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# An empirical study on the Customers opinion towards mobile banking with special reference to Coimbatore city

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## Abstract

**Objective:** This study aimed to know the perception of individuals towards mobile banking and find out the satisfaction levels of users towards mobile banking.

**Methods:** A prospective study was conducted among customers in Coimbatore, India. A total number of 120 participants. (Male 85 and female 35). Data were processed and analyzed by the Statistical Package for social science. Descriptively analysis and chi square was performed. P values < 0.05 were considered statistically significant.

**Results:** A total of 120 respondents of 77 percent of respondents are male and 23 percent of respondents are female in the usage of Mobile Banking. It is found that the majority of respondents are Male. The respondents' Overall Satisfaction of Mobile Banking services are been rated as 48% for 5 points and 31% for 4 points and 16% for 3 points and 4% for 2 points and 1% for 1 point. It is found that ratings of respondents are well satisfied with the Mobile Banking Facility. Customer comfort and convenience are using mobile banking, technology, and security concern is the very biggest problem for mobile banking.

**Keywords:** Mobile Banking, Customer Attitude, Customer Satisfaction, Mobile Technology, Customer response

## Introduction

Mobile banking started in India in 2002, and back then, transactions were carried out through SMS. Today, almost all banking transactions can be performed using a computer, laptop, or a Smartphone. Everything from checking account statements to paying credit card bills, utility bills, and transferring funds can be done online. ([www.paisabazaar.com](http://www.paisabazaar.com)) Mobile banking service is relatively new, however, it has immense capabilities of expanding customer base by providing ease, convenience, and handy information of customers' accounts. On the other hand, banks using this facility must also consider competition from other financial institutions and FinTech innovators that enables customers to bank on-the-go. ([www.sesameindia.com](http://www.sesameindia.com)) The Reserve Bank of India recently informed banks to encourage mobile banking. In upcoming days we will see more number of people getting hooked to the ease of mobile banking (Martin J. 2020) <sup>[9]</sup>.

## Literature Review

Chen J. 2020 <sup>[4]</sup> Mobile banking is the act of making financial transactions on a mobile device (cell phone, tablet, etc.) Archana Sharma (2011) <sup>[1]</sup> today, banks have welcomed wireless and mobile technology into their boardroom to offer their customers the freedom to pay bills, planning payments while stuck in traffic jams, to receive updates on the various marketing efforts while present at a party to provide more personal and intimate relationships. Irshad Ahmad and Keshav Gupta (2015) <sup>[8]</sup> this study aims to assess the influence of awareness on customers' attitudes towards M banking in Delhi. It investigates whether the attitude varies among m-banking users on the factors such as perceived ease of use, perceived usefulness, perceived security & privacy, and perceived risk due to differences in their degree of awareness on these factors. Perna Sharma Bamoriya and Preeti Singh, (2011) <sup>[13]</sup>. This study explores the issues in mobile banking perceived critical for adoption by both mobile banking users as well as to non-users. The study identified certain issues pertaining to banks, mobile handsets and telecom operators' viz. mobile handset operability, security/privacy, standardization of services, customization, Downloading &

installing application software and Telecom services quality. For this, descriptive design was adopted to empirically explore the selected issues. The study suggests that from consumers' perspective mobile handset operability, security/privacy, and standardization of services are critical issues. Although the research has its limitations, the implications of the results provide practical recommendations to all concerned parties. Buvanewari *et al.* (2014) [2] Today, mobile banking services enable consumers [e.g. to check the balance and transactions of their accounts, pay invoices and transfer funds between accounts, monitor the use of credit cards, check when invoices fall due, make buy and sell orders for the stock exchange and receive portfolio and price information]. It's always-on functionality and the option to bank virtually any time and anywhere characterize mobile banking services. However, mobile banking has not yet completely convinced bank customers of its usefulness and added value that it offers and its use is yet in an initial stage. Most of the users are highly satisfied with the recent developments in banking services. There seems to be resistance to adopt these innovative banking services. Nowadays customers expect more facilities. So the banks have to update the mobile banking facilities which would satisfy the customers.

### Objectives of the study

The present study is conducted with the objectives which include:

- ❖ To know the perception of individuals towards mobile banking.
- ❖ To find out the satisfaction levels of users towards mobile banking.

### Mobile users in India

Once considered a luxury of the rich, mobile phones are now an everyday gadget for people across the globe. The number of mobile phone users in the world is expected to pass the five billion mark in 2019. Mobile phone users in India crossed 581 million users in 2014 and have been on a steady rise over the last decade. According to a survey by e-Marketer in 2015, India is estimated to have over 800 million mobile phone users in 2019 ([www.statista.com](http://www.statista.com))

### Importance of Mobile Banking

Mobile banking, though perceived by many people as a very insecure platform to transact one's money, it is safer in reality than internet banking. This kind of banking it is very hard for it to be attacked by any form of malware or even cracked as banks use strong passwords to protect its database more so, even if one loses their phone one has no cause to raise the alarm as one can disable their accounts remotely using another phone without necessarily going physically to the bank (Henderson 2019) [5].

### India's Mobile Banking Transactions

India's Mobile Banking Transactions: Value data was reported at 5,258,450.000 INR mn in Feb 2020. This records an increase from the previous number of 5,213,678.397 INR mn for Jan 2020. India's Mobile Banking Transactions: Value data is updated monthly, averaging 269,602.076 INR mn from Apr 2011 to Feb 2020, with 107 observations. The data reached an all-time high of 5,338,461.470 INR mn in Jul 2019 and a record low of 760.000 INR mn in Apr 2011. India's Mobile Banking Transactions: Value data remains

active status in CEIC and is reported by Reserve Bank of India ([www.ceicdata.com](http://www.ceicdata.com)).

### Types of Mobile Banking Services

([www.paisabazaar.com](http://www.paisabazaar.com))

Banks provide mobile banking services to their clients in the ways listed here:

- Mobile Banking over Wireless Application Protocol (WAP)
- Mobile Banking over SMS (also known as SMS Banking)
- Mobile Banking over Unstructured Supplementary Service Data (USSD)

### Best Mobile Banking applications in India

(<https://fintrakk.com>)

#### 1. Anywhere SBI and YONO (SBI Banking)

SBI has a number of banking apps for a variety of services like SBI Anywhere, SBI YONO, and others. But, anywhere (earlier called as FREEDOM app) is the app that provides fundamental banking services with all the important facilities.

#### 2. HDFC Bank Mobile Application

HDFC Mobile Banking App provides access to over 60 transactions anywhere and anytime. It's the first bank to provide a customizable feature for "My Menu" which allows its users to select 10 favorite transactions for constant display on the application.

#### 3. ICICI Bank's I mobile Application

Apart from normal banking facility, the app can help its users to locate ICICI Bank ATMs. One can also link to your loan, Demat account and credit card accounts held with ICICI Bank.

#### 4. Kotak- 811 & Mobile Banking

This mobile banking app has excellent and super intuitive UI with several in-app features such that you will never have to visit a branch ever.

#### 5. Bank of Baroda's M-Connect plus application

The M-Connect Plus app is an upgraded version which is very user-friendly and provides all normal banking facilities. The app also allows its users to make cardless cash withdrawals from Bank of Baroda ATMs.

### Methodology

#### Research Design

The study has used a Descriptive design of a conclusive nature.

#### Sampling Design

A sample of 120 respondents was taken on the basis of Random sampling is a probability method.

### Data Collection

There are two types of data collections.

- ❖ Primary data collection
- ❖ Secondary data collection

#### Primary data

Primary data is first had information it was collected from the respondent by using a structural Questionnaire. The researcher has got the primary data

through survey method.

### Secondary data

The secondary data was collected through the secondary sources like company records, company Websites, magazine, and Newspaper.

### Null Hypothesis (H0)

- ❖ There is no significant difference between gender and awareness about mobile banking
- ❖ There is no significant difference between gender and factors affect to open mobile bank
- ❖ There is no significant difference between gender and

convenient to mobile bank

- ❖ There is no significant difference between gender and satisfaction to using mobile banking
- ❖ There is no significant difference between age and factors affect to open mobile bank
- ❖ There is no significant difference between age and satisfaction to using mobile banking
- ❖ There is no significant difference between Educational qualification and satisfaction to using mobile banking
- ❖ There is no significant difference between Educational qualification and factors affect to open mobile bank

### I. Percentage Analysis

Variables	Category	No. of Respondents	Percentage
Gender	Male	35	29.2
	Female	85	70.8
	Total	120	100.0
Age	31-40	43	35.8
	41-50	16	13.3
	Above 50	13	10.8
	Up to 30	48	40.0
	Total	120	100.0
Literacy Level	Degree	24	20.0
	Diploma/ITI	1	.8
	P.G and above	88	73.3
	Up to H.Sc	7	5.8
Total	120	100.0	
Type of bank	Private sector bank	45	37.5
	Public sector bank	75	62.5
	Total	120	100.0
Type of account	Current account	8	6.7
	Savings bank account	112	93.3
	Total	120	100.0
Location of the bank	Rural	37	30.8
	Urban	83	69.2
	Total	120	100.0
State your level of awareness about mobile banking	Aware	91	75.8
	Not aware	5	4.2
	Partially aware	24	20.0
	Total	120	100.0
Status of usage	1 – 5 years	47	39.2
	5 – 10 years	32	26.7
	Above 10 years	13	10.8
	Less than 1 year	28	23.3
	Total	120	100.0
Factors affect to open Mobile Bank account	Cost Saving	11	9.2
	Easy for payments	1	.8
	Time Saving	108	90.0
	Total	120	100.0
Mobile banking would make banking more convenient	Maybe	16	13.3
	No	5	4.2
	Yes	99	82.5
	Total	120	100.0
Opinion about Balance Enquiry Facility	Average	19	15.8
	Good	98	81.7
	Poor	3	2.5
	Total	120	100.0
Opinion about bill payment services	Average	30	25.0
	Good	89	74.2
	Poor	1	.8
	Total	120	100.0
Opinion about Money transfer facility	Average	18	15.0
	Good	99	82.5
	Poor	3	2.5
	Total	120	100.0
Opinion about Safety	Maybe	45	37.5

	No	13	10.8
	Yes	62	51.7
	Total	120	100.0
How often you use mobile banking services?	Always	15	12.5
	Frequently	48	40.0
	Often	11	9.2
	Sometimes	46	38.3
	Total	120	100.0
Overall satisfaction with Mobile Banking	1.00	3	2.5
	2.00	8	6.7
	3.00	29	24.2
	4.00	38	31.7
	5.00	42	35.0
	Total	120	100.0

(Primary Data)

### Interpretations

- ❖ The respondents of 77 percent of respondents are male and 23 percent of respondents are female in the usage of Mobile Banking. It is found that the majority of respondents are Male.
- ❖ The respondents of 48 percent of respondents are below 30 years, 43 percent of respondents are 31-40 years, 16percent of respondents are between 41-50 years and 13 percent of respondents are above 50 years. It is found that the majority of respondents are below 30 years age group.
- ❖ The respondents of 43% of respondents are using Mobile Banking from H.SC and 40% of respondents from PG/Above and 8% from UG and 9% from Diploma/ITI. It is found that large numbers of respondents are from H.SC.
- ❖ The Public sector bank 62.5% is largely used for Mobile banking than Private sector bank 37.5%
- ❖ The respondents of Mobile Banking users are 94% from Savings banking account and 6% of the Current account. It is found that saving bank account respondents are more than the other.
- ❖ The Urban area respondent is 70 % and 30% from the rural area. Therefore, it is found that Urban is respondent is higher than the rural area.
- ❖ The Awareness of Mobile Banking facility is partially aware by 39% and 31% of people are not aware and 30% are aware. It is found that a partially aware respondent is larger than the other.
- ❖ The Mobile Banking respondents are 39.2% in 1 to 5 years and 26.7% in 5 to 10 years and 23.3% in less than 1 year and 10.8% in above 10years. It is found that 1 to 5 years users are above all.
- ❖ The factors that affect to open a mobile bank account are 90 percent for time saves and 9.2 percent easy for payments and 0.8 percent for cost-saving. It is found that many use mobile banking for Time-saving
- ❖ The respondents 77 percent of mobile banking makes banking more convenient and 13 percent of respondent says it is not convenient and 10% responds as maybe it can be convenient for some and not for others. Therefore it is found that many respondents are highly convenient in using Mobile banking.
- ❖ The respondents' Opinion about Balance Enquiry Facility is 82 percent Good and 16 percent is Average and 2 percent of respondents are been Poor. It is found that the majority result is marked as Good.
- ❖ The respondents' opinions for Bill Payment Services are 45% Poor and 44% is good and 11% is Average. It is found that the majority of respondents are marked Poor in Bill payment services.
- ❖ The respondent's opinion about Money transfer facility is 82.5 percent are marked as Good and 15 Percent is Average and 2.5 Percent is been marked as Poor. It is found that good reviews for Money transferring facility in Mobile banking.
- ❖ The respondents' opinion about Safety is 52% yes in secured and 37% in perhaps state and 11% have been marked as the unsecured facility. Therefore it is found that major respondents feel that it is secured in services.
- ❖ The respondents use Mobile Banking service sometimes is 44% and often is 27% and frequently is 23% and always is 6%. It is found that the majority of respondents use Mobile banking sometimes.
- ❖ The respondents' Overall Satisfaction of Mobile Banking services are been rated as 48% for 5 points and 31% for 4 points and 16% for 3 points and 4% for 2 points and 1% for 1 point. It is found that ratings of respondents are well satisfied with the Mobile Banking Facility.

### II. Hypotheses testing

S. No	Null-Hypotheses	Test Statistics	Calculated Value	Accepted/Rejected
1.	There is no significant difference between gender and awareness about mobile banking	Chi-Square Test	.307	Accepted
2.	There is no significant difference between gender and factors affect to open mobile bank	Chi-Square Test	.561	Accepted
3.	There is no significant difference between gender and convenient to mobile bank	Chi-Square Test	.553	Accepted
4.	There is no significant difference between gender and satisfaction to using mobile banking	Chi-Square Test	.205	Accepted
5.	There is no significant difference between age and factors affect to open mobile bank	Chi-Square Test	.150	Accepted
6.	There is no significant difference between age and	Chi-Square Test	.070	Accepted

	satisfaction to using mobile banking.			
7.	There is no significant difference between Educational qualification and satisfaction to using mobile banking	Chi-Square Test	.002	Rejected
8.	There is no significant difference between Educational qualification and factors affect to open mobile bank	Chi-Square Test	.628	Accepted

### Result of Hypothesis

1. The calculated chi-square value is greater than table value and the result is no sign at a 5% level. Hence, the null hypothesis is accepted.
2. The chi-square statistic calculated value is greater than the chi-square critical value. Hence, we accept the null hypothesis that the gender and factors affect to open a mobile bank
3. The chi-square statistic calculated value is greater than the chi-square critical value. Hence, we accept the null hypothesis that the gender and convenient to mobile bank
4. The chi-square statistic calculated value is greater than the chi-square critical value. Hence, we accept the null hypothesis that the gender and satisfaction of using mobile banking
5. The chi-square statistic calculated value is greater than the chi-square critical value. Hence, we accept the null hypothesis that the age and factors affect to open a mobile bank
6. The chi-square statistic calculated value is greater than the chi-square critical value. Hence, we accept the null hypothesis that the age and satisfaction in using mobile banking
7. The calculated chi-square value is less than table value and the result is highly significant at a 5% level. Hence, the null hypothesis is rejected.
8. The chi-square statistic calculated value is greater than the chi-square critical value. Hence, we accept the null hypothesis that the Educational qualification and factors affect to open a mobile bank.

### Features and benefits of Mobile Banking

- Account Balance Enquiry
- Account Statement Enquiries.
- Cheque Status Enquiry.
- Cheque Book Requests.
- Fund Transfer between Accounts.
- ATM locator
- Credit/Debit Alerts.
- Minimum Balance Alerts.
- Bill Payment Alerts.
- Bill Payment.
- Recent Transaction History Requests.
- Information Requests like Interest Rates/Exchange Rates.
- QR code payments
- Alerts and notifications
- Cash back

### Limitations of Mobile Banking

- Security problems & privacy
- Virus & malware attack
- Wireless Network
- Risk in SMS Mobile Banking
- Authentication issue
- Compulsory Internet Connection & Tower Problem

- Antivirus Software Updation
- Forget to Log of
- Mobile Compatibility
- Spend Nominal Charge

### Conclusion

Mobile banking services are growing rapidly growth. The findings of the study reveal that time, convenience, ease to use, Balance Enquiry Facility, Bill Payment Services, Money transfer facility, and are factors which are making the customers adopt mobile banking. Customer comfort and convenience are using mobile banking, technology, and security concern is the very biggest problem for mobile banking. Customer does not have awareness about the benefit of mobile banking services. Banks have to create certain awareness programs to the customers regarding the mobile banking process, which will make the customer be highly satisfied and usage of mobile banking services become increases.

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