



## DIGITAL TRANSFORMATION OF INDIA POST: A STUDY ON FINANCIAL INCLUSION AND SERVICE INNOVATION

**Dr. B. Sindhu\*** **Dr. K.Gouthami\*\***

*\*Assistant Professor, Department of Commerce, Kongu Arts and Science College, Erode.*

*\*\*Assistant Professor, Department of Commerce, Kongu Arts and Science College, Erode.*

### **Abstract**

*The paper deals with the digital transformation of India Post with special reference to financial inclusion and service innovation. The study aims to know the level of customer satisfaction, the impact of digital services and the difficulties that are faced by the postal department in incorporating digital technology. Both primary and secondary data have been used to fulfill the objectives of the study. The primary data has been collected from 100 respondents in Erode District through a structured schedule and convenience sampling technique. The findings of the study revealed that the customers are moderately satisfied with the digital services of India Post. The digital services have positive impact on accessibility, saving time and financial inclusion. The association between the use of digital services and its benefits are significant. However, the difficulties faced by the respondents in using digital services are security problems, technical problems and low digital literacy. The study concludes that the digital initiatives of India Post have brought about changes in service delivery. However, there is a need for improving service quality, security and creating awareness among customers.*

### **Introduction**

The digital transformation is fast becoming the catalyst for change in the public service delivery domains enabling smooth, efficient, accessible and more engaging citizen experience through technology intervention. The rapidly emerging digital economy is putting traditional organizations to test and spurring them to be more innovative and services-oriented. This Article envisions the transformation journey of India Post – one of the world's largest and oldest postal organizations and presents evidence of how it is leveraging digital platforms to emerge more vibrant and relevant in today's economy.

As a major communication and financial services entity with an extensive reach into rural/suburban and remote locations, India Post has been playing a leading role over decades. The organization provides online tracking and digital savings among a host of services, besides embracing a cashless mode through its entry into the market with Aadhaar-enabled payment systems and India Post Mobile Banking services. The goal is to extend financial inclusion by ensuring access to affordable and scalable financial services and offerings in the underserved regions of the country.

The change from analogue to digital technologies for public services is not without its challenges. However, challenges concerning the digital infrastructure and technology as well as the organisations' adaptability, customer awareness and service quality need to be addressed in order to achieve the full potential of digital transformation. The success of digital transformation largely depends on customer acceptance and satisfaction and the organisations' ability to continuously innovate their services to meet new needs and demands.

The study deals with the problems faced by India Post in embracing digital technology; customers' perception towards digital services offered by India Post; and impact of digital services on accessibility

and efficiency of the services. The study is expected to yield useful insights in shaping the future digital initiatives of India Post and in strengthening its services.

### **Statement of the Problem**

India Post has made tremendous strides in its digital transformation. It has been outraging its century-old legacy by embracing latest digital technologies. With digital payment systems, mobile banking and other applications, the Organization has been striving to provide affordable, accessible and efficient services, especially to the underprivileged sections of society. However, many of these efforts are facing challenges in effective implementation. Some of these are linked to either inadequate digital infrastructure and technology knowhow amongst its employees or resistance to change and limited digital literacy among the customers. While these are organization-centric, issues related to reliability, security and usability are critical in ensuring customer trust and satisfaction.

The study aims at identifying challenges faced by India Post in adopting and integrating the digital technology, gaining insights into customer satisfaction level with current digital services offered by the organization. It would also examine the overall impact of the digital services in enhancing accessibility and effectiveness of service delivery of the Department. This would identify the gaps and help in formulating a future road map for digital transformation.

### **Objectives**

The main objectives of this study is

- To evaluate of Customer Satisfaction towards Digital Services of India Post.
- To assess impact of digital services
- To examine the challenges faced by India Post in adopting digital transformation.

### **Research Methodology**

The present study aims at knowing the level of customer awareness regarding digital services, their current usage and whether they are satisfied or otherwise with the services offered. The study covers customers of India Post in Erode District. With a view to elicit opinions from adequate number of samples, a sample size of 100 customers has been chosen for the study using convenience sampling technique. The study also makes use of both primary and secondary sources of data. The primary data relates to the views of customers of India Post who have been interacted through a structured questionnaire regarding their opinions, usage and satisfaction level with digital services offered. The Secondary data sources include books, Journals, reports and web sources relating to digital developments and efforts of financial inclusion by India Post.

### **Analysis and Discussion**

#### **Customer satisfaction towards digital services provided by India Post is analyzed Using Likert Scale**

To evaluate customer satisfaction towards digital services provided by India Post, the Likert Five-Point Scale was used. This tool helps in measuring respondents' attitudes and satisfaction levels quantitatively.

**Table: Customer Satisfaction Analysis using Likert Scale**

Satisfaction Level	No. of Respondents	Weight (Score)	Weighted Score
Highly Satisfied	20	5	100
Satisfied	35	4	140
Neutral	15	3	45
Dissatisfied	20	2	40
Highly Dissatisfied	10	1	10
Total	100	—	335

The latest customer satisfaction survey of India Post’s digital services reveals that customers on an average score the experience at 3.35 out of 5, indicating moderate satisfaction. Most customers rate their experience positively but there is scope for improvement for service quality, accessibility and customer experience.

**Impact of digital services - Correlation Analysis (Karl Pearson’s Coefficient of Correlation)**

The impact of digital services of India Post is assessed through Correlation Analysis. The purpose of this analysis is to measure the strength and direction of relationship between digital service usage and potential impacts.

**Table: Correlation between Digital Service Usage and Impact Factors**

Impact Factor	Correlation Coefficient (r)	Nature of Relationship
Accessibility	0.68	Moderate Positive
Time Saving	0.75	Strong Positive
Service Efficiency	0.60	Moderate Positive
Financial Inclusion	0.82	Strong Positive

The results in Table 3 are positive across all impact measures and consistently show a strong correlation with digital service usage. Financial inclusion has the strongest correlation of 0.82, followed by time-saving (0.75), and then accessibility and efficiency. Higher usage of digital channels increases benefits like inclusion, convenience and efficiency for India Post.

**Challenges faced by India Post in implementing digital technologies – Rank Analysis**

The challenges India Post faces in incorporating digital technologies were examined using the Ranking Analysis. For this analysis, respondents were ranked according to the degree of difficulty they face in implementing digital technologies. The ranking scores were then converted into weighted values to provide an assessment of the relative importance of each of the challenges.

**Table: Ranking Analysis of Challenges**

Challenges	Total Score	Mean Score	Rank
Security Concerns	420	4.20	I
Technical Issues/Server Problems	400	4.00	II
Lack of Digital Literacy	360	3.60	III
Lack of Staff Training	330	3.30	IV
Poor Internet Connectivity	290	2.90	V

The ranking analysis highlights the key challenges encountered during digital transformation of India Post. The results show that Security Concerns are the biggest challenge, this is followed by Technical Issues/Server Problems, Lack of Digital Literacy among users and inadequate staff training. Poor Internet Connectivity is the least significant challenge for the aforementioned group.

### Suggestions

Findings from the study gave rise to the following recommendations:

- (i) Creating greater awareness of proper use of the internet among customers and conducting regular audits scheduled periodically along with cyber-security training for employees;
- (ii) Modernizing current infrastructure including server and networking systems so customers are less likely to experience issues related to the reliability of company products;
- (iii) Quickly resolving internal and customer-related IT issues with an automated support channel (e-mail, chat) for employees;
- (iv) Teaching customers digital skills through training programs and user awareness;
- (v) Provide staff with regular training and skills development sessions to promote positive digital experiences for customers;
- (vi) Improve service quality through fast transaction processing and increased system speed (response time);
- (vii) Increase use of digital channel by informing customers about digital channels; and
- (viii) Enhancing service delivery through improved internet access via satellite in remote and rural geographic regions.

### Conclusion

The research concludes that digitization process of India has indicated tremendous strides that have been taken in relationship to their ability to provide better services through digital means; an improvement of quality (both at level of access) via improvements in financial inclusion. In addition, this same digitization process has indicated moderate levels of customer satisfaction when using those same digital services. This demonstrates that there is work to do for those programs developed in improving overall user experience and quality of service. The study has highlighted that security and technology issues along with literacy are the main reasons for the inability of India Post's Digital Transformation to reach its maximum potential, which is impacting customers' overall satisfaction levels as well.

It can be concluded that India Posts Digital Transformation has had an extremely positive impact thus, in order to continue to have that impact, India Post must focus specifically on the challenges that need to be addressed through targeted efforts that include strengthening the necessary infrastructure, increasing user awareness and improving overall security and reliability of the systems available. Each of these issues is critical to ensuring that the full benefits of the digital services provided by India Post will result in the achievement of Inclusive Growth.

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