

## A STUDY ON CUSTOMERS' PERCEPTION ON MOBILE BANKING SERVICES AT KENGARI UPANAGAR, BENGALURU

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### **ABSTRACT**

*Mobile banking has been in existence for more than a decade. M- Banking was started in India by the way of SMS banking in the year 2002. With the technological advancement and the increased users of smart phone, mobile banking app facilitates the customer to perform most of their banking activities through their smart phone without visiting to banks. The main objective of this research work is to assess the customers' perception on mobile banking services. The result shows that customers are satisfied with the mobile banking service. It is found that there are customers who do not use mobile banking services because of the security issues, difficult to use smart phones for mobile banking, lack of knowledge on M – Banking, fear of fraudulent activities, poor app design and network problem. Banks have to educate their customers about M-banking and needless to say the technological revolution would play a major role in the days to come.*

**KEYWORDS:** *Customer Perception, M- Banking, Mobile App*

### **INTRODUCTION**

With the constant effort by the Indian government to create a 'digital India' and a changing pace in technological innovations all around the world, there is a rapid increase in mobile banking usage in India since last two decades. Mobile banking is the service provided by the banks and other financial institution that allows its customer to perform their financial transactions through smart phones and tablets using the mobile application.

Mobile Banking was introduced in the year 2002 with SMS service to customers' in order to provide better information about their account balance. In the recent past, the mobile banking services drastically expanded from SMS services to checking account balances, lists of latest transactions, electronics bill payments, fund transfer between one accounts or other account.

Mobile banking is usually available for 24 hour basis. It saves transaction cost and customers need not stand in queues except for non-cash transaction and for cash withdrawal customers have to visit ATMs or branch.

Articles published by Economic times on Aug 29th, 2018 based on the RBI report stated that, mobile banking services witnessed a growth of 92 percent and 13 percent in terms of volume and value respectively. Having understood the pace of growth in mobile banking, researcher made an attempt to study the customers' perception on mobile banking services in kengeri Upanagar, Bengaluru.

## **NEED OF THE STUDY**

The mobile banking is an important technological change in the banking sector where the majority of individuals shift from traditional banking to mobile banking. So the study has been undertaken to understand the customers' perception on mobile banking, and opinion about safety of M-Banking.

## **OBJECTIVES OF THE STUDY**

- To present the theoretical perspective on mobile banking.
- To identify the different services offered to customers through mobile banking.
- To analyse the customer's perception towards mobile banking.

## **SCOPE OF THE STUDY**

M-banking users are growing rapidly in India, so research has been conducted to understand the perception of customers on security, mind set on mobile banking acceptance, willingness to accept and to know about their satisfaction level with reference to Kengeri Upanagar.

## **RESEARCH METHODOLOGY**

### **TYPE OF RESEARCH**

This researchwork is a descriptive in nature that describes the customers' perception on mobile banking services. Primary data is collected with the support of self-administered questionnaires. Secondary data is collected from different published printed sources such as books, journals, magazine, weblogs, websites, e-journal etc.

### **SAMPLING TYPE**

The researcher has used convenience sampling of research work and it is a type of non-probability sampling that involves the sample being drawn from that part of the population that is close population size.

### **Sampling Frame**

Customers who are using mobile banking services at Kengeri Upanagar, Bangalore.

### **Sampling Unit**

Sample size for this study is 40 customers in Kengeri Upanagar.

## **Tools for Data Collection**

The researcher has collected required information from customers of bank in Kengeri Upanagar. The questionnaire contains both structure and semi structured questionnaire.

## **STATEMENT OF THE PROBLEM**

Customers with high educational literacy finding it easy to use mobile banking than that of people with less educational literacy. People found it easy to make fund transfer, bill payment, order new cheque book and they need not make time out of their busy schedule to visit bank for these non-cash transaction. Lack of knowledge about mobile banking, security problem, lack of knowledge on smart phones, and required version of smart phones are the cause of slow growth of mobile banking services. Having to understand the given pace of growth, the researcher made an attempt to study the customers' perception about mobile banking services.

## **LITERATURE REVIEW**

(Kaur, Apr-Jun 2016) he examined the growth in mobile banking users. The value of money exchanged through mobile banking rose to Rs. 1035 billion during the year ended March 31, 2015 against Rs. 224.38 billion in the year 2014. The regulatory bodies have initiated innovative steps for penetration of mobile banking reach to all the customers. There is also need to generate awareness about the mobile banking so that more and more people use it for their benefit.

(Devadevan, 2013) he elaborated the issues and challenges of mobile banking, with the bank paid technological growth, bank has to adopt mobile banking. But the evolution of different technology in communication systems, major issues arise like the security of customers' transaction, customer feel that there is chance of misuse in mobile banking due to mobile handset theft.

(Mr. M. Mohanraj, 2018) in his article researcher is of the opinion that mobile banking is used by the customer effectively and mobile banking service are provided by the bank to sustain the competition, retain and satisfy the customers. He also found in his study, that the banks need to provide certain programs to the customers regarding the dynamic change in the mobile banking process, which will make the customer to be satisfied with the service of banks.

(Kumar, 2016) he elaborated the features of mobile banking and recommend the government to take up more initiatives to spread awareness about M-Banking and also apps should be designed by banks according to the customers' specification. He found in his research that majority of the mobile banking users are more convenient with M banking.

(Veena, 2018) from her study, it is revealed the theoretical background and current scenario in mobile banking services in the Indian context. The study analysed the reason for the customer adoption of SBI mobile banking services in Mysore city and found out the customers have different reasons for adoption of the M – banking. The researcher concluded that the customers should be trained to use mobile banking, the customer's safety in-terms of availing the services should be strengthened, security services should be provided by the banks and awareness programme should be conducted by banks for their customers about m-banking.

## LIMITATION OF THE STUDY

- Applicability of this studies is limited to Kengeri Upanagar only.
- This study is subject to respondents' information bias
- The study is not particularly confined to either private bank or nationalized banks or foreign banks.

## THEORETICAL BACKGROUND

Banking in India was originated in late 18<sup>th</sup> century. Post-independence, nationalization of major private sector banks became an important milestone in the Indian banking sector and made banking more accessible to the unbanked population in India. With the evolution and the advent of technology, banks adopted SMS services in the year 2002 and later it adopted internet banking and then the mobile banking. Mobile banking has changed the traditional way of banking that allows fund transfer, bill payments, balance enquiry and order cheque book etc.

### Features and Advantages of Mobile Banking

- Mobile banking provides easy accessibility to clients' accounts.
- It provides 24/7 service.
- It provides an accessibility mini statement to customers.
- It allows inter and intra bank fund transfer.
- Customer can order cheque book.
- Customer can make bill payments.
- Saves time to customers and reduce operational cost to banks.

## DISADVANTAGES

- Mobile banking is available only in smart phone and not all the smart phones are compatible to install mobile banking applications.
- Mobile banking has exposure to banking frauds and hacking.
- Old and illiterate customers find it difficult to use mobile banking services.

**DATA ANALYSIS AND INTERPRETATION**

**Table 1: Details of Demographic Profile of the Mobile Banking Users in Kengeri Upanagar**

<b>Particulars</b>	<b>No of Respondents</b>	<b>Percentage</b>
1.Age group of the respondents		
a)Less than 20	2	5
b)20-40 years	24	60
c)40-60 years	9	22.5
d)60-80 years	5	12.5
e)80years and above	0	0
2.Gender		
a) Male	25	62.5
b) Female	15	37.5
3. Qualification		
a) SSLC	6	15
b) PUC	8	20
c) U.G	11	27.5
d) P.G	15	37.5
4. Occupation		
a) Employee	16	40
b) Self Employed	7	17.5
c) Student	6	15
d) Home maker	6	27.5

**Source:** Primary Data

**Interpretation**

From the 40 customers, 5% of customers belongs to the age group of less than 20, 60% of customers belongs to age groups of 20-40 years, 22.5% of customers belongs to the age group of 40-60 and 12.5% of customers belongs to the age groups of 60-80 years. This indicates that young and middle age group respondents are highly using mobile banking services. In the context of gender, 62.5% of customers were male respondents and 37.5% of customers were female respondents. Further to this, educational background of the respondent's makes it clear that the majority of the respondents are graduates and post graduates. In the context of occupation majority of the respondents were employees.

**Table 2: Details of Respondents Using Mobile Banking**

Particulars	No of Respondents	Percentage
Yes	29	72.5
No	11	27.5
<b>Total</b>	<b>40</b>	<b>100</b>

Source: Primary Data

### Interpretation

From the above table, it is inferred that majority i.e. 72.5% of the respondents use mobile banking services and 27.5% of respondents do not use mobile banking services.

**Table 3: Details on whether Customers More Convenient with Mobile Banking than Traditional Banking**

Particulars	No of Respondents	Percentage
Yes	32	80
No	8	20
<b>Total</b>	<b>40</b>	<b>100</b>

Source: Primary Data

### Interpretation

From the above table, it is inferred that majority 80% of the respondents are more convenient with the mobile banking services as compared to traditional banking activities.

**Table 4: Details of Satisfaction Level of Customers on Mobile Banking**

Particulars	No of Respondents	Percentage
Highly satisfied	12	30
Satisfied	15	37.5
Neutral	6	15
Dis-satisfied	4	10
Highly dis-satisfied	3	7.5
<b>Total</b>	<b>40</b>	<b>100</b>

Source: Primary Data

### Interpretation

From the above table, it is inferred that 30% of the respondents are highly satisfied with the mobile banking and 37.5% of the respondents are satisfied with the mobile banking service, 15% of the respondents are neutral on their satisfaction level, 10% of the respondents are dissatisfied and 7.5% of the respondents are highly dissatisfied.

**Table 5: Details of Most Preferred M-Banking Transaction**

Particulars	No of Respondents	Percentage
Balance enquiry	7	17.5
Fund transfer	16	40
Recharge	5	12.5
Make bill payment	10	25
Order cheque books	2	5
<b>Total</b>	<b>40</b>	<b>100</b>

Source: Primary Data

### Interpretation

From the above table, it is inferred that the 40% of the respondents use mobile banking for fund transfer, 25% of the use mobile banking for making bill payments, 17.5% use mobile banking for balance enquiry, 12.5% respondent's use mobile banking for recharge and 5% respondents use mobile banking for ordering cheque books.

**Table 6: Details of Reasons for Using Mobile Banking**

Particulars	No of Respondents	Percentage
Saving of Time	8	20
Need no visit to bank for non monetary transaction	20	50
Faster and 24/7 transaction	12	30
Total	40	100

Source: Primary Data

### Interpretation

From the above table, it is inferred that the 50% of the respondents main reason to use mobile banking is that they need not visit bank for non- monetary transaction, 30% of the respondents main reason to use mobile banking is that it provides 24/7 transaction and 20% of the respondents use mobile banking to save time.

**Table 7: Agreement Level of Respondents on Reasons for Non-usage of Mobile Banking**

Agreement Level	Security Issues		Poor App Design		Network Problem		Find Difficult to Use Mobile Banking Service		Lack of Knowledge about Mobile Banking	
	No of Respondents	%	No of Respondents	%	No of Respondents	%	No of Respondents	%	No of Respondents	%
Strongly agree	14	35	11	27.5	14	35	10	25	14	35
Agree	6	15	5	12.5	2	5	5	12.5	2	5
Neutral	10	25	12	30	13	32.5	12	30	13	32.5
Dis-agree	7	17.5	5	12.5	8	20	5	12.5	8	20
Strongly Disagree	3	7.5	7	17.5	3	7.5	7	17.5	3	7.5
<b>Total</b>	<b>40</b>	<b>100</b>	<b>40</b>	<b>100</b>	<b>40</b>	<b>100</b>	<b>40</b>	<b>100</b>	<b>40</b>	<b>100</b>

Source: Primary data

### Interpretation

From the above table it is inferred that, in the context of security issues 35% strongly agree that security is one of the reasons for not using mobile banking. In the context of poor app design, majority i.e. 30% of the respondents are neutral with the opinion on that poor app design is the reason for not using mobile banking and 28% of the respondents strongly agree that poor app design is one the reasons for not using mobile banking. In the context of network problem, 35% of the respondents strongly agree that network problem is one of the reasons for not using mobile banking. In the context of difficulty in using mobile banking, 27% disagree that this is the reason for not using mobile banking. In the context of lack of knowledge about mobile banking, 28% strongly agree that this is one of the reasons for not using mobile banking.

### FINDINGS

- Out of the 40 respondents, 60% of the respondents belongs to the age group of 20-40 years and 5% belongs to the age group of less than 20 years. 63% of the respondents are male and 37% are female, 37.5% and 27.5% of the respondents are post graduates and graduates.
- The result shows that the majority of the young and middle age group with education is using the mobile banking services and the majority of customers are satisfied with the mobile banking.
- The most preferred transactions in mobile banking are fund transfer, bill payment and balance enquiry.
- The main reason for the use of mobile banking by most of the customer are to avoid visiting to bank for non-cash transaction.
- Security, difficult to use mobile banking application and lack of knowledge on mobile banking are the main reasons for not using mobile banking services by the customers.



## **SUGGESTIONS**

- It is suggested to increase the pace of mobile banking services, banks have to create awareness about mobile banking services and its usefulness among customers.
- The bank should take the responsibility and train the customers regarding the usage of mobile banking to have an increased number of mobile banking services.
- A bank along with mobile service providers should work on security issue to avoid the fraudulent transaction. The bank also has to come up with the system that solve the factors that are affecting the mobile banking services and threats posed by fin-tech companies.

## **CONCLUSIONS**

The study is confined to customers' perception of mobile banking services and from the analysis, it is found that the majority of the customers have a positive opinion towards the mobile banking services. Easy to transfer funds, bill payments and account balance enquiry are the major transactions and convenient for use through mobile banking services and it saves time. Security, awareness and network problem are the major issues for acceptance of mobile banking services. Therefore, it is suggested that banks have to provide training and create awareness regarding the technology in order to make the customers to avail hassle free mobile banking.

### **Practical Managerial Implications**

From this research work, it is very clear that with the growing technological pace across the India, mobile banking services is well accepted and used by a majority of the population including rural population. Banking institution and government are continuously working towards digitalisation that will increase users of mobile banking services in India in the near future.

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