

# Roles and Performance of India Post Payment Bank (IPPB) With Special References to Shivamogga District

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## ABSTRACT

The IPPB was established to fill this service gap by leveraging the existing postal network and infrastructure to offer banking solutions that are accessible, convenient, and affordable. While the institution aims to provide a multitude of services, including savings and current accounts, money transfer, Direct Benefit Transfers (DBTs), bill and utility payments, and enterprise solutions, the true success of IPPB is contingent upon the awareness levels among its potential and existing customer base. Despite the commendable objectives and the robust infrastructure, there has been limited research on how aware the public is about the services offered by IPPB. This is particularly critical given the bank's target audience includes not just urban resident's familiar with banking paradigms but also rural households that have traditionally been excluded from formal financial systems. Insufficient awareness can result in low adoption rates, under-utilization of services, and ultimately, may defeat the overarching aim of financial inclusion that IPPB is intended to achieve.

**Key words:** IPPB, Role of Indian post payment bank.

## INTRODUCTION

The India Post Payments Bank (IPPB) is an initiative launched to foster financial inclusion and deliver banking and financial services to every doorstep in India through the vast network of India Post. Conceived as a public sector entity under the Department of Posts, IPPB aims to extend formal banking services to both urban and rural households. Although India has witnessed in digital banking solutions, the need for financial services that can cater to a diverse population, including those who are underserved or completely unbanked, remains unfulfilled.

At India post payment Bank, we believe that a nation can only grow every citizen get an opportunity to prosper, regardless of life. With simple, diverse and growth-oriented offerings, IPPB aim to give every Indian access to efficient banking services. Incorporated as a public Section bank under the Department of Posts with 100 % GOI equity, IPPB has launched on January 30<sup>th</sup> 2017 in Ranchi and Raipur with the objective being present in all corners of India by the end of the year. For now, IPPB is offering Savings account along with up to a balance of Rs 1 lakh, digitally enabled payment and remittance service of all kinds between individual. In due course, IPPB also provide current account and access to third party financial service.

## Need for the study

India post payment bank plays a crucial role in financial inclusion and providing banking services to remote and providing banking services to remote and underserved areas in India. Understanding how India post payment bank operates, its impact on the banking sector and its effectiveness in reaching the unbanked population can provide valuable insights for policymakers and stakeholder. By analysing its performance, one can assess the bank's contribution to financial empowerment and Economic development.

## Statement of the problem

Indian post payment Bank (IPPB) was established to enhance financial inclusion by leveraging India's extensive postal network. However, IPPB faces significant challenges, inefficiencies, and intense competition from other financial service providers. These issues hinder its ability to effectively fulfil its mission. This paper aims to identify and analyze these challenges, evaluate the bank's performance, and propose solution to improve its effectiveness and impact on financial inclusion in India.

## Objective of study

To study services offered by IPPB.

To study prospective challenges by India post payment bank.

To analysis customer satisfaction on financial inclusion activities carried on by India post.

## REVIEW OF LITERATURE

**K. Babysaranya and R. Hamsalakshmi (2018)** in their article "Performance of Indian Post Office Saving Schemes in Recent Trends" suggested that, there is an explosion in growth of middle-class families due to double income group families and increase in number of working women, hence this group will play vital role in the investment market. Efforts should be made to attract the women investors by providing right information and knowledge about the post office saving schemes through advertisements.

**Ms. Gayatri Narayan Nayak (2018)** in their article, "An Analytical Study Of Customer Satisfaction In Indian Post Payment Bank (With References To Thane District)" state that, Indian post office one was spreads all over India in facilitating rural people in Small savings and postal services., The payment bank which targeting the middle class ,migrant labourer, small workers ,NRIs of West Asia brought under seamless and hassle free cashless transactions. Offering debit card and ATM card facilities which are lacking rural sector it moving towards cash less economy. Reduce the dependency on Because of commercial banks Indian posts got an opportunity. It can be game changer in transform the rural economy.

**Afsana Sultana (2020)** in their article "Role of Indian Postal Service Sector in Financial Inclusion with Special Consideration to India Post Payments Bank (Ippb)" concluded that, India post has been playing a very important role in financial inclusion with its given network and reach especially in the rural areas. It has adopted various reform measures for innovation and technological upgradation in the country. IPPB established by the Department of Posts has the potential to be the most accessible banking network in the country. With a combination of postal and banking services, IPPB is set to be the face of transformation of postoffices and one of the major drivers in inclusion initiative of the Government of India.

## RESEARCH METHODOLOGY

### Data Collection

The focus of the research is to study the effect of social media use by consumers towards brand choice. Data for study were collected through the primary and secondary sources.

**Primary Data:** Semi-structured interviews will be conducted with 50 participants who actively use India Post Payment Bank. The interviews will focus on understanding the factors about Roles and Performance of India Post Payment Bank

**Secondary Data:** Secondary data for the research has been collected from various books, theses, dissertation, and journals, including e-journals

## Scope of the study

The scope of this study is restricted to the general attitude of people towards India post payment bank various schemes. The area of the study has been confined to Shivamogga district. The present work has been carried out to study the core activities and the diversifying activities carried on by the Indian Post. The study focuses the capability of India Post as Post Bank, and it can provide all the banking activities which are provided by the commercial banks.

## Limitations of the study

The result of the study is based upon the information given by the respondents.

The study is confined to customers of India post payment bank Shivamogga district, Karnataka, India.

## Result and Discussion

A survey through structure questionnaire is conducted in Shivamogga district. Data was collected from India post payment bank customers/users. The survey has been successfully carried out and respondents gave good and realistic answers to the question. Collected data are analyzed for a sample size of 50 respondents. In this study, data analysis process is carried out in primary data collection bases.

Table No.01 Classification of respondents on the basis of Age

Age	Frequency	Percentage
Less than 25 yrs.	18	36
26-35Yrs	13	26
36-55Yrs	11	22
Above 56 yrs.	8	16
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Survey output

The above Table no1 shows that out of 50 respondents, 36% of the respondent are less than 25years age, 26% of the respondents are 26-35years, 22% of the respondents are 36-55 years, and remaining 16% of the respondents are above the 56years. Here it is interpreted that, Majority of respondents come under the age group of less than 25years of age (36%), Because now a day's youths are having plans about future savings.

Table No. 02 Classification of Respondents on the basis Area of Residence

Place of Residence	Frequency	Percentage
Rural	30	60
Semi-urban	12	24
Urban	8	16
<b>Total</b>	<b>50</b>	<b>100</b>

Source: Survey output

The above Table no 2 shows that out of 50 respondents, 60% of the respondents are Rural, 16% of the respondents are Urban, remaining 24% of the respondents are Semi-urban. Here it is interpreted that, Majority of respondents come under rural area of the residence (60%). Because convenience, user friendly & doorstep service.

Table No. 03 Classification of Respondents on the basis of Gender

Gender	Frequency	Percentage
Male	20	40
Female	30	60
Total	50	100

Source: Survey output

The above Table no. 03 shows that out of 50 respondents, 60% of the respondents are Female and 40% of the respondent are Male. Here it is interpreted that, Majority of respondents are female (30), it is showing the female are most interest to invest in India post payment bank various scheme because female are more concentrate on savings in bank.

Table No. 04 Classification of Respondents on the basis of Education Qualification

Education Qualification	Frequency	Percentage
Illiterate	5	10
SSLC	7	14
PUC	10	20
Graduate	12	24
Post Graduate	16	32
Total	50	100

Source: Survey outputs

The above Table no. 04 shows that out of 50 respondents, 32% of the respondents are post graduates, 24% of the respondents are Graduate, 14% of the respondents are SSLC, 20% of the respondents are PUC and remaining 10% of the respondent illiterate. Here it is interpreted that, Majority of respondents are Post graduate (32%). Because they have more knowledge about India post payment bank and Investments, Remaining Graduate is also known but if other respondents less responsible given.

Table No. 05 Classification of respondents on the basis of Monthly Income

Monthly Income	Frequency	Percentage
Below – 10000	22	44
10000-20000	07	14

20000-30000	09	18
Above 30000	12	24
Total	50	100

Source: Survey output

The above Table no.05 shows that out of 50 respondents, 44% of the respondents are below ₹10000, 24% of the respondents are above ₹30000, 14% of the respondents are ₹10000-₹20000, and remaining 18% of the respondents are ₹20000-₹30000. Here it is interpreted that, Majority of respondents are below ₹10000 (44%). The Saving individuals depends on their earnings.

Table No.06 Classification of respondent on the basis of used post payment Bank (IPPB) service?

Particulars	Frequency	Percentage
Yes	32	64
No	18	36
Total	50	100

Source: Survey output

The above Table shows that out of 50 respondents, 64% of the respondents are used India post payment bank & remaining 36% of the respondents are Not used India post payment bank. Here interpret that, the majority of the Respondent are used the India post payment bank (IPPB) service (64%). Because low/zero balance accounts, minimal fees.

Table No. 07 classification of respondent on the basis of post office schemes are you currently invested in?

Particulars	Frequency	Percentage
Post office savings Account	20	40
Post office recurring deposit Account	06	12
Post office time deposit Account	06	12
National Savings Certificates (NSC)	04	08
Public Provident Fund (PPF)	04	08
Kisan Vikas Patra (KVP)	02	04
Sukanya Samriddhi Account (SSA)	08	16
Total	50	100

(Source: Survey output)

The above Table no 07 shows that out of 50 respondents, 40% of the respondents are currently invested scheme is Post office savings account, 16% of the respondent are sukanya Samriddhi account (SSA). 12% of

the respondents are Post office recurring deposit account, 12% of the respondents are Post office time deposit account, 08% respondents are of national certificate (NSC), and remaining 08% of the respondents are of Kisan Vikas Patra (KVP). Here it is interpreted that, Majority of respondents are currently invested in post office saving scheme (40%). Because low minimum investments make it easy for respondents to start saving.

Table No.08 Purpose services have you used on the IPPB APP?

Purpose of used	Frequency	Percentage
Fund Transfer	16	32
Bill Payment & Recharge	09	18
Balance Inquiry	08	16
Transaction History	11	22
Saving account Management	06	12
Total	50	100

Source: Survey output

The above Table no. 08 shows that out of 50 respondents, 32% of the respondents are used IPPB App for the purpose of fund transfer, 18% of the respondents are used bill payment and recharge, 16% of the respondents are used for Balance inquiry, 22% of the respondents are used transaction history, and remaining 12% of respondents are used because of saving account management. Here it is clearly indicate that majority of respondent used app for the purpose of Fund transfer (32%) because it is faster, easy and convenient to transfer the fund.

Table No. 09 Customer's opinion towards India Post Payments Bank

Sl. no	Opinion	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree	
		F	(%)	F	(%)	F	(%)	F	(%)	F	(%)
1	Opening an account in IPPB is easy	36	72	42	84	10	20	06	12	06	12
2	Online Payment in IPPB is convenient	10	20	46	92	12	24	08	16	08	16
3	QR payment is convenient	12	24	40	80	08	16	10	20	10	20
4	SMS Banking is convenient	18	36	40	80	14	28	07	14	07	14
5	Doorsteps Banking is easily	1	20	4	84	1	30	0	14	0	14

	Accessible in IPPB	0		2		5		7		7	
6	Interest rate of IPPB is sufficient	1 2	24	4 1	82	1 2	24	0 5	10	0 5	10
7	Are you satisfied with IPPB	1 0	20	4 8	96	2 2	44	0 4	08	0 4	08

Source: Survey output (F=Frequency (no of respondent)

From the above table no. 09 shows that statements regarding Customer opinion towards India post payment bank.

Opening an account in IPPB is easy” from the above table shows that out of 50 respondents,84% of the respondents are Agree, 72% of the respondents are Strongly Agree,20 % of the respondents are Neutral, 12% of the respondents are Disagree,12% of the respondents Strongly Disagree the statement. It indicates that the majority of the respondents are Agree the statements

Online Payment in IPPB is convenient” from the above table shows that out of 50 respondents, 92% of the respondents are Agree, 20% of the respondents are Strongly Agree, 24% of the respondents are Neutral,16% of the respondents are Disagree, 16% of the respondents Strongly Disagree the statement. It indicates that the majority of the respondents are Agree the statement

“QR payment is convenient” from the above table shows that out of 50 respondents, 80% of the respondents are Agree, 16% of the respondents are Neutral, 24% of the respondents are strongly Disagree, 14% of the respondentsDisagree, 14% of the respondents are Strongly Agree thestatement. It indicates that the majority of the respondents are Agree the statement

SMS Banking is convenient” from the above table shows that out of 50 respondents, 80% of the respondents are Agree, 36% of the respondents are Strongly Agree, 28% of the respondents are Neutral, 14% of the respondents are Disagree, 14% of the respondents Strongly Disagree the statement. It indicates that the majority of the respondents are Agree the statement

“Doorsteps Banking is easily accessible in IPPB” from the above table shows that out of 50 respondents, 84% of the respondents are Agree, 30% of the respondents are Neutral, 20% of the respondents are Strongly Agree, 14% of the respondents are Disagree, 14% of the respondents Strongly Disagree the statement. It indicates that the majority of the respondents are Agree the statement

“Interest rate of IPPB is sufficient” from the above table shows that out of 50 respondents, 82% of the respondents are Agree, 24% of the respondents are Strongly Agree, 24% of the respondents are Neutral, 10% of the respondents are Disagree, 10% of the respondents Strongly Disagree the statement. It indicates that the majority of the respondents are Agree the statement.

Are you satisfied with IPPB” from the above table shows that out of 50 respondents, 96% of the respondents are Agree, 20% of the respondents are Strongly Agree,44% of the respondents are Neutral, 08% of the respondents are Disagree, 08% of the respondents Strongly Disagree the statement. It indicates that the majority of the respondents are Agree the statement.

Table No.s10customer satisfaction towards IPPB

SL. No	Statement	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied
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		F	(%)	F	(%)	F	(%)	F	(%)	F	(%)
1	Do you India post payment bank is better than other payment bank	24	48	48	96	20	40	4	8	4	8
2	The payment bank provides fast and satisfactory services	16	32	47	94	18	36	10	20	2	4
3	India post payment bank is safer & trustworthy	26	52	44	88	38	76	2	4	2	4
4	Do you feel that a user-friendly e-payment system of India post payment bank will influence me to adopt the system	22	44	42	84	26	52	8	16	4	8
5	Are you easy to make payment and transfer money in India Post Payment Bank	20	40	40	80	27	54	8	16	8	16
6	How satisfied you experience using digital banking services provide by IPPB	22	44	47	94	18	36	8	16	8	16

Source: Survey output F=Frequency (no of respondent)

From the above table no.10 shows that statements regarding customer satisfaction towards India post payment services

“Do you India post payment bank is better than other payment bank” from the above table shows that out of 50 respondents, 96% of the respondents are Satisfied, 48% of the respondents are Highly Satisfied, 24% of the respondents are Neutral, 8% of the respondents are Dissatisfied, 8% of the respondents Highly Dissatisfied the statement. It indicates that the majority of the respondents are Satisfied the statement.

“The payment bank provides fast and satisfactory services” from the above table shows that out of 50 respondents, 94% of the respondents are Satisfied, 36% of the respondents are Neutral, 32% of the respondents are Highly Satisfied, 20% of the respondents are Dissatisfied, 4% of the respondents Highly Dissatisfied the statement. It indicates that the majority of the respondents are Satisfied the statement.

“India post payment bank are safer & trustworthy” from the above table shows that out of 50 respondents, 88% of the respondents are Satisfied, 52% of the respondents are Highly Satisfied, 76% of the respondents are Neutral, 4% of the respondents are Dissatisfied, 4% of the respondents Highly Dissatisfied the statement. It indicates that the majority of the respondents are Satisfied the statement.

“Do you feel that a user-friendly e-payment system of India post payment bank will influence me to adopt the system” from the above table shows that out of 50 respondents, 84% of the respondents are Satisfied, 52% of the respondents are Neutral, 44% of the respondents are Highly Satisfied, 16% of the respondents are Dissatisfied, 8% of the respondents Highly Dissatisfied the statement. It indicates that the majority of the respondents are Satisfied the statement.



Are you easy to make payment and transfer money in India Post Payment Bank —from the above table shows that out of 50 respondents 80% of the respondents are Satisfied, 54% of the respondents are Neutral, 40% of the respondents are Highly Satisfied, 16% of the respondents are Dissatisfied, 16% of the respondents Highly Dissatisfied the statement. It indicates that the majority of the respondents are Satisfied the statement.

“How satisfied you experience using digital banking services provide by IPPB” from the above table shows that out of 50 respondents, 94% of the respondents are Satisfied, 44% of the respondents are Highly Satisfied, 36% of the respondents are Neutral, 16% of the respondents are Dissatisfied, 16% of the respondents Highly Dissatisfied the statement. It indicates that the majority of the respondents are Satisfied the statement

## FINDINGS

1. The majority of respondents come under the age group of less than 25years of age (36%).
2. The survey shows that majority of respondents come under rural area of the residence (60%).
3. The survey shows that the most of respondents education qualification is Post graduate (32%).
4. The survey shows that majority of respondent's monthly income is below ₹10000 (44%).
5. Majority of respondents are currently invested in post office saving scheme (40%).
6. The Maximum number of respondent used app for the purpose of Fund transfer (32%)
7. QR payment is convenient that statements the Most of the respondents are Agree (80%)
8. Satisfied their experience using digital banking services provide by IPPB this statement Most of the respondents are satisfied (94%)

## SUGGESTIONS

Simplify the account opening process, reduce waiting time and improve overall customer experiences

IPPB has to introduce affordable loan schemes for small businesses, formers and individuals to support the economic growth.

IPPB is running biggest financial literacy awareness program in India. IPPB is educating rural population about insurance, savings, investments etc. Behavioural barriers and lack of technological literacy can be overcome by spreading awareness among general public.

Different age groups have different awareness levels and possibly different media consumption habits. Customizing the mode of delivery for each demographic can be effective. For example, digital ads can target younger individuals, while traditional media like newspapers could be effective for older age groups.

## CONCLUSION

India Post Payments Bank (IPPB) has emerged as a vital player in India's financial inclusion agenda, targeting rural and underserved populations who have traditionally been excluded from the formal banking system. Launched with the mission to provide accessible, affordable, and reliable banking services, IPPB leverages the extensive reach of India Post, the country's largest postal network, which has over 1.5 lakh post offices, more than 90% of which are in rural areas. This unique infrastructure has enabled IPPB to bring basic banking services to the doorstep of millions of Indians, making it a key driver of financial empowerment.

## REFERENCE

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