

A Study on Changing Customer Perception towards Mobile Apps in Financial Sector

Author Details

Main Author: Pankaj Mishra*
Asst. Professor
Amity Business School
Amity University Madhya Pradesh

Co-author: Prof. (Dr.) Anil Vashisht
Director-Amity Business School
Amity University Madhya Pradesh

ABSTRACT

Internet technology is new to the world but is penetrating with a faster pace in different parts of the world. Now, it has become increasingly relevant for human beings, with most of the proportion of human population depends on the internet mobile applications for fulfilling their informational needs as well as convenience that it provides to them. The business organizations, especially service sector organizations also are largely becoming dependent upon making use of mobile applications in order to reach out to its customers. Companies in financial sector are becoming pioneer in providing use of mobile apps for customers. In this context, it now becomes imperative to study the orientation of customers towards mobile apps as it will help companies to understand customers perspective towards mobile apps and the same can be used for further modification of app services, especially in case of financial services. The motive of conducting this research is to get acquainted with the mindset of customers behind using apps for availing financial services.

Keywords: Mobile app, Financial services, Service sector, Customer perception

INTRODUCTION

Mobile application is a kind of software application which is specially designed to be operated on wireless cellular devices such as a smartphone or tablet computer. The mobile applications provide users with services which are similar to those accessed on the personal computer. Generally, they are referred to as mobile apps, web apps, online apps, or smartphone apps. The process of mobile app development inculcates all the procedures and processes required for writing source code for building and testing computer programs for handheld devices like smartphone or computer tablet.

The world is embarking on the path of growth, there has been better and better versions of mobile infrastructure being released and the number of mobile subscribers are heightening with the dual pace. In the financial context, mobile apps offer services like mobile banking, tracing share market prices, e-wallets, transacting and transfer of funds, investing, and many more. Using mobile apps in financial context involves using it for balance checks, making payments to vendors, payment of bills, mobile balance recharge, booking movie tickets, booking hotels, submitting academic fees of educational as well as training institutes, and facilitates every kind of financial transactions. The simplification of interaction with customers, marketing specifically towards a certain targeted customers, efficient and effective management of Customer Relation Management (CRM), made mobile phones as indispensable weapon of business as well as extremely utility gizmo for users. It enabled business enterprises to reach any customer any time, and has erased the drawback of space, time and urgency. The financial services apps are getting themselves updated to new features and utilities depending upon the changing socio-economical, political, as well as technological scenario. The integration of mobile phones with internet facility has made it excessively demandable and is credited for the simplification of many complex and rigorous procedures. M-commerce which is an acronym for mobile commerce has led to multifold increase in the potential of business organizations. In the current scenario e-commerce is being replaced by m-commerce to a large extent because it provides competitive advantage of providing customized customer services anytime anywhere. The companies have to enter m-commerce arena if they want to ensure their survival and growth in the long run.

In current world, many business processes and activities are conducted using mobile phones like planning as well as implementation of conception, setting up of pricing strategies, determining promotional mixes, channelizing of goods, services or ideas to the ultimate customer, transfer of market information to business houses, transfer of information depicting customer preferences. The handheld devices like pagers, cordless phones, personal digital assistants, two way transmission radio, global positioning system for tracking location, networking systems with a wireless connection have collaboratively changed the method of carrying out various operations associated with the business.

The concept of mobile marketing in getting adopted extensively by every major and minor business organization as it is extremely fruitful way of getting, keeping and growing customer base of the organization. This is a multiple channel marketing technique wherein the content can vary with the needs of the customer and marketer can specifically transmit a particular message or offer to certain group of customers. It has enabled the marketer to make customers loyal and provide them with all possible benefits so as to maximize their satisfaction.

LITERATURE REVIEW

Electronic commerce is a massive connection of buyers and sellers which interact with each other on the internet platform for the purpose of buying or selling products as well sharing information with each other. It involves conducting major business operations such as inventory management, informational flow using EDI (Electronic Data Interchange), managing supply chain using e-SCM (Electronic Supply Chain Management), fund transfer, data collection and processing. The ambit of e-commerce encompasses myriad of operations and m-commerce is one such element or operation of e-commerce. M-commerce is often believed to be extension of e-commerce as it is addition to e-commerce in terms of pattern of usage, way of establishing network, creating value chain, (Chen & Dhillon, 2003)

M-commerce enables to transmit data from sender to receiver over wireless devices as well as it offers more flexibility and cost advantage over e-commerce. M-commerce has eliminated the barriers of e-commerce with the optimal utilization of wireless advanced technology. (*Adhami, 2013*)

According to Mobile Marketing Association the term Mobile Marketing is defined as “a set of practices that enables organization to communicate and engage with their audience in an interactive and relevant manner through any mobile device or network.” Mobile marketing is extremely dynamic, customized, provides wider customer coverage, enables to create appeal among younger group of people as they are frequent users of mobile phones and consider it as extremely indispensable part of life. In Indian context there are ninety eight crore users of cellular devices. Mobile marketing is a lucrative opportunity that many innovative businesses are optimally utilizing to create brand awareness in the current competitive market scenario using which they can stay connected to their customers all time. It is clearly stated that mobile marketing is full of potential, but actual implementation of mobile marketing strategies is challenging. The company has to be different from others to attract customers because the arena of mobile marketing is being flooded by more and more business organizations. If a company wants to succeed and establish brand equity, it has to constantly upgrade and add more and more features to it. It is simple rule those who adapt themselves to changing environment survive in the long run and enables to create market reputation. (*Antonie Lamarre, Harold Boeck, Simon Galarneau, 2012*)

Different authors have worked upon the variables impacting customer perception regarding mobile applications. The age of customer also has certain degree of impact on the customer perception regarding utility of a mobile app. The people in the middle age group, that is of fifty to sixty years of age prefers mobile apps which are dedicated for a single purpose, rather than involving more complexities and extra features. The generation Y group attaches more emotional value to mobile apps by expecting them to entertain them or provide them with all the related facilities at one destination or mobile app. The generation Z group expects more features, more speed, constant up gradations from mobile applications. (*Kumar and Lim*) The customers vary from one geographical location to another, the culture changes within few miles distance so is the mind makeup, beliefs, and perceived value of people. The mobile apps tend to be in harmony with the cultural perception of the mobile apps. One cannot accept people from tribal area to use a shopping app, because there is possibility that the company cannot reach that segment or even the person may have extremely diverse needs. (*Davidson, 2013*) The level of usability that a consumer expects and receives from a mobile app determines its value in the current market. The mobile banking services are more frequently used by the customers and they are able to cut cost, conduct financial transactions anytime, saves times, simplify procedures, enhances security level, provides cash rebates and discounts too. This adds to the value received by the customer. (*Kervenoal, 2016*).

RESULTS & DISCUSSIONS

On the basis of sample size of population researched, the customers use different kind of financial mobile applications or apps. The most used apps are payments apps, which are used by one in five individuals to conduct financial transactions. Although expense tracking apps are used by some households who belong to elite class. The loan apps are used by financial professionals and highly educated personnel and trading apps are used by those who are associated with stock market trading, whose proportion is increasing continuously with the increasing eminence of capital market and money market instruments. Hence, the result is that customers

use those mobile apps that provide relevant features and less complexity. The most used apps are monetary payment apps.

The customers while using different financial mobile apps rate them depending on several benefits and usable features found. The customers want the financial apps to depict accurate information, involves reliability of data, have excellent navigability features, so that they can use it without any problems faced. The customers use different financial mobile apps, but they evaluate the relevance of the app on the basis of features provided in the concerned financial mobile app. The more relevant the features the more would be the usability of financial apps. The companies should work with app developers to provide unique utilities with the app, so that customers can find all the information at one place.

The customers face problems like viruses, security threats of being confidential details lost or accessed by any unauthorized personnel, slow navigability, more as well as frequent advertisements, over flooded content structure of apps. The organization must ensure they remove all the hurdles faced by the customers and enable them to smoothly conduct all the financial transactions.

The study revealed that age of the respective customer determines the type of mobile based app used by the customer. The people in the young ages are more keen users of gaming as well as entertainment apps, the people belonging to middle ages use more news related or informational kind of apps, the people belonging to old ages may use only relevant apps which serves some fruitful purpose or may not use the mobile based apps at all. The financial based mobile apps are broadly used by all the age segments although their proportion remains higher in case of young generation belonging to modern era of technology.

The study also suggested that the positive perception created by brands on the mind of customers is long lasting, but a single negative incident which led to negative image of the financial organization or the concerned mobile app is dangerous for its acceptability among customers. The organization must constantly harmonize their efforts to have high brand equity than those of customers in order to increase, retain and attract new customers. The customers of contemporary era trusts brand more than non – branded apps.

CONCLUSION & FUTURE PROSPECTS

The research report has focused on analyzing how customers use financial mobile apps in their day to day routine and does these apps impacts the customer perception towards the brand reputation and market goodwill of the organization. The mobile apps have become indispensable part of life of people. There are mobile apps available for almost every purpose from booking your train tickets, bus travels, to purchasing items falling in different categories, to playing games, to watching series and movies, to calling service professionals at home like of beauticians, electricians, drivers, servants and so on. The life had become more comfortable and easy to manage and one can focus on more important aspects of life and develop oneself in different spheres.

India is a country with growing population which comprises more of younger generation, mobile apps are the most lucrative means of communication and providing financial services to the target audience, despite proximity of space and relevance of right time. It has eliminated all the drawbacks faced earlier. Earlier people have to spend entire day in banks, waiting in long queues and wasting their precious time. Mobile marketing and using it as a tool of providing customized services to the customers is the most lucrative option to survive and compete in the globally developed industrial scenario. The customers wanted to have easy navigable

applications installed in their cellular devices. They must contain all the essential features, should be secure enough to hide confidential information and ensure safety of the details of the concerned customer. The financial apps are used in the highest proportion when compared to other apps installed by the customers because they are required to perform financial transactions, bank upgradations, answers bank related queries, provide all the facilities provided by banks offline, ensures security and safety of customers. The financial apps have become indispensable part of modern citizen's life. The reason behind such changes are demonetization, advanced technology, ease of availing services, security of transacting, evolution of crypto currencies, development of capital and money market instruments as well as popularity of stock trading. All the above enlisted reasons have accounted for need of financial services mobile apps in the electronics market. The financial organizations have to constantly add new features, make required improvements, have an option for customer feedback and complaints, and provide additional value added services along with the basic service provided by the particular organization to have consistent image of the organization and retain constant utility of the mobile app for the consumer. This move is required because the number of mobile apps in all the categories is increasing to multifold times. The mobile marketing has been the most sought option for the marketers to reach customer directly, eliminating the middle chain, hence cutting down irrelevant expenses and costs which might have wasted in employing chain of middle man, and the quality of service provided remains consistent to maximum extent at different branches and different units.

The customers are increasing day by day in the market of mobile applications. The advancement of technology and science has led to intense transformation in the life of individuals. The financial security threats have increased to elevated rates. In such scenarios the financial mobile apps are required to be necessarily secure and use appropriate app protection tool to secure the respective customers in the internet environment, where anyone can access everything and where hackers are trying to earn plenty of money by resorting to fraudulent activities. These applications would manage to retain their usability as well as their reliability in future if and only if they tried to make gradual upgradations with respect to new features and technology used. The future requires the app developers, primarily the financial organizations which use mobile based apps to diversify their horizon. In other words there may be new kind of technological gadgets in future and mobile apps have to be made to run on such devices so that it does not lose its relevance in the eyes of people.

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