

# Customer Adoption and Satisfaction towards Mobile Banking



Vyas Muktak, Kumar Neeraj

**Abstract:** Mobile banking has provided phenomenal growth to banking sector. Mobile banking is boon of technology that is not limited to communication model as it is an emerging digital channel to provide banking services. After Phone and net banking now it is the mobile banking that is third era of technology innovation. India is second largest mobile base subscriber country that result into increased mobile banking users. The usage of mobile banking has increased at faster rate after demonetization which enforced the financial sector to come up with new mobile banking channels to provide convenience to its customers and to make the banking accessible to all either at minimum or at no extra cost. This paper accentuated on the Demographic factors which can affect the usage of mobile banking. It also emphasizes on reasons for adoption of mobile banking and to study the customer satisfaction towards mobile banking.

**Key words:** Mobile banking, customer satisfaction, technology, factors, adoption.

## I. INTRODUCTION:

Mobile banking is the creation of advancement of technology that started in 2002 in the form of SMS banking in India. Mobile banking is the banking of third era after Phone banking and Internet banking. Mobile banking service enables bank customers to avail financial services or transfer funds from one account to another account via mobile phone device. Those days are gone when mobile phones were just used as a mode of sending SMS and making phone calls. As per report of RBI mobile banking customers has been increased from 163 million to 251 million from March 2017 to March 2018. This drastic increase in users of mobile banking represents the interest of people towards technology based banking. Mobile apps and mobile wallets such as Google pay, Pay TM, Phone pay etc. attract the customers towards mobile banking. Having these apps in mobile means having bank in pocket as these apps enables customers to enquire balance, online marketing, online bill payment, fund transfer, online insurance payment. Non smart phone users are also able to enquire balance on their mobile without any internet facility. Inclusion of unbanked people in formal financial sector is a benefit for all if awareness about mobile banking would be created (Sharma Nisha & Kaur Rupinderdeep, 2016). Lack of exposure and lack of interest towards online banking

technology result into less than 2 percent mobile banking subscribers even the mobile phone subscription is high in country (Kumar & Debnath, 2018). Hence at this moment it is important to figure out that why people are reluctant to avail mobile banking services.

## OBJECTIVES OF STUDY:

1. To study the impact of demographic factors on mobile banking.
2. To analyze the reasons for customer's adoption of mobile banking services.
3. To study the most preferred service used by customer through Mobile Banking.
4. To study the factors affecting customer satisfaction towards mobile banking.

## II. LITERATURE REVIEWS:

**Pathak Ankita & Mishra Sunil (2019)** explored consumer behavior and attitude towards mobile banking by analyzing the factors such as awareness, ease to use, perceived usefulness and convenience. The study concluded that mobile banking is an effective alternate of traditional banking and young generation is very much prone to it. People who work anywhere are not able to visit physical branches because of lack of time. They are very much interested in mobile banking because of its convenient feature. But people of higher age group such as above 65 year of age and less educated people are not very much confident and comfortable in using mobile banking so banks and financial institutions must make efforts on such people to reach to masses.

**Shilpa & Veena K.P (2018)** studied the customer satisfaction on adoption of Mobile Banking services and revealed that Age, Gender and Income have significant relation with mobile banking usage among all demographic factors. Researchers observed that various benefits of mobile banking such as it is easy to understand, provide faster service, easy to make fund transfer and balance enquiry, less risky and cost effective influence the customers to use it but on the contrary side mobile banking awareness, network problem, refund in case of false transactions and security are hurdles in its usage. The banks are suggested to create awareness and train its customers about the technical aspects of mobile banking so that maximum number of customers can adopt it.

**Balakrishnan & Sudha (2016)** studied factors affecting mobile banking services and concluded that mobile banking are being increased due to technology savvy behavior of customers but issues such as security in transaction,

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security of personal information during verification calls and high annual charges are the factors which negatively affect the mobile banking usage. Banks should provide training to customers who do not feel comfortable while using mobile banking and must resolve the security issues to reach to masses that result in shifting the customers from traditional to digital banking and shortage of queue in the banks.

**Makhal Bernadette Annesha (2015)** explored the factors influencing the Adoption of mobile banking services by Bank customers and concluded that at initial stage banks must take care of internal factors such as building customer trust, providing high quality services and satisfactory non mobile banking service. Privacy, security, transparency and ease of transactions are factors directly related to mobile banking and are more important than internal factors. So the banks must provide its emphasis on these factors to provide user friendly mobile banking services to its customers.

**Singh Shamsher (2014)** explored the customer perception on different dimensions of mobile banking by studying the impact and adoption of mobile banking. Researcher concluded gender and income are most significant demographic factors in aspect of mobile banking. Education plays an important role and resulted into ease to use in terms of mobile banking for smart phone users. Occupation has no significant relation with mobile banking. Success of mobile transactions and reliability of fund transfer have significant impact on customer's age group. Mobile banking is not as popular as ATMs so awareness should create to promote mobile banking.

**Problem Statement:** In this technological era although the banking sector is investing a big amount of its funds to provide convenience to its customers by providing Mobile banking yet customers wait in long queue in the banks to get the transactions done. This research endeavors to study the factors affecting mobile banking services and to study the customer satisfaction provided by mobile banking services.

**Scope of Study:** The present study highlights the impact of demographic factors on mobile banking users. It also limelight's the reasons that influence customers to adopt mobile banking services provided by banks. Research also

attempt to study the customer satisfaction towards mobile banking services provided by banks.

### III. RESEARCH METHODOLOGY:

#### Research Design and Sample size:

Exploratory research design and quantitative research method is used for this research. Data is collected through primary as well as secondary sources. Questionnaire method is used to collect the first hand data from respondents. The questionnaire is framed after studying the past work of various researchers. The questionnaire focuses on three major areas such as demographic factors affecting mobile banking, reason for customer's adoption of mobile banking and factors influencing customer satisfaction towards mobile banking. Secondary data is collected from reports, journals and websites. A sample of 110 respondents is taken from SBS Nagar, Punjab by using convenience sampling method.

#### Limitation of Study:

The study is conducted on 110 respondents of SBS Nagar only which may not give accurate results. Most of the respondents are well educated and this may affect the results of this study.

#### Hypotheses:

1. There is no significant relation between demographic factors and mobile banking.
2. There is no significant difference between reasons for customer adoption and mobile banking.
3. There is no significant difference between customer satisfaction and mobile banking.

#### Data Analysis & Interpretation:

1. **H0:** There is no significant relation between demographic factors and mobile banking.
- H1:** There is significant relation between demographic factors and mobile banking.

**Table No. 1: Demographic Profile of the mobile banking users**

Particulars	Frequency	Chi-square	P-value	Hypothesis (H0)	
1) AGE		6.856	0.014	Significant	Reject
• 20-25	76				
• 26-30	9				
• 31-35	11				
• 36-40	7				
• Above 40	7				
2) GENDER		2.942	0.086	Insignificant	Accept
• Male	37				
• Female	73				
3) OCCUPATION		9.90	0.019	Significant	Reject
• Private Employee	39				
• Government Employee					
• Own Business	1				
• Students	1				
	69				

4) EDUCATION • Doctorate • Post Graduate • Graduate • Others	6 33 69 2	3.658	0.301	Insignificant	Accept
5) INCOME • Less than 15000 • 15000-30000 • 30000-45000 • Above 45000	69 35 3 3	13.212	0.004	Significant	Reject

Source: Primary Data

As the calculated value of Chi square for demographic variables viz. age, gender, occupation, education and income is founded to be 6.856, 2.942, 9.90, 3.658 and 13.212 with p values of 0.014, 0.086, 0.019, 0.301 and 0.004 respectively. So it can be concluded that

- i. For age composition and the mobile banking users, the P value for calculated chi square was found to be significant. Therefore the null hypothesis is rejected and it can be said that age composition has significant relation with mobile banking usage.
- ii. For gender profile and mobile banking users, the P value for calculated chi square was found to be insignificant. Therefore the null hypothesis is accepted and alternative hypothesis is rejected. It represents that there is no significant relation between gender and mobile banking usage.
- iii. The P value for calculated chi square for occupation and mobile banking usage was found to be significant. Therefore the null hypothesis is rejected and it can be said

- that occupation has significant relation with mobile banking usage.
- iv. For education profile and mobile banking users, the P value for calculated chi square was found to be insignificant. Therefore the null hypothesis is accepted and alternative hypothesis is rejected. It represents that there is no significant relation between education and mobile banking usage.
- v. The P value for calculated chi square for income and mobile banking usage was found to be significant. Therefore the null hypothesis is rejected and it can be said that income has significant relation with mobile banking usage.

**2. H0:** There is no significant difference between reasons for customer adoption and mobile banking.

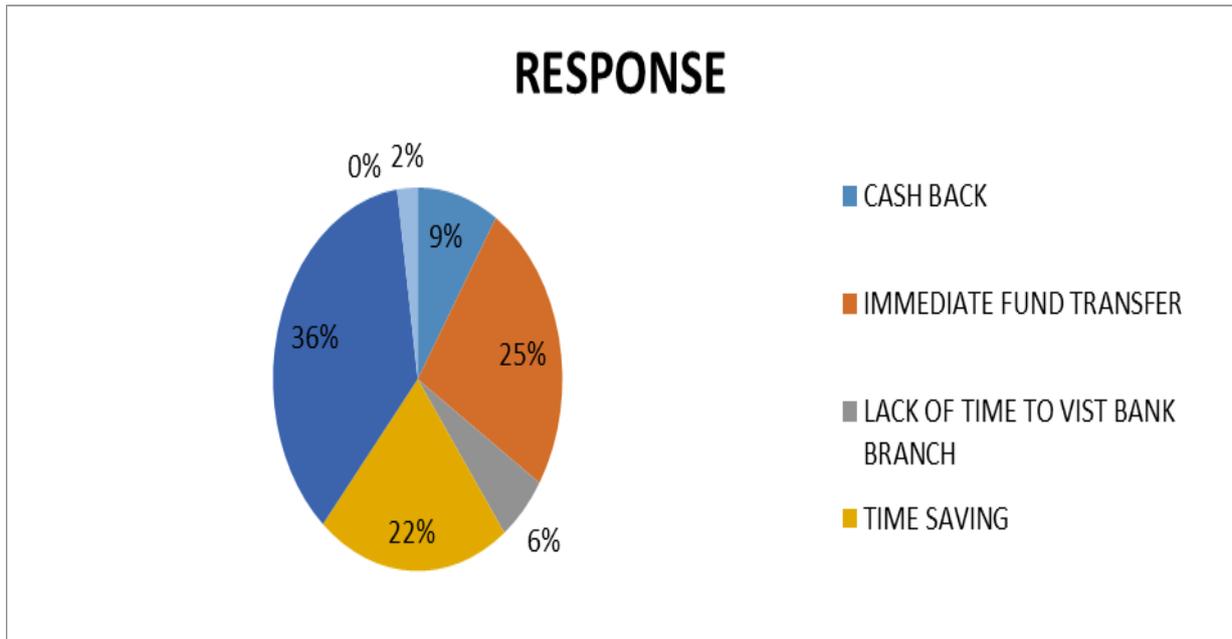
**H2:** There is significant difference between reasons for customer adoption and mobile banking.

**Table No. 2: Reason to adopt mobile banking**

REASON TO ADOPT	RESPONSE	PERCENTAGE
CASH BACK	8	9.09%
IMMEDIATE FUND TRANSFER	22	25%
LACK OF TIME TO VISIT BANK BRANCH	5	5.68%
TIME SAVING	19	21.59%
ANYTIME ANYWHERE BANKING	32	36.36%
COST EFFECTIVE	0	0%
EASE OF USE	2	0.02%
TOTAL	88	

**Graph 1**





The above graph represents that anytime anywhere banking feature of mobile banking is most popular reason due to which people adopt mobile banking. Immediate fund transfer is second most liked feature after anytime anywhere banking. But additional cost does not put any effect on usage of mobile banking.

**Table No. 3: Reason for adoption of Mobile banking**

Sr. No.	Reason for Adoption	Frequency
1.	CASH BACK	8
2.	IMMEDIATE FUND TRANSFER	22
3.	Lack Of Time To Vist Bank Branch	5
4.	Time Saving	19
5.	Anytime Anywhere Banking	32
6.	Cost Effective	0

7.	Ease Of Use	2
TOTAL		110
Kruskal-Wallis H-test		H-value = 2.519 Asymp. Sig. = 0.001 Degree of Freedom= 6 Ho = rejected (p-value being significant)

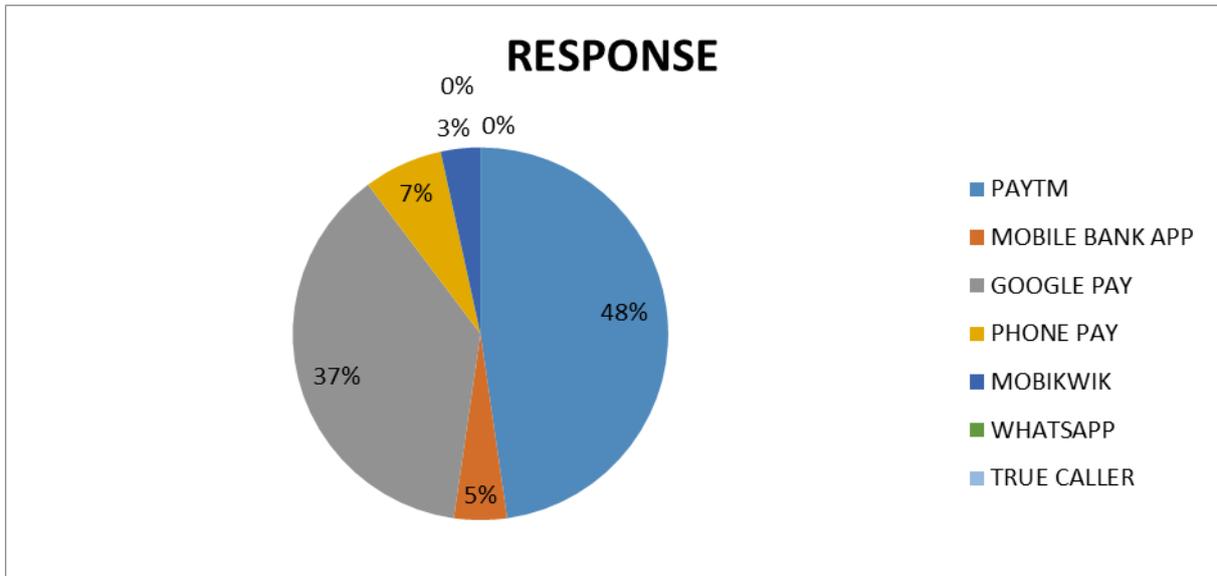
Source: Primary Data

Table 2 implies the Kruskal wallis H-test which is a class of Non parametric test and it describes the significant difference between reason for customer adoption and mobile banking. The calculated P value is 0.001, which is less than the Alpha value of 0.05, it was found to be significant. Therefore the result implies that the null hypothesis is to be rejected and alternate hypothesis is to be accepted.

**Table No. 4: Most Preferred Mobile banking service**

PREFERRED SERVICE	RESPONSE	PERCENTAGE
PAYTM	42	48%
MOBILE BANK APP	4	0.04%
GOOGLE PAY	33	37.50%
PHONE PAY	6	0.06%
MOBIKWIK	3	0.03%
WHATSAPP	0	0%
TRUE CALLER	0	0%
<b>TOTAL</b>	<b>88</b>	

**Graph 2**



The above graph represents the most preferred service of mobile banking. PAYTM service is used by 48% customers and this is highly used service followed by Google pay which is used by 37% of customers. Whatsapp and Ttruecaller are not used for mobile banking purpose by any customer.

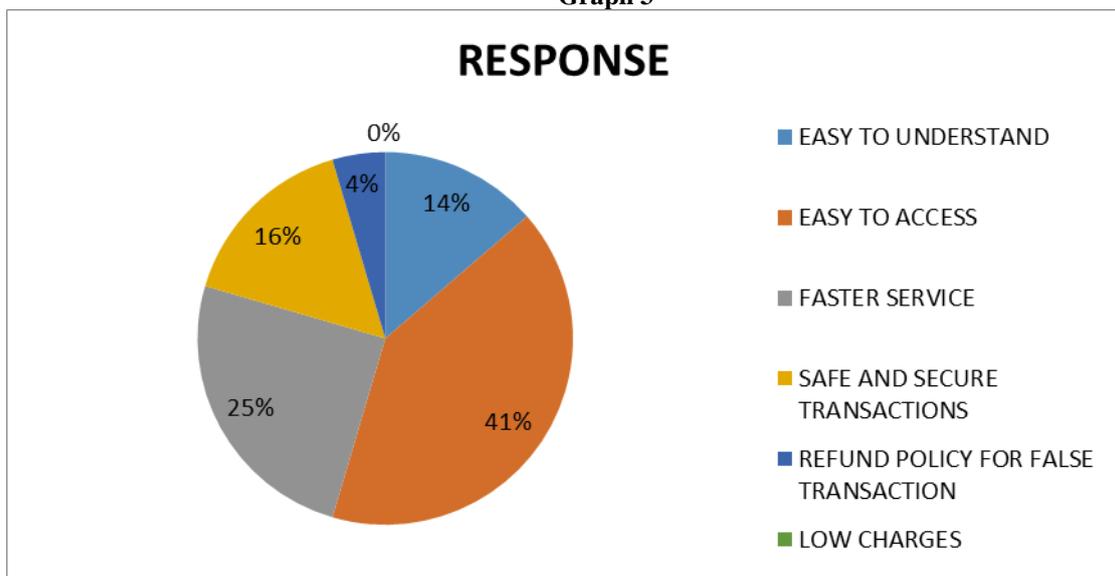
**3. Ho:** There is no significant difference between customer satisfaction and mobile banking.

**H3:** There is no significant difference between customer satisfaction and mobile banking.

**Table No. 5: Features that satisfy the customer**

FEATURE THAT SATISFY MOST	RESPONSE	PERCENTAGE
EASY TO UNDERSTAND	12	13.64%
EASY TO ACCESS	36	40.91%
FASTER SERVICE	22	25.00%
SAFE AND SECURE TRANSACTIONS	14	15.91%
REFUND POLICY FOR FALSE TRANSACTION	4	4.55%
LOW CHARGES	0	0.00%
Total	88	

**Graph 3**



The above graph represents the features that satisfy the customers. 41% of customers are satisfied because of its feature Easy to access followed by faster service feature that is the reason of satisfaction for 25% respondents. Low

charges are not considered satisfactory by any of the customer.

Table No. 6: Satisfaction of customers

USE	N	Mean Rank	Sum of Ranks
SATISFACTION 1	88	49.88	4389.00
2	22	78.00	1716.00
Total	110		

Test Statistics

	SATISFACTION
Mann-Whitney U	473.000
Wilcoxon W	4389.000
Z	-6.223
Asymp. Sig. (2-tailed)	.000

Source: Primary Data

The above table shows the customer satisfaction towards mobile banking. Maximum number of customers is satisfied with mobile banking. According to Mann-Whitney U test which is a non-parametric test there is a significant difference between Customer satisfaction and mobile banking. The calculated value of P is .000 which is less than Alpha value 0.05, it was found to be significant. There null hypothesis is to be rejected and alternate hypothesis is to be accepted.

**FINDINGS OF THE STUDY:**

- Among 110 respondents 73 respondents are female and 37 are male and this shows majority is of female customers as compare to male customers are using mobile banking.
- Among 110 respondents 76 respondents are of age between 20-25 years which represents youngsters are more prone to mobile banking.
- Majority of the respondents who use mobile banking is of students that are followed by private employees.
- Majority of the mobile banking users are graduates followed by post graduates.
- Majority of the respondents have monthly income less than 15,000 that is followed by respondents having monthly income between 15,000 to 30,000.
- Majority of the respondents numbering 32 and 22 opined anytime anywhere banking and immediate fund transfer are the reasons to adopt mobile banking.
- PAYTM is the most preferred service for majority of customers followed by Google pay.
- Among 110 respondents 88 respondents use mobile banking and are satisfied.
- The easy to access feature of mobile banking that is followed by faster service feature make the respondents most satisfied towards mobile banking.

**SUGGESTIONS FOR THE STUDY:**

- The customers must be aware about every new function incorporated in mobile banking and make ensure that all the functions should use in almost equal proportion by customers.
- Training should be provided to customers regarding mobile banking.
- Banks must provide additional benefits in transactions to customers who use mobile banking.
- Secure and safe transactions must be committed by the banks as this is the main reason for not adopting mobile banking.

➤ Old age people must be motivated towards this technology.

**IV. CONCLUSION**

Although RBI and Government has made earnest efforts to promote mobile banking services yet services such as Whatsapp and true caller are not that much popular for banking purpose. Old age people do not use mobile banking services in equal proportion as used by youngsters because they perceive it unsecure. In the context of demographic factors age, occupation and income has significant impact on mobile banking but gender and education has no impact on mobile banking. The study concluded that customers who use mobile banking are satisfied with it. But emphasis must be given on those who do not use this service and reasons for non-usage must be examined and steps should be taken to make mobile banking hassle free.

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