



# INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

## A Study On Mobile Banking And Its Impact On Customer's Banking Transactions

Mr.Ayyanagouda  
Dept.of Tourism and Travel  
Sharanbasva University, Kalaburagi.

Mr.Rakesh Malipatil  
Asst.Professor and Research Scholar  
Dept.of Tourism and Travel  
Sharanbasva University, Kalaburagi.

### Abstract

In India, we have more than 900 million mobile users but still mobile banking is used by 40 million customers approximately. There can be various reasons behind this, such as need of active collaboration between banks and Telecom Company, lack of accessibility to customers, cost, awareness about the mobile banking app etc. Banks have to work on creating mobile banking awareness among the customers. They need to promote the benefits of mobile banking and its effectiveness. In this paper, we aim to determine customer perception about mobile banking services of banks. Customer has different views on mobile banking services provided by their service providers. We examine the expectations of customers from banks towards mobile banking system. In this paper we also evaluate the impact of mobile banking on customer experience after using mobile banking. This paper reflects the change in transactions mode of customers through mobile banking. This paper also shares the initiatives taken by customers in their banking usage after switching to mobile banking. For the survey, we have selected ten banks (five public sector and five private sector banks) and tried to identify the characteristics of mobile banking system of these banks.

### Introduction

Introduction of mobile banking in 1980 helped banking industry to achieve exponential growth in the increased mobile transactions and improved customer service (Garima& Gulati, 2013). But in India, mobile banking is still in its nascent stage. Banks really need to

identify various factors impacting customer's behaviour about mobile phone to grow mobile banking in India (Patel, 2013). In India commercial banking industry has involved various financial innovations, which means shifting their focus from tradition banking to technology banking to satisfy the needs of their customers and to get competitive edge. Mobile banking is one such innovation. Mobile Banking is defined as doing various banking transactions like fund transfer, balance enquiry, investments, paying bills through the use of mobile phones. All the banks that are licensed and have branch in India are allowed to provide mobile banking services to their clients. This facility helps customers to transfer fund from one account to another account on a real time basis using mobile network. (TRAI, 2013) This facility removes the space and time constraints from various banking transactions (Mishra & Sahoo, 2013). This has made banking convenient for customers and also impacted their banking transactions. It is used not only for banking but customers also for paying bills, booking movie tickets, mobile

recharge etc. It helps banks to communicate with their clients frequently and generate revenue in terms of increased customer's transactions through mobile banking. This provided by their bank and explains various factors having an impact on their banking paper inspects consumer perception about the mobile banking system transactions through mobile. Bank have started using technology into their system.

## Literature Review

The tremendous use of mobile in India, mobile services became a prospective alternative for the banking sector. This growth is supported by literature as well. Mobile banking transactions are gaining importance and having huge potential due to availability and facility to do transaction anytime and anywhere (Rugimbana, 1995). Banks should understand this trend and use updated methods. Various studies explained that banks need innovations and creativity in their banking facility to gain competitive edge (Vyas, 2009; Rao et al. 2003). Banks need to rethink about innovation in mobile banking beyond online banking and make mobility self-sufficient to satisfy customer needs and become powerful delivery channel to provide immediate access and complete control of their finances. This theory is confirmed by other researchers also and assures a bright future of mobile banking in India (Gupta, 1999; Pegu, 2000; Dasgupta, 2002). Banks should use this data and create awareness about mobile services. Use of mobile in banking is still in its nascent stage as compared with entire banking dealings (Lausanne, 2007; Yang, 2009). Millions of investors are using cheaper handsets to make voice calls and do text in their daily lives. But still millions of new users of mobile cells are without the access of financial services in developing scenario. This is the important discussion point among various researchers (Safeena, Date, Kammani & Hundewale, 2012; Lin, 2010). They explained that banks should

create awareness among customers and increase their customers by targeting non-online banking customers who have mobile phones but may not be using internet for banking, thus creating potential for mobile banking (Vyas 2009).

Banks should identify the benefits of mobile banking for users. In this domain, cost is one of the most significant factors which impacts mobile banking usage of customers (Sadi & Noordin, 2011). In their study, Sadi and Noordin (2011) found that customer attitude was correlated negatively with cost. Their intention to use mobile banking services decreases with increase cost; therefore, customer must be aware about the cost saving feature of mobile banking services through awareness. This research is also supported by Singh, Srivastava, and Srivastav (2010), who briefly explained that cost incurred by the customers have a negative impact on their intention to do mobile banking transactions. Mobile banking device is considered to be cost effective option for customers to manage transactions, get account information and do payments (Clark, 2008). Mobile device provides handiness, immediate response and customized products to consumers.

## Problems/objectives

### Problems

- **Security and Frauds Risks:** Many customers hesitate to use mobile banking due to concerns about hacking phishing and data breaches.
- **Transaction Failures and delays:** unsuccessful transactions and delayed fund transfers create frustration among users
- **Security and Frauds Risks:** Many customers hesitate to use mobile banking due to concerns about hacking phishing and data breaches.
- **Low Adoption Rates:** Many customers may still prefer traditional banking methods due to lack of awareness or resistance to change.
- **Technical Challenges:** Issues like app glitches, poor user interface, or lack of compatibility with devices can hinder usage.
- **Security Concerns:** Customers might feel hesitant about the safety of their personal and financial data while using mobile banking.
- **Digital Divide:** Limited access to smartphones and the internet in some areas can exclude segments of the population.
- **Customer Trust:** A lack of trust in mobile banking due to fraud or cybercrime incidents.
- **Limited Features:** Certain banking services may not be fully available on mobile platforms, restricting customer usage.

- **Lack of Awareness and Digital Literacy:** some customers. especially in rural areas. Struggle to understand and use mobile banking services
- **Trust Issues's with Online Transactions:** Some customers prefer traditional banking due to fear of fraud or lack of trust in digital transactions.

### Objectives:

- **To Study Customer Behaviour:** Understand how customers interact with mobile banking platforms and their transaction habits.
- **To Identify Key Drivers:** Determine factors influencing the adoption of mobile banking (e.g., convenience, incentives, awareness campaigns).
- **To Measure Customer Satisfaction:** Assess how satisfied customers are with the features, performance, and security of mobile banking.
- **To Analyze Transaction Trends:** Explore changes in transaction frequency, type (e.g., fund transfers, bill payments), and value due to mobile banking.
- **To Assess Impact on Financial Inclusion:** Evaluate how mobile banking has brought banking access to underserved populations.

### Scope and Limitations

This paper covered about the impact mobile banking with refrence to customer satisfaction responses are collected from the users of public and private sectors.

This paper is limited only to the mobile banking users responders collected from 50 respondents.

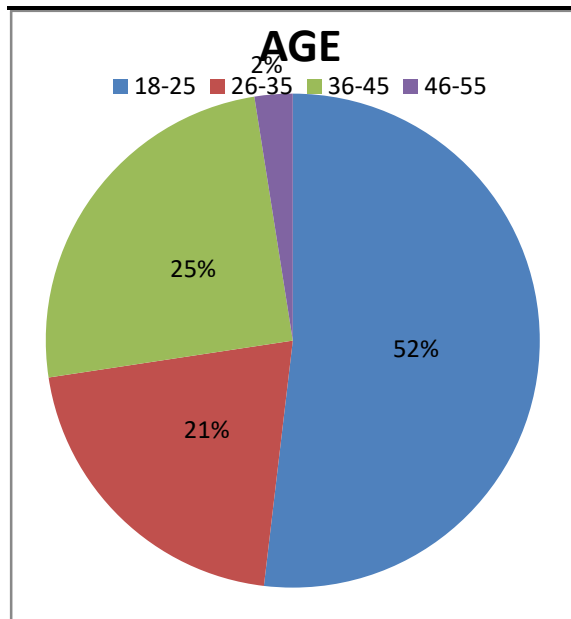
### METHODOLOGY

This study is descriptive in nature and it is based on primary data with responses from 50 mobile banking users and secondary data was collected from books, annual reports, journals periodicals, projects, banking websites etc. the collected data was analysed and necessary solutions drawn to improve the facilities of mobile banking services.

### STATISTICS USED

#### AGE

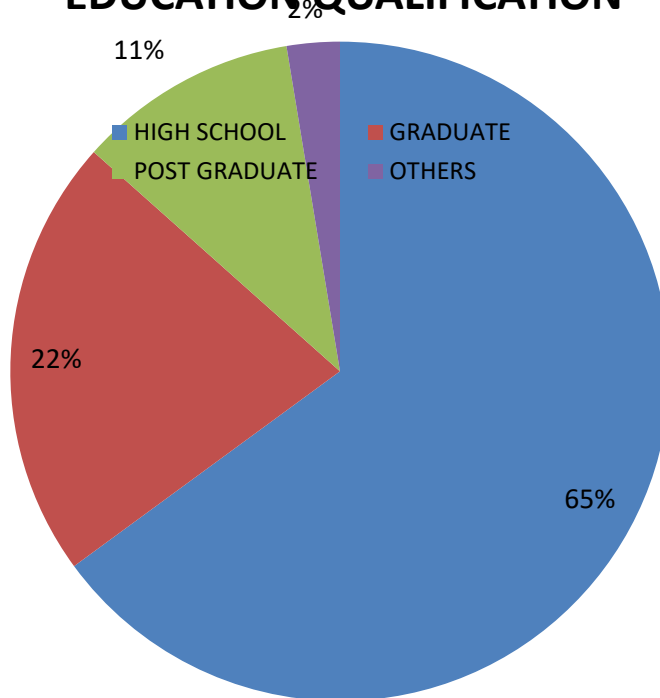
| PARTICULARS | PERCENTAGE |
|-------------|------------|
| 18-25       | 52%        |
| 26-35       | 21%        |
| 36-45       | 25%        |
| 46-55       | 2%         |



### EDUCATION QUALIFICATION

| PARTICULARS   | PERCENTAGE |
|---------------|------------|
| HIGH SCHOOL   | 65%        |
| GRADUATE      | 22%        |
| POST GRADUATE | 11%        |
| OTHERS        | 2%         |

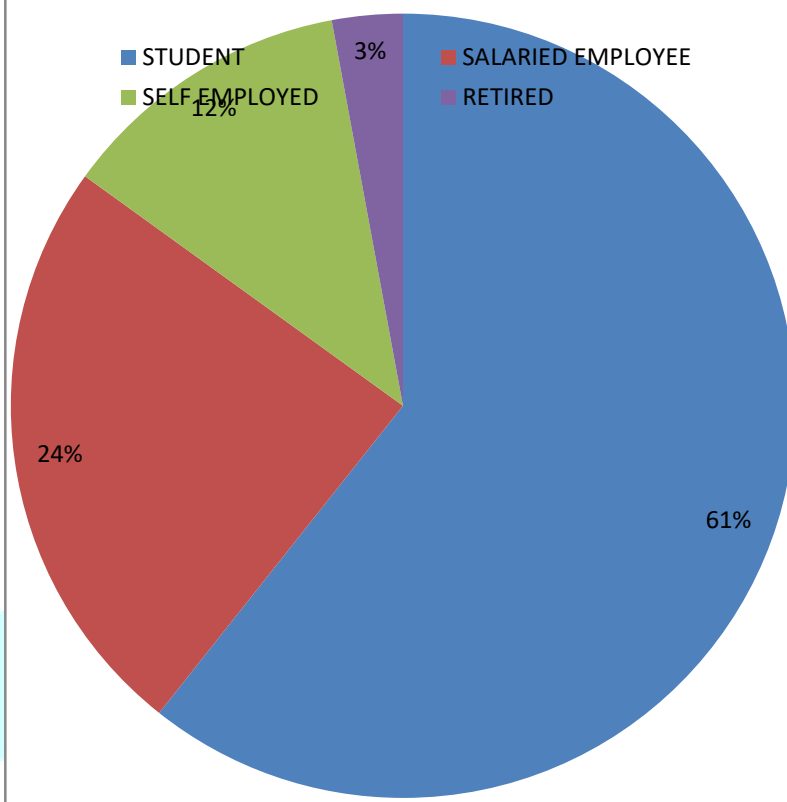
## EDUCATION QUALIFICATION



## OCCUPATION

| PARTICULARS       | PERCENTAGE |
|-------------------|------------|
| STUDENT           | 61%        |
| SALARIED EMPLOYEE | 24%        |
| SELF EMPLOYED     | 12%        |
| RETIRED           | 3%         |

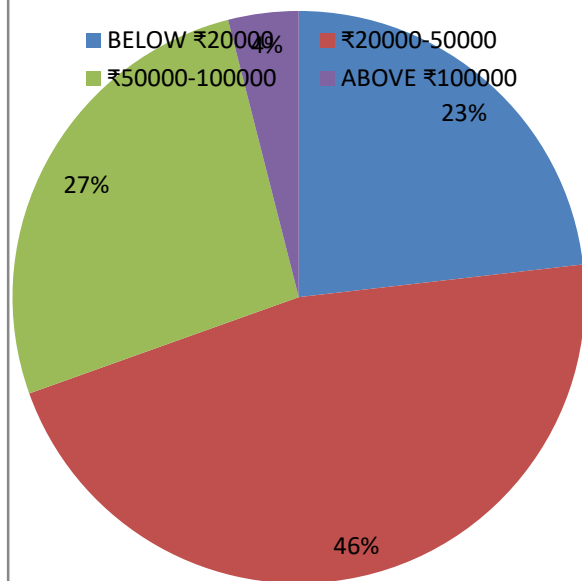
## OCCUPATION



## MONTHLY INCOME IF APPLICABLE

| PARTICULARS   | PERCENTAGE |
|---------------|------------|
| BELOW ₹20000  | 23%        |
| ₹20000-50000  | 46%        |
| ₹50000-100000 | 27%        |
| ABOVE ₹100000 | 4%         |

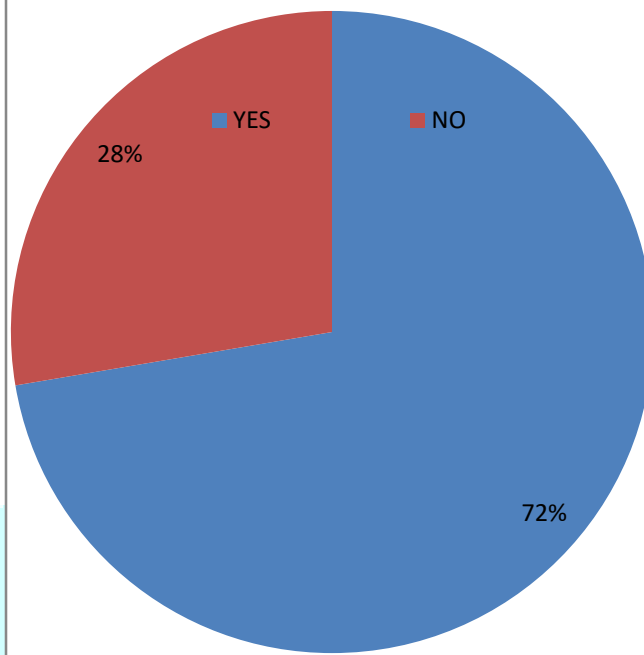
## MONTHLY INCOME IF APPLICABLE



## DO YOU USE MOBILE BANKING SERVICES?

| PARTICULARS | PERCENTAGE |
|-------------|------------|
| YES         | 72%        |
| NO          | 28%        |

## DO YOU USE MOBILE BANKING SERVICES?

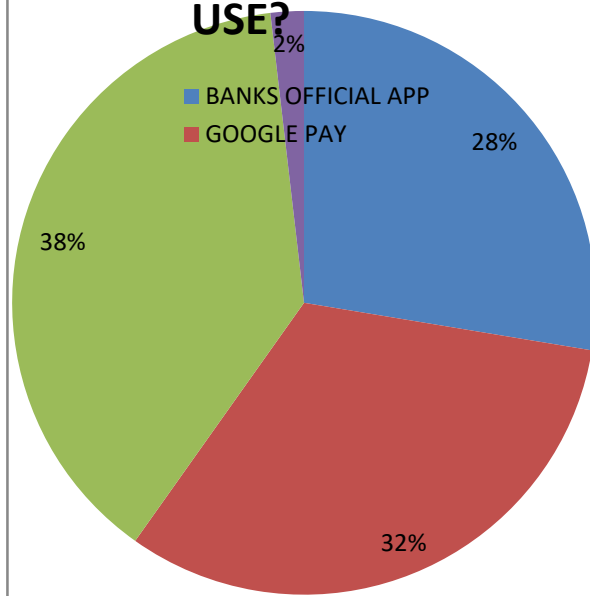


## WHICH MOBILE BANKING APP DO YOU USE?

| PARTICULARS       | PERCENTAGE |
|-------------------|------------|
| BANK OFFICIAL APP | 28%        |
| GOOGLE PAY        | 32%        |
| PHONE PAY         | 38%        |
| OTHERS            | 2%         |



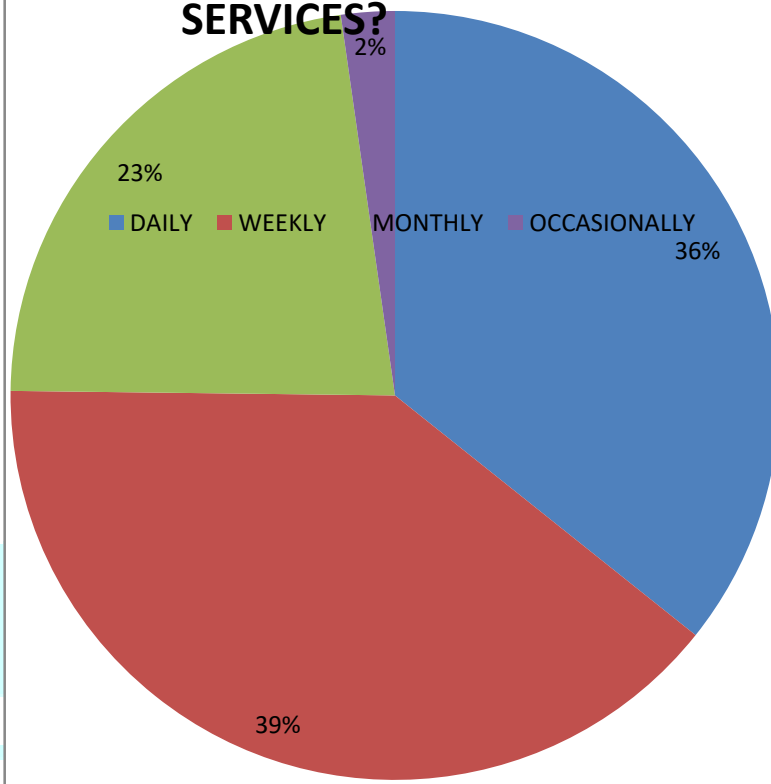
### WHICH MOBILE BANKING APP DO YOU USE?



### HOW FREQUENTLY DO YOU USE MOBILE BANKING SERVICES?

| PARTICULARS  | PERCENTAGE |
|--------------|------------|
| DAILY        | 36%        |
| WEEKLY       | 39%        |
| MONTHLY      | 23%        |
| OCCASIONALLY | 2%         |

## HOW FREQUENTLY DO YOU USE MOBILE BANKING SERVICES?

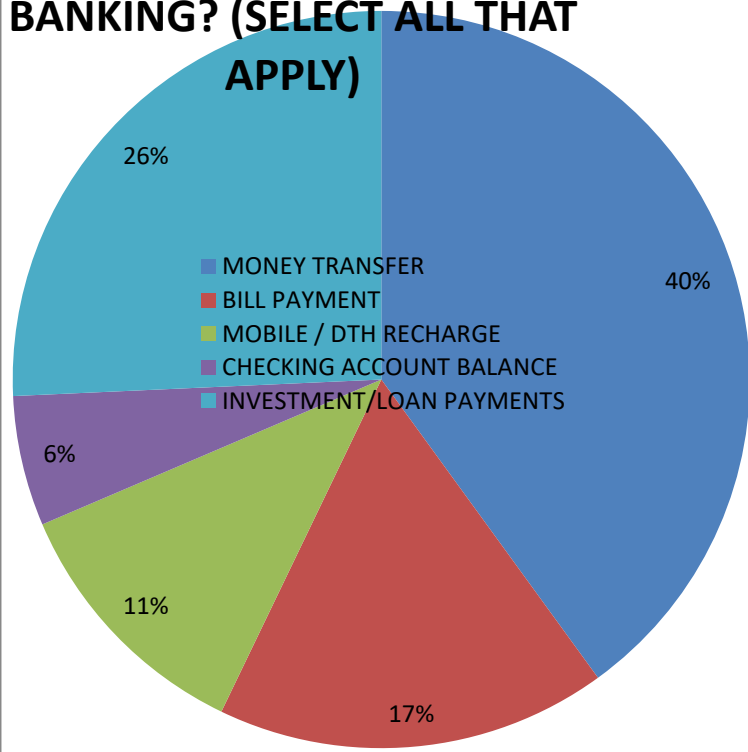


**WHAT TYPE OF TRANSACTION DO YOU PERFORM USING MOBILE BANKING? (SELECT ALL THAT APPLY)**

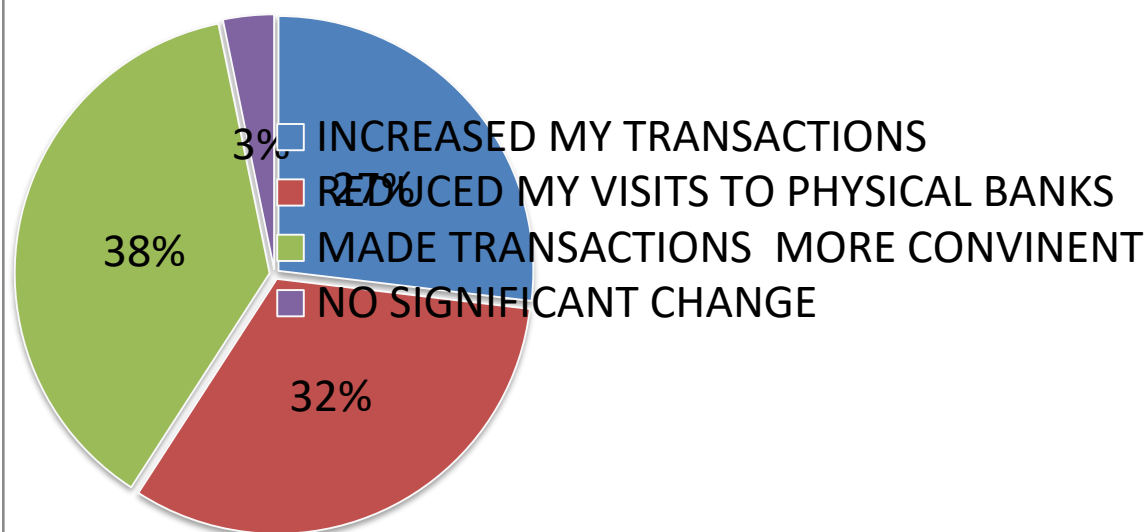
**HOW HAS MOBILE BANKING AFFECTED YOUR BANKING HABBITS?**

| PARTICULARS              | PERCENTAGE |
|--------------------------|------------|
| MONEY TRANSFER           | 40%        |
| BILL PAYMENT             | 17%        |
| MOBILE/DTH RECHARGE      | 11%        |
| CHECKING ACCOUNT BALANCE | 6%         |
| INVESTMENT/LOAN PAYMENTS | 26%        |

**WHAT TYPE OF  
TRANSACTION DO YOU  
PERFORM USING MOBILE  
BANKING? (SELECT ALL THAT  
APPLY)**



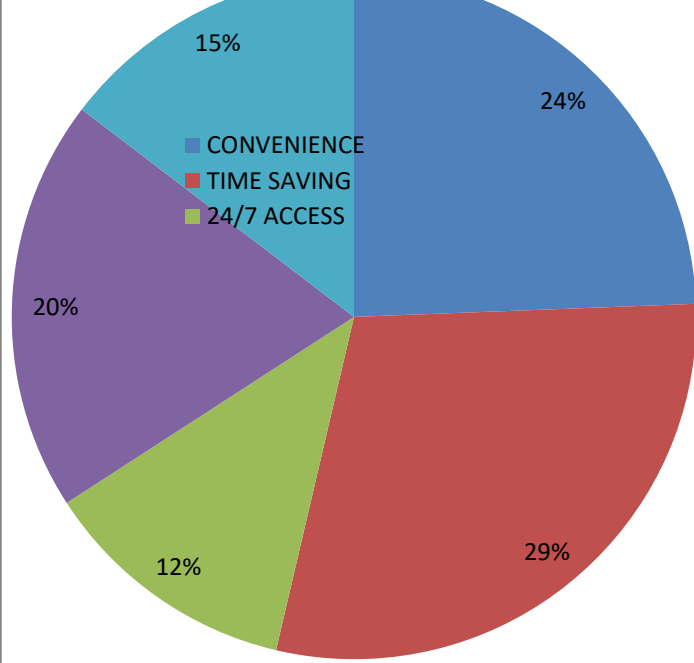
## HOW HAS MOBILE BANKING AFFECTED YOUR BANKING HABBITTS?



| ARTICULARS                          | PERCENTAGE |
|-------------------------------------|------------|
| INCREASED MY TRANSACTIONS           | 27%        |
| REDUCED MY VISITS TO PHYSICAL BANKS | 32%        |
| MADE TRANSACTIONS MORE CONVIENT     | 38%        |
| NO SIGNIFICANT CHANGE               | 3%         |

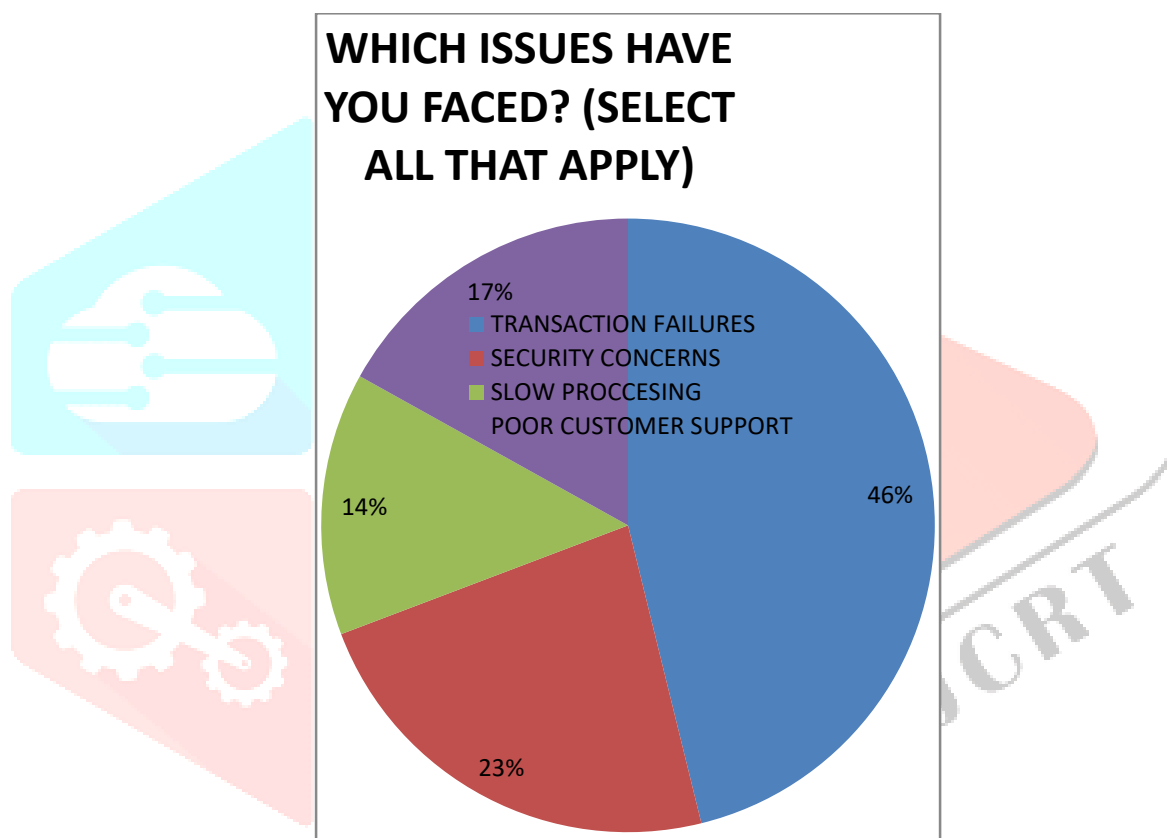
**WHAT ARE THE KEY BENEFITS OF MOBILE BANKING FOR YOU?**

| PARTICULARS             | PERCENTAGE |
|-------------------------|------------|
| CONVENIENCE             | 24%        |
| LOWER TRANSACTION COSTS | 20%        |
| TIME SAVING             | 29%        |
| 24/7 ACCESS             | 12%        |
| SECURITY FEATURES       | 15%        |

**WHAT ARE THE KEY BENEFITS OF MOBILE BANKING FOR YOU?**

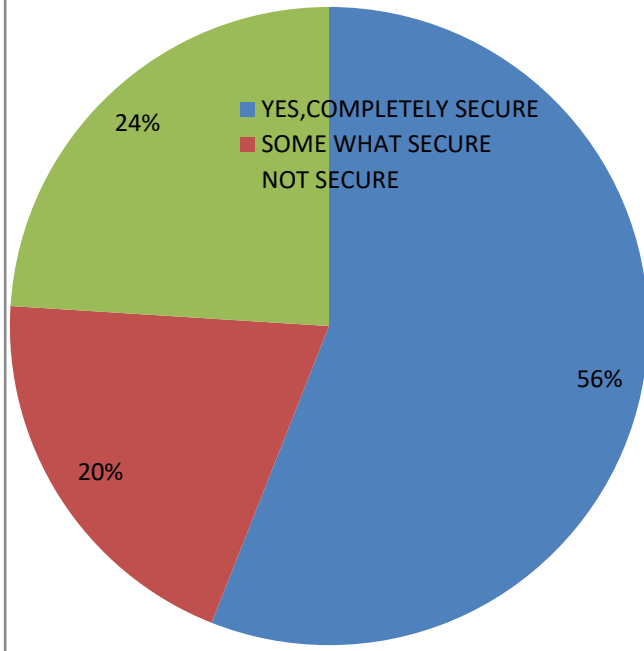
**WHICH ISSUES HAVE YOU FACED? (SELECT ALL THAT APPLY)**

| PERTICULARS           | PERCENTAGE |
|-----------------------|------------|
| TRANSACTION FAILURES  | 46%        |
| SECURITY CONCERNS     | 23%        |
| SLOW PROCESSING       | 14%        |
| POOR CUSTOMER SUPPORT | 17%        |

**DO YOU FEEL MOBILE BANKING IS SECURE?**

| PARTICULARS            | PERCENTAGE |
|------------------------|------------|
| YES, COMPLETELY SECURE | 56%        |
| SOME WHAT SECURE       | 24%        |
| NOT SECURE             | 20%        |

## DO YOU FEEL MOBILE BANKING IS SECURE?



## CONCLUSION

In the study of mobile banking has significantly transformed the way customers interact with banking services offering convenience, speed and accessibility. The study reveals that mobile banking has increased the frequency of transactions. Reduced dependency on physical Bank branches and enhanced financial inclusion. Customers

## RECOMMENDATION

- Banks should enhance mobile banking security to increase trust.
- User-friendly interfaces and digital literacy campaigns can improve adoption
- Banks should offer 24/7 customer support to address mobile banking issues.

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- <https://www.researchgate.net>
- Chat GPT
- Copilot
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- <https://www.iujharkhand.edu.in>
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