



AN EMPIRICAL STUDY TO INVESTIGATES CUSTOMER AWARENESS AND PERCEPTION ABOUT THE UTILISATION OF MOBILE BANKING.

Dr Kiran Shinde

Sanjivani College of Engineering, Kopargoan

Dr Tanya Patil

Sanjivani College of Engineering, Kopargoan

Dr. Praful Srangdhar

Assistant Professor Marathwada Mitramandal's Institute of Management Education Research & Training (MM's IMERT)

Dr. Vinod Mohite

Associate Professor Marathwada Mitramandal's Institute of Management Education Research & Training (MM'sIMERT)

Abstract

The utilisation of electronic channels, including ATMs, online banking, tele-banking, and mobile banking, is on the rise among the prominent banks in India. This study aims to investigate consumer awareness of mobile banking and their perceptions of this service. A survey study was done among consumers residing in Pune. The research findings indicate that customers possess knowledge of the availability of mobile banking services offered by their respective financial institutions. Consumers possess a comprehensive understanding of the diverse range of financial transactions that can be facilitated through the utilisation of mobile banking services. Consumers perceive mobile banking as a user-friendly and convenient tool that offers them the freedom to conduct transactions at any given time, hence enhancing its use. Consumers perceive the primary benefit of mobile banking to be the ability to do banking activities at any location and at any time. For this study Working professions and students from different institution 225 respondents were responded. Structured questionnaire was used to gather information.

Keywords : Consumers, Electronic channels, Mobile Banking

Introduction

The global landscape is undergoing rapid transformations, with technology being recognised as the primary catalyst behind these shifts. A comprehensive examination of technology and its applications reveals its pervasive integration into nearly all facets of human existence. The prevalence of information technology in both domestic and professional settings has led to a significant increase in the use of electronic means for various tasks. Gradually and consistently, the Indian consumer is transitioning towards novel banking services such as online banking and mobile banking. Mobile banking refers to the provision of banking services through mobile phones and personal digital assistants (PDAs). The implementation of this system enables an efficient payment and accounting infrastructure, resulting in a significant improvement in the timeliness of financial services. In recent times, the utilisation of mobile phones as a means to expand financial services has been increasingly recognised for its importance. The potential for mobile banking in India is significant, given the



substantial increase in the number of mobile phone customers, which stood at over 950 million at the end of February 2013 and continues to expand at a rate of approximately 8 million per month. A majority of banks have initiated the provision of information-based services, such as balance inquiries, stop payment instructions for checks, transaction inquiries, and the identification of the nearest ATM or branch. The commencement of accepting transfer of money instructions for crediting beneficiaries, whether they belong to the same bank or another, in favour of pre-registered beneficiaries, has also been initiated by a few banks. To provide equitable conditions and taking into account the novelty of the technology.

Mobile Banking

In the era of digital transformation, one of the most revolutionary advancements in the financial sector is the advent of mobile banking. Mobile banking, often referred to as m-banking, has become a ubiquitous part of modern banking services, empowering individuals to manage their finances anytime, anywhere, through the convenience of mobile devices. This introduction provides an overview of the concept, evolution, key features, and the transformative impact of mobile banking on the financial landscape.

Definition and Essence:

Mobile banking is a service provided by banks and financial institutions that allows customers to conduct various financial transactions and manage their accounts using mobile devices such as smartphones and tablets. It leverages mobile technology to offer a range of banking services, providing users with unprecedented access to their financial assets and activities on-the-go.

B) Evolution of Mobile Banking:

The roots of mobile banking can be traced back to the emergence of ATMs and phone-based banking services. However, the true transformation occurred with the widespread adoption of smartphones and the development of dedicated mobile banking applications. As technology advanced, mobile banking evolved from basic balance inquiries to a comprehensive suite of services, including fund transfers, bill payments, and even investment management.

C) Key Features of Mobile Banking:

Account Management: Users can view account balances, transaction history, and account details in real-time.

Fund Transfers: Mobile banking allows for seamless transfer of funds between accounts, both within the same bank and across different financial institutions.

Bill Payments: Users can pay bills, utilities, and other expenses directly through their mobile banking apps.

Mobile Deposits: Some platforms allow users to deposit checks by capturing images with their mobile devices.

Alerts and Notifications: Customers receive real-time alerts for transactions, low balances, and other account activities.

Security Features: Mobile banking apps incorporate advanced security measures such as biometric authentication, PINs, and encryption to ensure the safety of financial data.

**D) Impact on the Banking Landscape:**

The rise of mobile banking has brought about significant changes in how individuals interact with financial institutions:

Convenience: Mobile banking eliminates the need for physical visits to banks, providing unparalleled convenience for users to manage their finances from anywhere.

Financial Inclusion: Mobile banking has played a pivotal role in extending banking services to previously unbanked or underbanked populations, promoting financial inclusion.

Customer Empowerment: Users have greater control over their finances, with instant access to account information and the ability to execute transactions with a few taps on their mobile devices.

Cost Reduction: For banks, mobile banking presents an opportunity to reduce operational costs associated with traditional brick-and-mortar branches.

E) Challenges and Future Trends:

While mobile banking has witnessed widespread adoption, challenges such as security concerns, data privacy, and the need for robust network infrastructure persist. Looking ahead, the future of mobile banking is likely to be shaped by advancements in technologies like blockchain, artificial intelligence, and the continued evolution of user interfaces for enhanced user experiences.

Mobile banking stands as a transformative force in the financial sector, redefining the customer-bank relationship and setting new standards for accessibility and convenience. As technology continues to advance, the landscape of mobile banking will undoubtedly evolve, presenting new opportunities and challenges. Mobile banking is not just a convenience; it's a paradigm shift that reflects the ongoing digital revolution in the way we manage and interact with our finances.

Advantages of Mobile Banking

One notable advantage of mobile banking is its inherent convenience, since it enables users to conveniently access their bank accounts from any location and at any given time. This implies that individuals have the ability to verify their account balance, execute fund transactions, and settle bills without the necessity of physically visiting a bank branch or utilising a personal computer.

The processing time for mobile banking transactions is generally significantly shorter compared to conventional banking procedures. This implies that individuals have the ability to expeditiously transfer funds, settle payments, and engage in other transactions, without the need to endure processing delays or wait for checks to be successfully processed.

The security measures implemented in mobile banking are robust, since numerous financial institutions employ sophisticated encryption and authentication technology to safeguard user data. This implies that individuals can engage in banking activities with a sense of assurance, since they can trust that their data is protected and free from any threats.

Mobile banking provides a diverse array of functionalities and services, encompassing the capacity to access account activity, deposit checks, and even initiate loan applications. The



inherent adaptability of this system facilitates convenient financial management when on the move, obviating the need for dependence on conventional banking modalities.

Mobile banking offers potential cost savings by minimising the reliance on traditional paper-based payment methods such as checks, stamps, and envelopes. Additionally, it can assist in the avoidance of expensive charges linked to conventional banking practises, such as costs incurred from ATM usage and overdrawing of funds.

Some drawbacks associated with the utilisation of mobile banking services.

One of the primary considerations associated with mobile banking pertains to the possibility of security breaches. Mobile applications can serve as a gateway for cybercriminals to engage in activities such as personal information theft and unauthorised access to bank accounts. Consequently, users are exposed to the risks of identity theft and financial fraud.

Technical challenges can arise with mobile banking applications, leading to potential disruptions or periods of inactivity that hinder users' ability to access their accounts or carry out transactions. This situation can elicit feelings of frustration and inconvenience, particularly when there is a pressing need to execute a payment or initiate a financial transfer promptly.

Limited Features - Although mobile banking provides numerous features and services, certain users may perceive it as lacking in terms of functionality compared to conventional banking methods. One potential limitation is the absence of direct communication with a customer support professional or the unavailability of printed statements.

The utilisation of technology in the form of mobile banking necessitates the presence of a dependable internet connection and a mobile device that is compatible with the required software. In the event of a device malfunction or an interruption in internet connectivity, individuals may encounter difficulties in accessing their bank accounts or engaging in financial activities.

Fees - Although mobile banking has the potential to generate cost savings for consumers, it is important to note that various banks may impose fees for specific services or transactions. Prior to enrolling in mobile banking, it is crucial to thoroughly peruse the detailed terms and conditions and gain a comprehensive understanding of the accompanying charges.

Objective

The study aims to identify and examine the specific objectives that guide the research process.

To comprehend the concept of mobile banking, it is necessary to delve into its definition and functionality.

To ascertain the level of customer awareness regarding mobile banking.

To ascertain individuals' perception regarding mobile banking.

Hypothesis

The present study aims to propose a hypothesis.

The level of consumer awareness has a substantial influence on the inclination to utilise mobile banking services.



The level of interest in utilising mobile banking services is greatly influenced by the perceived usefulness of such services.

The level of user-friendliness of mobile banking (M-Banking) has a substantial influence on individuals' inclination to adopt and utilise M-Banking services.

Review of literature

The concept of consumer awareness refers to the level of knowledge and understanding that individuals possess regarding their rights and responsibilities as consumers in the marketplace

Consumer awareness is a concept commonly employed in the field of marketing. This implies that consumers possess a level of consciousness or recognition of items or services, including their attributes as well as the additional elements of marketing, namely place of purchase, pricing, and promotion. Typically, advertisements and commercials serve to enhance consumer awareness, alongside the influential impact of "word of mouth" referrals, which involve personal recommendations from acquaintances regarding a particular product or service.

Requirement: It is imperative to possess a reliable source of information to avoid being deceived by producers. This source should provide an assessment of the value-for-money aspect of our purchases, as well as the potential harm they may cause to both individuals and the environment.

The role of the producer is to oversee and manage the various aspects of a project, ensuring its successful completion. Producers are entities responsible for the manufacturing of goods or the provision of services. The primary duty of individuals in this role is to provide clients with comprehensive information and knowledge pertaining to the product or service being offered. When delivering services, it is imperative that they are executed with a high level of proficiency and attentiveness.

The study examines the consumer attitude towards mobile banking services.

Technological advancements hold considerable significance in both the overall and professional aspects of human existence. This period can be accurately characterised as a technological revolution. The rapid proliferation of information technology has permeated the lives of a vast multitude of individuals. The rapid improvements in technology have brought about significant transformations in the global economic and business landscape [1]. The study on consumer attitude and adoption of mobile banking revealed that several factors have a significant role in shaping consumers' attitudes towards online banking. These aspects include demographic characteristics of individuals, their motivation and behaviour towards different banking technologies, as well as their individual acceptance of new technology. Research has indicated that the views of consumers towards online banking are impacted by their previous encounters with computer technology and new technological advancements [2]. The use of electronic banking necessitates that customers take into account many issues pertaining to the security and confidentiality of their passwords, the safeguarding of personal data through encryption measures, the potential risks of unauthorised access through hacking, and the overall protection of their personal information [3]. Electronic banking necessitates a



significant level of consumer engagement due to its reliance on web services technology. The deployment of Customer Relationship Management (CRM) software is a crucial element in numerous undertakings [4]. Numerous entities within the financial services industry have promptly adopted Internet capabilities, so establishing electronic service as a feasible means of interaction between financial service providers and their clientele [5]. The importance of customer satisfaction and client retention in e-banking is growing significantly [6]. The utilisation of technology has become more prevalent inside service organisations as a means to improve the quality and efficiency of customer service, minimise expenses, and establish uniformity in core service offerings.

This study examines four key criteria related to the adoption and utilisation of mobile banking services: the perceived utility of M-Banking, consumer awareness of M-Banking, the ease of use of M-Banking, and the intention to use M-Banking. The objective of the current study is to investigate the interrelationships between these parameters in order to ascertain the level of consumer awareness and perception regarding mobile banking.

Research Methodology

For this study Working professions and students from different institution 225 respondents were responded. Structured questionnaire was used to gather information. The questionnaire has closed-ended questions and Likert scale questions. The data collection process involves conducting interviews with the respondents.

An exploratory research study will be undertaken to examine the primary elements that exert effect on customers' decision to adopt or abstain from using mobile banking services. The researchers employed a convenience sampling strategy. Convenience sampling is a non-probability sampling technique that entails selecting a sample from a population that is readily available or easily accessible. There are two primary justifications for employing this particular sample method. Firstly, it provides a convenient means of acquiring the primary data required for subsequent analysis. Additionally, the utilisation of random selection for respondents and subsequent analysis of obtained data through the SPSS software can lead to time and cost savings.

The factors that will be subject to analysis in SPSS are as follows:

Cross tabulation is a statistical technique used to analyse the relationship between two or more categorical variables. It involves creating a contingency table that displays the frequency distribution of the variables,

Factor analysis is a statistical technique used to identify underlying factors or latent variables that explain the relationships among a set of observed variables. It is commonly employed in social sciences and psychology

The chi-square test is a statistical test used to determine if there is a significant association between two categorical variables.

Data Analysis

6.1 Respondents learning

	Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
I am familiar with checking my account mobile device.	95	105	14	8	3	225
I am familiar with obtaining financial mobile device.	84	110	15	8	8	225
I am familiar with paying bills through my mobile device.	110	89	11	11	4	225
I am familiar with money transfer facility through my mobile device.	80	115	15	15	0	225
I am familiar with sending a request for issue of cheque book through my mobile	78	115	23	8	1	225

Age-wise utilization of mobile banking

		Yes	No	Total
Age	18-25 years	35	5	40
	26-30 years	65	2	67
	31-35 years	45	2	47
	36-40 years	45	3	48
	41-45 years	10	2	12
	50 years & above	9	2	11
Total		209	16	225

Use of mobile banking

	Once in a week	once in 2 weeks	once in 3 week	once in a month	none	other	Total
Yes	45	68	28	35	5	1	182
No	2	3	1	4	32	1	43
	11	8	3	9	37	2	225

Chi-square test for hypothesis no 1

Hypothesis : The level of consumer awareness has a substantial influence on the inclination to utilise mobile banking services.

	Know_MB_in_India		
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	Observed N	Expected N	Residual
Yes	210	190	190
No	15	190	-190
Total	225		
	Interested_enrolingMB		
	Observed N	Expected N	Residual
Yes	185	93.6	96.7
No	25	93.6	-71.3
Uncertain	15	93.6	-75.3
Total	225		
	Test Statistics		
	Know_MB_in_India		
Chi-Square	66.057a		46.057b
Df	1		2
Asymp. Sig.	0		0

The provided table displays a Chi Square value of 66.057, with degrees of freedom (DF) equal to 1 and a sample size (N) of 70. The p-value, which is less than 0.01, indicates statistical significance at a 1 degree of freedom, suggesting a notable distinction between the predicted and observed frequencies. Therefore, the null hypothesis is rejected, and the alternative hypothesis is accepted, indicating a considerable influence of consumer awareness on interest in using M-Banking

Hypothesis no 2 : The level of interest in utilising mobile banking services is greatly influenced by the perceived usefulness of such services.

Adopted MB and use MB for transactions

If_adopted_MB_it_is_more_effective_way_for transactions

	Observed N	Expected N	Residual
1	69	37.5	-2.5
2	138	37.5	19.5
3	15	37.5	-2.5
4	3	37.5	-14.5
Total	225		
	Would_use_MB		
	Observed N	Expected N	Residual
Yes	195	23	34
No	15	23	-19
Neither	15	23	-15

Yes nor No			
Total	225		
		Test Statistics	
	If_adopted_MB_it_is_more_effec tive_way_fortran sactions	Would_use_MB	
Chi-Square	34.457 ^a	75.739 ^b	
Df	3	3	
Asymp. Sig.	0	0	

The shown table displays a Chi Square value of 34.475, with degrees of freedom (DF) equal to 3 and a sample size (N) of 225. The p-value, which is less than 0.01, indicates statistical significance at a 1 degree of freedom level. This suggests that there is a notable distinction between the predicted and observed frequencies. Therefore, the null hypothesis is rejected and the alternative hypothesis is supported, indicating a strong impact of the utility of M-Banking on the interest to use M-Banking.

Hypothesis no 3 :The level of user-friendliness of mobile banking (M-Banking) has a substantial influence on individuals' inclination to adopt and utilise M-Banking services.

Proficient with MB			
It_is_or_would_be_easy_for_me_to_be_proficient_with_MB			
	Observed N	Expected N	Residual
1	69	37.5	-2.5
2	138	37.5	19.5
3	15	37.5	-2.5
4	3	37.5	-14.5
Total	225		
		Would_use_MB	
	Observed N	Expected N	Residual
yes	195	23	34
no	15	23	-19
uncertain	15	23	-15
Total	225		
		Test Statistics	
	If_adopted_MB_it_is_ more_effective_way_f ortransactions	Would_use_MB	



Chi-Square	40.286 ^a	77.600 ^b	
Df	3	3	
Asymp. Sig.	0	0	

The shown table indicates a Chi Square value of 40.286, with degrees of freedom (DF) equal to 3 and a sample size (N) of 225. The obtained p-value of less than 0.01 suggests statistical significance at the 3% level.

The concept of degrees of freedom is utilised to demonstrate the presence of a substantial disparity between the anticipated and observed outcomes.

The frequencies are being examined. As a result, the null hypothesis is rejected and the alternative hypothesis is accepted, indicating that there is a significant difference.

The simplicity of use of mobile banking has a notable influence on individuals' inclination to adopt mobile banking services.

Conclusion

In conclusion, it can be inferred that the aforementioned points collectively support the notion that...

The prevailing consensus among consumers is that mobile banking has become accessible in India. However, a limited number of individuals possess knowledge regarding the diverse range of banking transactions that can be conducted through the utilisation of mobile banking services.

Most consumers possess prior knowledge about mobile banking.

While a significant portion of customers possess knowledge regarding mobile banking, only a limited number have actively engaged in utilising mobile banking services.

Consumers frequently get information regarding novel items or services through informal channels such as acquaintances, family members, coworkers, and online platforms. Word of mouth is sometimes said to as a robust communication route. This assertion is further substantiated by the fact that a significant proportion of consumers have been made aware of mobile banking through word-of-mouth, familial and social networks, as well as online sources. Therefore, financial institutions are falling behind in this particular domain.

Consumers within the demographic range of 18 to 25 years are more likely to embrace the utilisation of mobile banking services. Mobile banking is less widely accepted in the other groups.

The assessment of consumers' impression about mobile banking can be facilitated by considering aspects such as the utility, user-friendliness, awareness, and interest in using this service. Consequently, these factors can prove crucial in expanding the accessibility of mobile banking. Thorough examination of these aspects can contribute to a heightened understanding of mobile banking.

The level of consumer awareness has a substantial influence on the inclination to adopt mobile banking services. Consumers exhibit a keen interest in M-Banking due to its



widespread dissemination through many channels, leading them to believe that this technological innovation enables them to engage in banking activities at any given moment. The utility of M-Banking has a considerable impact on individuals' interest in utilising M-Banking services. Therefore, if financial institutions make a concerted effort to engage with consumers and provide comprehensive information regarding mobile banking services, it is likely that a greater number of consumers would adopt mobile banking as a preferred method of conducting financial transactions. The implementation of mobile banking is expected to result in a decrease in operational expenses for financial institutions.

The simplicity of use of M-Banking has a notable influence on individuals' inclination to utilise M-Banking services. The advent of technology has facilitated the ability of consumers to conduct their banking transactions by a simple click of a button.

Certain functions on mobile devices can be accessed either through the use of buttons or by sending SMS messages. Consequently, this phenomenon serves as a compelling incentive for the proliferation of mobile banking services.

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