



The Effect Of Mobile Banking On Financial Literacy In Developing Countries

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Abstract

"This study looks into the substantial impact of mobile banking on financial literacy in developing countries, specifically its role in promoting financial inclusion and boosting economic empowerment. Mobile banking has emerged as a transformative force, bringing financial services to previously underserved communities, particularly those in remote and rural areas. This study investigates the complex relationship between mobile banking use and the advancement of digital financial.

This study investigates how mobile technology helps the development of critical financial information and skills through the use of empirical data and case studies. This study evaluates the economic impact of mobile banking on savings, money management, and involvement in the formal financial sector. This report highlights the problems and hazards of mobile banking, including security concerns, fraud prevention, and the need to overcome the digital gap.

The study underlines the reciprocal relationship between mobile banking and financial literacy. Increased availability to mobile financial services can drive up demand for financial education, whilst improved levels of financial literacy can promote successful use of mobile banking platforms. This study emphasizes the significance of focused interventions and training programs for maximizing the benefits of mobile banking while minimizing potential hazards.

This study intends to explore how mobile banking might promote financial literacy and economic development in poor nations. The findings of this study will contribute to the continuing discussion about how to use technology to promote financial inclusion and improve the financial well-being of individuals and communities."

Keywords: Mobile Banking, Financial Literacy, Developing Countries

Introduction

Global financial landscapes have been completely transformed by the rise of mobile technology, especially in developing nations where traditional banking infrastructure is sometimes lacking. Offering services like bill payment, fund transfers, and savings management through cellphones, mobile banking has become a potent instrument for financial inclusion. However, better financial well-being is not always a result of these services being available. Financial literacy, or the capacity to comprehend and use financial skills like saving, budgeting, and making wise financial decisions, is essential to optimizing the advantages of mobile banking.

The effect of mobile banking on financial literacy is a complicated and multidimensional topic in developing countries, where populations are frequently mistreated by formal financial institutions and where digital literacy can vary greatly. This study explores this crucial intersection by determining whether people's comprehension of financial concepts is indeed improved by the accessibility provided by mobile platforms. We'll look into how user behavior is influenced by the layout of mobile banking interfaces, the existence of outside financial literacy initiatives, and the availability of in-app learning materials.

We will also take into account the socioeconomic variables—such as gender, income, and education—that affect the uptake of mobile banking as well as the degree of financial literacy. The ultimate goal of this research is to give stakeholders useful information so they can create focused initiatives that use mobile banking to increase financial access and foster a more financially educated public, both of which will support long-term economic empowerment.

Research Methodology, Data Analysis and Interpretation

Research Design:

Research Design: To investigate the effects of mobile banking on financial literacy in developing nations, this study used a quantitative research methodology. It makes use of a It looks at the relationship between the independent variable (mobile banking) and the dependent variable (financial literacy) using a cross-sectional approach to gather data at a particular point in time.

Sampling

The study sample consists of seventy mobile banking users from Bangalore, India. The argument for choosing 76 people is to establish a balance between statistical power and practical feasibility. With 76 participants, the sample size is large enough to yield reliable results while being manageable for data collection and analysis. Bangalore was chosen as the research location because it is a large urban area with a diverse population and a significant digital presence, providing an ideal setting for investigating the influence of Mobile Banking on financial literacy in developing countries.

Data collection Procedures:

Data gathering procedures include giving a structured questionnaire to participants. The questionnaire covers questions about Mobile Banking's impact on financial literacy in developing nations, as well as its perceived impact on personal budgets, financial citizens, and mobile banking usage. Participants are informed about the study's objectives and assured of confidentiality and anonymity.

Variable:

- Independent Variable: Impact of Mobile Banking
- Dependent Variable: Impact on Financial Literacy

Objectives

To look at the connection between financial literacy and the use of mobile banking

To investigate how mobile banking contributes to the advancement of finance

To determine the obstacles and possibilities for using mobile banking

Review of Literature

Yulianti, Norma. Silvy, Meliza 2013. Emphasized that financial management requires financial planning to attain short and long-term goals. With proper financial management, we will not be bound in an endless cycle of desires. Each individual has a unique attitude toward financial management since they are in a different financial situation and have different financial goals than others.

According to **Herdjiono and Damanik's (2016)** research, there is a link between financial attitude and financial behavior. They suggest that by preparing for the future, individuals can better fulfill their needs.

The research is also consistent with the findings of **Wardhana's (2015)** research, which explains that banking institutions already have m-banking service facilities tailored to their customers' needs, can provide security guarantees for users of m-banking services, have met the accuracy requirements for their customers, and have provided trust to customers who use m-banking services that their customers require.

Hassan et al. (2022) evaluated the elements influencing consumers' intentions to use mobile fintech in the Bangladesh market. A research model was developed. To see if the model was reliable, a questionnaire was created and distributed. Researchers received a total of 218 replies. The replies were analyzed using the defined research model and Smart PLS. The study found that social influence, trust, perceived benefits, and favorable factors had a substantial impact on mobile fintech uptake. The study suggests that mobile financial service providers should consider their users' needs and literacy rates while designing user interfaces. If the user interface is friendly and simple to use, it may encourage the adoption of fintech services for transactions. This will eventually lead.

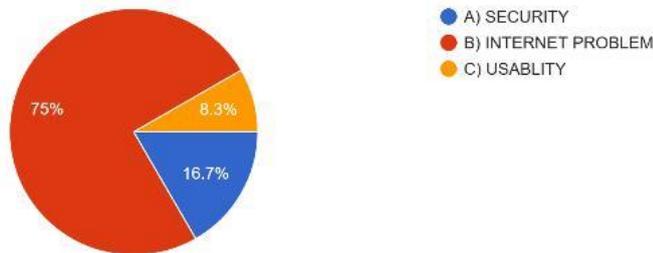
Liu et al. (2019) did a meta-analysis to evaluate the factors that influence customers' mobile payment behavior. According to the study, many previous empirical studies have revealed that perceived usefulness, perceived risk, trust, influence of colleagues and friends, trust, and perceived ease of use all influence customers' inclinations to use mobile payment services. The study suggests that in order to stimulate mobile payment uptake among consumers, usefulness, risk, trust, peer, family, and friend influence, and convenience of use must be carefully examined from the standpoint of customers. The same variables must be considered in both the products (mobile payment) and the marketing campaigns.

Maruf et al. (2018) discovered that the use of mobile money services in Bangladesh has resulted in increased financial inclusion. The study compared survey data from mobile money users and non-users and discovered that mobile money users are more likely to have a bank account, save money, and have credit than non-users.

Findings

Table 1: Age of Respondence:

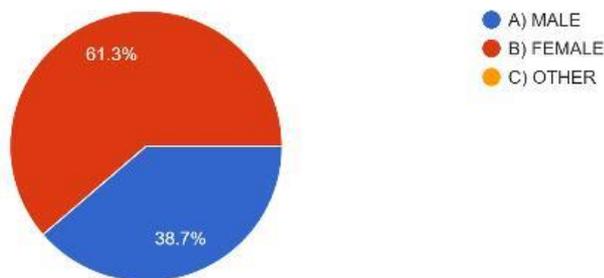
Sl. No	Particulars	Age (16-18)	Age (18-20)
1	Age	69	06



Here's a one hundred-word abstract: This study looks at the impact of mobile banking on financial literacy in developing countries. A poll of 75 people found a considerable demographic skew, with 69 (92%) aged 16-18 and only 6 (8%) aged 18-20. This shows that mobile banking may be more popular among young people in developing countries. The study's findings have ramifications for financial inclusion initiatives and mobile banking services aimed at youngsters in underdeveloped nations.

Table 2: Gender of Respondence:

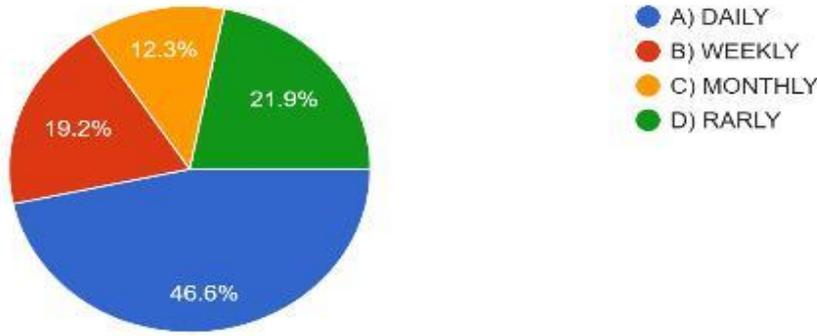
Sl. No	Gender	No of Respondence
1	Female	46
2	Male	29



This study looks at the impact of mobile banking on financial literacy in developing countries. A study of 75 respondents found a large gender disparity, with females (61.3%) outnumbering males (38.7%). The survey included 46 female and 29 male respondents. These findings imply that mobile banking may be more appealing or accessible to females in poor nations, indicating a possible opportunity to enhance financial inclusion and knowledge within this group.

Table 3: Duration of using Mobile Banking:

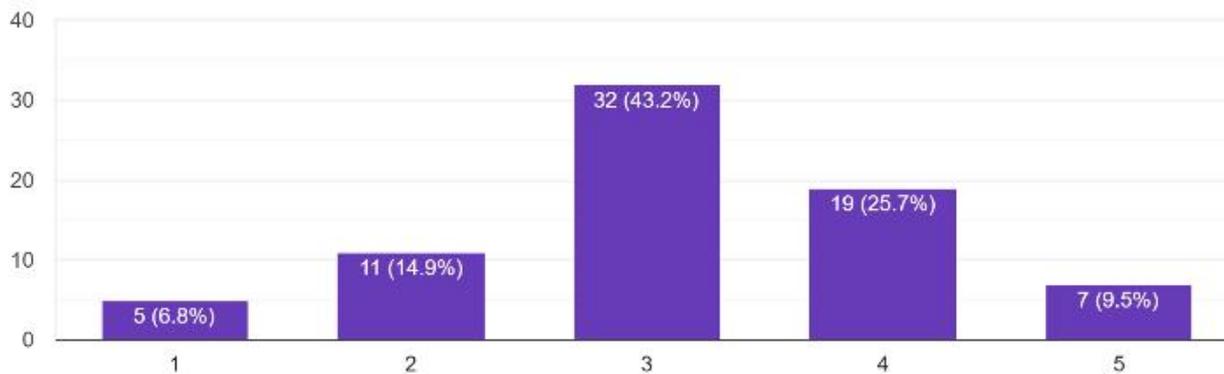
Sl. No	Particulars	No. of Respondence
1	Daily	35
2	Rarely	17
3	Weekly	14
4	Monthly	09



This study looks at the frequency of mobile banking use and its impact on financial literacy in emerging nations. A poll of respondents found various levels of mobile banking usage: daily (46.6%, n=35), rarely (22.7%, n=17), weekly (18.7%, n=14), and monthly (12%, n=9). These findings indicate that frequent mobile banking usage may be associated with higher financial literacy, emphasizing mobile banking's potential to enhance financial inclusion and literacy in developing nations.

Table 4: Confidence level in making informed financial decision

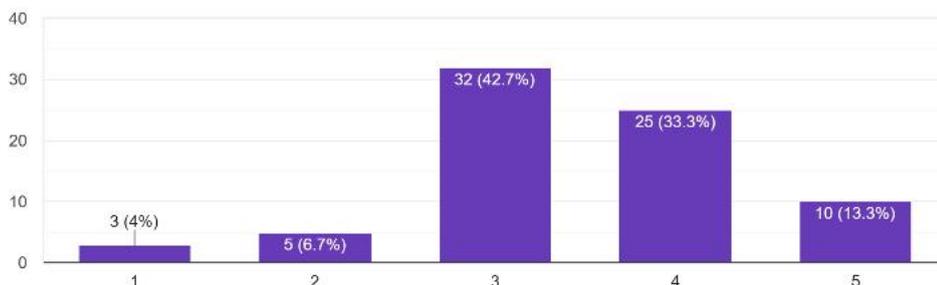
Sl. No	Particulars (Scale)	Respondents
1	1	5
2	2	11
3	3	33
4	4	19
5	5	07



This study looks at the impact of mobile banking on financial literacy in developing countries. Respondents ranked their financial literacy on a five-point scale, with one being "very poor" and five being "excellent". The results suggest a skewed distribution, with 32% of respondents evaluating their financial literacy as "3" (average). Few respondents rated themselves as "5" (excellent; n=7). The findings indicate that mobile banking may have a moderate influence on financial literacy, with areas for development.

Table 5: Basic understanding of interest rate Budget Saving

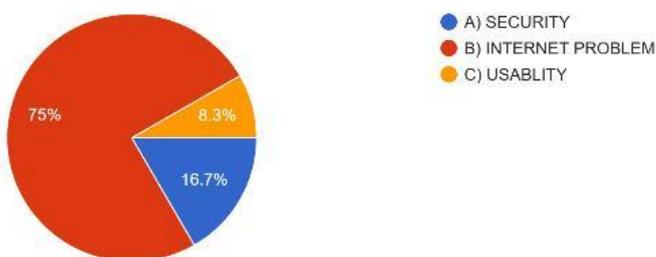
Sl. No	Particulars (Scale)	Respondents
1	1	03
2	2	05
3	3	32
4	4	25
5	5	10



This study looks at the impact of mobile banking on financial literacy in developing countries. Respondents (n=75) evaluated their financial knowledge on a 5-point scale. The findings indicate a reasonable level of financial literacy, with 32 respondents (42.7%) classifying themselves as a "3" (average). Furthermore, 25 respondents (33.3%) ranked themselves as "4" (good), with 10 (13.3%) rating themselves as "5" (excellent). The findings imply that mobile banking improves financial literacy in developing countries.

Table 6: Barrier while using Mobile Banking

Sl. No	Particulars	Response
1	Age Factor	21
2	Security	29
3	Adoption to New Technologies	25



This study looks at the elements that influence mobile banking's impact on financial literacy in developing countries. Respondents indicated three major factors: adoption of new technology (33.3%, n=25), security concerns (38.7%, n=29), and age (28%, n=21). The findings indicate that addressing security issues and encouraging the adoption of new technologies are critical for enhancing financial literacy in poor nations through mobile banking. When creating mobile banking services, it is also important to address age-related factors.

Findings:

This study looks at the impact of mobile banking on financial literacy in developing countries. The statistics show a large demographic skew, with females (61.3%) outnumbering males (38.7%) and the majority of responders (92%) aged 16 to 18. Mobile banking usage fluctuates, with 45.3% utilizing it every day. Respondents' self-rated financial literacy is modest, with 42.7% describing themselves as "average". Mobile banking's impact on financial literacy is influenced by three key factors: adoption of new technologies (33.3%), security concerns (38.7%), and age (28%). The study emphasizes the potential for mobile banking to enhance financial literacy in developing nations, particularly among young people and women. Addressing security concerns and encouraging adoption of new technologies are critical for providing good mobile banking services.

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