



# EXPLORING CUSTOMER PERCEPTION TOWARDS MOBILE BANKING: FACTORS INFLUENCING ADOPTION AND USAGE

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**Abstract:** Technology has become an increasingly vital element in the competitive landscape of the financial service industry. It has changed the very nature of selling and buying financial services. One of the most fundamental changes in the banking industry has been the consumer movement from traditional branch banking to more stand-alone banking such as the internet, telephone and mobile phones in banking. The banking industry has undergone a major change due to adoption of mobile banking. The present Study explores the adoption and perception of mobile banking among customers in the banking industry. It discusses how mobile banking enables customers to access account information, conduct transactions, and verify financial documents using their mobile devices. The study highlights that a majority of respondents use and are satisfied with mobile banking services, citing factors such as cost savings, time efficiency, 24-hour access, and physical security as key influencers. However, challenges such as high costs, security concerns, lack of awareness, and usability issues hinder adoption for some users. The findings aim to enhance understanding of consumer perceptions and suggest initiatives to improve mobile banking usage. Additionally, the study emphasizes the importance of traditional banking as a driving force behind the adoption of mobile banking services.

**Index terms:** Mobile banking, Customer perception Adoption

## INTRODUCTION

Technology has become an increasingly vital element in the competitive landscape of the financial service industry. It emphasizes the transformative impact of technology on banking operations, creating a new service environment and changing the dynamics of financial service delivery. The adoption of mobile banking is identified as a significant driver of change in the industry, enabling customers to access services round-the-clock and perform a variety of transactions conveniently. Mobile banking is portrayed as a tool that benefits both banks and customers, with banks experiencing cost savings and improved operational efficiency, while customers enjoy increased accessibility and a wide range of transaction options. Overall, the passage underscores the importance of mobile banking in modern banking practices and its role in enhancing customer experiences and operational effectiveness.

The present study proposed to investigate the factors that influence customers towards mobile banking and also study the reasons for adopting and rejecting mobile banking services in Thrissur district Kerala.

## LITERATURE REVIEW

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct a range of financial transactions remotely using a mobile device such as a mobile phone or tablet, and using software, usually called an app, provided by the financial institution for the purpose. It is similar to Internet banking in that it provides a fast and convenient way of performing common banking transactions.

The types of financial transactions which a customer may transact through mobile banking include obtaining account balances and list of latest transactions, electronic bill payments, and funds transfers between a customer's or another's accounts.

Yang (2009) explored adoption difficulties in mobile banking services, highlighting factors that delay or prevent widespread adoption, such as perceived usefulness, ease of use, cost, e-literacy, and culture.

Shaikh and Karjaluoto (2015) conducted a literature review on mobile banking adoption, emphasizing the importance of security, privacy, trust, and risk in influencing customer decisions.

To and Lai (2014) focused on mobile banking and payment in China, shedding light on cultural differences, convenience, and literacy as factors impacting adoption and usability.

(Masrek et al., 2014) investigates the relationship between technology trust and mobile banking satisfaction among Malaysian consumers. The study involves 312 mobile banking consumers in Malaysia and examines three groups of technology trust: the mobile network, the mobile banking website, and the mobile phone (smartphone). The findings indicate a positive relationship between all three technology trusts and mobile banking satisfaction, emphasizing the importance of technology trust in predicting satisfaction with mobile banking services. The study contributes to both theoretical and practical perspectives in understanding the factors influencing mobile banking satisfaction.

## SCOPE OF THE STUDY

Today's banking take place increasingly online, financial institutions deliver their services via various electronic channels and the importance of a traditional branch network have declined. The proposed study instanced to know the perception of customers towards mobile banking and to understand the factors influencing customers to mobile banking. It also wants to understand the possible reasons for not adopting mobile banking service. The present study has been conducted in 2 different areas of Thrissur district. The areas include kuttanellur and cheroor. 50 respondents were selected. Out of which 35 uses of mobile banking and the remaining are non-users

## STATEMENT OF THE PROBLEM

Mobility is one of the key factors which helps business thrive and also our life style. In today's modern world no one can live without mobile phone. Day by day the uses of mobiles are increasing. With changing environment, banks implemented tele- banking, mobile banking and call center services, ATM and others one after another. Among the major initiatives mobile banking has brought to the customers the much-demanded convenience. This study provides an insight to investigate the factors that influence perception of customers towards mobile banking to study the reasons for adopting and rejecting mobile banking services used by customers.

## OBJECTIVES OF THE STUDY

1. To study perception of customers towards mobile banking
2. To understand the factors influencing customers to mobile banking
3. To study the possible reasons for not adopting mobile banking service

## METHODOLOGY

The research methodology associated with the study are as follows:

**Data** – The research is based on Primary Data and is collected by using structured questionnaire. Secondary data is also considered and is collected from magazines, journals, reports etc.

**Sample** – The study is based on sample. Sample size is 50. The sampling method adopted is convenience sampling. The geographical area associated with sampling is Thrissur District the areas include kuttanellur and cheroor

**Tools of analysis** – percentages have been used for analysis. Charts and tables have been used for presentation

**Period of study** – The period of study is from January 2020 to April 2020.

## DATA ANALYSIS, RESULT AND DISCUSSION

TABLE 1 Demographic profile (Primary data)

		Frequency	Percent
Gender	Male	19	54
	female	16	46
Age	15-30	21	60
	30-45	9	26
	45-60	5	14
	Above 60	0	0
Occupation	Student	17	49
	Employed	13	37
	Unemployed	2	6
	other	3	9
Income level	Below 10000	8	23
	10000-25000	13	37
	25000-50000	10	29
	Above 50000	4	11

The above table shows that 54 percent of respondents are male and the remaining 46 percent of them are females. Majority of the respondents i.e.60 percent of respondents belonging to the age of 15-30. 37 percent of respondents are employed persons. And 37 percent of respondents belongs to income level of 10000-25000.

TABLE 2 : Mobile Banking users (source: primary data)

Types Of Respondents	No Of Respondents	Percent
Users	35	70
Non -Users	15	30
Total	50	100

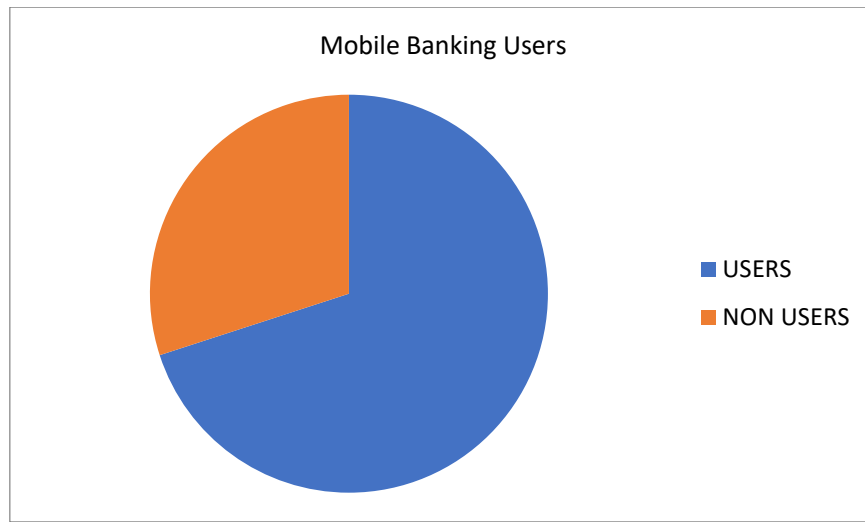


Figure 1. Mobile Banking users

Among 50 respondents' 70 Percent of them are using mobile banking and the remaining 30 Percent are not using mobile banking.

TABLE 3. Frequency of Usage of Mobile Banking (source: primary data)

Option	No Of Respondents	Percent
Daily	2	5.7
Weekly Several Times	3	8.5
Occasionally	21	60
Several Times	1	2.8
Monthly Several Times	8	22.8
Total	35	100

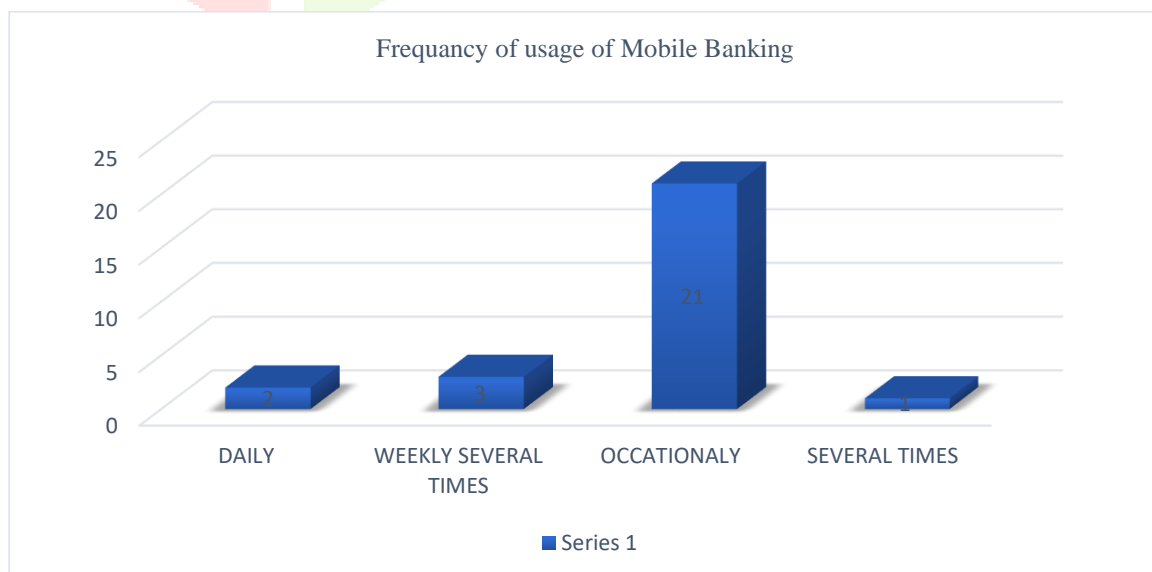


Figure 3 Frequency of Usage of Mobile Banking

60 Percent of respondents are making transactions occasionally and only 6 Percent of respondents are making transaction daily basis.

Table 4. Modes Of Payment of Bills

Option	No Of Respondents	Percent
Atm	10	29
By Cheque	5	14
Mobile Banking	15	42
At The Bank Teller	1	3
Third Party Pay Out Let	Nil	Nil
Other	4	11
Total	35	100

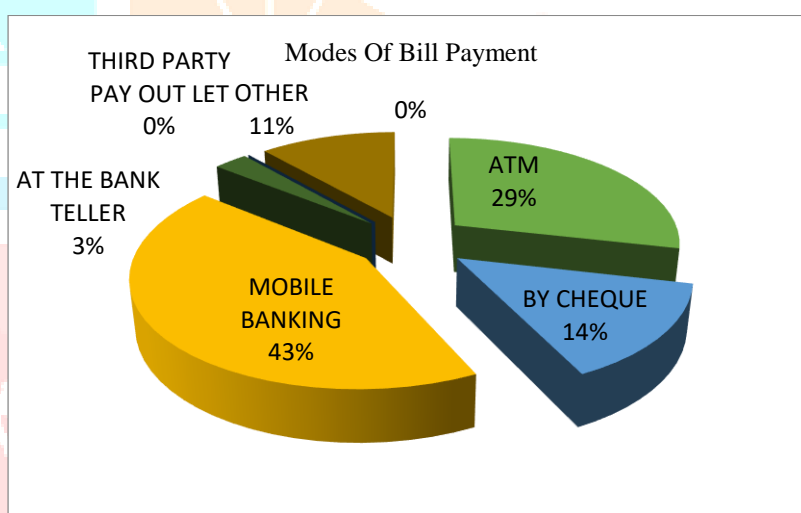


Figure 4 Modes of Payment of Bills

43 Percent of respondents are paying their bills through mobile banking and there are no respondents are willing to pay bills through third party pay out let.

Table 5. Shows Different Type of Bills Payments Using Mobile Banking.

Option	No Of Respondents	Percent
Mobile Phone Bill	13	37
Insurance Premium	2	6
Utility (Electri.,Water)	10	2
Retail Shopping Bills	6	17

School Fees	Nil	Nil
Others	5	14
Total	35	100

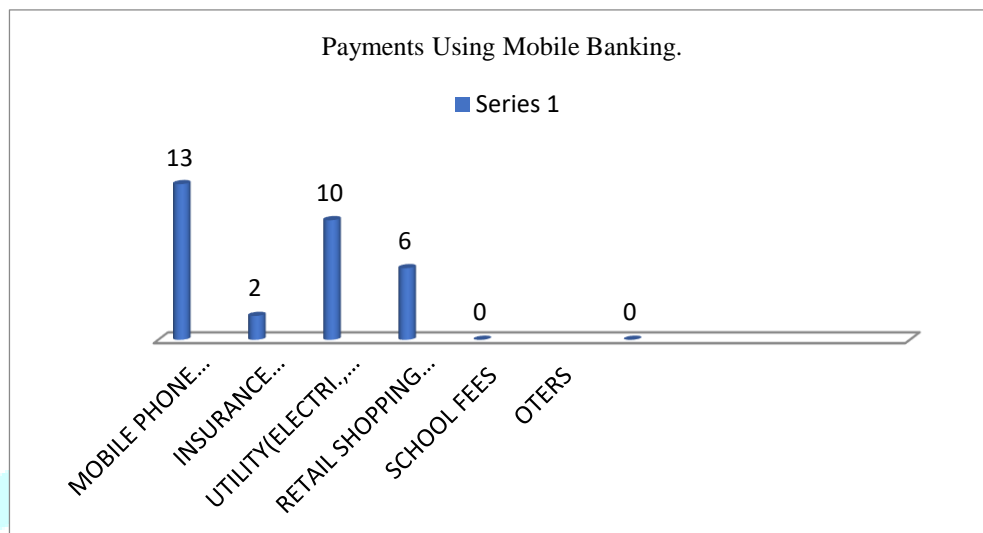


Figure 5 Bills Payments Using Mobile Banking.

37 percent of respondents use mobile banking to pay the mobile phone bills and 6 percent of respondents use mobile banking to pay the insurance premium.

Table 6 Perception regarding Mobile banking (Primary Sources)

Statements	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Easy navigation of Mobile banking menus	nil	2.8	60	31	6
It is easy to understand	6	6	34	48	6
It is easy to make a payment	Nil	6	26	57	11
It is easy to make transfer money	Nil	3	29	60	9
It is easy to make a balance inquiry	3	nill	23	40	24
Mobile Banking Service is not costly	Nil	20	63	11	6

This table shows 60 percent of respondents are Neutral that mobile banking menu on mobile phone is easy to navigate. 48 percent of respondents agree that mobile banking menu on mobile phone is easy to understand. 57 percent of respondents agree that mobile banking is easy to make payment. 60 percent of respondents are agreed that mobile banking is easy to Make transfer money. 40 percent of respondents agreed that mobile banking is easy to Make a balance inquiry. 63 percent of respondents are neutral regarding the cost of mobile banking.

Table 7 Benefits of using Mobile banking (Primary Sources)

option	Cost saving		Time saving		24hr access		Physical security		others	
	Frequency	percent	Frequency	percent	Frequency	percent	Frequency	percent	Frequency	percent
Very low	1	3	nil	-	nil	-	nil	-	nil	-
low	5	14	nil	-	1	3	9	26	1	3
average	25	71	5	14	5	14	20	57	30	86
high	6	17	18	51	15	43	4	11	nil	-
Very high	nil	-	12	34	14	40	2	6	3	9
total	35	100	35	100	35	100	35	100	35	100

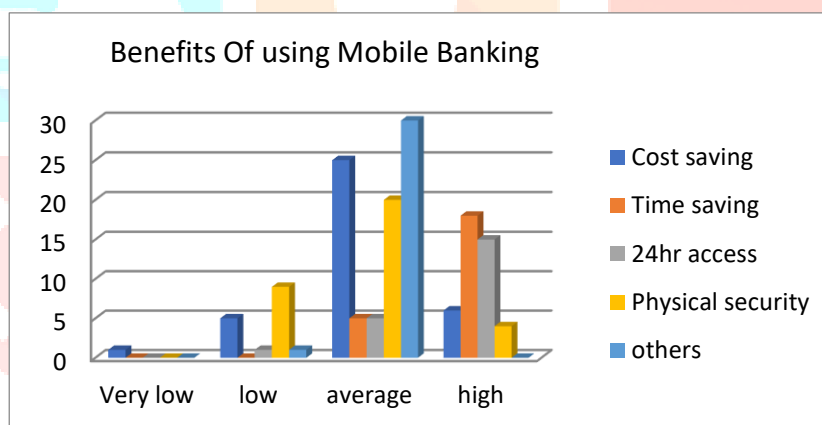


Figure 6 Benefits of using Mobile banking

The above table and figure show that 71 percent of respondents have average opinion that mobile banking has cost saving benefit .51 percent of respondents have the opinion that mobile banking saves time .42 percent of respondents have the opinion that mobile banking services are available 24 hr and .57 percent of respondents have the opinion that mobile banking provides security. Then 86 percent of respondents have average opinion regarding other benefit of mobile banking.

Table 8 Why Don't Use Mobile Banking Earlier (Primary Sources)

Option	No Of Respondent	Percentage
Too Costly	3	9
Not Easy To Use	-	-
Not Aware	25	71

No Need	7	20
Do Not Trust	-	-
Total	35	100

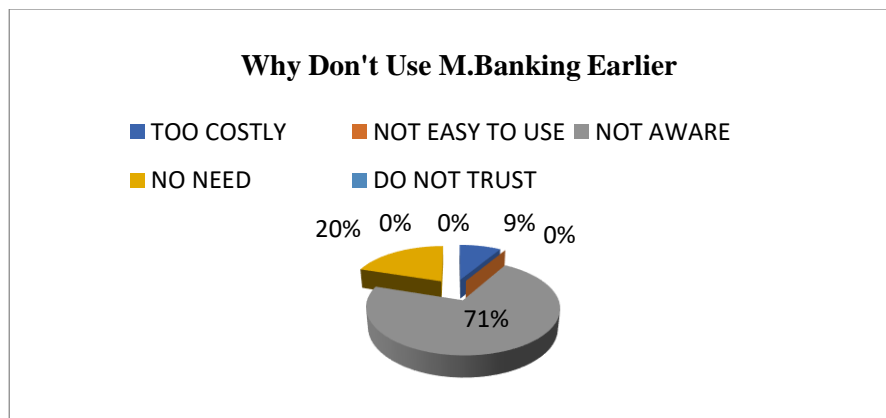


Figure 7 Why Don't Use Mobile Banking Earlier

This chart shows that 71 percent of respondents are not use mobile banking because they are not aware about it.

## CONCLUSION

This study reveals that the majority of respondent use mobile banking service. They are interested to adopt and are satisfy with the mobile banking usage. The study also highlights that the main factor that influence to adopt mobile banking service are cost saving, time saving, 24-hour access, physical security and other factors. The study shows that main reasons for non- adopting mobile banking service are high cost, security problems, lack of awareness, not easy to use, no need, do not trust.

Mobile banking service are generally traditional banking is the important reason for adopting mobile banking services. Result of the study will help to understand consumers perception and some actions can be initiated to improve the usage of mobile banking.

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