A Study On M-Banking System Amongst Consumers In Silchar – Assam (India)

Mr. Saumyabrata Nath[1] , Dr. Manisha Choudhary[2] , Dr. Kanika Parashar[3]

[1]*Assistant Professor and Research Scholar, Vivekananda Global University – Jaipur E-mail Id:*
s.nath.mba@gmail.com,
[2]*Associate Professor, Vivekananda Global University – Jaipur E-mail Id: Choudhary.manisha@vgu.ac.in,*
[3]*Assistant Professor, Vivekananda Global University – Jaipur E-mail Id: kanika.parashar@vgu.ac.in*

ABSTRACT

The terms m-banking, m-payments, m-transfers, and m-finance refer collectively to a set of applications that enable people to use their mobile telephones to manipulate their bank accounts, store value in an account linked to their handsets, transfer funds, m-banking or even access credit or insurance products. This paper uses the compound term m-banking/m-payments systems to refer to the most common features. The era of mobile banking in India began several years back when the RBI mandated alerts to customers through SMS for their physical banking activities. As per date available on October-2022, in India 701 banks have been approved for offering mobile banking services. As per recent data, 8 in 10 bank account holders in India's metro now use mobile banking. Over 80% of the people of India have bank accounts now. It is evident that mobile phones have reached more households than basic banking services. Being the fastest growing mobile subscriber market India has a huge potential for M-Banking. In this paper an attempt is made to find out the adaptation of m- banking in Silchar – Assam (India) . For carrying out the study responses were collected through a structured questionnaire. The sample method is convenience sampling & to analyze the data we have used statistical tools. Total 100 responses were collected. The main objective of the research is to find out the adaptation of mobile banking in Silchar - Assam, knowledge of M-banking, which services of mobile banking they use, their view about the fee of M- banking charged by banks & their overall satisfaction through M-banking.

Keywords: Mobile Banking, Mobile Payments, Mobile Financial Services , SMS, RBI Mandate

Introduction

Banking and financial industry during the last few decades have shown tremendous growth in volume and complexity (Leeladhar, 2006). On the other hand, penetration of mobile technology had been substantial in the past few years and is expected to increase in the future. The technological development has provided opportunities for service providers to develop their services and offer customers more flexibility. As a consequence, banks have launched multiple service access methods via new delivery channels like ATM, internet and mobile phone (Laukkanen & Pasanen, 2007). The terms m-banking, m-payments, m-transfers, m-payments, and m-finance refer collectively to a set of applications that enable people to use their mobile telephones to manipulate their bank accounts, store value in an account linked to their handsets, transfer funds, or even access credit or insurance products. Banking system, such as checkbooks, ATMs, voicemail/landline interfaces, smart cards, point-of-sale networks, and internet resources, the mobile platform offers

a convenient additional method for managing money without handling cash (Karjaluoto, 2002). The appeal of these m-banking/m-payments systems may be less about convenience and more about accessibility and affordability (Cracknell, 2004). Mobile phone operators have identified m-banking/m-payments systems as a potential service to offer customers, increasing loyalty while generating fees and messaging charges. M-banking have huge potential for getting more number of financial transactions in Bangalore (Dr.P.Paramashivaiah et. al, 2014). The term "mobile financial services" (MFS) encompasses a broad range of financial activities that consumers engage in or access using their mobile phones. MFS can be divided into two distinct categories: mobile banking (m-banking) and mobile payments (m-payments) (Boyd & Jacob, 2007). Mobile banking is defined as "a channel whereby the customer interacts with a bank via a mobile device, such as a mobile phone or personal digital assistant (PDA)" (Barnes & Corbitt, 2003). Mobile payments on the other hand are defined as the use of a mobile device to conduct a payment transaction in which money or funds are transferred from a payer to a receiver via an intermediary, or directly without an intermediary (Niina Mallat, 2006). The terms "mobile banking" and "mobile payments" describe distinct but in some cases overlapping sets of products. Some m-banking platforms provide services, such as money transfers, that are considered forms of mobile payment, while some m-payments products are so closely linked to bank accounts as the source of funds that they assume m-banking functions (Boyd & Jacob, 2007). MFS refer collectively to a set of applications that enable people to use their mobile telephones to manipulate their bank account, store value in an account linked to their handsets, transfer funds, or even access credit or insurance products (Donner & Tellez, 2008).

This study focuses on the adoption of mobile banking services by consumers & identifies factors influencing the adoption and usage of mobile banking in Silchar city - Assam. The personal characteristics of mobile banking users were found to be important determinants of their adoption decisions. This finding provides the financial services industry with a better understanding of customer perceptions of mobile banking services and helps them plan their marketing strategies and promotion approaches for mobile banking services in the future.

Objectives of the Study

1. The primary objective of the research is to find out the adaptation of mobile banking in Silchar – Assam.
2. To get an idea regarding the knowledge of M-banking, this services of mobile banking citizens of Silchar use.
3. To view about the fee of M- banking charged by banks & their overall satisfaction through M-banking.

Limitations of the study

This study is based on data collected from 100 respondents in Silchar – Assam (India) only.

Research Methodology

For the purpose of the study total of 100 respondents were studied, out of which total 90 fully filled questionnaire were obtained. The descriptive cross sectional research design was used. The sample was selected with the help of the Non-Probability Judgmental Sampling Method. The responses obtained were further analyzed through statistical software.

Analysis

There were very few respondents using the facility of mobile banking, and it becomes important to understand the demographic profile of the respondents who are using the facility of mobile banking. In order to understand whether there is any relationship between the uses of mobile banking with the demographic profile was

assessed through Chi-Square Test. On the basis of the value of Asymp. Significance, the relationship or association was depicted.

Table: 1 relationship of the use of mobile banking with various demographic factors.

	Demographic Factor	Asymp. Significance	Relationship Status
Use of Mobile Banking	**Age**	0	Related
	Education	0.038	Related
	Income	0.041	Related
	Gender	0.258	Not Related
	Occupation	0.592	Not Related
	Marital Status	0.715	Not Related

The above table depicts that there lies a relationship between use of mobile banking with age, education, and income. While there is no relationship of use of mobile banking with the Gender, Occupation, and marital status.

The relationship between the age of the respondents and the use of mobile banking was tested through Chi-Square test and the Asymp. Significance was 0.000 which is lower than 0.05 (5%) hence the null hypothesis gets rejected and hence there is some relationship between the age of the respondents and the use of the mobile banking. The table clearly depicts that the younger the respondents there are more chances of use of mobile banking while older the respondents there are less chances of use of mobile banking as they may not be much familiar with the advancement in the technology. In the case of variable education and income there is significant relationship between them and the use of the mobile banking.

Out of the total 90 respondents 21 (23.3%) respondents are using the mobile banking and the rest 69 respondents (76.7%) are not using the mobile banking facility.

Table 2: current users of mobile banking facility

	Current Users	Frequency	%	Valid %	Cumulative %
Valid	**Yes**	21	23.3	23.3	23.3
	No	69	76.7	76.7	76.7
	Total	90	100	100	100

There are huge no. of respondents who are currently not enrolled in mobile banking facility.

Still there may be chances that respondents wish to enroll in mobile banking. Hence following

question was put forward; whether respondents wish to enroll for mobile banking facility.

Table 3: Interest to enroll in mobile banking facility

		Frequency	**%**	**Valid %**	**Cumulative %**
Valid	**Yes**	11	15.9	15.9	15.9
	No	58	84.1	84.1	84.1
	Total	69	100	100	100

From the 69 respondents who are currently not using the facility of mobile banking were asked whether they wish to enroll for the facility of mobile banking. Total 11 (16%) respondents wished to enroll for the mobile banking facility while 58 (84%) respondents do not wish to enroll for the mobile banking services.

With such a huge no. of respondents i.e. 84% of the respondents, who do not wish to use the mobile banking facility, researcher should examine the reasons behind it. Main reasons for not using the mobile banking facility were analyzed and following is the outcome.

Table: 4 reasons for not using mobile banking

Reasons for not using M-Banking	Yes	No	Total
Complex to use	47	11	58
No Need	31	27	58
Risky	32	26	58
High fees	11	47	58
Less Knowledge	49	9	58
Internet Banking	28	30	58
Others	0	0	0

For identifying the reason most responsible for not using the mobile banking mean ranks were calculated.

Table: 5 mean rank of reasons for not using mobile banking

Reasons	Mean Rank
Less Knowledge	**2.67**
Complex to use	2.78
Risky	3.55
No Need	3.6
Internet Banking	3.76

High Fees	4.64

The main reason for not using the mobile banking facility is less knowledge about the operations of mobile banking facility. Respondents also feel the services of mobile banking too complex to use and respondents also believe the mobile banking to be risky.

Opposite to this studying the respondents who are currently using the facility of mobile banking, on the basis of the services they are using in mobile banking.

Table: 6 mean rank for the services used by the respondents

Services	Mean Rank
Enquiry	2.76
Bill	3.43
Top-Up	4.1
Cheque	4.1
Payment	4.1
M-Commerce	4.6
Fund Transfer	4.93

The higher weightage was assigned to the services least used and the least weightage was assigned to the service most used and then, calculated the mean rank. Hence the service having the least mean rank i.e. Enquiry was used most followed by Bill payments. The services of Top up, Cheque Request and Payment was more or less used similarly. The least used services of mobile banking is Fund Transfer.

Different users are using different services of mobile banking, to different extent, for some of the reasons. Hence, it is very important to assess why respondents are using mobile banking and how much respondents are satisfied with each of the variable.

**Table: 7 Satisfaction levels of respondents with respect to different aspects**

Satisfaction levels	Highly Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Dissatisfied	Highly Satisfied	Total
Convenience	4	5	2	5	5	21
Easy to operate	3	4	4	3	7	21
Easy Access	7	5	4	4	1	21
Cost Effectiveness	3	6	3	5	4	21
Less Time Consuming	3	3	4	6	5	21

| All the Availability | 12 | 6 | 2 | 1 | 0 | 21 |
| Trust & Privacy | 2 | 3 | 2 | 5 | 9 | 21 |

The mean ranks have been calculated and presented in the following table.

Table: 8 Mean rank of the satisfaction level of respondents with respect to different aspects

Variables	Mean Rank
All time Availability	2.24
Easy Access	3.21
Convenience	4.02
Cost Effectiveness	4.19
Easy to operate	4.57
Less Time Consuming	4.62
Trust & Privacy	5.14
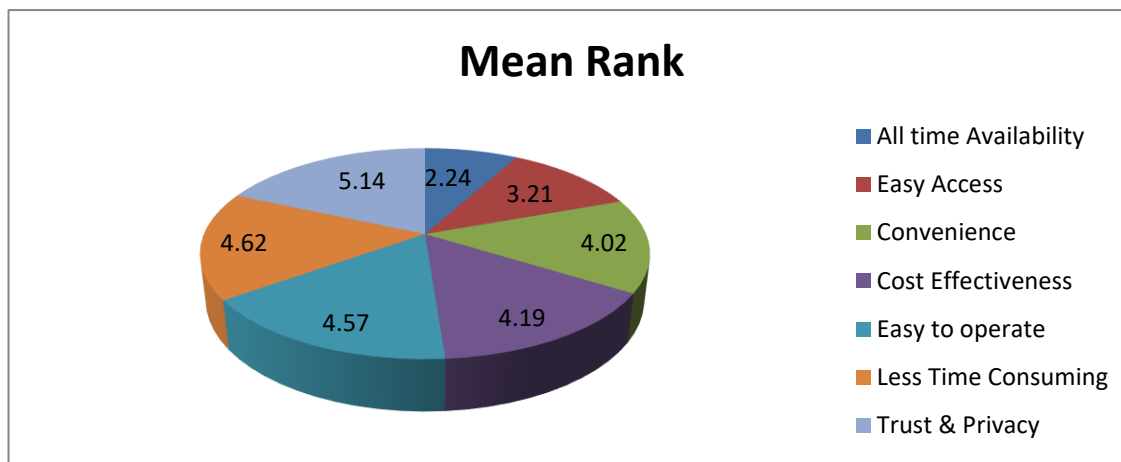
According to the weightages assigned the least mean rank would mean the respondents are most satisfied with it and highest mean rank would mean that respondents are least satisfied with it. The factor that yields customers the most satisfaction is all time availability with a mean rank of 2.24, following by easy access with a mean score of 3.21. The highest mean rank is for trust and privacy meaning respondents are least satisfied. This suggests that Trust and privacy may be the prime reason for not using the mobile banking as it may be sought as a non-secure way of banking.

Conclusion

It is well recognized that mobile phones have immense potential of conducting financial transactions in current situation thus leading the financial growth with lot of convenience and much reduced cost. M-banking has become a part of most of the most of the peoples financial transaction part due to its quickness, availability for 24/7, time & cost effectiveness. For inclusive growth, the benefits of mobile banking should reach to the every common man specifically in

rural areas or the remotest locations in the country.

There is also need to educate customers that mobile banking is not complex to use and it is not risky. Mobile banking can provide banks with an economical way of transaction, hence it is very important for the banks to understand and establish trust of the customers towards online banking as well as mobile banking.

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