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## Customer perception towards mobile banking applications in Thiruvananthapuram City, Kerala, India

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### Abstract

Mobile banking refers to the use of a mobile device to carry out financial transactions. The service is provided by some financial institutions, especially banks. Mobile banking can be undertaken either by accessing bank's web page through the browser or mobile phone, via text message or by using the mobile banking application downloaded to the mobile phone. Usage of mobile banking applications is dependent on demographical characteristics like gender, age, occupation etc. Mobile banking services are mostly preferred by the younger customers and the people who were using mobile banking technology are satisfied. The purpose of this study is to measure the perception of customers regarding mobile banking applications. The data are collected through questionnaire, telephonic interview, direct interviews, books and journals, internet etc. The data collected are tabulated and analysed in such a way to make interpretations.

**Keywords:** Mobile banking applications, financial transactions, demographic characteristics

### 1. Introduction

Information technology is gaining momentum in today's business life, as each business enterprise tries to attain and serve their clients in more efficient way. Banking business is also adopting the technological know-how very rapidly. Technology is beneficial to both the banks and the customers. Banks can minimize the labour cost, enlarge the delivery options and standardize the system via adopting the technology. Customers can be benefited in terms of anytime and anywhere banking and convenience of conducting banking transactions. Mobile banking is defined by Tiwari and Buse as mobile banking refers to provision and an availment of banking and financial services with the help of mobile telecommunication devices. Mobile banking can be accessed by cell phones with the help of technological means such as cellular browser, text messaging, and downloadable functions and through preloaded applications.

### 2. Literature Review

Rajesh (2007), focused on the issues like customer's perception about Mobile banking and how to improve the usage rate. The study revealed that education, gender and income play an important role in the usage of internet banking.

Divya and Padmanabhan (2008), concluded that Mobile banking is the convenient and more flexible way of banking and thus Mobile banking is increasingly becoming a "need to have". Sanjeev Bansal (2008), Issues in mobile banking are demonstrated as there are large numbers of people who do not have bank accounts especially in rural areas, due to unawareness and distant factor the people don't know about banking.

John Erickson (2010), found that though mobile banking has a potential to improve saving rate and provide access to financial product but it's still facing challenges which need to overcome includes high barrier to entry, low rate of loan repayment because of less contact with customer and regulatory issues

Paul Makin and McEvoy (2009), found that a major issue that come arise while using mobile banking is to know the customer, new customer identity ever time verified whenever he have to use the service.

Suoranta and Mattila (2004), found that the composite services and products offered on the

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mobile platform range from simple accounting balance inquiries to payment of services, funds transfers, and more complex products, such as stock exchange transactions

**3. Statement of the Problem**

Today, banking organizations are using more push strategies to provide better customer services and to offer world class products and a basket of services to the users in the global competitive banking environment. Hence, the present study has been undertaken in Thiruvananthapuram district among the mobile banking users to understand and evaluate their perception towards mobile banking activities.

**4. Objectives of the Study**

To study and analyse the customer’s perspectives towards application based mobile banking services and suggest possible measure to make mobile banking effective. To identify the strengths and weaknesses of the existing system used by customers and to suggest measures, if any, associated with these banking services

**5. Scope of the Study**

The study throws light to the problems faced by the

customers and to suggest measures to improvise the present mechanism. Every financial enterprise has come up with their own banking application to ease the transactions and to promote digital banking with more security and integrity. The proposed investigation will suggest and an attempt to understand the level of perception of customers using mobile banking services offered to them and affects the firms profitability.

**6. Research Methodology**

**Sample Size:** 100 customers of various age limits are used as samples for the perspective study

**Sampling Technique:** Convenience sampling technique is used for the study. The universe of customers was considered as infinite hence it was not possible to take customers of each bank.

**Tools for Data Analysis:** The statistical tools used for analysing the data collected are percentage method and chi-Square test.

**6.1 Data Analysis**

**Table 1:** Profile of the respondents

Sl. No.	Factors	Category	No. of respondents	Percentage
1.	Gender	Male	46	46
		Female	54	54
2.	Age	Below 20	5	5
		Between 21-30	70	70
		Between 31-40	17	17
		Above 40	8	8
3.	Education	SSLC	2	2
		Plus two	8	8
		Degree	48	48
		Post-Graduation	38	38
4.	Occupation	Private sector	24	24
		Govt. service	12	12
		Business	6	6
		Self-employment	10	10
5.	Monthly income	Student	48	48
		Below 10000	40	40
		10000-20000	21	21
		20000-30000	22	22
		Above 30000	17	17
		Total	100	100

The above table depicts that majority 54% of the respondents are female. 70% of respondents are between 21-30 years.48% of them are graduate. 48% of them are students. 40% of them are earning below 10000.

**Table 2:** Opinion of respondents on quality of mobile banking services

Quality of mobile-banking services	Frequency	Percentage
Excellent	27	27
Very good	40	40
Neutral	30	30
Good	2	2
Poor	1	1
Total	100	100

The above table depicts that 40% respondents opined

quality of mobile banking services as very good, 30% respondent’s opined neutral, 27% respondents opined excellent, 2% respondents opined good. Only 1% respondents opined quality of mobile banking services as Poor.

**Table 3:** Response of respondents regarding security issues of mobile banking applications

Respondents face security issues	Frequency	Percentage
Yes	63	63
No	37	37
Total	100	100

The above table depicts that 63% respondents face security issues while using these services and the rest 37% respondents doesn’t face any issues related with it.

**Table 4:** Factors influencing respondents to use mobile banking services

Factors that influenced respondents	Frequency	Percentage
Cost effectiveness	7	7
Ease of use	37	37
24-hour access	32	32
Time saving	22	22
Others	2	2
Total	100	100

The above table depicts that 37% respondents are influenced by ease of use, 32% respondents are influenced by 24-hour

access, 22% respondents are influenced by time saving and 2% respondents are influenced by other factors.

**Table 5:** Mobile banking applications used by respondents

Mobile banking applications used by respondents	Frequency	Percentage
SBI yono	11	11
FED book	7	7
Google Pay	62	62
Phone Pe	18	18
Others	2	2
Total	100	

The above table depicts that 62% of the respondents are using google pay, 18% of the respondents are using phone pay, 11% of the respondents are using SBI Yono, 7% of the respondents are using Fed book, 2% of the respondents are using other Payment applications.

Only 1% respondents are dissatisfied and highly dissatisfied with the mobile banking services.

**Table 6:** Respondents satisfaction level about mobile banking

Satisfaction level	Frequency	Percentage
Highly satisfied	17	17
Satisfied	64	64
Neutral	17	17
Dissatisfied	1	1
Highly dissatisfied	1	1
Total	100	100

The above table depicts that, 64% of the respondents are satisfied with the mobile banking services, 17% respondents are highly satisfied, 17% respondents are in neutral opinion.

**6.2 Chi- Square Test**

**Null hypothesis [H<sub>0</sub>]:** There exists no significant relation between the age and satisfaction level of customers with mobile banking services.

**Alternative hypothesis [H<sub>1</sub>]:** There exists a significant relation between the age and satisfaction level of customers with mobile banking services.

**Level of significance:** 5% (0.05)

$$X^2 = \sum(O-E)^2 / E$$

Degree of freedom = (r-1) (c-1)

**Table 7:** Age and Satisfaction level of customers

Age	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	Total
20-30	12	51	7	0	0	70
30-40	3	10	2	1	1	17
40-50	2	3	1	1	1	8
50-60	0	0	1	2	2	5
Total	17	64	11	4	4	100

**Table 8:** Chi Square Table

O	E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> / E
12	11.9	0.01	0.001
3	2.89	0.01	0.003
2	1.36	0.40	0.294
0	0.85	0.72	0.847
51	44.8	38.44	0.858
10	10.88	0.77	0.071
3	5.12	4.49	0.877
0	3.2	10.24	3.2
7	7.7	0.49	0.064
2	1.87	0.02	0.011
1	0.88	0.01	0.012
1	0.55	0.20	0.364
0	2.8	7.84	2.8
1	0.68	0.10	0.147
1	0.32	0.46	1.437
2	0.2	3.24	16.2

0	2.8	7.84	2.80
1	0.68	0.10	0.147
1	0.32	0.46	1.437
2	0.2	3.24	16.20

$$X^2 = \sum(O-E)^2 / E = 47.77$$

Chi square calculated value = 47.77

Level of significance = 0.05

Degree of freedom = (r-1) (c- 1) = (4-1) (5-1) = 3\*4 = 12

Table value/ Pearson's P value = 21.026

Chi square calculated value > Pearson's P value.

Hence Null hypothesis,  $H_0$  is rejected and alternate hypothesis  $H_1$  is accepted. That is, there exists a relation between age and satisfaction level of customers with mobile banking services.

## 7. Findings

Usage of mobile banking applications is dependent on demographical characteristics like gender, age, occupation etc. Younger generation are more likely to adopt mobile banking services than older generation. The study shows that most of the mobile banking users are educated, out of 100 percentage, 48% respondents are graduated and 38% people are post graduated. Students, government employees and private sector employees are the most common users of mobile banking applications. Majority of 40% customers responded that the quality of mobile banking services was very good and least 1% customers were opined that it is poor. Majority of the 63% customers face security issues while using these services and the rest 37% doesn't face any issues related with it. Ease of use, 24-hour access, time saving and cost effectiveness are the factors influencing customers to use mobile banking services. Majority of the 80% customers were using UPI payments in mobile banking services, and the least 1% were opined phone banking. The most commonly used mobile application is Google Pay, used by majority 62% of the respondents. SBI Yono is used by 11% customers, Fed Book is used by 7% customers. Out of 100%, 17% customers are highly satisfied and 64% customers are satisfied.

## 8. Conclusion

According to the study, it is found that mobile banking is mostly used by educated people and the younger generation and they are satisfied. Usage of mobile banking applications is dependent on demographical characteristics like gender, age, occupation etc. There are lot of advantages to mobile banking applications like 24-hour access, ease of use, cost effectiveness. The most common mobile banking application used by the respondents is Google Pay. From this study, it can be concluded that reducing the service charges would be good for the betterment of mobile banking services and also there is an urgent need of spreading awareness among the older generation by creating confidence in the minds of customers that their money is more safe and secure even though they accept and use mobile banking services.

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