

Impact of Mobile Banking Among General Public With Reference To Coimbatore

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Abstract- It is an application that lives on a mobile phone, which access & manipulates their bank accounts at anytime & anywhere. It is a system that allows the customer to perform a number of financial transactions through a mobile device. Monitoring our bank account's through the mobile is known as mobile banking. In India, commercial banking industry has involved various financial innovation, which means shifting their focus from traditional banking to technology banking to satisfy the needs of their customer and to get competitive edge. Mobile banking is one such innovation. Mobile banking is defined as doing various banking transactions like fund transfer, balance enquiry, investment, paying bills through the use of mobile phones. All the banks that are licensed and have branch in India are allowed to provide mobile banking services to their clients. This facility helps customer to transfer fund from one account to another account on a real time basis using mobile network. This facility removes the space and time constraints from various banking transactions.

I. INTRODUCTION

Banks use mobile banking as an innovation strategy to outperform in this competitive market. It also helps banks to improve their performance and maintain their efficiency among the customer. With the widespread use of internet over the last decade, the banking industry has gradually shifted to more technologically advanced, secure, and sophisticated mode of transaction. Banking transactions have become so simple that you can actually make transaction at fingertips. All you need is a mobile with an internet connection for mobile banking. Mobile banking allows transaction between different accounts, payment of utility bills, checking of the account balance & more without any additional fee. The earlier mobile banking services were offered over SMS,(as) service known as SMS banking. Financial sectors are structured to gain the market share and profit. Today markets bear witness to the massive shift from traditional banking to online & branchless mode of banking. The increasing adoption of advanced technology by banks enables them to expand their markets. One such advanced technology expanding the Banking horizon is electronic banking which allows for a customers access to banks through wireless

channels. Mobile banking provides services like balance enquiry, credit transfer and sharing other business information. Information is sent through the mobile phone. Through mobile banking customers can conveniently perform their banking transactions anytime & anywhere quite easily. SALEEM& RASHID (2011) contend that mobile banking is safe and secure because banking transactions are encrypted and password protected. Mobile banking provides the platform where customer interact with a bank through a mobile device or personal digital assistant (Barnes & orbitt) 2003. This banking is a part of e-banking that provides customer access to a range of banking services like saving & credit information & customers can do payments or transfers of money through electronic channels. It can be said that these days a large number of the population across all demographic & socio-economic levels use mobile phones in their daily life. Such users of mobile phones, if they sign from m-banking, can get the services like checking account balance, mini statement, transfer of funds, transactions & password.

II. Objectives

- To analyse the current market potential for mobile banking.
- To know the service provided by the system in view of customer relation.
- To know the awareness about mobile banking among public.
- To understand the comfortability in mobile banking among public.
- To know how far mobile banking helps the public.

III. Limitation of the study

The study is subject to the following limitations,

1. Area of the study covers in & around COIMBATORE.
2. Number of respondents are limited to 150 in this study.
3. The study was done within a period of 3 months of time.
4. Sometimes customers may not be genuine in their answers.

III. SCOPE OF THE STUDY

It allows consumers to be able to access banking services from anywhere. Business & business owners are now able to save time by making use of mobile application to process their payments or even receive funds from clients directly to their phone numbers. It is particularly popular among small to medium sized enterprises (SMEs).

With mobile technology, banks are able to cut down on operational costs while still maintaining client satisfaction. The fact that any client of a bank can make use of their app to request a services, such as opening an account or even the ability to schedule debit orders or other payments from an application, allows for larger transactional volumes, eventually driving business growth.

IV. STATEMENT OF THE PROBLEM

The banking sector has been interested in using effective and new technology to provide the best service to the customers. After acceptance of mobile banking has been utilized to complete numerous operations the customers need. The more that banks improve their services, the more people will talk about them on social media via e-wom. Discussions, media, and experience are shared on online communications or pages on various social network sited where potential customers are able to see what others like. Mobile characteristics have helped to expand the use of applications due to enhancement in transaction speed, decreasing costs and better service.

V. REVIEW OF LITERATURE

Rangan, V. Kasturi and Lee, Katharine L., (2012), “Mobile Banking for the Unbanked”,

The case describes in detail the workings of two mobile banking operators in Africa- WIZZIT in South Africa and M-PESA in Kenya. It explores the dimensions of strategy that make for success in the market for the unbanked. It raises questions regarding the portability of the model to other countries and settings.

V. Raja, Joe A. (2012), “Global e-banking scenario and challenges in banking system”,

This paper is an attempt to explore the various levels of internet banking services provided by banks using the secondary data. It also compares the traditional banking systems with net banking. It lists out the various advantages of internet banking and the successful security measures adopted

by different banks for secured banking transactions. It also analyzes how E-banking can be useful for banking industry during this global financial melt down.

Lin H. F. (2011), “An empirical investigation of mobile banking adoption: The effect of innovation attributes and knowledge-based trust”,

This study developed a research model to examine the effect of innovation attributes (perceived relative advantage, ease of use and compatibility) and knowledge-based trust (perceived competence, benevolence and integrity) on attitude and behavioral intention about adopting (or continuing to use) mobile banking across potential and repeat customers. Based on a survey of 368 participants (177 for potential customers and 191 for repeat customers), this study uses a structural equation modeling approach to investigate the research model. The results indicate that perceived relative advantage, ease of use, compatibility, competence and integrity significantly influence attitude, which in turn lead to behavioral intention to adopt (or continue-to-use) mobile banking.

VI. TOOLS USED FOR STUDY

The collected data were analyzed and interpreted properly to find the results of the research work. Conventional tools like descriptive tables and percentage were used for the purpose of analysis. Further, the following specific tools were used,

- Simple percentage analysis,
- Simple average analysis,
- Ranking analysis,
- Weighted average analysis,
- Chi-square analysis.

SIMPLE PERCENTAGE ANALYSIS

AGE OF THE RESPONDENTS:

S.NO	UNDER	NO.OF RESPONDENTS	PERCENTAGE
1	Under 20	65	43.3%
2	20-30	60	40%
3	30-45	23	15.3%
4	Above 45	2	1.4%
	TOTAL	150	100%

It is observed from the above table that 43.3% of the respondents belongs under 20, 40% of the respondents are

belongs to 20-30, 15.3% of the respondents are belongs to 30-45, 1.4% of the respondents are above 45.

Majority 43.4% of the respondents are belongs under 20.

SIMPLE AVERAGE ANALYSIS

OPENING OF MOBILE BANKING:

HOW - OPENED	NUMBER OF RESPONDENTS	AVERAGE
Self motivated	83	0.55
Friends	46	0.30
Website	13	0.08
Advertisement	8	0.05
TOTAL	150	0.98

It is observed from the above table that the highest average of the respondents are 0.55 - self motivated, 0.30 – through friends, 0.08 – website, 0.05 – advertisement.

Majority 0.55 of the respondents are opened through self motivated.

RANKING ANALYSIS

FACTORS	1(5)	2(4)	3(3)	4(2)	5(1)	TOTAL	RANKING
Transaction risk	60 300	23 92	36 108	12 24	19 19	150 543	2
My phone does not support	40 200	47 188	35 105	16 32	12 12	150 537	3
Complicated user interface	43 215	36 144	50 150	14 28	7 7	150 544	1
Takes more time	50 250	28 112	22 66	25 50	25 25	150 503	4
Theft in mobile banking	25 125	35 140	44 132	28 56	18 18	150 471	5

The above table shows the various problems faced by the customers in mobile banking that are ranked based on the problems of the respondents. From the analysis it is understood that the respondents have given 1st rank-complicated user interface, 2nd-transaction risk, 3rd–my phone does not support, 4th-takes more time, 5th-theft in mobile banking.

Hence it is concluded that the complicated user interface is the major problem in mobile banking.

WEIGHTED AVERAGE ANALYSIS

FACTORS	1(4)	2(3)	3(2)	4(1)	TOTAL	MEAN
Easy to use mobile banking app	78 312	19 57	46 92	7 7	150 468	3.12
Possible to understand about the transactions	65 260	40 120	41 82	6 6	150 468	3.12
Gaining knowledge on dealings	59 236	44 132	39 78	8 8	150 454	3.02

The above table justifies the satisfactory level of mobile banking. The highest mean score or average is 3.12 for easy to use mobile banking app & possible to understand about the transactions.

CHI SQUARE ANALYSIS

A Chi-square test is any statistical hypothesis test in which the test statistic has a Chi-square distribution if the null hypothesis is true. For the purpose of this analysis, variables are classified into two important strata viz.,

Dependent variables and Independent variables. The independent variables used in the study are,

- Area of residence
- Bank
- Occupation
- Type of bank account

RELATIONSHIP BETWEEN AREA OF RESIDENCE AND BANK

Area of residence	Bank				TOTAL
	SBI	CUB	KVB	OTHER S	
Rural	24	3	22	24	73
Urban	18	9	10	13	50
Semi urban	8	2	4	5	19
Semi rural	3	1	1	3	8
TOTAL	53	15	37	45	150

To find out the relationship between area of residence and banks- which they hold account, chi square test is used and result is given below.

HYPOTHESIS:

There is significant between the area of residence and banks. Hence the hypothesis is accepted.

CHI SQUARE TEST

Factor	Value	DF	Table value	Remarks
Pearson chi square	8.788	9	16.92	Accepted

It is clear from the above table show that, the calculated value of chi square is high more than the table value. Hence the hypothesis is accepted. So there is no significant relationship between the area of residents and banks- in which they hold account.

RELATIONSHIP BETWEEN OCCUPATION AND TYPE OF BANK ACCOUNT

Occupation	Type of bank account				
	Saving	Current	Fixed deposit	Recurring deposit	TOTAL
Student	67	23	5	0	95
Entrepreneur	4	3	1	1	9
Homemaker	9	0	1	0	10
Employee	29	5	1	1	36
TOTAL	109	31	8	2	150

To find out the relationship between occupation and type of bank account, chi square test is used and result is given below.

HYPOTHESIS:

There is significant between the occupation and type of bank account. Hence the hypothesis is accepted.

CHI SQUARE TEST

Factor	Value	DF	Table value	Remarks
Pearson chi square	15.741	9	16.92	Accepted

It is clear from the above table show that, the calculated value of chi square is high more than the table value. Hence the hypothesis is accepted. So there is no significant relationship between the occupation and type of bank account

VII. FINDINGS

SIMPLE PERCENTAGE ANALYSIS.

- Majority 43.4% of the respondents are belongs under 20.
- Majority 64% of the respondents are female.
- Majority 63.3% of the respondents are belongs to UG graduate.
- Majority 63.3% of the respondents are students
- Majority 53.3% of the respondents are earning 20,000 to 30,000.
- Majority 78% of the respondents are unmarried.
- Majority 60% of the respondents are belongs to nuclear family.
- Majority 65.3% of the respondents are 2-4 members.
- Majority 48.7% of the respondents are belongs to rural.
- Majority 35.3% of the respondents are holding account in SBI.
- Majority 78% of the respondents are belonging to YES.

SIMPLE AVERAGE ANALYSIS.

- Majority 0.55 of the respondents are opened through self motivated.
- Majority 0.20 of the respondents are using mobile banking 1to3 months.
- Majority 0.30 of the respondents are using mobile banking monthly.
- Majority 0.52 of the respondents are convenient in using mobile banking.
- Majority 0.54 of the respondents are faced the difficulties in using mobile banking.

RANKING ANALYSIS;

- Hence it is concluded that the complicated user interface is the major problem in mobile banking.

WEIGHTED AVERAGE ANALYSIS:

- The above table justifies the satisfactory level of mobile banking. The highest mean score or average is

3.12 for easy to use mobile banking app & possible to understand about the transactions.

- The above table justifies the satisfactory level of mobile banking. The highest mean score or average is 2.67 for handling problems capability.

CHI SQUARE ANALYSIS:

- There is significant between the area of residence and banks. Hence the hypothesis is accepted.
- There is significant between the occupation and type of bank account. Hence the hypothesis is accepted.

VIII. SUGGESTION

- They have to reduce the network issues.
- The customers are mostly using ATM & online banking service. Most of the customers feel comfortable without m-banking. They also feel, there are chances of misuse in m-banking due to mobile handset theft.
- End to end secure encryption mechanism should be followed in transactions.
- Bank should conduct regular information security audits on the mobile banking systems to ensure complete security

IX. CONCLUSION

- The present year was tremendous increase in the mobile banking payments. At present 68% or two-third of Indian consumers are now using mobile banking to conduct financial transaction.
- The present study shows that younger generation of people use mobile banking services in a greater proportion.
- It is the responsibility of the service provides in this case the banks to ensure & educate the safe use of mobile banking services & also convenience of mobile banking usage to the treasurable consumers.

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