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A Study on Impact of Mobile Banking Services in Dindigul City

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ABSTRACT: Mobile banking is an electronic system that provides most of the basic services available in daily, traditional banking, but does so using a mobile communication device, usually a smart phone. In some cases, a well developed mobile banking system can actually provide point-of-sale ability similar to an ATM or credit card, except the purchaser buys by using their phone instead. With the ease of mobile smart phones and their wide variety of applications today, it's not surprising the mobile banking is now coming into full vogue. However, the concept and ability is not a new concept. Mobile banking is growing yet there are numbers of issues and threats in mobile banking system and the major problem of mobile banking is its non-adoption by the customers. This research focuses on the barriers in adoption of mobile banking. It further focuses on preferred services by the mobile banking customers and influence of demographic variable on mobile banking service adoption. Findings suggest that customers' are worried about the security. Security concern is the major barrier in adopting mobile banking services. As far as preferred services are concern balance check tops, as customers prefer information based services rather than financial services provided by the bank.

I. INTRODUCTION

The performance of banking transactions by the customers from their mobile phones is called as mobile banking. The nature of banking transactions that can be done from mobile phones varies from bank to bank. Some banks offer only the option of SMS alerts in case of activity in the customer's account like deposit, withdrawals etc. A more involved type of mobile banking allows the customers to log into their accounts from a mobile phone and then, use the phone to make payments, balances enquiry, money transfer and statements. As per the report of Cellular Operators Association of India (COAI), the mobile users' base in India is expected to zoom to 893 million by 2012. This is a 150 million increase of what was projected earlier. India is now the second largest mobile market in the world after China, which has over 650 million subscribers, with India having 400 million mobile users. According to COAI's projection, there will be 1.24 billion mobile users in 2015 - which means one phone for every Indian. With this strong base Mobile banking is expected to be successful if the Banks convince the customers with security.

II. STATEMENT OF PROBLEM

India is the world's second largest mobile market, with over 400 million subscribers, but it still only has 20 million to 25 million registered users for mobile banking. In India, mobile banking services are offered at no cost. Despite this, the urban mobile subscriber base of over 170 million has made little attempts to make banking transactions. Mobile banking is an electronic system that provides most of the basic services available in daily, traditional banking, but does so using a mobile communication device, usually a smart phone. In some cases, a well developed mobile banking system can actually provide point-of-sale ability similar to an ATM or credit card, except the purchaser buys by using their phone instead. Customers access M-banking services using an intelligent mobile device. Mobile banking services are usually limited to electronic movement of funds and data retrieval. Banks must prove that Mobile Banking is safe so that the customers will come forward to use the new technology. If the Bank knows what are the impact of the customers from using Mobile Banking, they can take steps to uplift the impact hence

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in this paper effort was taken identify the factor influence in adopting mobile banking. This would help in escalating the convention of mobile banking.

III. OBJECTIVES OF THE STUDY

- ❖ To study the factors influences the impact of the usage of Mobile banking services.
- ❖ To study the perception towards Mobile banking services.
- ❖ To suggest ways to improve the usage of Mobile Banking.

IV. RESEARCH DESIGN

Descriptive research design has been used for this study. This helps in the intentional selection of a particular unit of universe for constituting sample that represents all units.

V. SAMPLING DESIGN

The data and information were collected from the respondents on the basis of convenient sampling.

VI. SAMPLE SIZE

The data were collected from a sample of 400 respondents out of the total population in Dindigul city.

VII. DATA COLLECTION

The study is based on primary and secondary data. The primary data were collected through well structured questionnaire.

VIII. FRAMEWORK OF ANALYSIS

Percentage analysis, KS-test and Garrett' Ranking Technique were used to analyse the data.

Table 1- Opinions regarding impact of Mobile Banking

S.No	Mobile banking has resulted in	Strongly Agree +2	Agree +1	Cannot Decide 0	Disagree -1	Strongly Disagree -2	Intensity Value	Rank
1.	Cash Transactions	130	11	4	3	2	264	1
2.	Extended Hours Services	54	48	18	18	12	114	10
3.	Across the bank payments	68	60	12	18	2	174	4
4.	Utility payments	46	59	12	30	3	115	9
5.	Balance Enquiry	36	63	7	27	17	74	11
6.	Printing of statements of Accounts	30	72	0	28	20	64	12
7.	Cheque deposit	95	45	0	10	0	225	2
8.	Request for cheque book	42	64	28	10	6	126	7
9.	Standing instructions	58	57	0	19	16	122	8
10.	Point of Sale	45	75	10	20	0	145	5
11.	Unlimited network	90	48	5	7	0	221	3
12.	On-line purchase	36	82	15	10	7	130	6

Source: Primary data

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As far as the first statement is concerned out of 150 respondents, 141(94 per cent) have positive outlook towards the statement. Thus majority of the respondents are of the view that the Mobile Banking has resulted in cash transactions. The statement is ranked first.

Considering the second statement out of 150 respondents, 102(68 per cent) have positive outlook towards the statement. Thus majority of the respondents are of the view that the Mobile Banking has resulted in better extended hours service. The statement is ranked tenth.

Regarding the third statement out of 150 respondents 128(85 per cent) have positive outlook towards the statement, 12 respondents are at the neutral position. The intensity value is +174. Thus majority of the respondents are of the view that the Mobile Banking has resulted across the bank payments. The statement is ranked fourth.

Regarding the fourth statement out of 150 respondents 105 (70 per cent) have positive outlook towards the statement, 12 respondents are at the neutral position while 33 respondents have a negative opinion. The intensity value is +115. Thus majority of the respondents are of the view that the Mobile Banking has resulted in utility payments. The statement is ranked ninth.

About the fifth statement out of 150 respondents 99(66 per cent) have positive outlook towards the statement, 7 respondents (5 per cent) are at the neutral position while 44 respondents (29 per cent) have a negative opinion. The intensity value is +74. Thus majority of the respondents are of the view that the Mobile Banking has arranged balance enquiry. The statement is ranked eleventh.

As far as the sixth statement is concerned out of 150 respondents 102(68 per cent) have positive outlook towards the statements. The intensity value is +64. Thus majority of the respondents are of the view that the Mobile Banking has resulted in printing of statements of accounts. The statement is ranked twelfth.

Regarding the seventh statement out of 150 respondents 140(93 per cent) have positive outlook towards the statement, 10 respondents have a negative opinion. The intensity value is +225. Thus majority of the respondents are of the view that the Mobile Banking has resulted in availability of cheque deposits. The statement is ranked second.

Considering the eighth statement, out of 150 respondents 106(71 per cent) have positive outlook towards the statement 16 respondent (11 per cent) has a negative position. The intensity value is +126. Thus majority of the respondents are of the view the Mobile Banking has resulted in standing instructions. The statement is ranked seventh.

About the ninth statement out of 150 respondents 115(77 per cent) have positive outlook towards the statements, and 35 respondents (23 per cent) have a negative opinion. The intensity value is +122. Thus majority of the respondents are of the view that the Mobile Banking has resulted point of sale facilities. The statement is ranked eight.

As far as the tenth statement is concerned out of 150 respondents 120 (80 per cent) have positive outlook towards the statement, and 20 respondents (13 per cent) have a negative opinion. The intensity value is +145. The statement is ranked fifth.

Regarding the eleventh statement out of 150 respondents 138 (92 per cent) have positive outlook towards that statement, 5 respondents are at the neutral position. 7 respondents have a negative opinion. The intensity value is 221. Thus majority of the respondents are of the view that the Mobile Banking has resulted unlimited network. The statement is ranked third.

Considering the twelfth statement, out of 150 respondents 118(79 per cent) have positive outlook towards the statement 17 respondents has a negative position. The intensity value is +130. Thus majority of the respondents are of the view that the Mobile Banking has resulted on-line purchase. The statement is ranked sixth.

IX. PERCEPTION TOWARDS MOBILE BANKING

More than half of the respondents (67 per cent) of Mobile Banking users agree that the service is more convenient than traditional banking; transactions can be done faster and allows easier maintenance of transaction activities. 51 per cent agree that Mobile Banking is better than traditional banking; however, on average the users were uncertain whether Mobile Banking is more reliable or safer and secure (49 per cent were indifferent). It may be said that current Mobile Banking users are overall satisfied with the service which shows an opportunity to increase the customer base in future and in turn helps in financial inclusion i.e. providing banking facility to the one who is not

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having access to traditional financial system and through this research it is clear that by creating the awareness about Mobile Banking security predicament of users that whether it is safe or not will also wipe out.

X. CONCLUSION

The Mobile banking users are of the opinion that it has promoted cash transactions. But, they felt that it has increase a financial self-reliance of the mobile banking customers.

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