

## AN OVERVIEW OF CUSTOMER PERCEPTION AND SATISFACTION OF MOBILE BANKING

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### ABSTRACT

The nationalization of banks in 1969 and 1980 brought major changes in the banking sector, after which its growth was enormous. The banking sector widens its branches to different parts of the State and District. Amid this growth of launching of new branches, still there is a complaint that the banks do not cater to the rural population and their service is restricted only to the urban population. The advent of Information and Communication Technology has helped to bridge this gap. The banks utilized this opportunity to the fullest possible extent and it has expanded its services to customers through mobile banking services. Therefore, today we consider banks as one of the service sectors, which cater to millions of the customers all over the world. The economy of the entire globe is channelized through banks. Banks become part and parcel of every organization, because it plays a vital role in the life of every sector. Banks contribute finance to the development and growth of the entire society. It also provides the convenience of reducing the usage of currency notes and cost effectively servicing to the unbanked geographical areas. Therefore this paper aims to measure the perception and satisfaction level of customers in mobile banking services and offers number of recommendations to policymakers to make the country a country of unbanked population.

### Introduction

In this 21<sup>st</sup> century customers are the *King of the Markets* and their needs and wants must be satisfied to the fullest possible extent if the business sector has to survive in the world. Therefore all the industries, irrespective of the nature of their product or service tries its level best to attract, satisfy and retain customers and also win their confidence for their product and services. Therefore, it is the key responsibility of the organization to identify the perception of their customers. Perception is the process by which an individual become aware of and interprets information about the environment (Singh, B.P and Chhabra.T.N :2002) .

Perception plays a vital role in all walks of life and it is the prime factor in our decision making process. Banking sector is not exempted from this... With the introduction of Information and Communication Technology (ICT) the brick and mortar system had the paradigm shift to click system. As the outcome, in 2001, the mobile banking services first appeared in Philippines when two operators, Globe and Smart, introduced their own domestic payment plan (Brien: 2013). Mobile banking is popularly known as M-Banking. It refers to providing and availing banking and financial services with the help of mobile telecommunication devices. Mobile banking minimizes the need to visit a bank branch and the customer can scan their accounts using

their telecom device. (Nargisnamazi: 2011). With the use of mobile banking, we can get our work done within a few minutes. As a result of this, more and more people are attracted towards it. Mobile banking keeps the customers updated about any activity done in their account. For instance a money withdrawal, money transfer and other transactions to and from our account will be brought to our knowledge through SMS (Sharma: 2012). According to the Reserve bank of India (RBI) a total of 3.7 crore mobile transactions took place between February and November 2012, jumping around 1.7 times in volumes over this 10-month period. These transactions saw nearly a three-fold increase in value over the same period (businessstoday: 2013).

#### STATEMENT OF THE PROBLEM

Liberation, Privatization and Globalization (LPG) in 1990, Information and Communication Technology (ICT) in 2000 and the Banking Reforms in 1988 have brought a paradigm shift in the banking sector. As a result, the banking transaction changed from brick and mortar system to click system. The banking operations reached every nook and corner of the world and wiped out the problems of the unbanked population. Mobile banking is a recent development in the banking operations and caters to number

of customers and becomes user friendly, easy and convenient. Therefore, irrespective of their occupation, many banking customers are using the mobile banking services. At this juncture a number of questions arise in the minds of the researchers like, what are the factors influencing mobile banking services? To what extent are the banking services utilized by the sample respondents? What is the customers perception and satisfaction level while availing of mobile banking service? Considering these questions, the researchers have focused the study on "Customer Perception and Satisfaction of Mobile Banking Services".

#### OBJECTIVES OF THE STUDY

The objectives of this study are to assess the customer perception towards mobile banking users in Nagercoil Town. The following are the specific objectives:

- To identify the factors influencing the adoption of mobile banking by the mobile users
- To find out the perception and satisfaction towards the service quality of mobile banking among the sample respondents.

#### METHODOLOGY

This study comprises both Primary and Secondary data. The primary data were collected with the help of a pre-tested interview schedule. The secondary data were collected from books, magazines, journals, unpublished thesis and websites. Fifty sample respondents

were interviewed who are using mobile banking services in and around Nagercoil town on the basis of random sampling method. The collected data was analyzed with the help of Henry's Garrett ranking method and Likert five point scales.

### Factors Influencing Mobile Banking Services

Several factors influence the decision making process of any individual or organization. It may be the factor of age, income, education, qualification, social status, experience, individual differences, belief, accessibility etc. This study was conducted with the aim of identifying the factors affecting the adoption of mobile banking by the mobile users. The following are the various factors which were analyzed with the help of Garrett's Ranking Technique. Table 1 presents the factors influencing mobile banking services

TABLE 1 Factors Influencing Mobile Banking Services

Sl. No	Factors	Score	Rank
1.	Operating expenses	37.50	X
2.	Safety	50.96	V
3.	Quick response	46.02	VII
4.	Quality of service	40.44	IX
5.	Convenience	57.78	III
6.	Saves time	61.68	II
7.	Easy settlement of bills	51.68	IV
8.	Anytime and anywhere	63.18	I
9.	Fund transfer	46.40	VI
10.	Mobile top-up	42.86	VII

Source: Primary Data

Table 1 clearly shows that the first rank is given to 'Anytime and anywhere' and the last rank is to 'Operating

expenses'. It is evident that the mobile banking services are available to the customers for 24 hours a day and 7 days in a week. So the respondents according to their convenience and comfort can utilize the banking services, even in the middle of the night. But in case of operating cost, for every transaction, they have to pay ₹ 2 and if the transaction fails due to net work problem the money spent becomes a loss to the sample respondents.

Payment of bills through mobile banking is a service which reduces the time and stress of the mobile users. Table 2 depicts the mode of payment of bills through mobile banking services, the score on each perception, the total scores and the rank.

Table 2 reveals that out of 13 types of payments utilized by the sample respondents, the first rank is given to 'Telephone bill', second rank for 'Electricity Bill', and third rank for 'Insurance Premium'. It is inferred that telephone bill, electricity bill, insurance premium are the most preferred bill payments among the sample respondents. The last rank is given to 'Visa credit card', since this system is only available in foreign countries and it is a nascent stage in India, as no respondents avail this type of service.

**TABLE 2**  
**Bill Payment through Mobile Banking**

Sl. No	Particular	Very Often	Often	Always	Seldom	Never	Total	Score	Rank
1	Hotel Bill	(0) 0	(1) 4	(0) 0	(1) 2	(48) 48	54	1.08	XII
2	Electricity Bill	(5) 25	(14) 56	(24) 72	(4) 8	(3) 3	164	3.28	II
3	Telephone Bill	(4) 20	(16) 64	(25) 75	(2) 4	(3) 3	166	3.32	I
4	Insurance Premium	(1) 5	(18) 72	(22) 66	(3) 6	(6) 6	155	3.10	III
5	Credit Card Payment	(3) 15	(1) 4	(5) 15	(15) 30	(26) 26	90	1.80	VIII
6	Interest Payment	(0) 0	(7) 28	(7) 21	(14) 28	(22) 22	99	1.98	VII
7	Tax Payment	(3) 15	(9) 36	(9) 27	(8) 16	(21) 21	115	2.30	V
8	Pay Dish TV Subscription	(1) 5	(4) 16	(15) 45	(5) 10	(25) 25	101	2.02	VI
9	Visa Credit Card Bill Pay	(0) 0	(0) 0	(0) 0	(0) 0	(50) 50	50	1.00	XIII
10	Prepaid Mobile Recharge	(4) 20	(9) 36	(16) 48	(4) 8	(17) 17	129	2.58	IV
11	Online Shopping	(2) 10	(2) 8	(2) 6	(5) 10	(39) 39	73	1.46	IX
12	Mobile Shopping	(1) 5	(0) 0	(3) 9	(3) 6	(43) 43	63	1.26	X
13	E-Shopping	(1) 5	(0) 0	(3) 9	(2) 4	(44) 44	62	1.24	XI

Source: Primary Data

Figures in parenthesis denote number of respondents

### Perception and Satisfaction Regarding Mobile Banking

Perception and satisfaction are the two sides of a coin. When the perceptions of the customers are positive, automatically they can be satisfied with the product and services and vice versa. High levels of customer satisfaction are strong predictors of customer retention, customer loyalty, and product and service repurchase. Table 3 shows the perception

and satisfaction level of the sample respondents with regard to mobile banking.

Table 3 reveals that out of 19 statements on perception and satisfaction, among the sample respondents the first rank is given to 'Availability of time & anywhere', second rank to 'Saves time' and third rank to 'Convenient' with its mean score of 4.70, 4.60 and 4.52

TABLE 3  
Perception Regarding Mobile Banking

Sl. No	Particular	Highly Satisfied	Satisfied	Neutral	Dis-satisfied	Highly Dissatisfied	Total	Score	R
1	Technology	(15) 75	(32) 128	(3) 9	(0) 0	(0) 0	212	4.24	X
2	Type of services	(3) 15	(23) 92	(24) 72	(0) 0	(0) 0	179	3.58	X
3	Notification	(12) 60	(13) 52	(16) 48	(9) 18	(0) 0	178	3.56	X
4	Transaction cost	(4) 20	(12) 48	(29) 87	(5) 10	(0) 0	165	3.30	X
5	Activation time	(8) 40	(19) 76	(21) 63	(2) 4	(0) 0	183	3.66	X
6	Immediate response	(4) 20	(21) 84	(23) 69	(2) 4	(0) 0	177	3.54	X
7	Settlement of bills	(12) 60	(24) 96	(14) 42	(0) 0	(0) 0	198	3.96	X
8	Availability of time & any where	(37) 185	(11) 44	(2) 6	(0) 0	(0) 0	235	4.70	X
9	Coverage	(4) 20	(22) 88	(21) 63	(3) 6	(0) 0	177	3.54	X
10	Security/privacy	(8) 40	(16) 64	(21) 63	(4) 8	(1) 1	176	3.52	X
11	Quick transaction	(10) 50	(18) 72	(20) 60	(2) 4	(0) 0	186	3.72	X
12	Saves time	(36) 180	(9) 36	(4) 12	(1) 2	(0) 0	230	4.60	X
13	Convenient	(31) 155	(15) 60	(3) 9	(1) 2	(0) 0	226	4.52	X
14	Reducing cost	(10) 50	(9) 36	(28) 34	(3) 6	(0) 0	176	3.52	X
15	Economical	(5) 25	(15) 60	(25) 75	(5) 10	(0) 0	170	3.40	X
16	Speedy& safety	(14) 70	(18) 72	(17) 51	(1) 2	(0) 0	195	3.90	X
17	Effective in developing savings habit	(6) 30	(12) 48	(10) 30	(7) 14	(15) 15	137	2.74	X
18	Universality	(7) 35	(5) 20	(18) 54	(15) 30	(5) 5	144	2.88	X
19	Gross border payment	(0) 0	(9) 36	(10) 30	(7) 14	(14) 14	94	1.88	X

Source: Primary Data

Figures in Parenthesis denote Number of Respondents

respectively. But the last rank is given to 'Gross border payment' with its mean score of 1.88. It is observed that the respondents are highly satisfied since the mobile banking services are available to them at any time and even in the night they can operate mobile services as per their convenience and feasibility.

#### Recommendations

- The RBI (Reserve Bank of India) can make it mandatory that all account holders use the mobile banking services.
- The Government can influence the employees to pay their income tax through mobile banking. So that this concept of mobile banking services may reach the nook and corner of the world and bridge the gap between the rural and urban populations.
- The academic institutions can include one or two units of mobile banking services in the paper 'banking law and practices' for undergraduate students so that they may learn of the access and viability of these services.
- The mobile operators can design a software for account holders who in turn can use the mobile phones and do their transactions without any inhibition or fear. As

a result the number of users in mobile banking services can be increased.

- The bankers can create awareness through advertising and educate the customers with regard to benefits and usage of mobile banking services.

#### Conclusion

In Tamil Nadu, Mobile banking is slowly catching on in the cities with more and more banks deciding to offer the service to attract customers. The State Bank of India (SBI) has launched a campaign to promote its mobile and internet banking services. They will cover 60 of the total 120 city branches to create awareness and encourage account-holders to register for the services. ([www.hindu.com](http://www.hindu.com)) Therefore Mobile banking services has become the need of the hour in the modern busy and tight schedule for any individual or corporate or institution. It is mostly preferred in case of payments of bills like telephone, electricity, and insurance premiums. It saves the time and energy of the employees. Mobile banking is a boon to the banking sector and within 5 years this scheme may reach nook and corner of the world, which in turn might meet the needs of the unbanked population.

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