

Customer Preference and Adoption towards Mobile Banking

K Suganth¹, S Sajeev², Ms. A. R. Sri Ranjani³

^{1,2}III B.COM CS, Department Of Commerce, Rathinam college of Arts & Science, Coimbatore

³Assistant Professor Department of Commerce, Rathinam College Of Arts & Science,
Coimbatore.

Abstract. As technology advances, the banking sector is always changing. The banking industry now has the chance to use mobile phones to access services thanks to the development of the internet and its widespread use. The goal of this study is to investigate the factors that encourage bank customers to use mobile banking. The study also identifies the services that drew banking clients. In this context, 65 sample respondents who were conveniently chosen provided primary data. Customers primarily favor the bill payment option provided by mobile banking, according to the findings of the ranking technique and factor analysis. Additionally, the majority of respondents cited safety and security as the main reason influencing their adoption of mobile banking.

Keywords: Banking Technology, Mobile banking adoption, customer preference convenience.

I. Introduction

Banking system is a financial network that facilitates the transfer of funds and management of financial transactions of which mobile banking is a technological advancement that makes the customers so into the banking services. Even while ATMs, phone calls, and online banking are the most efficient ways to supply traditional banking products, technology is crucial to the advancement of banking services for consumers in this digital age. Traditional banking practices and services were consequently converted to digital formats. Of which M-Banking, the newest delivery channel introduced by the banking sector functions as a one stop solution for all the banking demands by boosting the client experience through giving user pleasant and efficient services.

II. Review of literature

According to Liebana-Cabanillas et al., (2020) perceived trust, satisfaction and risk influenced the customers towards the usage of mobile banking service. In addition to that, the research study conducted by Carlos and Miguel (2020) proved the remarkable impact of perceived mindfulness, subjective norms and attitude on mobile banking usage. Perceived value of mobile banking apps yields a positive effect on customer's overall satisfaction and commitment (Heikki et al 2019). Shaikh et al (2015) concluded that compatibility, perceived usefulness and attitude were the significant elements driving towards adoption of M-Banking services in developed and developing countries As Perceived usefulness, Perceived ease of use were the key factors that influ-

enced the adoption (Nayak et al., 2014) and acceptance (Rahmath et al., 2011) of mobile banking among banking customers.

Statement of the problem

In the world of advanced technology, people are not supposed to waste their time by waiting in queue or travelling to the location to access their banking services. This study intends to analyse the customer perception towards adoption of mobile banking services.

Scope of the study

Technology is in the utmost development as part of it the number of mobile users in India are increasing rapidly. Individuals are experiencing the benefit of availing majority of banking services through mobile phones at anywhere. People think holding cash in the wallet is quite older concept as the mobile banking helps them to perform the transactions through mobile phones instead of visiting the bank in person.

Objectives

The Objectives of the study are;

- To examine the customer preference towards varied mobile banking services, and
- To identify the factors influencing customers towards usage of mobile banking services.

III. Research Methodology

Coimbatore was selected as study location. It encompasses population with high literacy rate (91.3%). This the potential and skills of an individual residing in Coimbatore is high as a part of their high literacy rate and further they are aware of various technological advancements and open towards adopting those aids. Convenience sampling method under non-probability sampling technique was used for selecting the sample respondents. The study was based on both primary and secondary data. The primary data were collected using questionnaire from 65 banking customers, who were using the mobile banking services. Secondary data were collected from various websites, books, articles and journals. Consequently, Garrett Ranking technique and Factor analysis was used for analysis.

IV. Results and Discussion

The results of the data analysis were presented in the following heads. The first portion is Socio- economic Profile of the Respondents

Based on the results, majority of the customers belongs to the age group of 20-40 (80.3%) years and they were female (81.8%) shows that mobile banking services are more familiar among the younger generation. With respect to the educational qualification most of the banking customers had completed their under graduation (48.5) and they were private employee and earning a monthly income of 40000 to 60000 (54.5). With regard to the marital status, majority of respondents were married (83.3).

Table 1
Socio- economic Profile of the Respondents

Demographic Variables		No. of Respondents (n=65)	Percentage
Age (In years)	Below 20	10	15.2
	20 to 40	52	80.3
	40 to 60	3	4.5
Gender	Male	12	18.2
	Female	53	81.8
Education	School level	2	3
	Under Graduate	31	48.5
	Post Graduate	26	39.4
	Professional Degree	6	9.1
Profession	Private Service	42	65.2
	Government Employee	13	19.7
	Entrepreneur	6	9.1
	Homemaker	4	6.1
Monthly income (in Rs)	Below 20000	8	12.1
	20000 to 40000	18	27.3
	40000 to 60000	35	54.5
	Above 60000	4	6.1
Marital Status	Unmarried	11	16.7
	Married	54	83.3

(Source: Primary data)

Preference level of customers towards various mobile banking services

In order to determine the preference level of customers towards various mobile banking services Garrett ranking technique was applied. And the outcomes are shown in the following table

On the basis of Garrett ranking analysis, Bill payment ranked with the first position with the mean score of 66.72 as funds can be transferred easily and it does not require bank account details for payment. Customers’ prefer Fund transfer (60.55) as II which is very convenient, provides security and automation resulted with the mean score of 66.55. E-Pass book (56.36) preferred by customers as it gives the real time updates of transaction details attains III rank. Deposits resulted with the mean score of 51.43

which is the fourth preference of customers as it offers 24/7 accessibility and efficient transactions.

Table No. 2

Ranking of respondents towards various mobile banking services

Factors	Total Score	Garrett Mean Score	Mean Rank
Bill Payments	4270	66.72	I
Fund Transfer	3875	60.55	II
E Passbook	3607	56.36	III
Mobile Wallet	3067	47.92	IX
Balance Enquiry	3035	48.98	VI
Loan Facilities	2789	43.58	XIII
Investments	3248	50.75	V
Deposits	3291	51.42	IV
Card Management	2973	46.45	X
Smart account opening	2809	43.89	XII
Mutual Fund Trading	3094	48.34	VIII
Enquiry for cheque Status	3112	48.62	VII
Stop payment on cheque	2914	45.53	XI
Insurance	2678	41.84	XV
Repayment of loan	2752	43	XIV

(Source: computed data)

Customers are benefited by cost savings, improved customer engagement through investment (50.75) which is ranked in fifth place. Balance enquiry (48.98) results in sixth place as it helps in budget management and transaction monitoring.

Being balance enquiry (48.98), enquiry for cheque status (48.62), mutual funds trading (48.34), mobile wallet (47.92) and card management (46.45) arriving similar results was ranked in sixth, seventh, eighth, ninth and tenth respectively, as respondents are less satisfied.

Customers are least benefited by stop payment on cheque (45.53), followed by smart account opening (43.89), loan facilities (43.58), repayment of loan (43) and insurance (41.84) as the service provided are not up to the expectation level of customers.

Factors influencing customers towards adoption of mobile banking

In order to identifying the factors influencing banking customers towards adoption of mobile banking services the factor analysis was applied. Results are presented in the following table.

Table 3

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.795
Bartlett's Test of Sphericity	Approx. Chi-Square	919.212
	Df	190
	Sig.	.000

(Source: Computed data)

The factors influencing adoption behaviour of mobile banking collected from the respondents with the help of measured variables in Likert scaling. The variables used for factor analysis were analysed and presented in the following table. In order to bring out the underlying factors Varimax rotation with Kaiser Normalisation were used. For the purpose of extraction, the principle component analyses were used. The criteria for selecting number of factors based on Eigen value. The KMO and Bartlett's bring out same adequacy are highly significant (.000).

Variables	Factors				Communalities
	1	2	3	4	
Safety and Security	.032	-.088	.099	.870	.775
24/7 operation	-.186	.324	.663	.121	.593
Anywhere Accessibility	.450	.141	.694	-.038	.705
Convenience	.528	.060	.646	-.221	.749
Time Saving	.804	.007	.204	-.132	.706
Ease of Navigation	.787	.213	.253	-.018	.729
Instant Connectivity	.751	.372	.095	.228	.763
Less Operating Procedure	.415	.348	.636	-.029	.699
Simplicity	.534	.229	.421	.148	.537
Easy Transferability	.368	.127	.641	.269	.634
Technology Adoption	.459	.349	.566	.183	.686
Less Expensive	.630	.363	.311	.237	.682
Efficient service	.477	.477	.418	.256	.696
Mobile banking is Beneficial	.627	.574	.170	-.009	.752
Never having congestion	.556	.615	.097	.001	.697
Positive perception	.341	.757	.147	-.082	.717
Consumer awareness and education	.454	.717	.150	-.080	.748
Social influence	.121	.824	.160	-.172	.748

Rewards and incentives	.077	.708	.368	.212	.687
Regulatory support	.056	.766	.198	.070	.634
Eigen Value	4.824	4.553	3.329	1.234	
% of variance	24.118	22.763	16.645	6.170	
Cumulative %	24.118	46.881	63.525	69.696	

(Source: Computed data)

On factoring 20 variables, 4 key factors influenced the respondents towards adoption of mobile (.751), ease of navigation (.787), time saving (.804) influenced 24.118 percent of respondents towards usage of mobile banking. Second factor named positive mobile banking eco system, includes never having congestion (.615), positive perception (.757), consumer awareness and education (.717), social influence (.824), rewards and incentives (.708) and regulatory support (.766) influenced 22.763 percent of respondents to adopt mobile banking. Third factor named Seamless accessibility contains 24/7 operation (.663), anywhere accessibility (.694), convenience (.646), less operating procedure (.636) and easy transferability (.641) motivated 16.645 percent of respondents to prefer mobile banking. Last factor, ie the fourth factor safety and security (.870) impressed 6.170 percent of respondents to prefer mobile banking.

Out of all the factors, the factor Safety and security, which have highest communality value of (.775) influenced most of the respondents towards adoption of mobile banking

Suggestions

- Educating and creating awareness among public to accept and adopt the concept of online banking, as we are moving in to the digital world.
- The banks should concentrate on providing the users with minimum offline accessibility by creating the software applications so they may offered with basic facilities like balance enquiry and receiving E-statements without requiring an internet connection.
- The bank should offer the facility of handling multiple accounts for their banking needs which includes fund transfers and account monitoring.

V. Conclusion

The demand for mobile phones, particularly smartphones, is growing rapidly because, apart from the communication, it is serving various other purposes like connecting with people, sharing documents and other benefits. And banks aim to capitalise on this trend by providing mobile banking as a substitute delivery method for their services. Making customers to adopt mobile banking as a digital initiative is the key element of this study. The study achieves its stated objective. People gives first preference to the bill payments as it saves the time, it is convenient for them to use and

they can avail all the services under one roof without visiting the bank. The adoption behaviour of customers depends upon several factors that have a positive and strong effect on respondents to accept mobile banking, of which safety and security influenced them the most.

References

1. Bhatt, A., & Bhatt, S. (2016). Factors affecting customer's adoption of mobile banking services. *Journal of Internet Banking and Commerce*, 21(1), 1-22.
2. Hsu, C. L., Wang, C. F., & Lin, J. C. C. (2011). Investigating customer adoption behaviours in mobile financial services. *International Journal of Mobile Communications*, 9(5), 477-494.
3. Karjaluoto, H., Shaikh, A. A., Saarijärvi, H., & Saraniemi, S. (2019). How perceived value drives the use of mobile financial services apps. *International Journal of Information Management*, 47, 252-261.
4. Laukkanen, T., & Lauronen, J. (2005). Consumer value creation in mobile banking services. *International journal of mobile Communications*, 3(4), 325-338.
5. Nayak, N., Nath, V., & Goel, N. (2014). A study of adoption behaviour of mobile banking services by Indian consumers. *International Journal of Research in Engineering & Technology*, 2(3), 2347-4599.
6. Saeed, K. (2011). Understanding the adoption of mobile banking services: An empirical assessment.
7. Safeena, R., Hundewale, N., & Kamani, A. (2011). Customer's adoption of mobile-commerce a study on emerging economy. *International Journal of e-Education, e-Business, e-Management and e-Learning*, 1(3), 228.
8. Shaikh, A. A., & Karjaluoto, H. (2015). Mobile banking adoption: A literature review. *Telematics and informatics*, 32(1), 129-142.
9. Witepanich, C., Emklang, N., Matsmak, J., Kanokviriyasanti, P., & Chanvarasuth, P. (2013). Understanding the adoption of mobile banking services: an empirical study. In *Proceedings of the 4th international conference on engineering, project, and production management* (Vol. 10).
10. Zhang, T., Lu, C., & Kizildag, M. (2018). Banking "on-the-go": examining consumers' adoption of mobile banking services. *International Journal of Quality and Service Sciences*, 10(3), 279-295.