

## PERCEPTION OF CUSTOMERS TOWARDS MOBILE BANKING IN THE OTTAPALAM MUNICIPALITY

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### Abstract

The innovative technology in the banking industry has been constantly evolving. Innovative technology based operations in the banking sector enable customers to avail banking services from the comfort of their own home. It facilitates customers to conduct their banking activities without visiting brick and mortar system. Different mobile apps of different banks are coming up with new look and extra features from time to time. Many banking companies have launched their own applications that can be easily installed on mobile devices to provide services and facilities to customers. Now a days, mobile apps offered by banks are working as a financial super market. Paperless and cardless transactions are offered by many banks via mobile apps. Countless things can be done through mobile banking apps. However, customers are not utilizing mobile banking apps in a full-fledged manner. Focusing on this the author has conducted a study on perception of customers towards mobile banking in the Ottapalam Municipality. Convenience sampling technique is adopted to collect responses from 108 respondents. Both original as well as secondary data are used to organize the study. Non-parametric test such as Mann-Whitney U test, Kruskal Wallis test and Chi-square are the statistical tests applied and executed through SPSS to analyze the collected data. The output generated by conducting this study will be useful in the hands of banking personnel to take more endeavors to extend the number of beneficiaries and to overcome the hindrances of mobile banking.

**Keywords:** Mobile banking, customers, innovative technology, mobile banking apps, etc.

### Introduction

The banking industry plays an important role in the country's economic development. In the modern economy, banking institutions play a vital role in promoting people's savings, mobilizing them and using these savings for production purposes. This, in turn, helps the economy perform various functions, such as capital formation, balanced regional development, creating employment opportunities, attracting foreign investment, and trade growth. In recent years, the banking industry has followed a trend called mobile banking which is to conduct transactions through mobile banking applications. Advances in computer and communications technology and the availability of the

internet have made it possible to conduct banking transactions from remote locations even without contacting the relevant institutions. Mobile banking has also opened up new business opportunities for the banking industry. Additionally, customers can also use ATMs for business transactions, such as checking account balances and withdrawing money.

In recent years, mobile banking has advanced and even banking transactions can be done via mobile phone. Many banking companies have launched their own applications that can be easily installed on their mobile devices to provide services and facilities to customers. In this era of fierce competition, the success of any banking company depends on the services the bank provides to its customers. In this case, mobile banking can be very effective. Therefore, it is important to understand the awareness of mobile banking services. Customers must understand such services in order to obtain the benefits of such services.

Customer's knowledge of mobile banking services is very helpful to customers, especially in emergency situations. Customer awareness simply means that customers should understand their rights and obligations. Customer awareness is essential to protect the interests of customers from exploitation by product or service sellers.

Mobile banking applications are available that work not only on smart phones but also on regular mobile phones with key pads. USSD based applications can be used for checking account balance, fund transfer, etc.

Today mobile phone apps are like having all the things we need under one umbrella when we go to a supermarket. Apps like Yono SBI are acting as a financial super market. Sending simple text messages are the pre requisite to avail USSD feature. This feature is available without the support of internet. Layman without smartphones can also make use of it .UPI based services on mobile phones facilitate added advantages to the customers. By sitting at our comfortable points and by simple clicks customers can do all their banking activities without visiting brick mortar system.

## REVIEW OF LITERATURE

**Chuchuen, C. (2016)** in his article says there are many factors that relate in M-banking adoption process. Through his paper he suggested that the awareness and adoption of M-banking can be improved by studying such factors and taking the required measures.

**FIIB Business Review (2016)** pointed out that banks need to promote benefits and effectiveness of mobile banking. The review also pointed out that the customers are using different modes of transactions and also taking various initiatives after using mobile banking services. Banks also have to work on creating mobile banking awareness among its customers.

**Nidhi Singh and Neena Sinha(2016)**This study is concerned with mobile banking which states that the banking sector has to create more consciousness to the customers regarding the banking services provided by the banks. This study also reflects the alteration of traditional method of transaction used by the customers by adding mobile banking services.

**Simplice A. Asongu, Nicholas M Odhiambo(2017)**A study that enquire into the relationship between mobile banking & inclusive development that includes quality of growth, in equality and poverty. The conclusion that can be drawn out is that mobile banking application will play a supreme role in responding to the problems of deficient growth, inequality & poverty of the developing countries.

### **Research Gap**

Reviews on mobile banking indicate that more awareness is being created in this area and the existing system needs to be further improved. Focused on this aspect, the author is decided to conduct study on Customer perception towards mobile banking services in Ottapalam municipality.

### **Research Problem**

Mobile banking is a very common system in our society today. It is no exaggeration to say that in a state like Kerala with a high literacy rate, modern systems are rapidly gaining acceptance among the people. It facilitates customers to conduct their banking activities without visiting brick and mortar system .Different mobile apps of different banks are coming up with new look and extra features from time to time. Many banking companies have launched their own applications that can be easily installed on mobile devices to provide services and facilities to customers. Now a days, mobile apps offered by banks are working as a financial super market. Paperless and cardless transactions are offered by many banks via mobile apps .Countless things can be done through mobile banking apps. However, reviews in the concerned area reveals that customers are not utilizing mobile banking apps in a full-fledged manner. Focusing on this the author has conducted a study on perception of customers towards mobile banking in the Ottapalam Municipality.

### **Objectives of the Study**

1. To examine the customers' awareness towards mobile banking services.
2. To study the perception of customers towards mobile banking services.
3. To understand the various purpose for which mobile banking services are used by the customers.
4. To identify the barriers faced by the customers while doing mobile banking.

## **Hypothesis**

1. There is no association between gender and information sources of mobile banking.
2. Customer perception on mobile banking not significantly different in male and female.
3. Customer perception on mobile banking not significantly different in various age groups.
4. Customer perception on mobile banking not significantly different in various occupational groups.
5. Customer perception on mobile banking not significantly different in various income groups.
6. There does not exist significant relationship between security measures and gender.

## **Scope of the Study**

Mobile banking services has a very wide scope in the present situations. Every person can enjoy the banking services even by using their mobile devices with internet connection. This consumes less cost and time and the customers will be quite satisfied with such services. From this point of view mobile banking reduces the cost of handling transactions by reducing the need for customers to visit a bank branch for non –cash withdrawal and deposit transactions. Mobile banking even allows the customers to carry out several other transactions including payment of electricity bills, mobile recharging, online shopping etc

## **Limitations**

The results are confined to only some of the customers in ottapalam municipality and cannot be generalized. Some respondents are reluctant to respond. Meeting the respondents personally was difficult due to Covid 19 outbreak.

## Results and Discussion

**Table 1**  
**Demographic Variables**

	Sl.no.	Criteria	Frequency	Percentage
Age	1	Below 20	11	10.2
	2	20-30	73	67.6
	3	30-40	13	12.0
	4	40-50	4	3.7
	5	Above 50	7	6.5
	Total		108	100.0
Gender	1	Male	64	59.3
	2	Female	44	40.7
	Total		108	100.0
Educational Qualification	1	SSLC	5	4.6
	2	Plus two	16	14.8
	3	UG	53	49.1
	4	PG	30	27.8
	5	Others	4	3.7
	Total		108	100.0
Occupation	1	Government employee	12	11.1
	2	Private employee	35	32.4
	3	Profession	4	3.7
	4	Business	12	11.1
	5	Others	45	41.7
	Total		108	100.0
Monthly income	1	Below 10000	33	30.6
	2	10000-20000	38	35.2
	3	20000-30000	19	17.6
	4	30000-40000	5	4.6
	5	Above 40000	13	12.0
	Total		108	100.0

(Source: Primary data)

Among 108 respondents, 67.6 percent are included in the 20-30 (highest) age group and the lowest is 3.7 percent consists of 40-50 age category. Gender wise classification consists of 59.3 percent constitute male and 40.7 percent is female. Regarding educational qualification of respondents, lowest percent of 4.6 is belonging to the category SSLC and the highest percent (49.1) is representing undergraduate category. Job status of the respondents reveals that 3.7 percent people from professional group and the highest number represents 'others' category which may include daily earners, students and pensioners. Income status of the respondents discloses that the lowest percent of 4.6 includes Rs.30000-40000 category and the highest is 35.2 percent belongs to Rs. 10000-20000.

### Hypothesis Testing

**Table 2**  
**Association between Gender and Sources of Information**

		Source of information					Total	Chi-square	P value
		Internet	friends	Bank staff	Newspapers & Magazines	E-advertisements			
Gender of respondents	male	40	10	13	0	1	64	0.111	0.125
	female	19	14	8	1	2	44		
Total		59	24	21	1	3	108		

(Source: computed value)

Chi square statistic is 7.514

and P value is 0.125.p value is greater than standard Alpha value (0.05).so accept null hypothesis as it asserts that two categorical variables gender and source of information are not associated with each other and hence, the result is not significant.

**Table 3**  
**Kruskal-Wallis Test**

	It saves time	Perform banking transactions easily	It Can be used anywhere	The user interface is good	Avail services on 24*7basis	It is cost effective	It is more comfortable to use	Satisfied with the security and amount of data provided	Trust in network connectivity in mobile banking services	Payments are more convenient
Chi-Square	2.996	2.913	.879	3.558	8.922	1.383	1.276	2.011	.659	.524
Df	4	4	4	4	4	4	4	4	4	4
Asymp. Sig.	.928	.847	.558	.572	.469	.063	.865	.734	.956	.971

(Source: Computed value) Grouping variable: age of respondents

There is no significant difference in customer perception towards mobile banking on different age group. Table -3 reveals that different factors considered by the author to understand the perception such as saves time ,easy performance ,can be used anywhere, user interface is good,24\*7 service, cost effective, comfortable to use, satisfied with security ,trust in network and payments are more convenient are not significantly different among various age groups. Retain original hypothesis because p value in all column is more than 0.05.

**Table 4 Kruskal-Wallis Test**

	It saves time	Perform banking transactions easily	It Can be used anywhere	The user interface is good	Avail services on 24*7basis	It is cost effective	It is more comfortable to use	Satisfied with the security and amount of data provided	Trust in network connectivity in mobile banking services	Payments are more convenient
Chi-Square	3.936	2.449	1.306	2.698	9.829	4.024	4.275	18.781	14.267	4.787
df	4	4	4	4	4	4	4	4	4	4
Asymp. Sig.	.415	.654	.860	.609	.043	.403	.370	.001	.006	.310

Table 4 opined that some factors considered to understand perception are not significant among occupational group but some are significant. Factors such as saves time, easy performance, can be used anywhere, user interface is good, cost effective, comfortable to use, and payments are more convenient are not significantly different among various occupational groups. Retain original hypothesis. Factors such as 24\*7 service, satisfied with security and trust in network are significantly related with different occupational group

**Table 5 Kruskal-Wallis Test**

	It saves time	Perform banking transactions easily	It Can be used anywhere	The user interface is good	Avail services on 24*7basis	It is cost effective	It is more comfortable to use	Satisfied with the security and amount of data provided	Trust in network connectivity in mobile banking services	Payments are more convenient
Chi-Square	1.237	1.178	5.891	.816	1.368	3.098	10.257	12.791	13.547	6.738
Df	4	4	4	4	4	4	4	4	4	4
Asymp. Sig.	.872	.882	.207	.936	.850	.542	.036	.012	.009	.150

(Source: Computed value)      Grouping variable: income of respondents

The above table reveals that there does not exist significant relationship among income groups regarding It saves time, Perform banking transactions easily, it can be used anywhere, the user interface is good, 24\*7 services, cost effective and Payments are more convenient. Hence, retain null hypothesis and thus the result is not significant. But regarding it is more comfortable to use, satisfied with the security and amount of data provided and trust in network connectivity in mobile banking services have significantly different among various income groups. So reject null hypothesis.



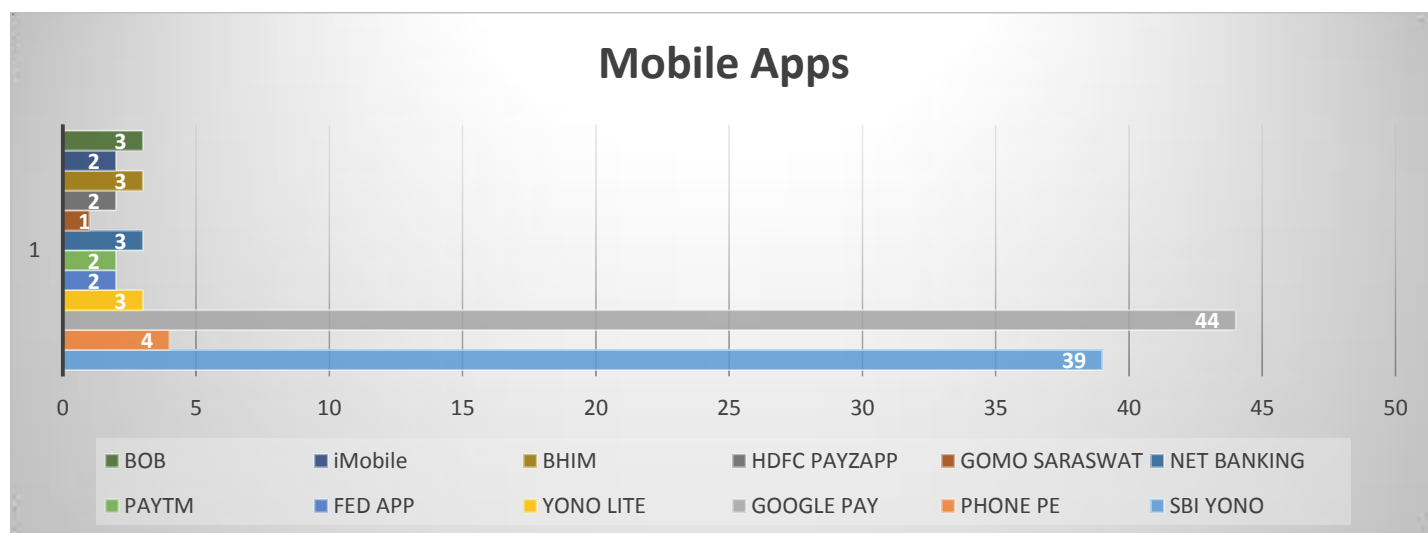
**Table 6**  
**Mann – Whitney U Test**

	Gender of respondents	N	Mean Rank	M-W U	Wilcoxon W	Z	Asymp. sig. (2-tailed)
Opinion on the level of security provided by mobile banking services	male	64	52.48	1278.500	3358.500	-.962	.336
	female	44	57.44				
	Total	108					

(Source: Computed value)

The output here consists of p value, quoted next to asymp. Sig. (2tailed), is 0.336 which is more than 0.05, so it can be opined that the level of security provided by mobile banking services does not have significant relationship between male and female. Gender category female has higher mean rank than the gender category male. Null hypothesis can be accepted.

**Figure: 1** Various Mobile Apps Used By Respondents



Google pay is the most popular mobile app among the respondents followed by SBI YONO. Phone Pay, PAYTM, PAYSAPP, etc. are the other familiar apps used by the customers.

**Table-7**

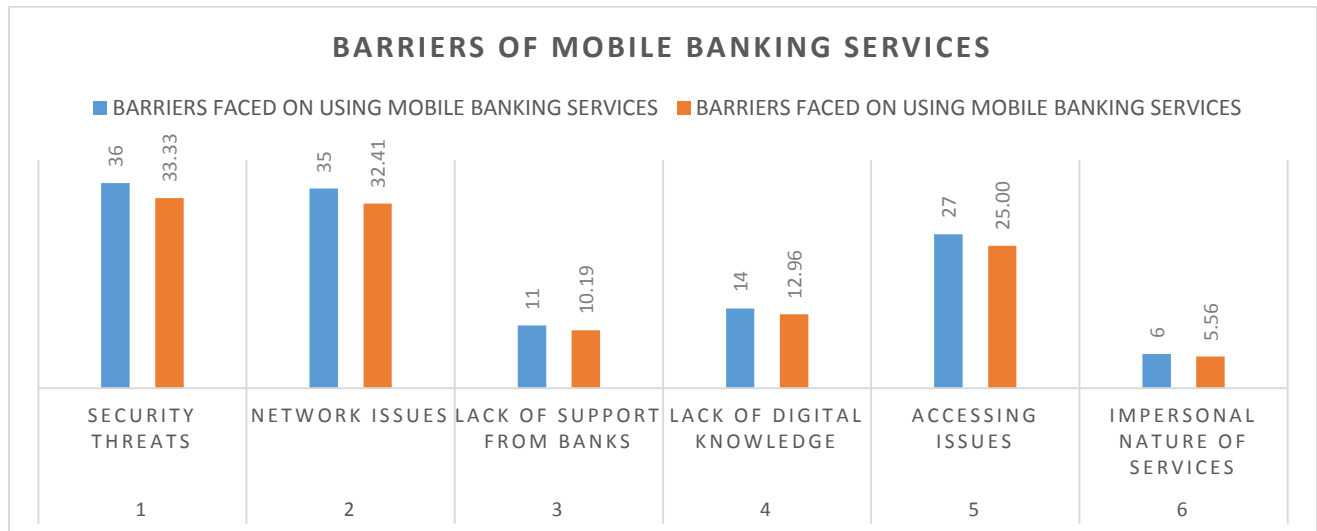
**Weighted ranking on Purpose of Mobile banking**

PURPOSES/ RANK		6	5	4	3	2	1	TOTAL	RANK
Cash transfer	F* FX**	53 318	26 130	4 16	7 21	9 18	9 9	108 512	1
Checking account balances	F FX	22 132	46 230	14 56	9 27	12 24	5 5	108 474	2
Online payments	F FX	16 96	24 120	38 152	22 66	5 10	3 3	108 447	3
Mobile Recharging	F FX	15 90	18 90	24 96	27 81	16 32	8 8	108 397	4
Online shopping	F FX	15 90	27 135	8 32	13 39	37 74	8 8	108 378	5
Others	F FX	15 90	24 120	4 16	7 21	10 20	48 48	108 315	6

\*\*weighted Frequency

Out of 108 respondents, majority of them chose cash transfer as the main purpose of mobile banking followed by checking account balances in the second position, online payments in the third position, mobile recharging in the fourth position, online shopping in the fifth position and the respondents showed other factors to be the least important purpose of mobile banking. Others include DEMAT accounting, Buying insurance products, etc.

**Figure: 2 Barriers of Mobile Banking Services**



Mobile banking customers face many obstacles. Majority of the respondents face security threats and network issues as their main obstacles while dealing with mobile banking services. Other hindrances include accessing issues, lack of digital knowledge, lack of support from banks and impersonal nature of services.

### Major Findings

- Male respondents are more than the female respondents
- More than 50 percent respondents are coming 20-30 age group which indicates adults are more attracted to mobile banking apps.
- Educated graduates are more familiar with mobile banking apps.
- Other category under job status includes daily earners, students and pensioners that constitute higher number of mobile banking app users.
- Among the sample size, 35.2 percent lying in the category Rs.10000-20000.
- Chi-square output reveals that the association between sources of information regarding mobile banking apps and gender is not significant.
- There is no significant difference in customer perception towards mobile banking on different age group.
- Kruskal Wallis test discloses that customer perception based on factors such as 24\*7 service, satisfied with security and trust in network are significantly related with different occupational group.

- Customer perception regarding it is more comfortable to use, satisfied with the security and amount of data provided and trust in network connectivity in mobile banking services have significantly different among various income groups as per Kruskal Wallis test.
- According to Mann Whitney Utest, it can be opined that the level of security provided by mobile banking services does not have significant relationship between male and female. Gender category female has higher mean rank than the male.
- Google pay is the most popular mobile app among the respondents followed by SBI YONO. Phone Pay, PAYTM, PAYSAPP, etc. are the other familiar apps used by the customers.
- Out of 108 samples, majority of them chose cash transfer as the main purpose of mobile banking followed by checking account balances in the second position, online payments in the third position, mobile recharging in the fourth position, online shopping in the fifth position and the respondents showed other factors to be the least important purpose of mobile banking. Others include demat accounting, Buying insurance products, etc.
- Mobile banking customers face many obstacles. Majority of the respondents face security threats and network issues as their main obstacles while dealing with mobile banking services. Other hindrances include accessing issues, lack of digital knowledge, lack of support from banks and impersonal nature of services.

## Suggestions

On the basis of analysis and interpretations and in the light of the present findings here are some of the suggestions to improve the mobile banking services for enjoying the benefits provided by respective institutions to their customers:

1. The banks should inform new customers about their mobile banking services when they open a new account with the bank.
2. Software should be updated in such a way that the complaints like network failure can be minimized.
3. The facility of the stop payment, rectification of wrong payment etc. may also be extended to mobile banking.
4. Awareness about mobile banking services must be created among the busy customers by conducting seminars and various promotional strategies by the banks.
5. Use social media for targeting wider audiences and make them aware of the mobile banking service provided.
6. Promotion of mobile banking services should be done through newspapers, e-advertisements, magazines, journals etc.

7. Give proper guidance and training to customers for using mobile banking services.
8. The mobile banking sites should be made more user friendly so that customers get motivated to use it and would recommend it to other customers.
9. Efforts should be taken by banks to make the services available in rural and remote areas.
10. Innovative techniques should be adopted by banks for improving security of mobile banking services.

## Conclusion

Mobile banking is one of the important trends in the banking industry that have improved the relationship of customers with the bank. The various changes in technology has helped the customers in many ways and a number of changes have been introduced in the area of mobile banking for improved banking operations. The present study concluded that the customers are well aware of mobile banking services and majority of the customers are availing the benefits of mobile banking services. However, the banking sector should try to take each and every possible step to extent mobile banking services to the needy hands. Thus awareness of mobile banking services is a very important factor for the benefits of both banks as well as customers. When customers are more aware of these mobile banking, the banks can make sure that the services provided by them are more effective.

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