

A Study on usage of Mobile Banking Apps with Respect to People in North Bangalore

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ABSTRACT

Digitalisation is the driving force universally in all the fields. Developments in Information Technology has improved quality services of all types of industries worldwide. In the field of Banking, there is a paradigm shift by banks from traditional brick and motor banks to branchless banks. Internet Banking and Mobile banking has attracted more customers as there are more number of people who use smart phones, computers or laptops. Banks are offering various mobile and online banking services to enable the customers to transact easily at lesser cost. Compared to computers and laptops, people prefer to use smart phones and tablets owing to its convenience and longer battery duration. Mobile Banking means the financial and banking services offered by banks through telecommunication services. It is the emerging technology opted by the customers around the world where there is less chance for the customers to visit banks and personally communication with bankers. This gap is filled by the softwares developed by the bankers which helps customers to gain updated knowledge about banking services. The bankers in turn, are able to tap relevant information about the customers from their transaction history database. This study aims to find out whether demographic factors influence the people to perform financial transactions using Mobile Banking Apps and to know whether people are ready to accept the change in the recent banking system due to digitalisation. Quantitative data was collected using self administered questionnaire from 150 respondents residing in North Bangalore.

Keywords: Mobile Banking, Digitalisation, Customer Satisfaction.

INTRODUCTION:

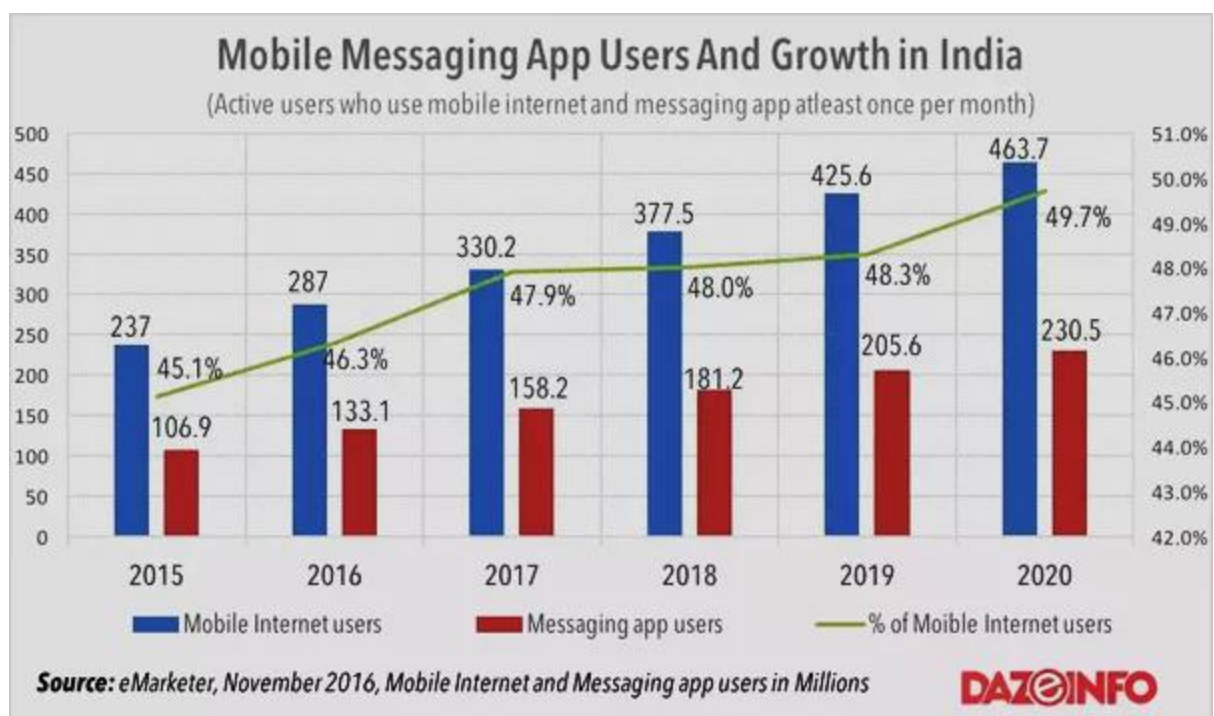
Digitalization in India has created awareness among the people and people are moving towards cashless and tech savvy society. Internet Banking and Mobile Banking are the technological advancements in the field of Banking. Banks provide variety of services at a cheaper cost and easy access with high security. People prefer to do financial transactions with banks in a single click rather than standing in a bank que for longer time. Banks have created a technological revolution in customer service and has removed the flaws and complaints of banking services like heavy charges, no cash in ATM counters, long ques for cash deposit and withdrawals, passbook printing machine going out of order, requesting for balance enquiry, etc. Mobile banking is defined as “a channel whereby the customer interacts with a bank via a mobile device, such as a mobile phone or personal digital assistant(PDA)” (Barnes & Corbit, 2003). Mobile banking is a subset of banking as it allows everyone easy access to their banking activities via mobile handsets(Yu & Fang, 2009).

Mobile Banking refers to use of smartphones or other cellular device to perform online banking tasks remotely such as balance enquiry, payment of periodic bills, transferring funds, shopping, booking tickets for travel and entertainment, mobile enquiry, loan repayment, etc. Mobile Banking Applications for Android, Blackberry, iphones can be directly downloaded from the bank’s websites or playstore and are available for 24 hours service

to customers. These applications directly connects the users with the bank's server to complete the financial transactions. This technology gifts the customers their precious time by avoiding the need of the customer to visit the bank and also enables bankers to efficiently manage large customers simultaneously with less operational costs. The recent apps even provide an added feature to digitally transmit cheques using the device camera. This study is based on a primary data collected to know whether demographic factors influence the usage of mobile banking apps and to understand whether people are adapting themselves to the technological changes in banking sector.

Evolution of Mobile Banking:

Online banking services was started in the year 1980. In the year 1981, few banks in New York namely Citibank, Chase Manhattan, Chemical and Manufacturers Hanover started with Home banking services using videotext system. Later this videotext system was adopted by France. In 1983, UK introduced online banking system which enabled the customers to make payment of gas bills, electricity bills, telephone bills, etc. In India, Electronic Clearing Service was launched in 1990s to cater to bulk and repetitive payments and Retail Fund Transfer System was introduced in 1990 to allow electronic transfer of fund. In November 2005, a robust system was launched to allow one to one funds transfer requirement of individuals and corporates through prepaid instruments in the form of smart cards, magnetic stripe cards, internet wallets, mobile accounts, mobile wallets and paper vouchers. Later Reserve Bank of India outlined the vision to encourage electronic payment system and less cash society. Various initiatives by Reserve Bank of India in mid eighties and early nineties resulted in offering technology based solutions.



It is evident that the number of Mobile users are growing in India at lightning speed. People have become more sophisticated using smart phones and it has become a necessity than a luxury to own a smart phone. It is predicted that in 2020, there will be 463.7million people who will be users of mobile internet and apps. The trend of using mobile banking apps will exist and improve with advancing technology. In spite of the benefits extended by banks through mobile banking services, people are reluctant in accepting due to various factors. This study is intended to make comparison between the usage and adaptability trends prevailing among the different genders, different age groups, people with different educational qualifications, occupations and people falling under different income category.

REVIEW OF THE LITERATURE:

Zohra Saleem and Kashif Rashid (2011), Relationship between customer satisfaction and mobile banking adoption in Pakistan insisted that reduction of risk related transactions performed through mobile device helps

customers to build trust in the banking services offered by banks and also mentioned that sophisticated technical infrastructure should be developed for reliable and timely service to customers

Amiri Aghdaie SF, Faghani F (2012), Mobile Banking Service Quality Customer Satisfaction. The researcher has used Customer satisfaction as the dependent variable and five dimensions of service quality namely tangibles, reliability, responsiveness, assurance and empathy as independent variables. The results has also shown that there is a correlation between mobile services and customer satisfaction.

Renju Chandran, (2014), Pros and Cons of Mobile Banking, asserted that banking sector has made structural changes in service quality, managerial decisions, operational performance, profitability and productivity.

Akhila, (2017), "A Study on Mobile Internet Banking: its future and its role in the Economic Development" stated that there is a shift in the bankers approach from "conventional banking to convenience banking and mass banking to class banking"

STATEMENT OF THE PROBLEM:

Socio economic demographic factors influence on the usage and adaptability of Mobile Banking Apps

OBJECTIVES OF THE STUDY:

1. To study the impact of Mobile Banking based on Socio Economic Demographic factors
2. To explore the usage and adaptability of Mobile Banking Apps with respect to demographic factors

HYPOTHESES:

There is no significant difference in the usage and adaptability of Mobile Banking Apps with regard to demographic factors

RESEARCH METHODOLOGY:

The study is based on primary and secondary data. The preliminary study was conducted to identify the factors considered to measure the dimensions of the topic of study. Quantitative data was collected from 150 respondents using a questionnaire. The samples were based on Random Sampling and the respondents were residents of different areas of North Bangalore. The demographic variables in this study were: Gender, Age, Educational Qualification, Occupation and Annual income. Study also includes secondary data collected from different articles, journals, websites.

LIMITATIONS OF THE STUDY:

1. Convenience sampling method is used
2. Number of samples is restricted to 150
3. Limited to residents of North Bangalore only

DESCRIPTIVE ANALYSIS:

The below mentioned five Socio Economic Demographic factors as shown in Table 1 are considered in analysing whether these factors influence people in usage and adaptability of the recent technological advancement in banking sector services. These variables are used to make a comparative study on the samples collected to know the differentiating factors which enable the users to effectively make use of mobile banking apps.

Gender is one of the Socio Demographic profile. Out of 150 respondents based on gender wise distribution, 80 respondents(53 percent) belong to female and 70 respondents (47 percent) belong to male.

Age is also one of the attributes of demographic distribution as in current scenario smart phones are used by everyone irrespective of the age factor and online transactions are entered into by all age group of people for convenience. Out of 150, 122 respondents(81percent) were between the age of 20 to 40 and 28 respondents(19 percent) were above 40 years.

Educational Qualification plays a vital role in understanding the technology and its advancement. Out of 150, 26 respondents (17 percent) were graduated with degree (UG)and below degree and 124 respondents(83 percent) were graduated with above degree(UG) .

Occupation is one of the economic demographic factor as employment is the source of earning income and spending money for expenses or savings. Out of 150, 135 respondents(90 percent) belong to salaried category working in private organisations and 15 respondents(10 percent) were professionals.

Annual Income is one of the economic demographic factor which encourages people to transact through mobile banking apps. Out of 150, 9 respondents(6 percent) earn an annual income of less than Rs.2,50,000 and 141 respondents(94 percent) earn an annual income of more than Rs.2,50,000

Table 1: Demographic profile of respondents

Variables	Subsamples	Frequency	Percentage	Mean
Gender	Male	70	47	68.53
	Female	80	53	61.65
Age	20 - 40	122	81	66.50
	Above 40	28	19	57.71
Education	U.G & less	26	17	65.12
	More than UG	124	83	64.81
Occupation	Salaried (Pvt.)	135	90	64.69
	Professional	15	10	66.33
Annual Income	Less than Rs. 2,50,000	9	6	63.22
	More than Rs.2,50,000	141	94	64.96

DIFFERENTIAL ANALYSIS:

Hypothesis 1:

There exists no significant difference in Mobile Banking Apps usage with regard to gender

Table 2: Significant difference between the Mean scores of Male and Female users

Variables	Subsamples	Frequency	Mean	Standard Deviation	df	t' - value	Level of Significance
Gender	Male	70	68.53	16.15	148	2.40	0.05
	Female	80	61.65	19.00			

From the 't' value computed and presented in the above table, it is evident that the calculated 't' value (2.40) is more than the table value (1.98) for degree of freedom of 148 at 0.05 level. Since the 't' value is significant at 0.05 level, the above null hypothesis is rejected and it is concluded that there is significant difference between the male and female users of mobile banking apps. It is understood that Male are better users than female users.

Hypothesis 2 :

There exists no significant difference in Mobile Banking Apps usage with regard to age

Table 3: Significant difference between the Mean scores of users below the age of 40 and above the age of 40

Variables	Subsamples	Frequency	Mean	Standard Deviation	df	t' - value	Level of Significance
Age	Below 40	122	66.50	17.23	148	2.17	0.05
	Above 40	28	57.71	19.81			

From the 't' value computed and presented in the above table, it is evident that the calculated 't' value (2.17) is more than the table value (1.98) for degree of freedom of 148 at 0.05 level. Since the 't' value is significant at 0.05 level, the above null hypothesis is rejected and it is concluded that there is significant difference between the users of mobile banking apps who are below the age of 40 and above the age of 40. It is inferred that people below

the age of 40 years make better use of the mobile banking apps than the people above the age of 40.

Hypothesis 3:

There exists no significant difference in Mobile Banking Apps usage with regard to educational qualification

Table 4: Significant difference between the Mean scores of users qualified with UG or Below UG and higher than UG

Variables	Subsamples	Frequency	Mean	Standarde Deviation	df	t' - value	Level of Significance
Qualification	U.G & less	26	65.12	9.75	148	0.80	0.05
	More than UG	124	64.81	19.32			

From the ‘t’ value computed and presented in the above table, it is evident that the calculated ‘t’ value (0.80) is less than the table value (1.98) for degree of freedom of 148 at 0.05 level. Since the ‘t’ value is not significant at 0.05 level, the above null hypothesis is accepted and it is concluded that there is no significant difference between the users of mobile banking apps who are qualified with UG or below UG and higher than UG. It is understood that educational qualification does not make a person a better user of mobile banking apps.

Hypothesis 4:

There exists no significant difference in Mobile Banking Apps usage with regard to occupation

Table 5: Significant difference between the Mean scores of users who are salaried employees in private organization and professionals

Variables	Subsamples	Frequency	Mean	Standarde Deviation	df	t' - value	Level of Significance
Occupation	Salaried (Pvt.)	135	64.69	18.23	148	0.12	0.05
	Professional	15	66.33	16.29			

From the ‘t’ value computed and presented in the above table, it is evident that the calculated ‘t’ value (0.12) is less than the table value (1.98) for degree of freedom of 148 at 0.05 level. From the above table, since the ‘t’ value is not significant at 0.05 level, the above null hypothesis is accepted and it is concluded that there is no significant difference between the users of mobile banking apps who are working as salaried employees in private organization and who are professionals.

Hypothesis 5:

There exists no significant difference in Mobile Banking Apps usage with regard to annual income

Table 6: Significant difference between the Mean scores of users with income below Rs.2,50,000 and above Rs.2,50,000

Variables	Subsamples	Frequency	Mean	Standarde Deviation	df	t' - value	Level of Significance
Annual Income	Less than Rs. 2,50,000	9	63.22	5.56	148	0.72	0.05
	More than Rs.2,50,000	141	64.96	18.52			

From the ‘t’ value computed and presented in the above table, it is evident that the calculated ‘t’ value (0.72) is less than the table value (1.98) for degree of freedom of 148 at 0.05 level. From the above table, since the ‘t’ value is not significant at 0.05 level, the above null hypothesis is accepted and it is concluded that there is no significant difference between the users of mobile banking apps who have annual income of less than Rs.2,50,000 and who

earn above Rs.2,50,000.

FINDINGS OF THE STUDY:

1. The mean value based on the gender indicates that male are the better adopters of mobile banking apps than female. The results reveal that, though female are employed they are dependent on the male for carrying out financial transactions. Male can easily adapt to technological improvements than female.
2. The mean value based on the age reveals that users below 40 years of age are better app users than users above 40 years of age. The result shows that people below the age of 40 years are more tech savvy and embrace change in technology. Whereas people above 40 years are resistant to technological changes and prefer traditional brick and mortar banking than banking apps due to the fear of operating smart phones, hesitant to seek technical support, difficulty in understanding technology and rely on cash transactions rather trusting online transactions mainly due to online frauds reported now and then.
3. There is no significant change in the result pattern amongst the users based on their educational qualification whether they are degree holders or above. This may be due to the available banking apps are common and user friendly for all users irrespective of their knowledge and educational background
4. There is no significant difference between users whether they work in private organisations or they are professionals. Currently all employed people are equipped with smart phones for their day to day transactions as they prefer to use mobile apps than traditional banking as it is convenient, saves time, portable, easy process and transactions can be entered into any time any where. Hence the occupation does not create any changes among the users.
5. There is no significant difference among the users based on their income level. As the mobile banking apps provide common user platform and provide common facilities such as fund transfer, online payment for shopping, booking tickets, balance enquiry, mobile recharges, making periodical bill payments, etc, change in the income level does not impact the usage of the apps

RECOMMENDATIONS:

1. Mobile Banking Services can focus on attracting and encouraging more number of female users
2. People above the age of 40 years should be open minded to accept digitalisation and accept the benefits of online banking services
3. Mobile Banking Services must improve their services and convincingly approach non users to create awareness by opening special help desks for app users
4. Mobile Banking Services should improve the quality of service through apps by removing the flaws of traditional banking system which will attract more prospective customers
5. Mobile Banking Services should ensure safety measures and secure transactions which creates confidence and trust in the minds of customers
6. Mobile Banking Services can give sufficient training to customers on usage of its mobile apps to improve the customer's understanding and become familiarised

CONCLUSION:

Though the acceptance of Mobile Banking Apps are not to its fullest, the customer's understanding and usage has increased thereby adapting themselves to the technological advancements. The results of the study suggest that it is crucial for the banks to create awareness about usage of the apps and its benefits among all its account holders irrespective of gender and age. To enable the customer's to adopt the technology quickly banks have to create user friendly apps and support app users.

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