

Customer Satisfaction towards Mobile Banking

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ABSTRACT

Innovation in the field of banking information and telecommunication technologies have drastically changed the structure of financial system and particularly the banking system by lowering the transactional costs and reducing systematic information. Mobile banking (M-banking) is the latest medium which enables the customer to access their bank accounts. Bank offers m-banking as a less expensive alternative for traditional banking. Therefore, this study is undertaken to identify the level of satisfaction of the customers towards mobile banking. For this purpose, Primary data was collected from 107 customers residing in Pollachi through structured questionnaire method. Sample was chosen using convenience sampling technique. Data collected has been analyzed using simple percentage analysis, weighted average ranking method and chi-square test. The results indicate that majority of the customers use mobile banking services for P2P payments and fund transfer. Chi-square test discloses that, there is a significant association between the level of satisfaction and age, educational qualification and monthly income of the customer.

Keywords: Mobile banking – Satisfaction – Customer - Banking Services

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INTRODUCTION

Mobile banking is a service provided by a bank or financial institution that allows its customer to conduct financial transactions using a mobile device such as a smart phone or tablet. Unlike the internet banking it uses software, usually an App, provided by the financial institution. Mobile banking is usually available on 24- hour basis. Some financial institution has restriction on certain transactions. Transactions through mobile banking include latest transactions, account balances, electronic bill payments, fund transfers and P2P payments. Hence, it is imperative to identify the satisfaction of customers reside in small towns like Pollachi (Coimbatore District) towards mobile banking. With this backdrop, the present study has been undertaken.

REVIEW OF LITERATURE

Shilpa and Veena (2018) found that majority of the customers are positively using mobile banking service offered by SBI in Mysore. **Panda and Misra (2017)** found that rural customers are satisfied with the e-banking services provided by the banks. **Al Muhirat(2016)** reveal that Saudi banks have accomplished consumer loyalty by improving their e-administrations and increasing electronic exchanges. **Chandran (2014)** states that, inclusive growth can be achieved only when a common man at the remotest locations in the country can access mobile banking. **Palani (2012)** found that mobile banking users face many problems from telecom operators and mobile hands set they use. **Khan and Mahapatra (2009)** found that the two dimensions, namely 'Privacy/Security' and 'Fulfilment' are not contributing significantly towards the overall service quality. **Singh and Malhotra (2004)** said that the huge advances in innovation and the forceful infusion of data innovation had gotten an outlook change in banking operations.

Lustsik (2004) defines E-Banking services as a variety of e-channels for doing banking transactions through Internet, telephone, TV, mobile, and computer. Banking customers' desires and expectations with regard to service are expanding, as technology advances and improve.

OBJECTIVES OF THE STUDY

The main objectives of the present study are the following:

1. To identify the customer preference on Mobile banking
2. To know the level of satisfaction towards Mobile banking
3. To suggest suitable measures to improve Mobile banking services

RESEARCH METHODOLOGY

Data

Research design chosen for the present study is empirical. The study is based on primary data and secondary data. Primary data was collected using structured questionnaire. Secondary data has been collected from various journals, magazines and websites.

Sample

A sample of 107 customers residing in Pollachi was selected using convenience sampling technique.

Framework of analysis

Data collected was analyzed using simple percentage, weighted average square method and chi-square test.

RESULTS AND DISCUSSION

Findings of the study is presented in the following paragraphs

a. Simple Percentage Analysis

Socio – Economic Profile

Out of the 107 customers taken for the study 60 per cent reside in rural area and majority of them belong to the age group ranging between 18 years to 25 years. As regards to education, 40.4 per cent are post graduates and 62 per cent are married. 42 per cent of the customers

reported that their monthly family income is below Rs 20,000 and 53 per cent customer's type of family was nuclear. .

Usage of Online Banking Service

Table 7 shows years of using M-banking. It is found that 49 (46%) majority of the customers recently started using M-banking. Majority 28(26%) of the customers are using mobile banking monthly once.

Purpose of using Mobile Banking

Table 9 discloses that majority of the customers use mobile banking service for fund transfer and P2P payments followed by checking balance and mini statement.

b. Weighted Average Ranking Method

Preference towards Mobile Banking

Results of the weighted average ranking method indicate that, Convenience has been ranked first among the customers for preferring mobile banking service followed by customer friendly and the like wise.

c. Chi-Square Test

Level of Satisfaction on Mobile banking

Chi-Square test has been employed to identify whether there is an association between the demographic variables of the customers and their level of satisfaction towards Mobile Banking. The findings of the study indicate that out of seven demographic variables tested, age, educational qualification and monthly income are significantly associated with the level of satisfaction towards mobile banking.

SUGGESTIONS

The following suggestion can be given after detailed and careful investigation of research problem. These suggestions would definitely help the Mobile banking users to enhance their base by delivering consumer satisfying services:

- ❖ Develop and increase the funds transfer to day to day mobile banking services
- ❖ Awareness about mobile banking should be provided

- ❖ Banks has to reduce annual charges for mobile banking
- ❖ The reduction in the cost of internet & increased speed of network helps to improve the satisfaction level of the user
- ❖ Proper securities like password management are maintained in order to protect the message from cybercrime & other network threats.

LIMITATIONS

The study depends upon the primary data collected from the women respondents in Pollachi. All sorts of limitation applicable to primary data are applicable to the present study too.

CONCLUSION

Results show that educated customers more likely to use mobile banking. The findings of the study show that, customers use mobile banking to fund transfer and P2P payments. The result of the weighted average reveals that, the most of the customers prefer mobile banking for its convenience. Banks have to educate their customers on financial literacy. Research shows that mobile banking apps are not only enabling enhanced customer loyalty and advocacy but are helping banks to reduce banks transaction costs as well.

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APPENDIX

Table 1: Area of residence

Area	No of Customers	Percentage
Urban	43	40.00
Rural	64	60.00
Total	107	100

Table 2 :Age

Age	No of Customers	Percentage
18-25Years	64	60.00
26-35 Years	21	19.60
36-45 Years	17	15.80
Above 46 Years	05	04.60
Total	107	100

Table 3 :Educational Qualification

Education	No of Customers	Percentage
HSC	19	17.70
Diploma	14	13.00

Under Graduate	31	28.90
Post Graduate	43	40.40
Total	107	100

Table 4 :Gender

Gender	No of Customers	Percentage
Male	38	35.00
Female	69	65.00
Total	107	100

Table 5 :Marital Status

Marital Status	No of Customers	Percentage
Married	41	38.00
Unmarried	66	62.00
Total	107	100

Table 5:Monthly Income

Monthly Income	No of Customers	Percentage
Below Rs.20,000	42	40.00
Rs. 20, 001 – 30,000	25	23.00
Rs. 30, 000 – 40, 000	24	22.00
Above Rs. 40, 000	16	15.00
Total	107	100

Table 6 :Nature of Family

Nature of Family	No of Customers	Percentage
Joint	50	47.00
Nuclear	57	53.00
Total	107	100

Table 7 :Year of Using

Year of Using	No of Customers	Percentage
Recently	49	46.00
2-3Years	30	28.00
4-5 Years	13	12.00
More Than 5 Years	15	14.00
Total	107	100

Table 8 : Frequency of usage

Frequency of using Mobile banking	No of Customers	Percentage
Daily	14	13.00
Weekly	18	17.00
Occasionally	22	21.00
Monthly	28	26.00
Rarely	25	23.00
Total	107	100

Table 9 :Purpose of Using mobile Banking

Reason for Use	No of Customers	Percentage
Mini statement & checking balance	27	25.00
Fund transfer & P2P payment	29	28.00
Monitoring deposits and loans	16	15.00
Mobile recharges & Commercial payments	23	21.00
Insurance policy payments	10	09.00
Others	2	02.00
Total	107	100

Table 10 : Preference towards mobile banking Banking-Weighted Average Ranking

Benefits	1	2	3	4	5	6	7	Total	Rank
Convenience	13	56	69	72	40	30	84	364	I
Saving time	17	16	36	52	105	102	133	461	V
Customer friendly	19	44	39	72	85	54	63	376	II
Very Fast	22	36	36	64	65	108	56	387	III
24*7	18	18	72	44	55	126	91	424	IV
No need to visit bank	12	16	27	56	85	114	196	506	VI