

An Empirical Study on Adaptability of Mobile Banking Services in India – A Quantitative Investigation

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Abstract

Objective: - To make mobile banking system adaptable with easy hands on access to its beneficial features among Indian banking customers with high end access to digital payment system.

Methodology: - An empirical study comprised a sample of 170 respondents were data was collected based on convenience sampling through a structured questionnaire created on five-point likert scale.

Data Analysis: - Mean and t-test was applied to identify the results.

Conclusion: - Banks must take collective efforts to organize campaigns to make customers aware about the benefits of mobile banking in order to make them adopt the technology as the future of Indian banking relies on technology-based devices.

Keywords: Mobile banking; Adoption intention; customer adaptability, features of M-banking

Introduction

With time, banking has risen beyond its conventional model of customers waiting in line while banks rendered their services, to now making their services available to customers round the clock. For businesses all around the globe, technology has proved to bring about intense development. The banking industry has continually explored the chance for innovation to give its customers a

much improved and convenient experience with its services. In this regard, technology has served two great purposes for the industry – one which has brought about direct connectivity between a bank and its customers, and the second is ease of process of functioning. The invention of the Mobile phone has been one of technology's greatest and most innovative moves to serve the purpose of bringing customers closer to their banking needs. Before the year 2017 came to a close, the number of mobile subscriptions was nearly 7 billion (ITU, 2017). Also, the Telecom Authority of India (TRAI, 2015), in its report suggested that by February of 2017, Internet and wireless subscribers in India reached 18 million and 961 million respectively.

Innovation in technology has changed the whole functioning landscape of banks in India and administration of financial services. With the development of ICT, huge propagation of mobile phones and wireless networking and its technology, there is no more a need for customers to be physically present at a bank in order to fulfil their banking needs. Instead, they can complete banking transactions at their own convenient time and place. The 1980s saw the computerization of the Indian banking sector, as per a report by the Rangarajan Committee. Another report in 1988 formulated a thorough arrangement to extend innovative technological models to different areas of banking, like funds transfer, withdrawals, etc. Between the latter part of the 1990s and all through the early 2000s, many benefits of IT started materialising and showing its effects on the Indian banking sector with ATMs, CBS, computerization of banks' branches and the monopolization of tasks. In 1996, RBI set up IDRBT for upgrading the examination and appropriation of innovation in banks.

Technology has played a critical role in the development of the Indian banking industry. Through technology, banks have found a solution to numerous customer problems and the unmet needs. It has put an end to customers toiling it out with lots of stress in the waiting lines, to withdraw and deposit cash. The future of banking industry is smart mobile phones, but still not most of the customers have realized this truth. Mobile banking has provided banks with the capability to maintain their technologically advanced client base and delivering them the creative and value added services Burra (2021). With limited working hours and banking infrastructure, the banking system required to be decongested. The technological interventions adopted by banks all over have allowed customers to conveniently complete their banking needs irrespective of time or place. The banks adopted technology-based service processes not only to lower the cost and improve efficiency but also to reach the unreached customers living across the country. The technology

enabled processes have helped the banks to set up electronic based strategies and services channels that include the customer segments to access the normal banking features and facilities (**Jaiswal & Kama, 2019**).

Both bankers as well as the customers faced challenges to operate with the limited operation mode. Opening up of the Indian market for the multinational companies sparked the development of banking industry through technology and innovative processes that brought in new service channels. These banking channels came into existence over the period of time in the most recent decade. The Indian financial industry moved from traditional branch banking channel towards the technology-based channels like ATM, E-banking and Mobile Banking. The initial addition to banking channel was the phone-based banking that functioned through call centre system. Electronic banking has become very successful in India as it offers an effective platform that not only allows the customers to access their account using computers but also helps in accessing bank account through Mobile phones, by courtesy the new technology phones that are easier to access and use. The latest technology phone with applications have made the jobs of the banks easier as they offer the full range of services with the application platform that can be downloaded and installed into the customers' smart phones. Mobile banking in present time has become an important and evolving instrument to execute banking related transactions. In a developing country like India, mobile banking has a huge potential **Kumar et al. (2020)**.

Literature Review

Yadav et al. (2015) has looked into the suitability and iniquitousness that was established in consumers who favored mobile strategies, which are responsible to make stick from their customary practice to the latest technology in mobile banking. In connection to this, it was noticed that the impact of this had on mobile battery, which become comparatively short. It became the reason that was regarded as main limitations for obligated them not follow the practice of mobile banking for their customer.

Timothy & McDowell (1984) scrutinized the association between the choice to take on innovative technology and its determining factor by which the banks that fluctuate significantly in connection with the challenging environments where they function. As it was noticed that mostly the superior banks and banks functioning in further focused local banking markets list in a sophisticated provisional in which the possibility of accepting fresh technology, altogether another equivalent.

Karjaluoto, Mattila & Pento (2002) focused on to discover the outcome of not the same aspects affecting attitude establishment headed for Internet banking in Finland. Another area they have determined those relevant elements that stimulus the materialization that are concerning with banking via Internet. Taking into consideration the service of banking via internet with the customer. Online banking behaviour is one such practice that demographic factors have effect deeply upon rendering to the study. Particularly, another point to be noted is the employment and household returns were noteworthy variables. Basically, the four different factors that are responsible are specifically prior computer involvement, previous technology practice, banking for personal purpose familiarity, that are orientation that influence the group have a great impact on usages and online banking facility.

Gerrard & Cunningham (2003) noted that there are eight features that have inclined the frequency of implementation of services Internet banking among their Singapore consumers respectively. The study, which shows that Internet banking according to people perceive service to be further appropriate, less intricate, well-suited to them and fit to those who are good at PC management. Here, the people who adhere to banking through internet which considered as a additional economically advanced. According to the perceptions about the adopters and non-adopters had were considered to be commonly appealing, confidentiality, approachable and also had economic welfares were not diverse.

Akinci, Aksoy & Atilgan (2004) identified that during banking through Internet, in which the user are attached to technology who are individuals in the direction of convenience-minded. On the other hand, comparatively the non-adopters are considered to be additional old-fashioned channel oriented, they are doubtful consumers, requiring banking system through internet, in which the service area comparatively these facilities are provided in the branches. According to the study's findings, one can say that safekeeping, consistency and confidentiality concerns such as business deal speed; download and the concern with user-friendly web site, remained amongst the utmost notable reasons of the behavior for the selection of bank selection.

Kolodinsky, Hogarth & Hilgert (2004) discovered the reasons that are been responsible for the adoption or purpose to accept three e-banking technologies and vicissitudes in these influences to overtime in the USA. According to the study, which revealed relative advantage, complexity/simplicity, compatibility, observability, risk tolerance, and product participation are connected with the acceptance. The various factors such as assets, income, education, gender and

marital status, and age etc. of consumers likewise affect acceptance. The study exhibits the acceptance altered over time, but the influences of other features on adoption did not change.

Kim & Prabhakar (2004) study showed the established on theory that are related to social network and belief theory, contributing factor of belief in the electronic channel like propensity-to-trust, word-of-mouth, structural assurances. Study investigates of self-determining variables designated that propensity-to-trust, essential declarations, and interpersonal content of WOM were substantial judges of initial trust in the electronic channel.

Brown & Molla (2005) recognized the aspects which are responsible for Cell Phone banking and Internet practiced in South Africa. In study, which compares dissimilarities that are the influencing factors that are taken as cell phone banking Internet banking. According to the study, the reason responsible for the inspiration of attitudinal aspects in which taking into consideration. highlighting the several elements such as virtual benefit, compatibility, trialability, intricacy, threat, personal rules (social factors) and supposed behavioural controller factors that accept Internet and banking over cell phone users respectively.

Eriksson, Kerem& Nilsson (2005) focused on the acceptance of technology in the field of internet banking in Estonia. An elegant and user-friendly approach, in which it presents that internet banking is not useful highlighted in the reading. By doing so it serves as constructive measures to promote customer to use the observed that banking through internet is usefulness.

Awamleh & Fernandes (2005) discloses the features that are responsible for customer satisfaction for the influence of the internet banking service. The study highlighted suitability and safekeeping of internet banking transactions that have a substantial impression on fulfilment. Internet safety measures banking transactions was important for the users those who use internet banking for more than two years, while not for others.

Arvidsson (2013) initiated an examination to identify consumer's behavior on acceptance of mobile settlement method. The outcome of research shows that the most essential element describing if users are preferring to practice mobile payment services is ease of use or not. Additionally, related benefit, high trust, low insecurity, higher age and low income were accompanied with positive view on accepting the service. The outcome of the study shows that the study of invention in the payment industry cannot depend on technology adoption models and innovation diffusion theory all alone.

Objectives

1. To identify the features of mobile banking services in India.
2. To know the adaptability of mobile banking services by customers.

Methodology

The study is empirical in nature. 170 respondents participated in the study. The data was collected from them through a structured questionnaire. Mean and t-test application was done to identify the results. The method of sampling was convenience sampling.

Finding of the study

Table 1 displays the gender, where male respondent is 58.23%, and female respondent is 41.77%. Looking at the age, respondents who are at the age of 22 and 28 years are 40.59%, those between the Ages of 28 to 35 years are 25.29%, and one who are 35 years & above are 34.12%. With reference to the Occupation of the respondents, Business are 27.65%, Service are 45.29%, and others are 27.06%. Location of the respondents, respondents in Rural location are 42.94%, and Urban are 57.06%.

Table1 Respondent's Basic details

Variables	Number of respondent	%age
Gender		
Male	99	58.23%
Female	71	41.77%
Total	170	100%
Age		
22 to 28 years	69	40.59%
28 to 35 years	43	25.29%

35 years & above	58	34.12%
Total	170	100%
Occupation		
Business	47	27.65%
Service	77	45.29%
Others	46	27.06%
Total	170	100%
Location		
Rural	73	42.94%
Urban	97	57.06%
Total	170	100%

Source: Survey Data

Table2 Features & Adaptability of Mobile Banking Services in India

Sr. No.	Statements	Mean Score	t-Value	Sig.
1.	Bank's website enables customer to complete the transaction quickly	4.02	14.46	0.000
2.	Website of the bank is simple to use	4.13	13.28	0.000
3.	Customers are finding the process of money transfer easy	4.11	14.73	0.000
4.	Bank's website is truthful about their services & offerings	4.21	15.29	0.000
5.	Mobile banking help customers save their time and efforts	4.33	15.20	0.000
6.	Customer service representatives are always available online, whenever needed	4.10	15.59	0.000
7.	Mobile banking is a free service to customer	3.45	5.29	0.000

8.	Banks do not share customer's personal information with other banks or websites	3.69	9.15	0.000
9.	Various different banking services are offered by mobile banking system	4.31	16.55	0.000
10.	Mobile banking provides services more efficiently and quickly	4.17	13.37	0.000

Source: Survey Data

Table 2 shows the Mean values for statement with reference to the “Features & adaptability of Mobile banking services in India,” the statement with highest mean value is “Mobile banking help customers save their time and efforts” with the mean score of 4.33. Second highest mean score is 4.31 for statement “Various different banking services are offered by mobile banking system.” Third highest mean value is 4.21 for statement “Bank’s website is truthful about their services & offerings.” Statement “Mobile banking provides services more efficiently and quickly” has the mean score of 4.17; mean score of 4.13 is for statement “Website of the bank is simple to use.” Statement “Customers are finding the process of money transfer easy” scores the means value of 4.11, “Customer service representatives are always available online, whenever needed” has the mean value of 4.10, “Bank’s website enables customer to complete the transaction quickly” has the mean score of 4.02. Banks do not share customer’s personal information with other banks or websites” and “Mobile banking is a free service to customer” the mean scores are 3.69 and 3.45 respectively. T-value of all statements in context of Features & adaptability of Mobile banking services in India are significant, because t-value statements are found to be positive and significance value also less than 0.05.

Conclusion

Mobile banking has represented a breakthrough for financial institutions and banks in terms of remote banking services. However, many customers are still hesitant to adopt mobile banking system because of security reasons. Mobile banking system and introduction of ICT has made the bond between customers and banks more strong. Banks and financial institutions are offering their customers with the possibility of connecting their account with their mobile phone numbers and

with the help of that can access their account and various other banking services through their smart mobile phones. Banks must take efforts and organize campaigns to make customers aware about the benefits of mobile banking in order to make them adopt the technology. The customer must understand the easiness and convenience of mobile banking as it is beneficial for customers as well as banks.

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