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**An Empirical study on the awareness and usage of payment Banks among College students in Bangalore city**

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**Abstract:**

Payment banks are the newest initiative from the Reserve Bank of India (RBI) with the first motive to promote digital, paperless and cashless banking in our nation. Its an associated approach within which different non-banking monetary organizations are granted the authority to ensure basic bank services to each Indian national. A payments bank could be a differentiated bank with the precise objective of occupation to the unbanked and underbanked. Though the Pradhan Mantri Dhan Yojana has brought down the amount of unbanked people within the country, there are still millions who don't have bank accounts.

According to a World Bank report, Republic of India is home to twenty one of the world's unbanked adults. Payments banks aim to service these customers, particularly migrant employees and people from lower financial gain households, in addition as bring them into the formal economic system. It conjointly has the additional advantage of secured, technology-driven transactions which might simply be half-track with none loop hole for black cash.

The present paper provides a horizon on the attention level and usage of payment banks among the faculty going students of urban center town. For the aim of the study each primary and secondary knowledge are used. the scholars following totally different courses are created use as sample. the info collected are analyzed victimization acceptable applied math techniques. It'll conjointly highlight the necessity for payment banks in Republic of India and its future.

**Key Words:** Payment Banks, IT enabled Banks, Awareness, Digital Bank

**Introduction:**

Payments bank is that the new bunk within the industry. Since they function a convenient different within the wake of termination. It's not possible for a bank to open branches in each village across the country, payments banks will fill this gap through the employment of mobile phones. Payments banks were created to enhance access to formal monetary channels or services for little depositors, businesses, low-income households et al, WHO sometimes reside and/or add the agricultural.

Payment banks are the most recent initiative from the banking company of India (RBI) with the first motive to push digital, paperless and cashless banking in our nation. It's associate degree approach within which different non-banking monetary organizations are granted the authority to supply basic bank services to each Indian national. A payments bank could be a differentiated bank with the precise objective of job to the unbanked and underbanked. though the Pradhan Mantri January Dhan Yojana has brought down the quantity of unbanked people within the country, there are still millions WHO don't have bank accounts. consistent with a United Nations agency report, India is home to twenty one of the world's unbanked adults. Payments banks aim to service these customers, particularly migrant employees and people from lower financial gain households, likewise as bring them into the formal economic system. It additionally has the additional advantage of secured, technology-driven transactions which may simply be half-track with none loop hole for black cash.

#### Importance of Payment Bank in India

This is the primary time in Indian history the run has granted banking authority to different non-banking monetary sectors and has provided a second set of differentiated licenses to small-scale banks already. This initiative is geared toward redefining the Indian economy by providing a secure payment entranceway for all transactions. It additionally reaches bent the migrant laborer's and lower financial gain teams by providing all services on mobile phones and supply a really low group action fee for each service. when termination, this is often the RBI's second move to eliminate black cash and promote cashless transactions to modify India. Since it's associate degree initiative to travel cashless, it eliminates the necessity to exchange unhealthy currency notes and therefore the price of regeneration of contemporary notes. This theme has already been introduced worldwide and has been a groundbreaking success in African country. Keeping these pointers in mind, there's little question that payment banks are the long run of banking and are visiting be a game-changer within the monetary sector.

#### What is a Payment Bank?

A payment bank could be a new entrant within the banking industry in India. A payment bank is somewhat just like ancient standard bank however restricted to perform solely few of the banking services as compared to traditional banks. A payment bank is essentially a recent conception within the banking sector. A payment bank shall be regulated by the apex or financial organisation of India, banking company of India (RBI).

A payment bank has been categorised as a "Scheduled bank". But, it's obligatory for the businesses to incorporate the word "Payment bank" in its name so as to differentiate it from different regular banks. Further, payment bank is allowed to perform not almost solely bound selective functions of banking.

The main objective of introducing these payment banks in India was to increase the monetary services horizon to little business, migrant labor manpower, low financial gain households and totally different remote areas of the country particularly the unorganized sector in India.

### **List of Payment Banks in India**

Here is the list of 11 applicants who got “in-principle” approvals to open a payment bank in India.

1. Aditya Birla Nuvo Limited (Idea Cellular)
2. Reliance Industries (Joint venture : 70% RIL, 30% SBI)
3. Airtel M Commerce Services Limited
4. Vijay Sekhar Sharma (PayTM)
5. Cholamandalam Distribution Services Limited
6. Department of Posts (India Post)
7. FinoPayTech Limited
8. National Securities Depository Limited (NSDL)
9. DilipShantilal Shanghvi (Sun Pharma)
10. Tech Mahindra Limited
11. Vodafone M-Pesa Limited

### **FEATURES OF PAYMENT BANKS**

1. Payment banks can also accept demand deposits (only current account & savings accounts) with a ceiling limit of Rs.1 lakh per customer.
2. Payment banks must pay interest at the rate notified by the RBI.
3. Payment banks can issue debit cards but not credit cards.
4. Payment banks cannot engage in lending services i.e. they cannot provide loans, thus by phasing out the fear of NPA.
5. The deposit up to Rs.1 lakh is insured by the DICGC (Deposit Insurance and Credit Guarantee Corporation) same as in bank account.
6. 6. Payment banks cannot involve in any kind of credit risk and can only invest in less than one year G-Secs or treasury bills.
7. Payment bank will charge fee as a commission. This will be the sole earning for the banks

### **Services offered by payment banks:**

- A payment bank can accept deposits up to a maximum of Rs.1 lakh only per individual customer.
- Demand deposits and saving bank deposits can be accepted from individuals, small firms and other entities.

- You can open a savings bank account or a current account with these payment banks. Payment banks pay interest on the deposits just like normal banks.
- Payment banks are allowed to transfer payment through any channels like branches, Automated Teller Machines (ATM), business correspondents etc.
- Payment banks can issue debit cards/ ATM cards to its customers.
- Mobile banking can be accessed through these payment banks.
- Internet banking services can be provided by a payment bank that includes payment mechanism as approved by RBI such as RTGS/NEFT/IMPS.
- A payment bank app can be used to make utility bill payment as well.
- A payment bank can involve in the providing basic financial services be like access to mutual funds, the insurance products, the pension products and forex services subject to conditions set by the RBI.

#### **Services Payment banks cannot offer:**

- As per RBI guidelines, these payment banks cannot issue credit cards.
- Payment bank cannot deal any kind of lending business i.e. they are not allowed to issue any kinds of loans like personal loans or any other loans to their customers.
- Payment banks cannot accept deposits from Non Resident Indians or NRIs.
- They are not allowed to setup subsidiaries for undertaking non banking financial services.

#### **Payment Banks a big business in Financial Inclusion Will Payment bank will rule the banking sector in India?**

The success of these challengers to make inroads in the domain of the strong incumbents and boost competition in retail banking is likely to depend on the way they approach the market and the value propositions they create.

Payments banks are anticipated to offer new blood with their innovative models and a fresh 'hi-tech and hi-touch' digital approach

#### **Review of Literature**

The existing paper-based payment mechanism was slowly replaced by the electronically transacted system throughout the 90's. Since the time money, specifically notes and coins, were thought of to be dying (Gleick, 1996) researchers checked out the vital role electronic payment systems would play, moving forward. it's little question that the sector of payment systems has shifted through and can still move through cycles of growth.

According to the theoretical analysis allotted by researchers (Prathima & Rao, 2003) there lies immense gap between the international mobile banking services and Indian mobile banking services.

Researcher (Vyas, 2009) advised range|the amount|the quantity}s of users victimization the portable are increasing as compared to the number of users having the desktop and portable computer net, therefore making potentialities for players like telecommunication suppliers, monetary players, merchants and banks to introduce several new mobile based mostly services like Mobile banking.

M-commerce is comparable to e-commerce in several aspects, however the term “M-commerce“is typically applied to the monetary dealing activity performed victimization mobile networks. Nikhilesh, more planned and analysed few factors associated with diffusion of mobile technology and mobile commerce.

However the m-commerce isn't a right away extension of e-commerce. The key variations between mcommerce and e-commerce are the technology they use, the character of service they supply, and therefore the business model they represent (Yufei& Zhang, 2003).

Karnouskos et al. had provided a survey on completely different mobile payment procedures, during which they reviewed completely different technologies required, utilised during this field. moreover, they conjointly compared around a hundred mobile payment providers; in terms of various services they provide (Karnouskos&Fokus;, 2004).

Zmijewska et.al provided a client central analysis of varied wireless technologies in mobile payments systems (Zmijewska, Dahlberg, Mallat, &Ondrus;, 2008).

Zmijewska more planned six acceptance factors for mobile payments acceptance and supported these factors they studied fitness of various wireless technologies for mobile payments, The six factors he planned were simple use, usefulness, trust, cost, mobility, and quality (Zmijewska, Evaluating Wireless Technologies in Mobile Payments – A client central Approach, 2005).

Pousttchi et al. analysed varied aspects of a mobile payment business model like market, price proposition, implementation, capital, distribution and communication, and threat model. (Pousttchi, Schiessler, & Wiedemann, 2007). The market model centered on C2C and estimates the amount of dealing per recipient. The capital model have characteristic like revenue supply and revenue kind. The distribution and communication model associated with stigmatization, promotion and issue.

(Jhunjhunwala, Raina, & Kumar, 2010). Basudeo et al. created a comparative study on varied sorts and strategies mobile payment system. The paper more discusses regarding the challenges

that are to be overcome for wide acceptance of SMS based mostly payment dealing (Basudeo& shrub, 2012) self-addressed few options like easy, convenient, price economical and quick exchange of messages. Vahid et al. bestowed MPay sensible, a secure associated easy mobile payment system that is an operator-driven SIM based mostly mobile payment theme (Vahid & Habibi, 2008).

Vishal et al. bestowed a classification framework that specialize in m-banking analysis. The framework was supported Sixty 5 m-banking papers printed between 2000 and 2010 within the areas of knowledge Systems (IS), management, technology innovation, major IS conferences and promoting journals. The papers were chiefly classified into 5 classes m-banking summary, security problems and abstract problems, Mobile banking/payment practices in Indian business Banks and Challenges in India strategic, legal and moral problems, Current operative practices of business banks, options & edges of Mobile Banking (Goyal, Pandey, & Batra, 2012).

Bamoriya et al. in their analysis centered on the barriers in adaptation of mobile payment in India. Factors like network issues, inadequate operative steerage and safety were few of the most barriers. They conjointly found several shoppers primarily use m-banking for info reading like checking the account balance; this but isn't the \$64000 aim of mobile payments services (Singh & Bamoriya;, 2012). within the market a comparison of various mobile billfold has studied associated with operator and bank driven and analyzed the challenges round-faced by every driver (Narayan, 2013).

According to (Karnouskos&Fokus;, 2004) triple-crown readying of the mobile payment system is results of cooperation between completely different players. the most players embrace shoppers, Mobile network operators, Bank. alternative stake holders embrace merchants, mobile device makers, monetary establishments, code and technology providers' and Government. However, the role of actors vary relying upon few factors like political condition in a very given geographical locations. This thesis focuses on the roles, responsibilities and perspective of the actors in Indian mobile payment services

G. Sivakrishna and S.Venugopal (2010)has created associate empirical study on however ebanking helps to boost client base. The study was conjointly a shot to research the client perception, client preferences and client satisfaction levels towards ebanking services. supported the study, the researchers complete that with higher understanding of client perceptions, the banks are able to verify needed actions to satisfy the shoppers.

Dr. Malhotra (2010) discusses in her paper that the results show whether or not the non-public and foreign net banks have performed well in giving a wider vary and a lot of advanced services of net banking as compared with public sector banks. She conjointly identifies that the scale of the bank, expertise of the bank in giving net banking, funding pattern and possession of the bank are found to be the foremost important determinants of the triple-crown payment banks.

Nidhi Chandaran (2011) conjointly created a abstract study on would like of Payment Banks in India. The study was supported secondary knowledge. The research worker conjointly centered on PPI (Pre-payment Instruments), a abstract study.

Dr. Srinivasan, Prof. Subramanian (2012) has created a close abstract study of Payment Banks. The researchers chiefly targeting finding a solution to sure queries like UN agency are these payment banks, why can we would like Payment Banks once we have already got public, private, foreign and cooperative banks, what are the added services rendered by payment banks then on. The researchers complete there's abundant risk within the close to future to open a lot of Payment Bank Accounts additionally to their regular bank accounts.

Rahmath Safeena et.al, (2012) in his study "Technology Adoption and Indian Consumers: Study on Mobile Banking" known that the evolution of e-banking started from the utilization of ATM Machines (ATMs) and phone banking (Tele-banking), direct bill payment, electronic fund transfer and a good form of allied services offered by the trendy industry.

Vishal R Sandanshive, Dr. Vivek V Katdare (2013) analyzed the eleven entities purposeful areas that are approved beneath In-principle by run. The paper conjointly highlighted the advantages for the shoppers and to the various entities. the most objective of the analysis was to grasp the role of payment banks within the method of economic inclusion. The study tells that telecommunication firms has larger advantage in partnering to the Payment Banks as they need already networks getting to the agricultural customers.

Tavishi and Santosh Kumar (2013) in their study "An Empirical Study on Technology Adoption by Indian Banks" illustrated the factors influencing the shoppers to avail net banking and mobile banking services in India and thence examined the impact of perceived utility and perceived risk on the utilization of net banking and mobile banking.

Prema C (2013) in her analysis article "Factors Influencing shopper Adoption of net Banking in India", examined the method of net banking services and created a close study on the advantages of net banking to the common public. The research worker complete that it's essential for the banks to form awareness to draw in consumers' attention to net banking services.

R. Elavarasi (2014) in her analysis paper has known the bank that provides higher ebanking services to the shoppers and conjointly analyzed the satisfaction level of the shoppers concerning the lay banking web site of banks. it's evident that the age, academic qualification, occupation, financial gain level of consumers etc., are the factors that influence the usage of e-banking services by customers. The research worker complete by stating that there's would like for redoubled awareness of the e-banking services among the shoppers.

Dr. M.S. Rao (2014) stresses in his paper that there's a requirement for constant innovation within the retail banking sector. However, the updated technology and operational potency would supply a larger competitive edge for the retail banking business. moreover, he stressed that it's increasingly important for the banks to boost the standard of the client services and stop predatory disposal ways , notably within the space of credit cards interest payment.

Dr.Uday Singh Hindu (2015) in his analysis paper created a abstract study on the client perception towards e-banking services. The paper examined whether or not the customer's alternative of banks is influenced by the standard of e-banking services provided by the banks. The study unconcealed that education, gender and financial gain play a significant role within the net banking services by the shoppers. The research worker complete that the timely upgradation of skills can produce larger demand for he on-line banking by customers.

Varun Kesavan (2015) has created a shot to analyse what and the way are the innovative services provided by banks to the society. The author conjointly tried to guage the advantages of those facilities to the shoppers and to the banks at massive. The research worker complete by stating that ICT enabled introduction of payment banks have created tremendous impact on the banking sector. He reiterates that priority banking may be a symphony of banking edges and a lot of considerably, the customized services that brings complete harmony to all or any the monetary wants of a standard man.

Joseph Rozario (2016) insisted in his paper that the retail banking wants endless innovation and up gradation. He conjointly examined that the banks ought to incorporate a continuing analysis and revalidation of the interior systems and processes to realize a paradigm shift in bank funding to suit the client wants.

### **Scope of the study**

The payment Bank is one of the recent emergent in the banking sector. Payments banks are expected to revolutionize financial services the way e-commerce has transformed the retail industry, through service and price differentiation, refreshing approach, choice to the customer, focus on volumes over margins, and more importantly, deconstruction of established paradigms. Many academicians and learners have made a study on the Payment Bank but it remains to be a conceptual study. As far as the review of literature is concerned, there is no research made on the awareness, usage and their views on payment banks . There is a greater scope for the further study to whether it is really reaching even the rural public, and to identify who really uses payment and for why it is used. Hence an attempt is made by the researcher to **awareness and Usage of Payment Banks among the college students in Bangalore City.**

**Objectives of the study**

The study is made with certain objectives.

1. To understand the concept of payment Bank
2. To check the awareness of payment Banks among the college students in Bangalore.
3. To know the demographic variables has an influence on awareness and usage of payment Banks among College students in Bangalore.
4. To identify the most frequently used payment Bank among College students in Bangalore.
5. To identify the reasons for using payment banks
6. To identify the expectations on the services of payment Banks

**Statement of the Problem:**

There is a tremendous change in the Indian Banking Sector due to digitalization. In the recent times, with the advent of Internet and digitalization, several alternatives have been popped up and one of them being digital economy. It may be defined as a situation wherein all the transactions are through electronic means and the flow of physical cash is negligible. This is not just limited to apps but also change in the organizations structure also provision of services that goes beyond the traditional facilities. It requires the services made easy and accessible in real time. Cash is replaced by various instruments like Banking cards, Smart cards, Internet and Mobile Banking and use of Digital Wallets.

To fulfill the objectives of financial Inclusion, the role of payment Banks is Vital. There is a need to know whether Payment Banks have reached all sections of the people. To make India a Digital and cashless economy, a complete and detailed knowledge of banking services is necessary for the general public. Hence this study is made to study the awareness and Usage of Payment Banks among the College students in Bangalore.

**Research Methodology:**

**Data Collection:** The data is collected using structured Questionnaire method, and the secondary data was collected from existing data sources, catalogues, internet, books, newspapers, magazines and Journals.

**Population:** Population consists of College students studying different disciplines are taken for this research work.

**Sampling Size and Sampling method:**

The stratified random sampling is used for carrying out the research work. A sample of 200 respondents were studied gathering their demographic variables such as age, gender, education, place of stay, parent's occupation is used.

### Hypothesis and Data analysis

Age of the respondent	%	Education of the respondents	%	Parent occupation	%
<22 years	55	Management	18.5	Agriculture	24.5
22-25 years	31	Arts	47.5	Govt Employees	10
>25 years	28	Nursing	5.5	Private employees	22
		Medicine	11.5	Own business	30.5
		Others	17	Others	13

It is inferred from the above tables that, a majority of the respondents surveyed in this study are > 22 years of age. Majority of the respondents surveyed belong to educated in Arts, and 18.5% are educated in Management course, hence respondents with different education discipline are studied. And also most of the respondents parents say 30.5% are owning their own business, and 24.5% of the respondents are engaged in agriculture. Here the researcher was keen in finding there is any influence of parent's occupation in the usage of digital payments.

Place of stay	%	Use of Payment bank	
Urban	71.5	Yes	85.9
Rural	28.5	No	14.1

It is inferred from the table that the majority of the respondents say 71.5% surveyed are from urban Bangalore . Most of the respondents surveyed are using Payment bank in the transaction.

How long you are using Payment Bank	%	Risk in Payment bank	%
Since 2015	19.5	yes	49
Since 2016	21.5	No	51
Since 2017	27		
Since 2018	32		

It is revealed from the table that a majority of respondents say 32% are using Payment Banks recently since 2018, it clearly shows their awareness and usage is of recent times. It is also understood that a majority of the respondents say 51% say there is no risk in using payment banks.

Payment banks leads to digital India	%	Payment Bank benefitting rural section	%
Highly Disagree	7	Yes	65
Disagree	4	No	35
Neutral	27.5		
Agree	49.5		
Highly agree	12		

When the respondents were asked whether payment banks leads India to be a digital economy, a majority of the respondents say 49.5% agree for that. And only 4% disagreed it. It is also understood that 65% of the respondents said the Payment Bank is benefitting the rural section of the people in India.

smart phone act as a solution for a e-com Industry to use online payment	%
Yes	46.5
No	9
Maybe	44.5

When the respondents were asked whether smart phone act as a solution for e-commerce industry to use online payment., a majority of them say 46.5% said yes and only 9% said no

Reason for using Payment Bank	%
Convenience	39.5
Bundled offers and Discounts	6
Use of Advanced Technology	16
Interest rate of deposits	3.5
Low charge on value added discounts	7
Better service to customers	17
Elimination of black money	11

It is understood from the above table that a majority of the respondents say 39% considered Convenience is the main reason to use payment banks, 17% said payment banks offer better service to customers, and only 6% said payment banks offered bundled offers and discounts.

Government should create awareness	%	Satisfaction on usage with payment bank	%
yes	91.2	Highly satisfied	25
No	8.8	Satisfied	45
		Neutral	27
		Dissatisfied	2
		Highly dissatisfied	1

It is understood from the above table that a majority of the respondents say 91.2% agreed that the Government should create more awareness about the usage of payment banks. When comes to satisfaction of the usage of payment banks when compared to traditional banking, most of the respondents say 45% are satisfied using payment bank and only 1% is dissatisfied.

### **Hypothesis of the Study:**

#### **H1**

Null hypothesis: Perception on Digital and Cashless economy do not differs significantly across the demographic variables.

Alternative hypothesis: Perception on Digital and Cashless economy do not differs significantly across the demographic variables

**Inference:**

Perception on Digital and cashless economy significantly differs across except Age of the respondents ( $F = 0.101 < 2.45$ ;  $0.904 > 0.05$ ); respondents' place of stay ( $F = 7.053 > 2.45$ ;  $0.009 < 0.05$ ); occupation of the students' parents ( $F = 2.639 > 2.45$ ;  $0.035 < 0.05$ ); educational level of the students ( $F = 6.823 > 2.45$ ;  $0.000 < 0.05$ ); How long you are using payment banks? ( $F = 5.730 > 2.45$ ;  $0.001 < 0.05$ ) the demographic variables of the college students. Hence, the alternative hypothesis is accepted. So the research can conclude that, Perception on Digital and Cashless economy do not differs significantly across the demographic variables.

**Age of the Respondents:**

ANOVA					
5. Do you think payment Banks will lead India to the Digital and cashless economy					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.201	2	.101	.101	.904
Within Groups	197.194	197	1.001		
Total	197.395	199			

**Place of Stay**

ANOVA					
5. Do you think payment Banks will lead India to the Digital and cashless economy					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	6.790	1	6.790	7.053	.009
Within Groups	190.605	198	.963		
Total	197.395	199			

**Parent  
Occupation**

**ANOVA**

5. Do you think payment Banks will lead India to the Digital and cashless economy					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.136	4	2.534	2.639	.035
Within Groups	187.259	195	.960		
Total	197.395	199			

**Education**

**ANOVA**

5. Do you think payment Banks will lead India to the Digital and cashless economy					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	29.622	5	5.924	6.823	.000
Within Groups	167.574	193	.868		
Total	197.196	198			

**How long you are using payment banks?**

**ANOVA**

5. Do you think payment Banks will lead India to the Digital and cashless economy

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	15.916	3	5.305	5.730	.001
Within Groups	181.479	196	.926		
Total	197.395	199			

Decision: Alternative Hypothesis is accepted

H2

Null Hypothesis: There is no significant relationship between demographic variables and Satisfaction on Payment Banking

Alternative Hypothesis: There is a significant relationship between demographic variables and Satisfaction on Payment Banking

Decision: Alternative Hypothesis is accepted

### Descriptive Statistics

	N	Mean	Std. Deviation	Minimum	Maximum
Age	200	1.5900	.72424	1.00	3.00
Education	199	3.1156	1.19414	1.00	6.00
Place of stay	200	1.2850	.45255	1.00	2.00
Occupation	200	2.8900	1.34796	1.00	5.00
3.How long you are using payment banks?	200	2.7150	1.11354	1.00	4.00
12. How satisfied you are in payment bank when compared to traditional banking system in India	200	3.9100	.82784	1.00	5.00

### Test Statistics

	Age	Education	Place of stay	Occupation	3.How long you are using payment banks?	12. How satisfied you are in payment bank when compared to traditional banking system in India
Chi-Square	50.920 <sup>a</sup>	269.935 <sup>b</sup>	36.980 <sup>c</sup>	28.350 <sup>d</sup>	7.640 <sup>e</sup>	138.400 <sup>d</sup>
df	2	5	1	4	3	4
Asymp. Sig.	.000	.000	.000	.000	.054	.000

- a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 66.7.
- b. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 33.2.
- c. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 100.0.
- d. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 40.0.
- e. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 50.0.

**Inference:** There is a significant relationship between demographic variables and Satisfaction on Payment Banking since p value is less than 0.05 in the chi-square test table.

### **Findings of the study:**

The following are the main findings of the study:

1. Majority of the respondents surveyed in this study are > 22 years of age.
2. The majority of the respondents say 71.5% surveyed are from urban Bangalore .
3. Majority of respondents say 32% are using Payment Banks recently since 2018, it clearly shows their awareness and usage is of recent times. It is also understood that a majority of the respondents say 51% say there is no risk in using payment banks.
4. Only 4% disagreed that Payment banks will lead India to a digital economy.
5. Majority of them say 46.5% said smart phone act as a solution for e-commerce industry to use online payment., and only 9% said no
6. Majority of the respondents say 39% considered Convenience is the main reason to use payment banks,
7. Majority of the respondents say 91.2% agreed that the Government should create more awareness about the usage of payment banks.
8. 45% are satisfied using payment bank and only 1% is dissatisfied.
9. Perception on Digital and Cashless economy do not differ significantly across the demographic variables
10. There is a significant relationship between demographic variables and Satisfaction on Payment Banking.

### **Suggestions and expectations of payment banks**

The study found certain expectations and suggestion of respondents with regard to payment banks.

1. Payment bankers are expected to provide genuine information about its functioning.

2. More security expected.
3. More user friendly
4. Acceptance of payment banks in all local stores.
5. Expecting more offers and discounts
6. Reduction in the commission charged by the payment banks
7. Payment banks are expected to have fast payment mode.
8. It is reported that servers are always down which need to be rectified.
9. Spot cash facilities expected
10. Eliminate bugs and make transactions in a secured manner.
11. Expecting cash back offers.
12. Awareness should be created in rural areas
13. The payment banks are expected not to misuse customers personal information.
14. Not to charge / or reduce commission charges while using payment banks.

**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 and Geographic's.

Thus, Payment Banks guarantees to be a game-changer thanks to by exploitation the mobile platform to produce basic banking transactions through mobile phones. the choice to license a number of the country's biggest company and mobile telecommunication corporations to start out payment banks guarantees to be an identical game-changer in India.

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