

A STUDY ON CUSTOMER'S GENERAL AWARENESS REGARDING VARIOUS M-BANKING APPLICATIONS

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Abstract

In India, e-banking is setting new dimensions and larger platform to the banking industry in the beginning of the 21st century. A subset of electronic banking that is mobile banking which underlies not only the determinants of the banking business but also the special conditions of mobile commerce. The study on consumer's awareness regarding various m-banking applications is important for the banking industry as well as for the customer of the banking institutions. The main objective of the study is to know the general awareness of the respondents regarding m-banking facilities and to examine the m-banking applications. To enhance their own services and improve their consumer base, major banks have started providing the internet banking facility and m-banking applications. Banking industry have to work on creating m-banking awareness among the customers. For the growth of m-banking applications, the increased prevalence of mobile phones provides exciting opportunities. The paper is classified into five main categories: overview for m-banking facility, reviews of the other authors (literature review), Research methodology which explains how the paper goes, interpretation of the research and at the end the findings and conclusion. The research methodology of the paper explains the main objectives and it contains the sources of data, population of the study and selection of the sample. The paper is mostly depending on the primary data which is collected by the questionnaire from the respondents.

Keywords: Mobile banking applications, Electronic banking in India, customer's general awareness.

INTRODUCTION

M-Banking is known as Mobile Banking or SMS Banking. For started Mobile Banking, Deutsche Bank, in 1999 financially supported the European company called PayBox. SMS was offered in the earliest mobile banking service. It is an emerging field in the banking segment. However, older phones had limited functionality. Mobile phones, palm PCs and PDAs were lacking hardware and software support. The higher cost of data plans and the slower network speed were also limiting factors in the growth of mobile banking. With the advancement of the technology, the hardware and software have been improved. The cost of mobile banking devices has been reduced drastically and still reducing. Network speed is much better than before and data plans are not as costly. For the growth of mobile banking is increasing day by day, all of these changes have provided necessary raw materials. Users, who were using computers/laptops for online banking, are moving towards mobile banking because of ease of use and fast access. The security issues are the major concerns for mobile banking service providers and the users. More users will start using mobile banking, which will draw the attention of the hacker community to target mobile banking customers mostly for financial gain as mobile banking systems mature. Banking organization and the security community, safety and security of the personal and financial information stored and managed in the devices are the key factors for users.

In 2002, Mobile banking started in India, and back then, transactions were carried out through SMS. Almost all banking transactions can be performed using a computer, laptop or a smartphone nowadays. Everything from checking account statements to paying credit cards bills, utility bills and transferring funds can be done online. To further aid convenience and ease of access, Mobile banking began as an offshoot of internet banking.

Almost all banks have mobile phone applications in 2018 for financial transactions. These apps remove the requirement of having a computer or laptop to transfer funds, and with continued advancements, have made visits to the bank a rarity. Banking transactions can be carried out as per their convenience, once a customer has downloaded the mobile banking app on their smartphone. The first bank to launch mobile banking in India was ICICI Bank in 2008. Since then, almost all banks have followed suit.

The previous studies on mobile banking have research on consumer satisfaction and growth of mobile banking but very few studies have been done in the area of consumer awareness of particularly m-banking applications. So, there is a need for more informational study from more respondents.

M-banking applications should be more examine from the customer's perception. Banking institutions have to spread more awareness towards customers regarding m-banking applications.

LITERATURE REVIEW

1. **Luvanda, Kimani and Kimwele (2014)** indicated in the paper "LACK OF AWARENESS BY END USERS ON SECURITY ISSUES AFFECTING MOBILE BANKING : A CASE STUDY OF KENYAN MOBILE PHONE END USERS" at the Journal of Information Engineering and Applications that there is a high penetration of mobile phones and in relation mobile phone use among the target market. Surprisingly enough a higher percentage felt that they used their phones more to access mobile banking services than other internet services. Most however used their handheld devices to access bank balances. The act of withdrawing money was the second most performed action followed by the transfer of funds while the action of stopping payments came a distant third. All the aforementioned actions were performed at least once a week by majority of the respondents.

2. At the International Journal of Research in Computer Application and Management Vol.No.1 Issue No.6 **Girdhar and Bharadwaj (2011)** found in the paper "CONSUMER AWARENESS TOWARDS MOBILE – BANKING AMONG WORKING PROFESSIONALS" that awareness level of mobile banking services among working professionals is too low. The reasons for its usage by the current users and of those who are currently non-users strongly weigh on two major factors – 'Secured & easy Accessibility' and 'Uninterrupted Mobility' to exist in m-banking services. The banks must educate their customers by communicating advantages of m-banking services by weighing upon the above stated two major factors. The working professional are found to be occupied in their respective offices whereby access to the banking services happens through e banking or m-banking. There are enormous opportunities available for the banks to provide a bouquet of many financial services to the Indian masses especially those who have no access to the banks. For it, the banks need to increase awareness campaigns inside as well as outside bank branches. Increasing mobile penetration in the country may become one of the strongest opportunities for not only mobile service providers but for banks as well.

3. **Kirui, O.K., Okello, J.J. and Nyikal, R.A** contributed paper "Awareness and use of m-banking services in agriculture : The case of smallholder farmers in Kenya" presented at the joint 3rd AFRICAN ASSOCIATION OF AGRICULTURAL ECONOMISTS (AAAE) and 48th AGRICULTURAL ECONOMISTS ASSOCIATION OF SOUTH AFRICA (AEASA) CONFERENCE. This study assessed the level of awareness and usage of mobile phone-based money transfer among smallholder farmers in Kenya. It finds that the level awareness of mobile phone is quite high. More than 96 percent of the farmers are aware of mobile phone-based money transfer services. However, the level of awareness has not translated into usage. Only 52 percent of the farmers were found to be users. The study also finds that aware of m-banking services does not vary much among the study regions. However, the usage of mobile phone is significantly higher in regions with greater level of agricultural commercialization. The study also finds that the 15 largest proportion of money received via m-banking (32%) is used on agricultural related purposes (purchase of seed, fertilizer for planting and topdressing, farm equipment/implements, leasing of land for farming, paying for labor). The study found the factors explaining use of m-banking include education, distance to a commercial bank, membership to a farmer organization (a proxy collective action), distance to the m-banking agent, and endowment with physical and financial assets.

4. At the IBMRD'S JOURNAL OF MANAGEMENT AND RESEARCH Vol.2 **Wadhe and Ghodke (2013)** found in the paper "To study consumer awareness & perception towards usage of Mobile Banking" that majority of consumers are aware that mobile banking is now available in India. But very few are familiar with various banking transactions that we can do with the help of Mobile banking. Majority of consumers have heard about mobile banking before. Though majority of consumers are aware about mobile banking very few have actually used mobile banking. Consumers often come to know about new products or services through unofficial channels like friends, family, colleagues & through internet. Thus, word of mouth is a termed as strong communication channel. This point is proved again since majority of consumers have heard about mobile banking from their friends, family, colleagues & internet. Thus, banks are lagging behind in this area. Consumers in the age group of 18 – 25 years are the ones to adopt mobile banking. In all other groups there is less acceptance of mobile banking.

5. **Muthar and Daud, Ramayah, Issac and Aldholay (2018)** examine in the paper "The effect of awareness and perceived risk on the technology acceptance model (TAM): Mobile Banking in Yemen" at the INTERNATIONAL JOURNAL SERVICES AND STANDARDS Vol.12 No.2 that the external variables that could affect the main constructs of TAM (usefulness and ease of use) in the context of Yemen and the extent of that country's uptake of mobile banking services. Notwithstanding the limitations of this study, the results have shed some encouraging light on new variables of the intention to use mobile banking services in Yemen. In summary, perceived risk reduces the perceived ease of use and perceived usefulness of using mobile banking, since it negatively affects both TAM constructs. In addition, awareness of the benefits and value of using mobile

banking services is essential to encourage clients to accept and adopt mobile banking services, and especially in the early stages, reduce the perception of its risk. Mobile banking services have to present something new to the bank clients to compete against services offered in the same category (e.g., e-banking services). Perceived usefulness has a great impact on the intention to use mobile banking services.

6. **Wadhe and Ghodke (2013)** discovered that majority of consumers are aware that mobile banking is now available in India in the paper “TO STUDY CONSUMER AWARENESS AND PERCEPTION TOWARDS USAGE OF MOBILE BANKING” at the IBMRD’s Journal of management and research (Vol.2 No.1). But very few are familiar with various banking transactions that we can do with the help of Mobile banking. Majority of consumers have heard about mobile banking before. Though majority of consumers are aware about mobile banking very few have actually used mobile banking. Consumers often come to know about new products or services through unofficial channels like friends, family, colleagues & through internet. Thus, word of mouth is a termed as strong communication channel. This point is proved again since majority of consumers have heard about mobile banking from their friends, family, colleagues & internet. Thus, banks are lagging behind in this area. Consumers in the age group of 18 – 25 years are the ones to adopt mobile banking. In all other groups there is less acceptance of mobile banking. The factors like usefulness of mobile banking, ease of use of mobile banking, awareness of mobile banking & interest in using mobile banking can be used understand consumers perception about mobile banking thus they can be useful to increase the reach of this banking service. Deep study around these factors can help in increasing more awareness about mobile banking.

RESEARCH METHODOLOGY

Objective of the study

- To know the general awareness of the respondents regarding m-banking facilities.
- To examine the awareness of the customers regarding various m-banking applications.
- To identify which application is more popular for using mobile banking.
- To study the rate of use of m-banking applications.

Sources of data

- The study will use the primary data and secondary data.
- Primary sources of data collection include of data collection through questionnaire. Secondary methods of data collection include of various articles besides them published research papers are taken into consideration.
- All the secondary sources of data will be related to the topic and helps in understanding the general awareness level of people regarding m-banking applications.

Population of study

- The set or group of objects from which the samples are taken is Population in a research study.
- Population shows the whole area of that city, state or country from where the research is conducted. The total population is 6.27 crore.

Selection of sample

- The primary data has been collected through a customer survey to examine the general awareness of various m-banking applications among the customers of banks in selected places of Gujarat.
- The questionnaire for the primary survey made by the Google form. Data is collected using Purposive Convenience Sample of customers from different places of Gujarat using structured questionnaire. A total of 161 people responded.

INTERPRETATION

The study collected the questionnaire from the different respondents. The respondents give the response very much in the favor of m-banking applications. Out of 161 respondents, there are 143 who are actually aware about m-banking and out of that there are 98 who are using this facility. So, it is basically 98.6% people who are aware about m-banking and 68.5% are using m-banking applications. There are 108 people (almost 75%) who are aware about m-banking because of the social media. There are only 1% who got informed from the bank itself and that is not so good for the betterment of awareness of m-banking applications.

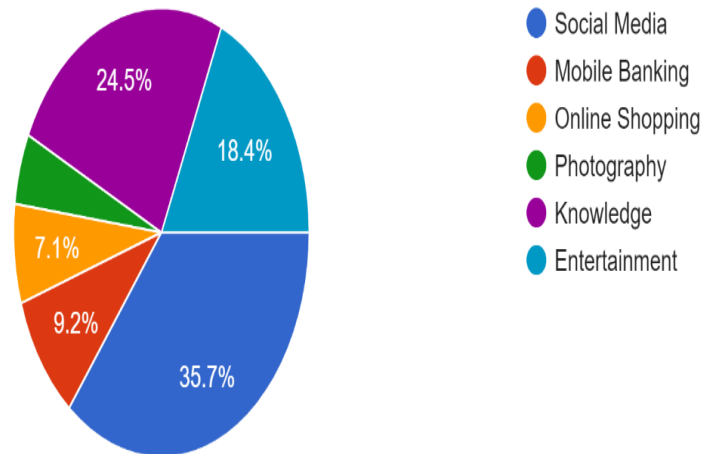


Fig. 1: Mobile phone usage behavior among respondents

The study finds that customers are aware about some m-banking applications and that are YONO, HDFC bank mobile banking, Axis mobile, KOTAK-811 & mobile banking, M-Connect plus, BOI mobile, etc. Among these applications, the applications which are being used by customers are YONO, KOTAK-811 & mobile banking, Axis mobile, HDFC Bank Mobile Banking, etc.

The most preferred m-banking applications by the consumers are YONO/ Yono lite (SBI), Kotak-811 & mobile banking, Axis Mobile (Axis bank), HDFC bank mobile banking, BOI (Bank of India), M-Connect plus (Bank of Baroda), etc.

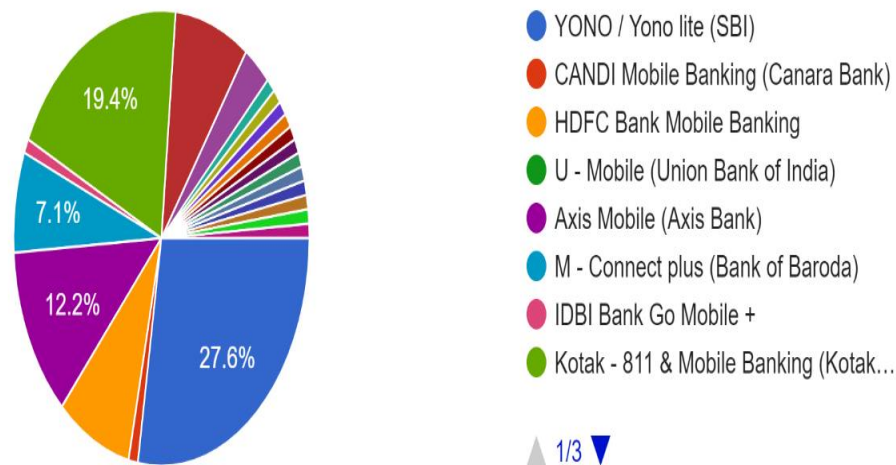


Fig 2: Preferred m-banking applications among respondents

The study discussed about the applications which are used or preferred the most. Now, coming towards the services which are provided by the m-banking applications of various banks. The services are the most important factor for using the particular mobile banking applications. Because of the services the consumers are being attracted for the m-banking applications facility. There are many services which are provided by the banking institutions are Fund Transfer, Mobile Recharge, Bill Payment, Account Summary, Statement Download, Schedule Transactions, Open Recurring Deposits, Get / Cancel MMID, Cheque Book, submit form 15G / 15H. Customers mostly use the m-banking applications for Mobile Recharge. Fund Transfer and Bill payment is also used frequently through m-banking applications. Account summary and statement download is also used by consumers.

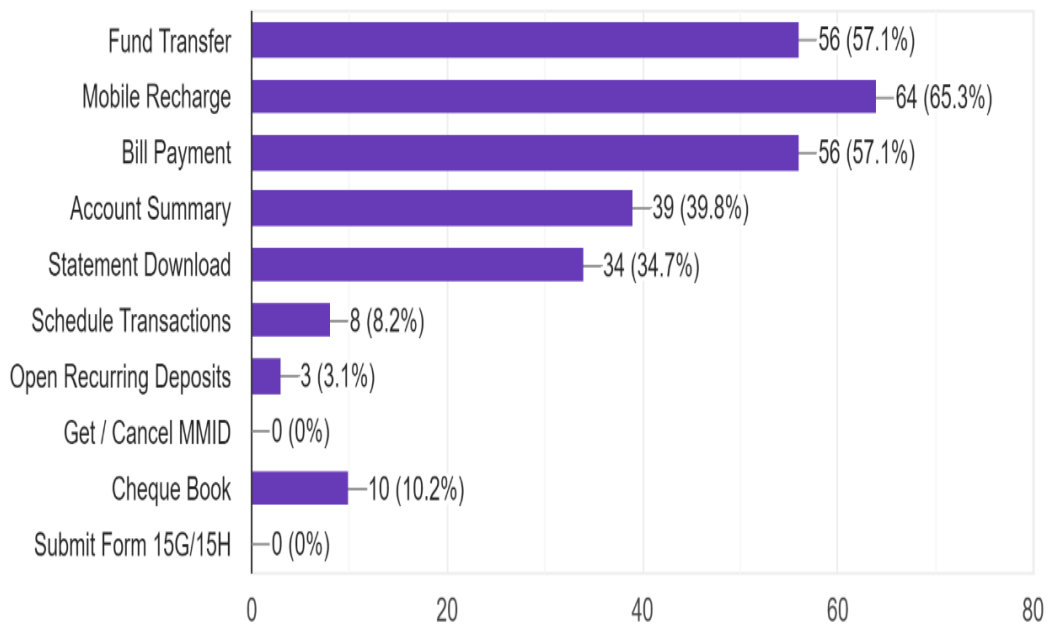


Fig 3: Frequency of usage of various m-banking features

The above chart represents the services provided by the banking institutions in their m-banking applications. Various m-banking applications provide different services to help their users.

The study found out that out of 98 respondents there are 63 respondents who give importance to the place. The respondents thought that the most important thing for using the m-banking applications is that you can use it from anywhere and anytime. The below chart shows users' response over various features of m-banking applications popular over India. Respondents also thought that it saves time and it is easy to access.

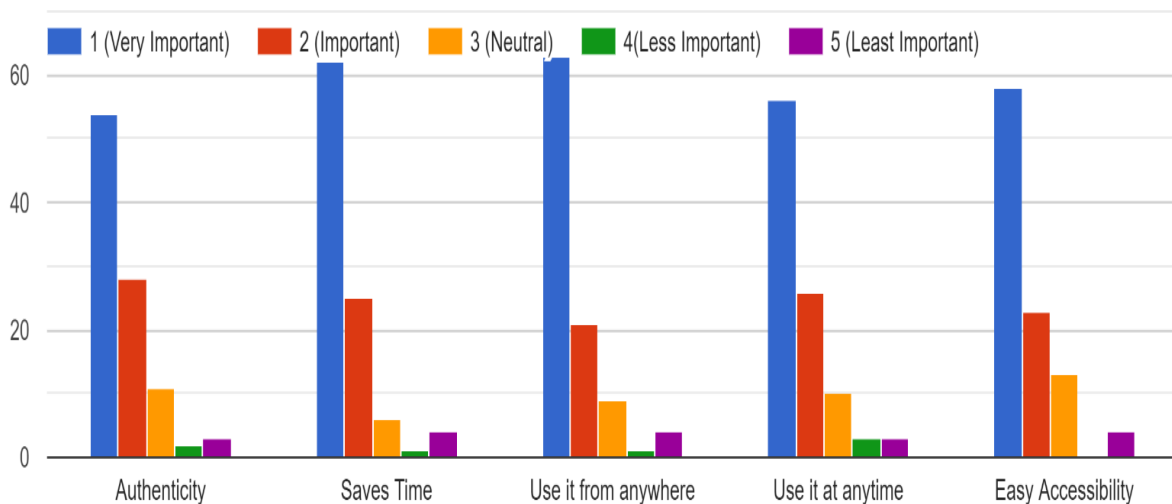


Fig. 4: Users' experiences over m-banking Applications

Authenticity of application is also the markable point for the users. The overall satisfaction of users of m-banking application is very much impressive. Almost 60% respondents are satisfied for using m-banking applications.

FINDINGS AND CONCLUSION

The study found that out of all the respondents 91.8% respondents are aware about net banking and out of that 98.6% are knowing about mobile banking. 68.5% of the respondents are using mobile banking applications.

Rest of the respondents are not using m-banking applications because of some reasons which includes the security issues, lack of knowledge and some of them actually does not need the m-banking applications. Out of 98 respondents, there are only 9.2% respondents who are using mobile phones for the use of m-banking applications. Out of all the m-banking applications, Yono / Yono lite (State Bank of India) is the most used and the most preferred application for the users of mobile banking.

The most noticeable finding of the study is that that there are only 1% of the respondents who are actually got informed about the m-banking applications by bank itself. Banks have to be more active about the awareness. The banking institutions have to promote the m-banking applications among their customers as much as possible.

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