

The Role of Mobile Banking in Digitalization Era

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ABSTRACT

Mobile banking had its origin in November 1946. In India, the first bank on wheel was launched by the bank of Patiala in 1950. Mobile banking (also known as M- banking, SMS banking etc.) is a term used for performing balance checks, unit transactions, payments etc. via a mobile device such as a mobile phone. Mobile banking today is most often performed via SMS or the Mobile Internet but can also use special programs called clients downloaded to the mobile device. Mobile banking is a way for the customer to perform banking actions on his or her cell phone or other mobile device. It is also known as M-Banking or SMS Banking. Mobile banking allows the user to log into his or her account from a cell phone, and then use the phone to make payments, check balances, transfer money between accounts, notify the bank of a lost or stolen credit card, stop payment on a check, receive a new PIN, or view a monthly statement, among other transactions. This type of banking is meant to be more convenient for the consumer than having to physically go into a bank, log on from their home computer, or make a phone call. While all of this is true, some are concerned about the security of mobile banking. With an estimated 1.2 billion users worldwide at the end of 2017, mobile banking is fast becoming the main touch point for banks. This shift in user needs is a grand opportunity – for incumbent banks and also for new tech-focused challenger banks.

The objectives of the study is to find the awareness of mobile banking in Mysore, to study the behavioral pattern of mobile banking and to study the customer's accepted the digitalization of financial/monetary transactions.

The data was collected from 100 respondents through questionnaire. The statistical tools used to analyze and interpret data are Descriptive statistics and Chi-square by using SPSS package. The results of the study specify that the factor affecting customer knowledge, past and image of the Mobile banking.

1. Introduction

Mobile banking had its origin in November 1946. In India, the first bank on wheel was launched by the bank of Patiala in 1950. MOBILE BANKING (also known as M- banking, SMS banking etc.) is a term used for performing balance checks, unit transactions, payments etc. via a mobile device such as a mobile phone. Mobile banking today is most often performed via SMS or the Mobile Internet but can also use special programs called clients downloaded to the mobile device. Mobile banking is a way for the customer to perform banking actions on his or her cell phone or other mobile device. It is also known as M-Banking or SMS Banking. Mobile banking allows the user to log into his or her account from a cell phone, and then use the phone to make payments, check balances, transfer money between accounts, notify the bank of a lost or stolen credit card, stop payment on a check, receive a new PIN, or view a monthly statement, among other transactions. This type of banking is meant to be more convenient for the consumer than having to physically go into a bank, log on from their home computer, or make a phone call. While all of this is true, some are concerned about the security of mobile banking.

2. Review of literature

Ibrahim Al-Jabri,(2005) Mobile banking adoption: Application of diffusion of innovation theory Many banks in Saudi Arabia are starting to offer banking services through mobile phones. However, not many studies investigate the

factors that may help the bankers to design mobile services, which are suitable for and adoptable by bank customers. This study fills this gap and examines a number of factors affecting the mobile banking adoption.

Tomi Dahlberg,(2008) Past, present and future of mobile payments research: A literature review The mobile payment services markets are currently under transition with a history of numerous tried and failed solutions, and a future of promising but yet uncertain possibilities with potential new technology innovations. At this point of the development, we take a look at the current state of the mobile payment services market from a literature review perspective.

Chian-Son Yu(2003) Factors affecting individuals to adopt mobile banking: Empirical evidence from the UTAUT model Fast advances in the wireless technology and the intensive penetration of cell phones have motivated banks to spend large budget on building mobile banking systems, but the adoption rate of mobile banking is still underused than expected. Therefore, research to enrich current knowledge about what affects individuals to use mobile banking is required. Consequently, this study employs the Unified Theory of Acceptance and Use of Technology (UTAUT) to investigate what impacts people to adopt mobile banking. Through sampling 441 respondents, this study empirically concluded

that individual intention to adopt mobile banking was significantly influenced by social influence, perceived financial cost, performance expectancy, and perceived credibility, in their order of influencing strength. The behavior was considerably affected by individual intention and facilitating conditions.

3. Objectives of the study

- To find out the awareness of mobile banking in Mysore.
- To study the behavioral pattern of mobile banking.
- To understand whether customers accepted the digitalization of financial/monitory transaction.

4. Scope of Study

The following has been covered under the project “Mobile Banking”.

- SMS banking
- IT in Banking

5. Research Methodology

Research design: - Descriptive design

Collection of data

Primary data
The primary data was collected from customers through the structured questionnaire.

Secondary data

The secondary data was collected from books, Journals and website.
Sampling method – simple random

Stastical tool

Percentage method and chi square test were use to analyze the data to test the hypothesis.

Limitations

- The study is limited to mobile banking only.
- The data was collected by mobile user only.
- The sample size is 100.
- The study is limited to Mysore.

Statistical hypothesis

H1= The level of perception of respondents towards mobile banking security was equally distributed.

H2= The level of perception of respondents towards satisfaction of mobile banking was equally distributed.

Security

To test H1 it was customary to present the norm table and then apply chi square test. The computations made was tabulated in table 1

Table 1					
Security Level mean=4.72 , S.D=1.356					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Average	13	13.0	13.0	13.0
	Average	74	74.0	74.0	87.0
	Above Average	13	13.0	13.0	100.0
	Total	100	100.0	100.0	

Calculated Chi-square value: 72.30
Table Chi-square value: 5.991

Since calculated chi square value was > table value, the test was significant at 5% levels that is among 100 respondents 13(13%) were having below average security level, 74(74%) were having above average security level and it was found to be s statistically significant at 5% levels

Satisfaction

To test H2 it was customary to present the norm table and then apply chi square test. The computations made was tabulated in table 2

Table 2					
Satisfaction Level mean=9.64, S.D=3.398					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below Average	5	5.0	5.0	5.0
	Average	79	79.0	79.0	84.0
	Above Average	16	16.0	16.0	100.0
	Total	100	100.0	100.0	

Calculated Chi-square value: 92.08
Table Chi-square value: 5.991

Since calculated chi square value was > table value the test was significant at 5% levels that is among 100 respondents 5(5%) were having below average security level, 79(79%) were having average level and 16(16%) were having above average security level and it was found to be statistically at 5% levels.

Perception towards the factor affecting the mobile banking transaction for evaluate by considering 6 factors namely

- Security
- Privacy
- Reliability

- Cost
- Awareness of mobile banking
- Perceived usefulness

The order of the preference of the above set factors were analyzed using the following tables

Table 3- Security

Among 100 respondents 32(32%) were preferred the factor security and ranked 1 (highest rank).

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	6.0	6.0
	2	4	4.0	10.0
	3	10	10.0	20.0
	4	21	21.0	41.0
	5	27	27.0	68.0
	6	32	32.0	100.0
Total	100	100.0	100.0	

Table 4 - Privacy

Among 100 respondents 30(30%) were preferred the factor privacy and ranked 2.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	2	2.0	2.0
	2	9	9.0	11.0
	3	20	20.0	31.0
	4	17	17.0	48.0
	5	30	30.0	78.0
	6	22	22.0	100.0
Total	100	100.0	100.0	

Table 5 - Reliability

Among 100 respondents 27(27%) were preferred the factor reliability and ranked 4.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	6	6.0	6.0
	2	9	9.0	15.0
	3	24	24.0	39.0
	4	27	27.0	66.0
	5	16	16.0	82.0
	6	18	18.0	100.0
Total	100	100.0	100.0	

Table 6 - Cost

Among 100 respondents 22(22%) were preferred the factor cost and ranked 3.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	7	7.0	7.0
	2	11	11.0	18.0
	3	26	26.0	44.0
	4	22	22.0	66.0
	5	12	12.0	78.0
	6	22	22.0	100.0
Total	100	100.0	100.0	

Table 7 - Perceived usefulness

Among 100 respondents 6(6%) were preferred the factor perceived usefulness and ranked 5.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	40	40.0	40.0
	2	28	28.0	68.0
	3	12	12.0	80.0
	4	10	10.0	90.0
	5	6	6.0	96.0
	6	4	4.0	100.0
Total	100	100.0	100.0	

Table 8 - Awareness of mobile banking
Among 100 respondents 4(4%) were preferred the factor awareness of mobile banking and ranked 6.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1	37	37.0	37.0	37.0
	2	40	40.0	40.0	77.0
	3	7	7.0	7.0	84.0
	4	4	4.0	4.0	88.0
	5	8	8.0	8.0	96.0
	6	4	4.0	4.0	100.0
	Total	100	100.0	100.0	

6. Findings

- 82.8% of respondents are using their cell phone for banking transaction
- 95.75% of respondents are operate bank account
- 50.5% of respondents are having saving account
- 68.1% of respondents are using Net banking of their bank account in their mobile banking
- 41.8% of respondents are occasionally transact their money
- 95.7% of respondents are withdraw their money in ATM
- 75.5% of respondents withdraws 5000-10000 at once
- 55.5% of respondents are can't say any time to withdraw their money
- 33.3% of respondents bank branches are less than 1km and 1-2km
- 48.4% of respondents are transfer their money in tez phone
- 77.4% of respondents are using both type of transactions
- 64.1% of respondents are payment their bills in cash
- 42.9% of respondents are using mobile phone pay for others

- 59.1% of respondents are payment their bills in cash.

Factors affecting the usage of mobile banking and with their ranks

Rank	Factor
1	Security
2	Privacy
3	Reliability
4	Cost
5	Perceived usefulness
6	Awareness of mobile banking

7. Conclusion

The result revealed that the respondents didn't accept digitalization of monitory transaction. Most of the respondents made the payment of billings through cash only. Most of the respondents use mobile banking for transfer of their money to other banking and vice versa. The bottom line of the study is the respondent didn't feel the mobile banking is secure.

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