness of payment bank is dependent on gender

**TABLE NO. 24 - EDUCATION AND AWARENESS ON PAYMENTS BANKS**

Significance level	0.05
P value	0.619
Degrees of freedom	3
Chi - Square value	1.779
Critical value	7.81

Source: Computed value based on primary data

**Null Hypothesis:** There is no relationship between education and awareness of payment bank.

**Alternative Hypothesis:** There is relationship between education and awareness of payment bank.

A Chi - Square test of independence was performed to examine the relationship between gender and awareness of payment banks. Since Chi- Square value of 1.779 is less than critical Chi - Square value which is 7.81 , then the relationship between the variables are not significant, at  $\alpha=0.05$ . Meaning: Awareness of payment bank is not dependent on education.

**TABLE NO. 25 - PLACE OF STAY AND AWARENESS ON PAYMENTS BANKS**

Significance level	0.05
P value	0
Degrees of freedom	1
Chi - Square value	13.906
Critical value	3.84

Source: Computed value based on primary data

**Null Hypothesis:** There is no relationship between place of stay and awareness of payment bank

**Alternative Hypothesis:** There is no relationship between place of stay and awareness of payment bank.

A Chi - Square test of independence was performed to examine the relationship between place of stay and awareness of payment banks. Since Chi- Square value of 13.906 is greater than critical Chi - Square value which is 3.84, then the relationship between the variables are not significant, at  $\alpha=0.05$ . Meaning the awareness of payment bank is dependent on place of stay.

**TABLE NO. 26 - MODE OF PAYMENT AND AWARENESS ON PAYMENTS BANKS**

Significance level	0.05
P value	0
Degrees of freedom	2
Chi - Square value	23.225
Critical value	5.99

Source: Computed value based on primary data

**Null Hypothesis:** There is no relationship between mode of payment and awareness on payment banks.

**Alternative Hypothesis:** There is relationship between mode of payment and awareness on payment banks.

A Chi - Square test of independence was performed to examine the relationship between gender and awareness of payment banks. Since Chi- Square value which is 23.225 is greater than critical Chi - Square value which is 5.99, then the relationship between the variables are significant, at  $\alpha=0.05$ . Meaning the awareness of payment bank is dependent on mode of payment

**TABLE NO. 27 - PAYMENTS BANK REACHED ALL SECTIONS OF PEOPLE AND PLACE OF**

Significance level	0.05
P value	0.13
Degrees of freedom	4
Chi - Square value	7.113
Critical value	9.49

Source: Computed value based on primary data

**Null Hypothesis:** There is no relationship between place of stay and

students perspective on the statement 'payments banks reached all sections of people'.

**Alternative Hypothesis:** There is relationship between place of stay and students perspective on the statement 'payments banks reached all sections of people'.

A Chi - Square test of independence was performed to examine the relationship between place of stay and students perspective on the statement 'payments banks reached all sections of people'. Since Chi- Square value of 7.113 is less than critical Chi - Square value which is 9.49 , then the relationship between the variables are not significant, at  $\alpha=0.05$ . Meaning the student's perspective on the statement 'payments banks reached all sections of people' is not dependent on place of stay.

**TABLE NO. 28 - PAYMENTS BANKS HAS REACHED ALL SECTIONS OF PEOPLE AND GOVERNMENT SHOULD ENCOURAGE PEOPLE AND CREATE AWARENESS TO USE PAYMENT BANKS SO THAT IT WOULD BENEFIT EVERYONE.**

Significance level	0.05
P value	0.073
Degrees of freedom	16
Chi - Square value	24.85
Critical value	26.3

Source: Computed value based on primary data

**Null Hypothesis:** There is no relationship between payment banks has reached all sections of people and government should encourage people and create awareness to use payment banks  
**Alternative Hypothesis:** There is relationship between payment banks has reached all sections of people and government should encourage people and create awareness to use payment banks

A Chi - Square test of independence was performed to examine the relationship between payment banks has reached all sections of people and government should encourage people and create awareness to use payments banks. Since Chi- Square value of 24.850 is less than critical Chi - Square value which is 26.3 , then the relationship between the variables are not significant, at  $\alpha=0.05$ . Meaning the payment banks has reached all sections of people is not dependent on government should encourage people and create awareness to use payment banks so that it would benefit everyone.

**TABLE NO. 29 - PAYMENTS BANKS REDUCED THE TIME ONE VISITS BANKS AND PAYMENTS BANKS GROWS WITH CONTINUOUS FINTECH GROWTH**

Significance level	0.05
P value	0.16
Degrees of freedom	16
Chi - Square value	21.507
Critical value	26.3

Source: Computed value based on primary data

**Null Hypothesis:** There is no relationship between payments bank reduced the time one visits banks and payments banks grows with continuous FinTech growth.

**Alternative Hypothesis:** There is relationship between payments bank reduced the time one visits banks and payments banks grows with continuous FinTech growth.

A Chi - Square test of independence was performed to examine the relationship between payments bank reduced the time one visits banks and payments banks grows with continuous FinTech growth. Since Chi- Square value of 21.507 is less than critical Chi - Square value which is 26.3 , then the relationship between the variables are not significant, at  $\alpha=0.05$ . Meaning: Payments bank reduced the time one visits banks is not dependent on payments banks grows with continuous FinTech growth.

**TABLE NO. 30 - PAYMENT BANKS HAS REACHED ALL SECTIONS OF PEOPLE AND GOVERNMENT SHOULD ENCOURAGE PEOPLE AND CREATE AWARENESS TO USE PAYMENT BANKS SO THAT IT WOULD BENEFIT ENERYONE**

Significance level	0.05
P value	0.481
Degrees of freedom	8
Chi - Square value	7.523
Critical value	15.51

Critical value15.51Source: Computed value based on primary data

**Null Hypothesis:** There is no relationship between people hardly use cash in future and payment bank is risky.

**Alternative Hypothesis:** There is relationship between people hardly use cash in future and payment bank is risky.

A Chi - Square test of independence was performed to examine the relationship between people hardly use cash in future and payment bank is risky. Since Chi- Square value of 7.523 is less than critical Chi - Square value which is 15.51 , then the relationship between the variables are not significant, at  $\alpha=0.05$ . Meaning: People hardly use cash in future is not dependent on payment bank is risky.

### SUMMARY OF FINDINGS

- Majority of the respondents belong to UG who come from Commerce background and the gender seems to be divided equally. Most of the respondents' parents are private employees.
- 67% of the respondents reside in urban area and 47.7% receive pocket money less than Rs. 1,000.
- Among 300 respondents only 154 (51.3%) are aware of payment banks.
- The research says among 300 respondents only 104 (34.7%) are using payments banks.
- The research says only 46% of the respondents prefer online payment.
- Majority of the respondents use Paytm payment bank and NSDL payment bank is not used by any of the respondents.
- It can be noticed that 2.9% of the respondents started using payment bank from 2016 and it has increased to 27.9% by 2018.
- Majority of the respondents agree that payments banks leads to Digital India.
- 40.4% of the respondents agree that payment banks is benefitting rural section.
- Majority of the respondents agree that smart phone act as a solution for E-Commerce industry to use payments banks.
- Majority (51.9%) of the respondents adopt online payment platform over physical platform because of lower transaction, to save time and for its more payment options.
- 42.3% of the respondents opinions that government should encourage people & create awareness to use payments banks so that it could benefit everyone.
- Majority of the respondents are satisfied using payments banks.
- It is observed from the results obtained that 22.1% of the respondents think that payments banks are not risky.
- The research says that only 6.7% of the respondents disagree that payments banks will be a threat to commercial banks.
- According to the research 24% of the respondents say that payment banks has highly reduced the time they visit banks.
- Majority of the respondents recommend someone to open an account in payments banks.
- 54.8% of the respondents who are using payment banks are not sure whether payment banks offer loans.
- 41.3% of the payment bank users are not sure whether payment banks offer credit cards.
- 46.2% of the payments banks using respondents are clear about the deposit limit in payments banks
- According to the research only 29.8% of the respondents agree that payments banks has reached to all the sections of people.
- Majority of the respondents use payments banks for mobile recharge and mobile transfers.
- According to the research respondents of the study are mostly influenced by their friends to use payments banks.
- Only few of the respondents are aware that payments banks issue pension products and forex services.
- It is observed from the results obtained only 35.6% of the respondents agree that payments banks are expected to grow with continuous FinTech growths.
- The research says that 44.2% of the respondents agree that after few years people will hardly use physical cash for payments.
- It is observed from the results obtained 45.2% of the respondents agree that payments banks helps in future budgeting.
- According to the results obtained from Chi-Square, awareness on payment banks is dependent on gender, place of stay and mode of payment, and not dependent on education.
- It is observed from the results obtained that perspective on the statement 'payment bank has reached all sections of people' is not dependent on place of stay and government should encourage and create awareness to use payment banks so that it would benefit everyone.
- The research says that respondents who think payment bank has reduced the time one visits banks is not dependent on payments banks grows with continuous FinTech growths.
- It is observed from the results obtained that there is no significant relationship between people hardly use cash in future and payment bank is risky.



### SUGGESTIONS

The study found certain expectations and suggestion of respondents with regard to payment banks. They are as follows:

- Transparency and security aspects of payments banks has to be enhanced.
- Reduction in the commission charged by the payment banks is expected.
- Expecting cash back offers.
- Imparting free internet access to the rural persons to fill the digital divide among urban and rural persons.
- Internet literacy needs to be promoted among persons residing in the rural areas, since in rural areas we witness dearth of both ignorance as well as digital illiteracy.

### LIMITATIONS OF THE STUDY

Due to the nature of the research questions, this study has been based largely on qualitative research methods. Since the study has conducted in a very short time there was an urge to consolidate the study with limited samples and statistical tools. Due to the COVID 19 situation it was hard to do one-to-one interaction which gives precise answer to the questions asked.

### CONCLUSION:

Payment banks have been introduced with the primary objective of increasing the impact of financial inclusion drive. The payment banks play a significance role in implementing government's direct benefit, transfer schemes, where subsidies on health care, education and gas are paid directly to beneficiaries account. However, the competition between traditional and payment banks will lead to widening and improvement in quality of banking services are reduced costs and which may finally lead results in financial inclusion. There are numerous bottlenecks that need to be addressed before the real benefits of payment banks. There are millions of Indians don't have access to banking facilities. They cannot avail of state advantages, loans, insurance and even interest on savings. M-Banking, IPPB, PMJDY can reach the unbanked and also the underneath banked across the all cross section of society.

Thus, Payment Banks guarantees to be a game-changer thanks to by exploitation the mobile platform to produce basic banking transactions through mobile phones. Through the start of payment banks it guarantees to be an identical game-changer in India.

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