A STUDY ON INDIVIDUAL PERCEPTION TOWARDS MOBILE BANKING

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ABSTRACT

As The Economy Is Stepping Ahead towards Digitalization, the banking industry is among the leading sectors to implement and utilize the Internet technology, and it has introduced a new feature called MOBILE BANKING, Where That Allows Its Customers to Access the Financial Transactions far away from any place using a Mobile Phone. In today’s hopping world it’s very difficult for a customer to visit bank for performing number of banking transactions. So in order to overcome this difficulty, the Banks have introduced Mobile Banking which helps its customers in many ways like easy transfer of funds, payments of bills, balance enquiry, international remittance etc. Our Mobile phones are usually with us all the time, and a Mobile banking APP on the device can quickly help us to perform the banking transaction any time at any place, so it’s like an “MINI BANK IN OUR POCKET”. Mobile banking has its own advantages and disadvantages. Despite of the disadvantages the Mobile banking application has become popular these days. This paper tries to analyze the perception of customers towards Mobile Banking services and to analyze the impact of Mobile banking on Customers Mode of transactions and to study whether Mobile banking is a replacement to Physical banking. Data for this study was collected through Questionnaire conducted in the city of Hyderabad. The sample size was 106.

Key words: Mobile banking, mode of transactions, Physical banking, banking services, Mobile phones/smart phones.

I. INTRODUCTION

In Modern world, Mobile phones are the most important medium for communication and it can be used for many purposes. When it is linked with the business, it helps in developing new business models, where it can provide the services in a better way. So, financial institutions have recognized that mobile banking services can play a vital role in accessing the transactions. The Mobile banking was introduced in the banking sector in the year 2002 by way of SMS (short message service) banking. And now it enables the customers to perform all banking transactions except few on their mobile phones. Banks provides mobile banking assistance to their clients in many ways like Mobile banking over Mobile Apps, mobile banking over SMS, Mobile Banking over Unstructured Supplementary Service Data (USSD). Mobile banking is beneficial to customers in many ways like Access to account information (view account balance, transaction history, e-passbook, and loan statement), Transactions (bank to bank transfers, transfer of funds to self, bill payment), Investments (mutual fund investment, opening a fixed/recurring deposits) etc. So the customer can perform the transactions far away from any place with the help of Mobile banking. In these days, mobile banking has become very more popular in India.

II. REVIEW OF LITERATURE

Asha Rani, Kiran Mehta (2018), “A Study on Development of Dual Phase Mobile Banking Adoption Model”, this research paper focuses on the development of adoption model representing the two phases of Mobile banking , the paper has used mostly the integrated technology Acceptance Model. The dual phase Model will raise an opportunity for enhancing the use of Mobile banking in India.

Deepa Verma (2016), “Determinants of Adoption Behavior Towards mobile Banking Services – A Study of Indian customers”, this research paper focuses on the factors which contributes to users intension to use Mobile
banking facilities and it has concluded that perceived compatibility, reference group influence, perceived reliability has a significant positive impact on the adoption of customers behavior towards mobile banking.

Mr. K. Lohith Kumar, M. Sreekanth, K. Venugopal Naidu (2016), “A Study On Mobile Banking In India”, this article is all about the functioning of mobile banking and security issues with wireless application protocol and it explains how to overcome the virus attacks and risk associated with digital signature. It says that customers must understand and accept the system of mobile banking such that usage of it can be 100%.

A Pappu Rajan, Dr. V Kannan (2015), “A study on utility of mobile banking technology in Tiruchirappalli city, Tamil nadu”, has focused on the utility, adoption & acceptability of mobile banking system perception of mobile banking users and it says that people should consider that Mobile banking is an chance to increase their growth and Mobile banking can be consider as a affordable service.

Vishal Goyal, Dr. U.S. Pandey, Sanjay Batra (2012), “Mobile Banking in India: Practices, Challenges and Security Issues”, this research paper tries to explain the overview of Mobile banking, features & advantages of mobile banking, conceptual issues, mobile banking payments in Indian commercial banks and challenges faced by them. The study shows that Mobile handset operability is an important issue in the field of mobile banking.

Jin, Nie, Xianling, Hu (2008), “Mobile Banking Information Security and Protection Methods”, this Research paper focuses on issues of information security and protection measures such as Digital signatures, Identity authentication Encryption technology etc. The banking services can be provided in a better way by using the wireless communication technology.

Shamsher Singh, “Customer Perception of Mobile Banking: An Empirical Study in National Capital Region Delhi”, this research paper focuses on the adoption and impact of Mobile banking on customer of different customers. It had concluded that Mobile banking users are concern with the security issues like Account Hacking, Financial frauds etc.

NEED OF THE STUDY
Mobile banking is an emerging trend in the banking sector and it helps in performing the transactions without any difficulty, so it is very important to examine the customer’s perception towards it and impact on mode of transactions.

RESEARCH GAP
The earlier studies have focused on Mobile technology, Mobile banking Models, security issues, and challenges. so this study is an attempt to analyze the perception of the customers by taking views of different customers about the Mobile banking services and to examine the impact of Mobile banking on customer’s mode of transactions and to also study whether Mobile banking has been replaced the physical banking.

OBJECTIVES OF THE STUDY
• To analyze the perception of different customers about Mobile banking services
• To examine the impact of Mobile banking services on customers mode of transactions.
• To know whether Mobile banking has replaced the physical banking.

HYPOTHESIS OF THE STUDY
In pursuance of the above objectives, the following hypotheses are formulated:

H01: There is no significant difference between the gender and usage of Mobile banking apps.

H02: There is no significant difference between the Educational qualifications and replacement of physical banking with mobile banking

H03: There is no significant difference between the Age group and frequency of the transactions.

PERIOD OF THE STUDY
The study has been carried since past one month (Feb-March 2021)
SCOPE OF THE STUDY
The study is confined to the urban population and studies about the awareness and usage of Mobile banking Application system.

III. RESEARCH METHODOLOGY

Type of study: The research is Descriptive in nature.

Sources of data: The data for the study is consists of both primary and secondary Sources.

Primary data: The primary data is collected from the questionnaire method, which includes the Demographic information, usage of mobile apps, Mobile banking perception, Knowledge ability of customers regarding different Mobile banking services & frequency of transactions.

Secondary data: The secondary data is collected from the books, journals and online journal and websites related to the study.

SAMPLE DESIGN

Sample size: sample size taken for the purpose of study is 106 respondents who are customers of various banks in Hyderabad and the city was chosen on a convenience basis.

Sampling method: Simple random sampling technique is used for the purpose of Study.

Techniques applied for analysis of the data:
Percentile analysis and Chi X² test

Limitations of the Study

It covers only respondents from Hyderabad, by keeping a sample of 106.

IV. DATA ANALYSIS AND INTERPRETATION

CHI X² TEST ANALYSIS

1. Association Of The Gender And Usage Of Mobile Banking App
To analyze the whether there is association of the gender and usage of mobile banking app, a Chi-square test is conducted at 5% level of significance with 3 Degree freedom Results of the tests are presented as follows:

<table>
<thead>
<tr>
<th>GENDER</th>
<th>YES</th>
<th>NO</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>MALE</td>
<td>48</td>
<td>6</td>
<td>54</td>
</tr>
<tr>
<td>FEMALE</td>
<td>38</td>
<td>14</td>
<td>52</td>
</tr>
</tbody>
</table>

Null Hypothesis (H₀): There is no significant difference between the gender and usage of Mobile banking apps

Alternative Hypothesis (H₁): There is significant difference between the gender and usage of Mobile banking apps.

Analysis Using Chi X² Test:

<table>
<thead>
<tr>
<th>LEVEL OF SIGNIFICANCE</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEGREE OF FREEDOM (n-1)</td>
<td>3</td>
</tr>
<tr>
<td>CRITICAL/TABLE VALUE</td>
<td>7.815</td>
</tr>
<tr>
<td>Chi X² VAULE</td>
<td>4.3265</td>
</tr>
</tbody>
</table>

DECISION: Since the calculated value of chi X² test 4.3265 is less than the critical value of chi X²(7.815) at 5% level of significance and 3 degrees of freedom, therefore we accept the null hypothesis, i.e. there is no significant difference between the gender and usage of Mobile banking app.
2. Association Of The Educational Qualifications And Replacement Of Physical Banking With Mobile Banking

To analyze the whether there is association of the Educational qualifications and Replacement of physical banking with mobile banking app, a Chi-square test is conducted at 5% level of significance with 6 Degree freedom Results of the tests are presented as follows:

<table>
<thead>
<tr>
<th>EDUCATIONAL QUALIFICATIONS</th>
<th>YES</th>
<th>NO</th>
<th>SOMETIMES IT VARIES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Post Graduation</td>
<td>10</td>
<td>5</td>
<td>8</td>
<td>23</td>
</tr>
<tr>
<td>Graduation</td>
<td>30</td>
<td>6</td>
<td>34</td>
<td>70</td>
</tr>
<tr>
<td>Under Graduate</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Inter</td>
<td>2</td>
<td>2</td>
<td>7</td>
<td>11</td>
</tr>
<tr>
<td>SSC</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL</td>
<td>43</td>
<td>14</td>
<td>49</td>
<td>106</td>
</tr>
</tbody>
</table>

Null Hypothesis (H₀): There is no significant difference between the Educational qualification and replacement of physical banking with mobile banking

Alternative Hypothesis (H₁): There is significant difference between the Educational qualification and replacement of physical banking with mobile banking.

Analysis Using Chi X² Test:

<table>
<thead>
<tr>
<th>LEVEL OF SIGNIFICANCE</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEGREE OF FREEDOM</td>
<td>6</td>
</tr>
<tr>
<td>CRITICAL/TABLE VALUE</td>
<td>12.592</td>
</tr>
<tr>
<td>Chi X² VAULE</td>
<td>2.815186</td>
</tr>
</tbody>
</table>

DECISION: Since the calculated value 2.815186 is less than the critical value of Chi X² test (12.592) at 5% level of significance and 6 degree of freedom, therefore accept the null hypothesis i.e., There is no significant difference between the Educational qualification and replacement of physical banking with mobile banking.

3. Association Of Age Group And Frequency Of The Transactions:

To analyze the whether there is association of Age group and frequency of the transactions, a Chi-square test is conducted at 5% level of significance with 4 Degree freedom Results of the tests are presented as follows:

<table>
<thead>
<tr>
<th>AGE/TRANSACTIONS</th>
<th>Daily</th>
<th>weekly</th>
<th>monthly</th>
<th>rarely</th>
<th>NEVER</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>22</td>
<td>30</td>
<td>11</td>
<td>21</td>
<td>12</td>
<td>96</td>
</tr>
<tr>
<td>25-35</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>35-45</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>45 &amp; ABOVE</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>25</td>
<td>33</td>
<td>12</td>
<td>24</td>
<td>12</td>
<td>106</td>
</tr>
</tbody>
</table>

Null Hypothesis (H₀): There is no significant difference between the Age group and frequency of the transactions

Alternative Hypothesis (H₁): There is significant difference between the Age group and frequency of the transactions

Analysis Using Chi X² Test:

<table>
<thead>
<tr>
<th>LEVEL OF SIGNIFICANCE</th>
<th>5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEGREE OF FREEDOM</td>
<td>4</td>
</tr>
<tr>
<td>CRITICAL/TABLE VALUE</td>
<td>9.488</td>
</tr>
<tr>
<td>Chi X² VAULE</td>
<td>0.274377</td>
</tr>
</tbody>
</table>
Decision: Since the calculated value 0.274377 is less than the critical value of Chi X² test (9.488) at 5% level of significance and 4 degrees of freedom, therefore accept the null hypothesis i.e., There is no significant difference between the Age group and frequency of the transactions.

PERCENTILE ANALYSIS

4. Showing whether M banking has made banking more convenient to customers

The above pie charts shows us that out of 106 customers, 93.4 % of the banking customers feel very convenient in using Mobile banking services, wherein remaining 6.6% aren’t convenient in using it.

5. Factors motivating a customers to adopt Mobile banking

The above Bar graph shows that, about 80.2% respondents are motivated to use mobile banking for time saving, where 19.8 % are motivated by Cost effectiveness and remaining 53.8 % and 28.3% are motivated by ease of use and technology savvy.

6. Privacy issues:
The above Bar graph shows that how respondents feel about the safety in providing privacy information over Mobile Banking. Out of 106 respondents, 82 feel it safe and remaining 24 feel unsafe in providing the information over Mobile banking.

7. Period of usage of Mobile banking apps

The above Pie charts indicates that majority of the respondents i.e., 57 started using the mobile banking Apps during the Digitalization of banks, where 29 started using during Covid period. The remaining 15 where using it during the period of demonetization, 3 respondents were not at all using the Mobile banking app and 2 respondent was using it since he employed and since lockdown.

8. Reasons Customers Visit bank

The above Bar graph indicates that majority of the respondents (50.9%) visit banks for Account opening and closing purpose, where 44.3% & 43.4% of them visit bank for presenting the cheques for payments and whenever there is an issue with Mobile Banking App. 28.3% visit banks for KYC process and 0.9% visit banking all for the above transactions.

9. Overall knowledge of respondents in banking services available through Mobile banking
The above histogram indicates the Knowledge levels of the respondents in banking services which are available in Mobile banking App.

The following are the ratings given by the respondents regarding the knowledge levels for different services

<table>
<thead>
<tr>
<th>Rating(5to1)/M-Banking Services</th>
<th>5</th>
<th>4</th>
<th>3</th>
<th>2</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Transfer</td>
<td>26</td>
<td>33</td>
<td>22</td>
<td>11</td>
<td>14</td>
</tr>
<tr>
<td>Balance Enquiry</td>
<td>33</td>
<td>25</td>
<td>28</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Bank statement</td>
<td>28</td>
<td>27</td>
<td>25</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>Bill payment</td>
<td>30</td>
<td>29</td>
<td>21</td>
<td>14</td>
<td>12</td>
</tr>
<tr>
<td>International Remittance</td>
<td>8</td>
<td>13</td>
<td>31</td>
<td>20</td>
<td>34</td>
</tr>
<tr>
<td>Investment</td>
<td>9</td>
<td>13</td>
<td>27</td>
<td>18</td>
<td>39</td>
</tr>
<tr>
<td>Insurance products</td>
<td>8</td>
<td>14</td>
<td>27</td>
<td>12</td>
<td>45</td>
</tr>
<tr>
<td>Request for debit/credit cards</td>
<td>14</td>
<td>25</td>
<td>26</td>
<td>15</td>
<td>26</td>
</tr>
</tbody>
</table>

V. FINDINGS

- From $H_{01}$, it can be concluded that there is no significant difference between the gender and usage of Mobile banking app, since the calculated value of chi $\chi^2$ test 4.3265 is less than the critical value of chi $\chi^2(7.815)$ at 5% level of significance and 3 degrees of freedom.

- From $H_{02}$, it has found that there is no significant difference between the Educational qualification and replacement of physical banking with mobile banking, since the calculated value 2.815186 is less than the critical value of Chi $\chi^2$ test (12.592) at 5% level of significance and 6 degrees of freedom.

- From $H_{03}$, it can be concluded that there is no significant difference between the Age group and frequency of the transactions, Since the calculated value 0.274377 is less than the critical value of Chi $\chi^2$ test (9.488) at 5% level of significance and 4 degrees of freedom.

- Out of 106 respondents, 50.9% are male and 49.1% are females.

- 90.6% of respondents belong to age group of 18-25 years, 4.7% belongs to 25-35 years and 4.7% of respondents belong to age group of 35-45 years.

- 66% of respondents are graduates, 21.7% are post graduates, 11.3% are under graduates, 1% of respondents belong to SSC.

- Out of 106 respondents, 86 have mobile Banking Apps and remaining 20 respondents doesn’t have Mobile Banking Apps. It means even though they have Mobile banking Apps, respondents are not using it due to user Friendly issue or Security issue.

- 99 respondents are convenient in using the Mobile banking, wherein remaining 7 is not convenient in using it.

- 23.6% respondents perform the transactions on Daily basis, 31.1% on weekly basis, 11.3% of respondents perform it on monthly basis, 22.6% of respondents use it very rarely and remaining 11.3% they never Use the Mobile banking for transactions.

- 80.2% respondents are motivated to use mobile banking for time saving, where 19.8% are motivated by Cost effectiveness and remaining 53.8% and 28.3% are motivated by ease of use and technology savvy.

- Out of 106 respondents, 82 respondents feel safe in providing the Privacy information over Mobile banking, where remaining 24 feel unsafe. As the Respondents are concern with the security issues like Hacking, financial frauds etc.
The majority of the respondents (50.9%) visit banks for Account opening and closing purpose, where 44.3% & 43.4 % of them visit bank for presenting the cheques for payments and whenever there is a issue with Mobile Banking App. 28.3 % visit banks for KYC process and 0.9 % visit banking all for the above transactions.

53.8 % started using the mobile banking Apps during the Digitalization of banks, where 27.4% started using during Covid period. The remaining 14.2 % where using it during the period of demonetization, where 2.8 % are not at all using the M banking app , 0.9 % used it since the respondent have employed and since lockdown.

The knowledge levels regarding the usage of different services available in the Mobile banking: mostly the respondents are having an ability to make a Fund transfer, bills payment, Request for debit and credit cards, balance enquiry, e-Bank statement. However many of them had rated low with respect to International remittance, Insurance products, investment schemes. It means the Customers are not aware or they won’t feel secured about the International remittance, Insurance products, and investment schemes properly.

VI. CONCLUSION

From the above results, it can be concluded that the Usage of Mobile Banking has been increased tremendously, however there are some transactions which are to be performed at Physical bank. By Adopting the Proper safety measures by the Financial institutions and they can add the KYC process, Account opening and closing feature in the Mobile banking. And the Perception of the customers is different based on their age group and Educational qualifications. Most of them feel that, the Mobile banking may not replace the Physical banking as a transaction at times varies. And they have to visit the bank for performing some confidential transactions, as Customers are Concern with Security issues like Hacking, Account misuse, financial frauds etc. And some the customers are not using the Mobile banking apps due to lack knowledge regarding the usage, so by creating the Apps a User friendly the problem can be sorted out. The Usage of Mobile banking can be even more increased by creating the awareness regarding the Security, safety, Privacy issues. So that their confidential information is Secured and the risk of Hacking and other privacy related issues can be minimized.

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