

A Study on Perception of Youth towards Mobile Banking

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ABSTARCT:

In this modern era, mobile banking has become one of the most essential services offered by banks. It helps in enhancing the customer satisfaction by offering uninterrupted services. Mobile banking has made the lives of the youth more convenient in making use of banking services. In the recent years, the use of internet banking has made a great impact on the banking services provided to customers. Major restrictions in this model were the access of computer and internet. Therefore, mobile banking has been introduced as a model of electronic banking to the customers where only a mobile phone is required. One of the main reasons for their superiority is the growth of mobile users in the economy. The services are available 24/7 and very convenient for mobile users to carry out their transactions efficiently. It mainly uses information technology to reach out to its customers. It also acts as a helping hand to the customers who are located at unbanked areas. It has mostly helped the customers to transact using their mobile which is less expensive when compared to the traditional access to banks. This paper helps in determining the youth's attitude towards innovations in banking sector an adoption of latest technology. A sample size of 150 respondents was selected and google forms were distributed in order to collect primary data and to draw findings, suggestions and conclusions.

KEYWORDS: Customer Experience, Growth of mobile users, Latest Technology adoption, Mobile Banking, Youth perception.

I.INTRODUCTION

Banking sector acts a backbone of modern business. A bank is a financial institution which accepts savings and other types of deposits from the public in the form of investments in order to render credits to its customers for which it charges interest. A well-organized banking system helps in the socio-economic development of the country.

Banks are the most effective way to generate credit flow of money in the markets like any other financial institutions. In the early days most of the banks used a service known as SMS banking. In the year 1999 after the launch of smart phones with WAP support which enabled the use of mobile web, the first European banks started using this opportunity to provide services to its customers.

In one academic model, mobile banking is defined as, "Mobile Banking refers to provision and availing of banking- and financial services with the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank and stock market transactions, to administer accounts and to access customized information."

Mobile banking allows an individual to conduct financial transactions offered by a bank through a portable electronic device via smart phones or tablets using mobile banking apps. It allows its users to perform most of the virtual banking transactions or financial functions through mobile phones with the help of internet connection. It has mainly reduced the number of personal visits to banks. Through mobile banking, one can check and perform their transactions at any point of time and as many times as possible. Mobile banking has reduced the cost of operations since the need to visit to banks have been eliminated gradually. In order to perform mobile banking transactions, all you need is a mobile phone and an internet connectivity. It allows you to conduct your online banking activities more convenient and in addition, it has also eliminated the need to wait in long queues for the financial transactions to get completed.

II. REVIEW OF LITERATURE

A study on mobile banking: opportunities, challenges and cyber laws by Ms. Vandana Shrivastava and Dr. Yogendra Kumar Verma, revealed that mobile computing is a new way which delivers value benefits to valuable

users. Despite its positive features, it also brings new security issues and challenges which can hinder the effective growth of a very beneficial technique.

A study on mobile banking and its impact on customer's banking transactions: a comparative analysis of Public and Private sector banks in India by Prof. Nidhi Singh and Neena Sinha concluded that frequent use of mobile banking services has a positive impact on customer transaction rate and also describes the importance of E- transactions through mobiles for customers and also supports banks to work on those areas to enhance relationship with customers.

A study of mobile banking in India by Dr. Parul Deshwal stated that mobile phones have immense potential of conducting financial transactions thus leading the financial growth with lot of convenience and much reduced cost.

III. OBJECTIVES OF STUDY

- To study the mobile banking usage patterns among the youth.
- To study the utility and shortcomings of mobile banking.

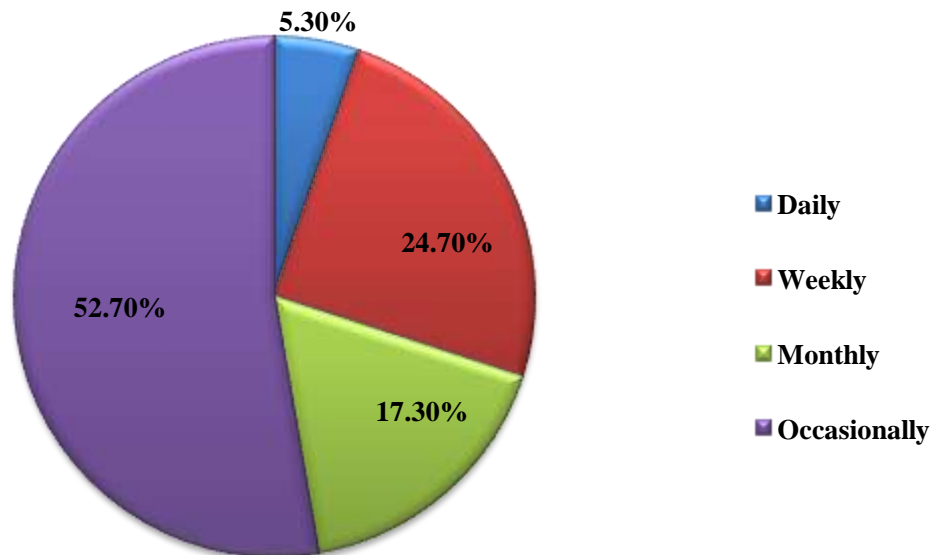
IV. RESEARCH METHODOLOGY

The research was conducted based on the primary data and secondary data among a limited population with an appropriate findings, analysis and conclusions. Google forms were forwarded to the youth aged between 18-30 years of age in order to collect primary data. A sample of 150 respondents was taken into consideration to study the perception of youth towards mobile banking. In order to arrive at findings, suggestions and conclusions, certain simple tools like pie charts and graphs were used. Analysis and interpretation of the acquired data was based only on the primary data collected.

V. DATA ANALYSIS AND INTERPRETATION

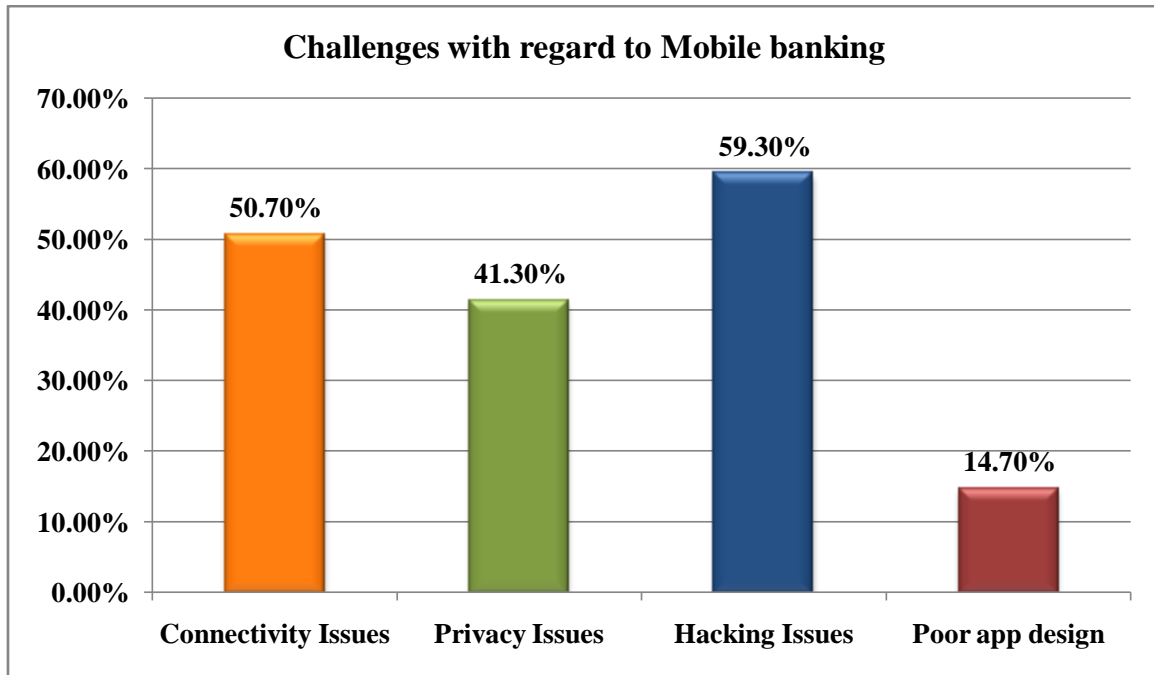
1. Pie chart representing the frequency of transactions using Mobile banking

Frequency of transactions using mobile banking



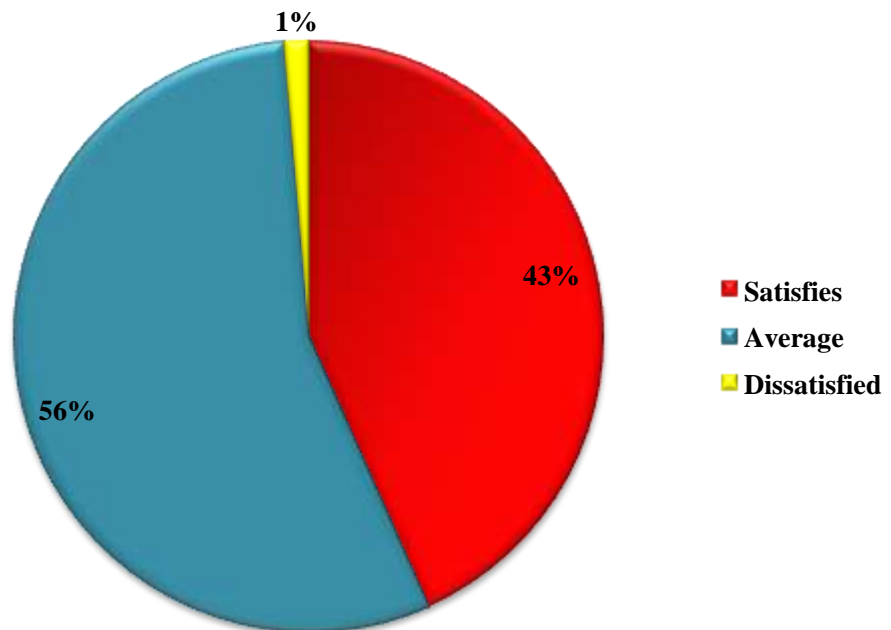
Source: Primary data

2. Bar diagram representing the challenges customers faced with Mobile banking



Source: Primary data

3. Chart representing the level of Customer satisfaction in Mobile banking



Source: Primary data

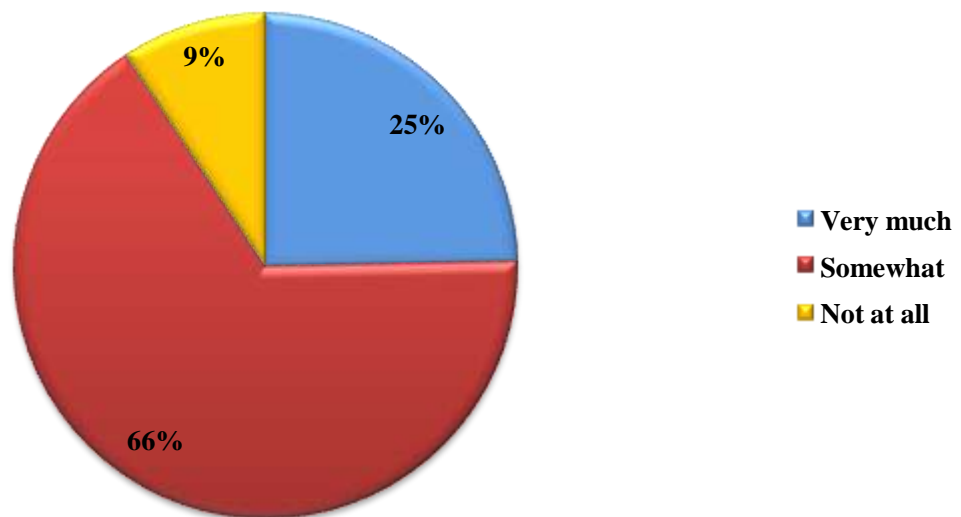
4. Table representing the factors that motivates customers to use Mobile banking

Factors	Frequency	Percentage
Cost effectiveness	26	17.3
Saves time	125	83.3
Ease of use	71	47.3
Technology savvy	36	24
Total	258	100

Source: Primary data

Note: Since the respondents had a choice of selecting multiple options, the frequency is 258.

5. Pie chart representing the security perception of youth towards Mobile banking



Source: Primary data

VI. FINDINGS OF THE STUDY

- From the above study it is evident that about 66% of the sample population finds it convenient to using mobile banking technology.
- Here we can also observe that 52.7% of the sample population use mobile banking occasionally.
- The factors which influence and motivates the customers to use mobile banking are it mostly saves time, cost effectiveness, easy to use and technology savvy.

- Connectivity issues and privacy issues are also major problems faced by the customers at large.
- This study also clearly states that almost 59.3% of the sample population feels that mobile banking is associated with a major drawback related to hacking issues.

VII. SUGGESTIONS FOR THE STUDY FOR BANKS:

- Bankers can educate their customers about the new technology used and also make them aware about the benefits they can obtain by using mobile banking. In order to achieve this, they must regularly conduct customer awareness programs and have a good conversation with their customers.
- Banks must take initiative to motivate and induce its customers to use mobile banking services provided by them.
- At most care has to be levied on looking into the major challenges of mobile banking such as hacking issues, privacy issues, connectivity issues and proper measures have to be implemented to find solutions to such problems.
- Banks must start promoting their official apps and websites such that customers are aware about it in order to avoid privacy and other issues.
- Banks must adopt latest technology and innovation such that the customers can perform all the transactions through mobile banking in order to diminish personal visits to banks.

FOR CUSTOMERS:

- Customers must use bank's official website and log into apps that are promoted by banks in order to avoid hacking and privacy issues.
- As mobile banking can be processed only with stable internet connectivity, check where there is a stable connection and then proceed with the transaction and also should avoid making payments on public Wi-Fi.
- If any discrepancies are found while availing mobile banking services, they must immediately report about it to the specific bank.
- Customers must try to avoid sharing their passwords, account numbers or any other financial details to others in order to be on a safer side and to make secure the financial transactions made and also to avoid misappropriation of funds.

- Customers must secure their account by using strong password which contains alphabets and numerals and also both upper-case and lower-case letters.
- Customers must ensure that they have access to strong and secured internet connectivity in order to avoid double payments, connectivity issues and server problems.

VIII. CONCLUSION

From the above study it is clearly evident that there is a positive shift in banking services from traditional approach to internet banking services. Mobile banking technology has enabled the customers to carry out their financial and non-financial transactions very conveniently and more effectively. It has majorly saved customer's time and has benefitted them to make transactions without visiting the bank personally and on 24/7 basis. The major threat to banks which has made customers to step back in availing mobile banking services is its issues associated with connectivity, hacking and privacy. Banks need to update their technology periodically as it can attract more customers to deposit their savings. Therefore, banks need to address these challenges more efficiently by adopting solutions to overcome them and also try to improve their banking services. These measures can help banks to maintain good relationship between their customers and aim at customer satisfaction.

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