



## “A STUDY ON CUSTOMER’S PERCEPTION ON AIRTEL PAYMENT BANKS WITH SPECIAL REFERENCE TO BANGALORE CITY”

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### **Abstract**

**Purpose:** Today India is moving towards Digitalization, with this advancement it is necessary for the companies to be more modernized and Updated to meet the competition. RBI came out with operating guidelines for differentiated banks i.e., payments banks and small finance banks which is being set up to bring in new players who would leverage on technology for financial inclusion in a cost effective manner. In this regard the purpose of this study was to examine the customer opinion and perception about Airtel payment banks (APB) in Bangalore city in India which will enhance the digital payments in banking industry.

**Design/Methodology/Approach** – This study focuses on the services offered by them to its customers and the perception of the customers and retailers on this initiative. The sample size for the research was 100 Customers and 20 retail outlets of Bangalore city in India. The systematic random sampling technique is considered to select customers from the various Airtel outlets in Bangalore. Respondents are both customers and Retailers.

**Results** - This paper has analyzed that customer feels that it is new concept of Telecom industry, so people are not ready to accept it. Presently Airtel Payment bank as only high interest rate as USP to attract customers. Approximately 72% customers are highly satisfied with the services provided by the Airtel Payment banks and also most of the retailers accepted that it is best known for service quality and have opinion that Airtel Payment Bank will help to create financial inclusion in rural areas.

**Keywords:***Digitalization,Airtel Payment Banks,Perception,Banking Industry,Financial Inclusion, Digitalization.*

### **Introduction**

Reserve Bank of India (RBI) granted ‘in-principle’ approval to 11 payments banks in August 2015. By the end of 2016, three had already dropped and timelines for others were hazy, creating doubts on the success of this seemingly progressive experiment of RBI. Payments banks are a new model of banks conceptualized by the Reserve Bank of India (RBI). These banks can accept a restricted deposit, which is currently limited to 1 lakh per customer and may be increased further. These banks cannot issue loans and credit cards. Both current account and savings accounts can be operated by such banks. Payments banks can issue services like ATM cards, debit cards, net-banking and mobile-banking. The road to building a payments bank is not only less travelled (considering this is one of a kind experiment) but is likely to be bumpy and also analyse the perception of customers for this new banking innovation.

On 11thApril, 2016, Airtel Payments Bank became the first entity in India to receive a payments bank license from the Reserve Bank of India (RBI). APB is a Joint venture between Bharti Airtel Ltd and Kotak Mahindra Bank Ltd. India’s first Payments Bank goes for LIVE-Airtel Payments Bank .If we take into consideration that there are other large players with a similar level of quality and innovative ideas, this perceived arrogance could develop into a serious problem. Customers here are well aware the main characteristics of all the offerings available at the market are largely comparable. So they might use the development of a new product generation of their own to switch to a supplier that can serve them not better or worse, but with more responsiveness and understanding.



### Literature Reviews

**Customer Opinion towards Airtel Payment Banks in India: An Analytical Study** (2017) This paper has analyzed that private bank customer feels that it is new concept of Telecom industry, so people are not ready to accept it. Presently Airtel Payment bank as only high interest rate as USP to attract customers. Approximately 60% customers have opinion that APB will help to create financial inclusion in rural areas and control the black Money. Originality/Value- The paper find out that it is a new initiative with easy operation and it's different so people might use it in future. It also describes the challenges and opportunities of Airtel payment banks.

**Vyas, Gaur & Singh** (2016) discussed the evolution of payment banks. The study evaluates the scope of payment banks in fulfilling the objectives of financial inclusion. They also compare the Indian scenario with the success of M-Pesa in Kenya. They analyse the success of M-Pesa and identify opportunities for payment banks in India.

**Nidhi Chandarana** (2015) discussed that the concept of Payment bank was first floated by RBI Committee led by Board member Nachiket Mor. The committee on comprehensive financial services for small businesses and low income formed in 2013 came out with its report in early-2014. Main objective of Payment bank is to reduce the working burden of Commercial banks. For this, RBI has given approval to 11 companies out of 41 applicants. It primarily provides remittance, payment services, transfer money directly to bank account etc. It cannot involve in any credit risk.

### Objectives of The Study

1. To determine the level of expectation, perception, service quality and satisfaction of the customers on the services offered by the Airtel Payment Bank.
2. To identify the customers perception about the services offered by Airtel Payment Banks.
3. To identify retailers perception about the product.
4. To give suggestions based on findings.

### Need and Scope of The Study

This is one of the recent trends in banking era. There are many loopholes which may damage the reputation of the company and also may have some positive aspects which may benefit the company and the customers. There is a need to identify the perception and expectations of the customers about payment banks.

### Reserch Methodology

In this study, the study design adopted for quantitative data collection using field based questionnaires is the cross-sectional survey design. The research is primarily **descriptive** in nature.

**Dat Collection:**The sources of information are both primary and secondary. Primary data was mainly obtained from the questionnaire filled by customers and retailers. Secondary data is collected from Reports, Magazines & Newspaper and Internet.

### Sampling Method

The systematic random sampling technique is considered to select customers from the various Airtel outlets in Bangalore. Respondents are both customers and Retailers.

**Sampling Size:** 100 customers and 20 retail outlets are taken as sample for conducting the study.

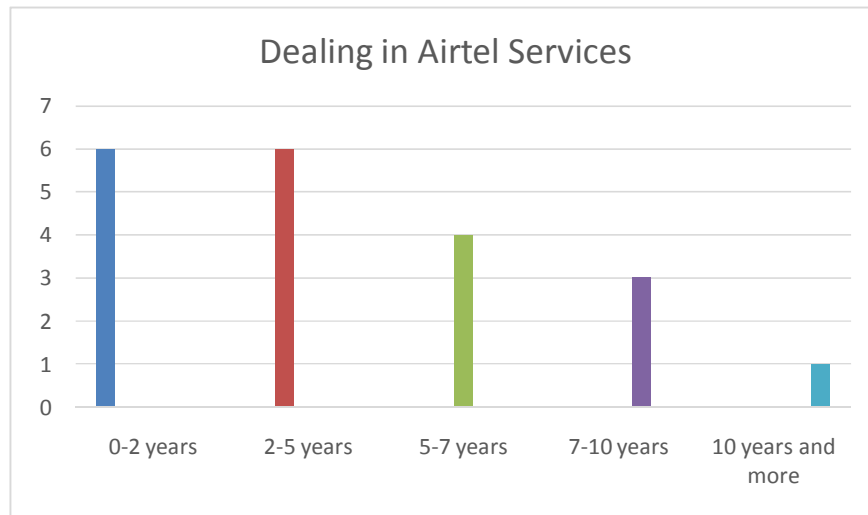
### Limitations of The Study

1. The study is restricted to few selected retail outlets.
2. Time constraints.
3. Very less awareness about the product and services from both customers and Retailers.

**Analysis and Interpretation**

**Table 1:** Table showing how long the retailers are dealing in services / products offered by Airtel?

Years	No of respondents	%
0-2 years	6	30
2-5 years	6	30
5-7 years	4	20
7-10 years	3	15
10 years and more	1	5
Total	20	100

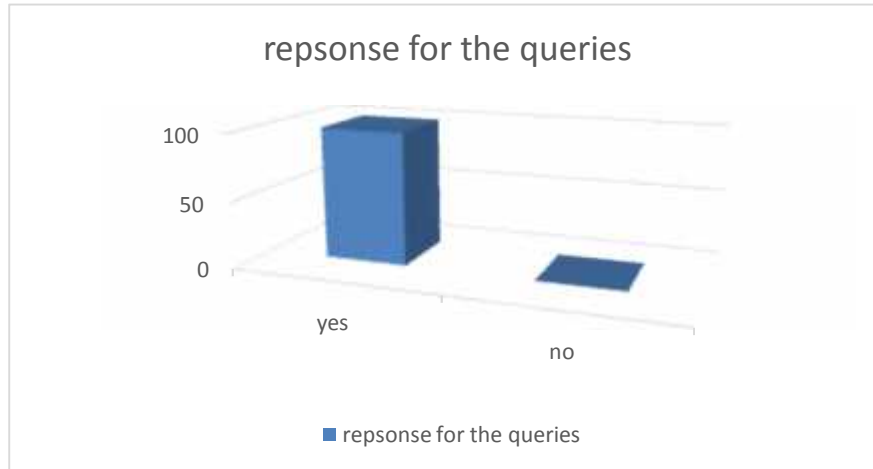


**Analysis:** From the above table it can be analysed that 12 respondents are dealing in airtel product and services for 0 to 5 years, 4 respondents for 5-7 years and 3 respondents for 7-10 years respectively.

**Interpretation:** From the above graph it is interpreted that nearly 60 % of the airtel stores are offering its product and services since 5 years and 40 % are more than 5 years. This shows that Airtel has setup maximum stores in the recent years.

**Table 2:** Table showing the company cooperating and giving proper response to retailers queries

Response	No of Respondents	%
Yes	20	100
No	0	0
Total	20	100



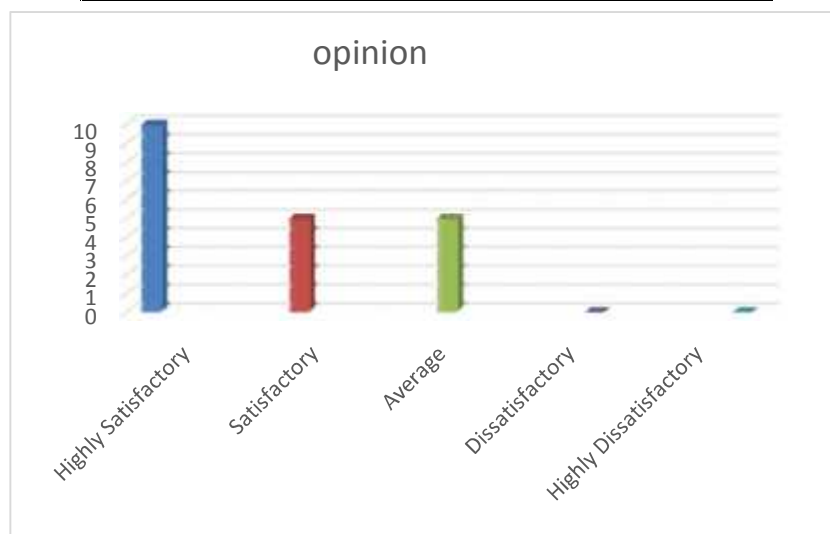
**Analysis:** From the above graph it can be analyzed that 100% of the respondents says that airtel gives proper response to the queries of the store.

**Interpretation**

It is very clear that airtel is very well known for its quality services, from the above analysis it can be concluded that Airtel often responds to its customers (retail stores) which is highly appreciable.

**Table 3: Table showing the retailers opinion about Airtel Payment bank.**

opinion	No of Respondents	%
Highly Satisfactory	10	50
Satisfactory	5	25
Average	5	25
Total	20	100



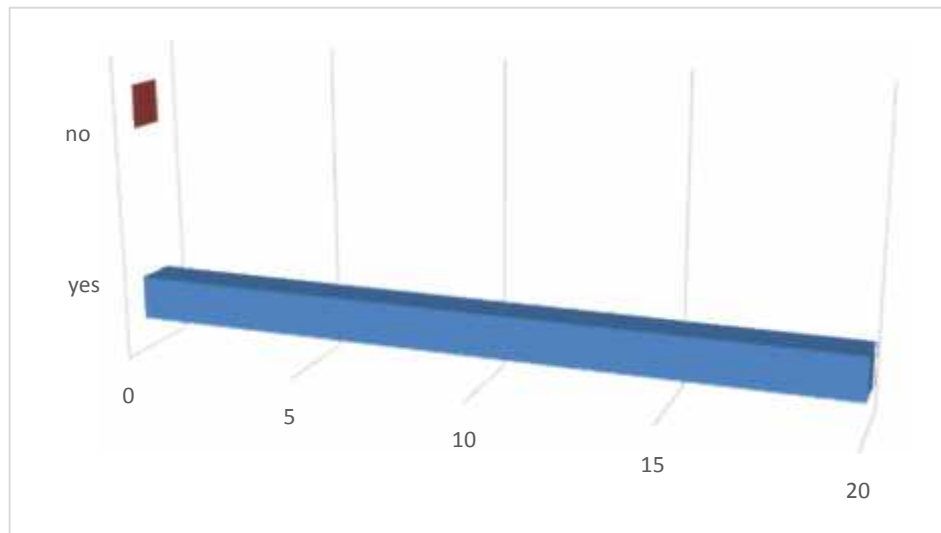
**Analysis**

The above table explain the opinion of the airtel stores on the payment bank. Nearly 50% of the respondents feels highly satisfied about the payment bank, nearly 25% feels satisfactory and satisfied with the mean respectively.

**Interpretation:** Even though the company couldn't maximize its revenue, but they had a positive opinion about the payment banks. As discussed by the respondents, this may also enhance their revenue to the double in the coming days, because it needs lot of awareness and motive the customers to make deposit in this bank.

**Table 4: Table showing the retailers prime part in promoting payment bank to customers?**

Response	No of Respondents	%
Yes	20	100
No	0	0
Total	20	100

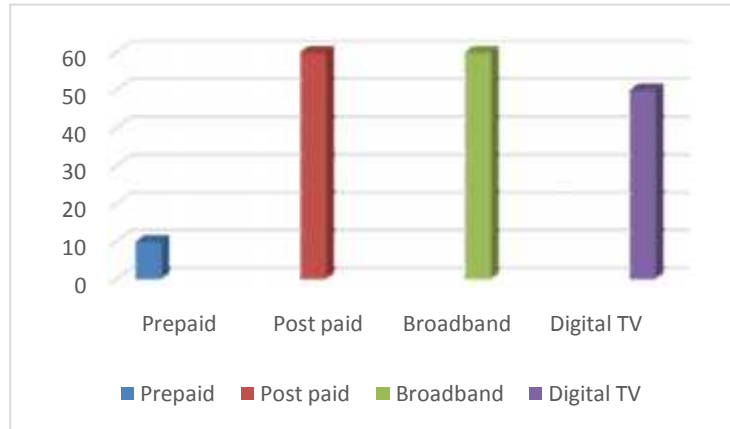


**Analysis:** The above take depicts that all the respondents have taken a prime part in promoting the payment bank schemes to its customers.

**Interpretation:** It is evident that promotion plays a vital role in improving the sales and maximize the profits. All the identified retail stores are taking prime part in promoting the payment bank schemes to its customers.

**Table 5: Table Showing the type of service used by customers**

Service	No of Respondents
Prepaid	10
Post paid	60
Broadband	60
Digital TV	50

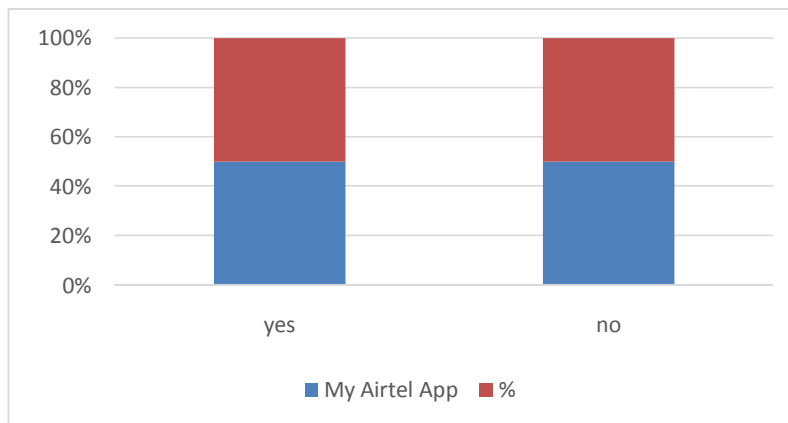


**Analysis:** From the above table it can be analysed that 10 % of the respondents use prepaid services. 60% of the respondents use post-paid and broadband and 50 % of the respondents use digital TV services.

**Interpretation:** It is further interpreted that most of the respondents use more than one services of airtel because of the quality service and timely delivery and CRM.

**Table 6: Table Showing number of customers using My Airtel App**

Response	No of Respondents	%
Yes	70	70
No	30	30
<b>Total</b>	<b>100</b>	<b>100</b>



**Analysis:** From the above table it can be analyzed that 70 % of the respondents use my Airtel app and using the services of the Airtel and 30 % of the respondent’s do not use my Airtel application.

**Interpretation:** It is very clear that most of the Smartphone users have installed my Airtel application to track the records like usage, data services, value added services etc.

**Table 7: Table Showing number of customers registered to Airtel payment bank**

Response	No of Respondents	%
Yes	33	33
No	67	67
<b>Total</b>	<b>100</b>	<b>100</b>

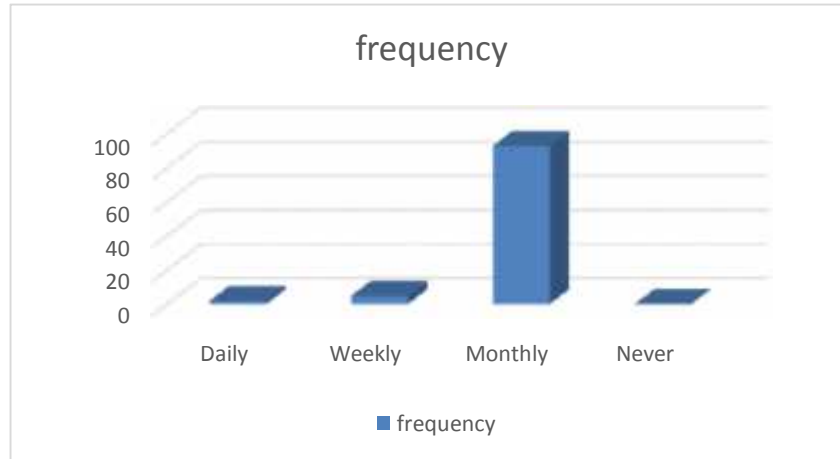


**Analysis:** From the above table it can be analyzed that 33 % of the respondents registered themselves to the Airtel payment bank, 67 % of the respondents does not registered to the services.

**Interpretation:** It is evident that lack of awareness is the main cause for this. A benefit about the payment banks has to be clearly explained to the customers to avail the connections. As it is one of the recent schemes introduced by Airtel, in the near future there will be more users for the payment banks.

**Table 8: Table Showing frequency of visit to the airtel store**

Frequency	No of Respondents	%
Daily	2	2
Weekly	5	5
Monthly	93	93
Never	0	0
<b>Total</b>	<b>100</b>	<b>100</b>

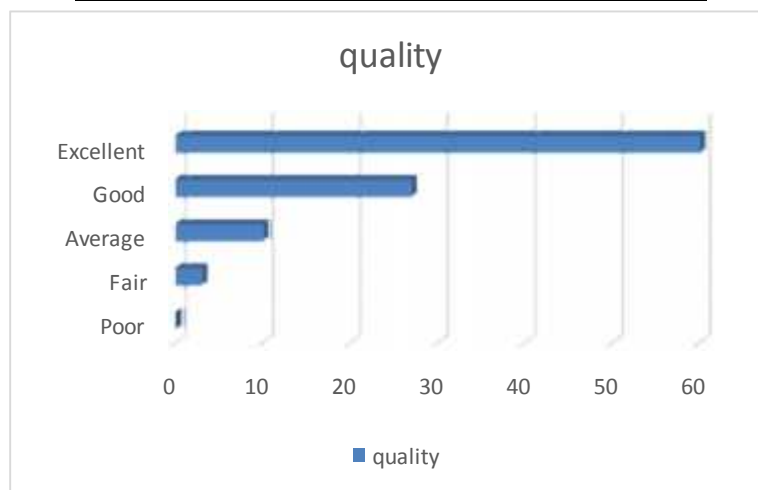


**Analysis:** From the above table it can be analyzed that 2% of the respondents visit daily to the Airtel store, 5% visits weekly, 93% visits monthly to the retail store respectively.

**Interpretation:** From the above graph it can be interpreted that most of the respondents visits monthly to the airtel store for various reasons like bill payment activating various value added services etc.

**Table 9: Table Showing The Ratings of Quality of Product Supplied By Airtel Payment Banks With Respect To Customers Expectation.**

Response	No of Respondents	%
Poor	0	0
Fair	3	3
Average	10	10
Good	27	27
Excellent	60	60
Total	100	100



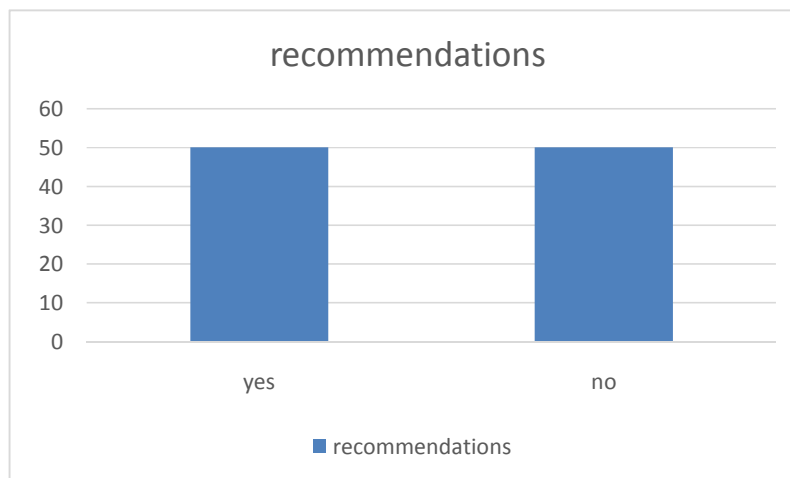


**Analysis:** From the table we can analyze that 60% of the respondents have given excellent rating for the quality of products supplied to its customers. 27% of the respondents have rated good, 10 % have rated neutral.

**Interpretation:** From the above graph it can be interpreted that airtel is well known for its quick and effectual services to its customers. It has maintained a well customer relationship management who effectively coordinates with the customers in delivering quality product and services

**Table 10: Table Showing number of respondents who recommend the services to others**

Response	No of Respondents	%
Yes	50	50
No	50	50
<b>Total</b>	<b>100</b>	<b>100</b>

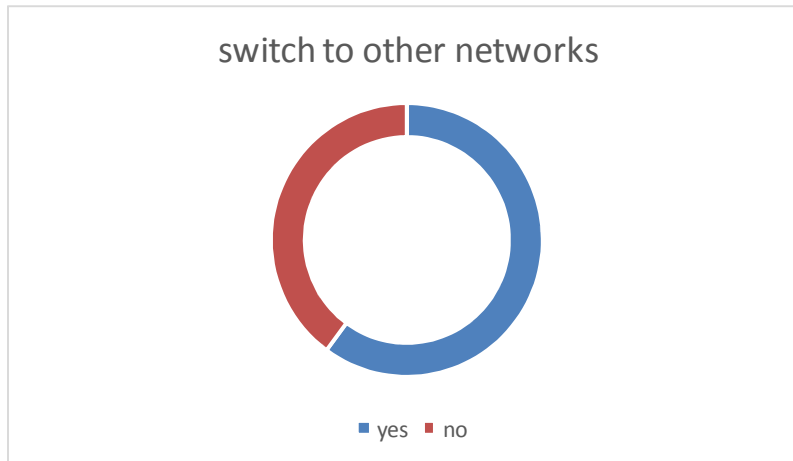


**Analysis:** From the above table it is evident that 80% of the respondent's deposits

**Interpretation:** Mouth of words plays a vital role in increasing the sales, as we can see that 50% of the respondents recommend its services to others, and the company should try to make the best alternative to give suggestions about the product and services offered by airtel.

**Table 11: Table Showing number of respondents switch over to other payment bank services in the coming future**

Response	No of Respondents	%
Yes	60	60
No	40	40
<b>Total</b>	<b>100</b>	<b>100</b>



**Analysis:** From the above table 60% of the respondents feels that they may switch over to other payment banks in the coming future and 40% does not agree to this.

### Interpretation

As a sign of competition many companies are ready to activate payment bank services, its goods offers are being given by the service providers the customers may switch over to other network. Also there was a hacking of Airtel Payment banks the customers are switching over to other payment banks. Hence it is very important to understand the customers and necessary measures should be taken carefully.

### Findings

1. By this study it was found that Airtel payment bank is creating a niche in the minds of the retailers and the customers as one of the leading mobile network operator in India.
2. All the retailers have taken a prime part in promoting the payment bank schemes to its customers.
3. 60% of the respondents feels that they may switch over to other payment banks in the coming future as there was a hacking of Airtel Payment Banks but
4. Most the respondents are highly satisfied with the quality of products and norms of Payment banks.

### Recommendations

Airtel should try to keep the same tempo in providing quality services to its stores and the customers. They should give more promotion to create awareness about the payment bank. Airtel payment should also give other types of account which will give compound interest and should be highly secured such that no third party entry should be made. Proper channel should be used for depositing and withdrawal. The company should give extra benefit for those who activate payment banks. Value added services should be linked to payment banks for making any payment. Automatic bill payment facility should be made for the post-paid users through payment banks. Special discounts should be given when payment is made through payment banks.

### Conclusion

A study on customer and retailers perception with special reference to Airtel Payment Bank gave an insight and clear cut picture on how payment bank works. RBI came out with operating guidelines for differentiated banks i.e., payments banks and small finance banks which is being set up to bring in new players who would leverage on technology for financial inclusion in a cost effective manner. And how the customers are benefited towards this. There are many loopholes which may damage the reputation of the company and also may have some positive aspects which may benefit the company and the customers. There is a need to identify how payment banks will be benefited to the customers and the retailers. This study helps , to determine the level of expectation, perception,



service quality and satisfaction of the customers on the services offered by the Airtel Payment Bank, to identify the customers perception about the services, to identify retailers perception about the product and to get the practical exposure what does customers really requires and what company is offering. The Airtel Payment bank is positive initiative of a telecom industry. Maximum number of people have Airtel Phone number through that they can use the banking facility. This new concept will motivate the customers in future.

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