

# Customer Perception in Practicing Mobile Banking Services in the Aligarh District of Uttar Pradesh

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## ABSTRACT

The main aim of this research paper is to analyze the elements influencing customers in mobile banking usage in the Aligarh District of Uttar Pradesh in, India. The study is based on primary data collected from 300 customers through a questionnaire. The sample was selected using the convenience sampling method via an online survey. The study includes constructs such as perceived ease of use, perceived risks, perceived trust, perceived awareness, and satisfaction; this data has been evaluated using a regression method. The study's outcome displayed that the perceived ease of use, perceived trust, and perceived awareness show a significantly positive relationship with customer perception, and risk-associated and problems related have a negative relationship with customer perception. The study concluded that mobile banking had become a part of our day-to-day life, which eased a lot. Simultaneously, it was found that customers have a positive effect of using mobile banking, and banks used such different initiatives to provide their service to increase their productivity.

**Keywords:** Mobile Banking, Perception, perceived ease of use, Awareness, Satisfaction, initiatives.

## I. INTRODUCTION

With the advancement of technology, things changed drastically, and technology caters to man's comfort and convenience. Technology advancement is one reason for today's growing world and economy. Mobile banking is the "use of mobile terminals, including cell phones and personal digital assistants, for the utilization of the several banking networks by the wireless application protocol (WAP)." Numerous innovative banking channels have been gradually instigated over the banking context over the world to offer customers a wide range of higher quality banking

services (i.e., balance inquiries, fund transfers, payment of bills) deprived of any timeboundation or place restrictions. By using your smartphone, you can do anything. Internet and other digital technologies allow customers to take different alternatives to do their work efficiently at any time and place. This speedy rise in technology causes a substantial change in diverse industries, including banking. When technology meets with finance, that's called financial technology; Fintech is the "technology-enabled invention in financial services that result in fresh business models, solicitations, procedures or products with a linked substantial result on the delivery of financial Services." (Reserve Bank of India). Previously low-tech banking services were provided, which was one of the drawbacks of this industry. But with the advent of the latest technology, the banking sector reached a new height. The number of customers has also increased due to the convenience of 'Anywhere Banking.' Also, Digitalization has decreased human error. It allows access and analysis of the data anytime, permitting a solid reporting system. Nowadays, mobile phones have become one of the necessities of people's lives. The mobile payment system has changed the transaction behavior that allows customers to save time and effort, and these services are relatively cheaper and of high quality. In the RBI Report of November 2019, India had over 115.5 crore wireless telephone subscribers with a teledensity of 88.90%. The urban and rural teledensities were 157.33% and 56.69%, respectively, further increasing the mobile banking adoption rate. The rise in smartphones has also assisted in accelerating the adoption of digital payments. Additionally, it led to several innovations in payment mechanisms, including tokenization and scanning QR codes for making payments using smartphones. This enabled a shift from cash to non-

cash payments.(India, 2020)Along with many benefits, this technology has some drawbacks, such as a lack of literacy, using traditional services, cyber security risks,etc.

### Mobile Banking with India's Prospect

Mobile banking has not commonly accepted in its initial phase, but substantial growth has been found in the past few years after the spread of mobile networks. Meanwhile, since 1995 in India, tremendous growth has been found in mobile users. Indian telecommunication service scenario specifies that mobile phone service has grown enormously in the last five years. As per the TRAI's report on the telecommunication industry in India, there are currently 16 cellular service providers providing cellular service in India. There were 621.28 million phone connections in India out of these 584.32 million mobile phone connections. Mobile phone service was not only spread in urban areas but also in rural areas in India. The rural mobile connections have reached 90.88 million compared to 111.63 million in the previous year. Now 32.67% of wireless subscribers are in rural areas, and the rural tele density was 24.29%.Freshly, Indian banks are offering some facilities through mobile banking:1) Check account balance 2) Get automatic updates on bill payments 3) Get automatic updates scheduled payments 4) Mini account statement 5) SMS alert about deposit and withdrawal 6) Electronic fund transfer 7) Bill Payment, Donations, Subscriptions 8) Information about new schemes, changes in charges and interest rates 9) Stop payment order and cheque book request 10) ATM and branch locating 11) Mobile Top Up, Recharge of Other DTHs, 12) Merchant payment, SBI life insurance premium 13) De-mat Enquiry Service 14) Real-time stock quotes, etc.It is an excellent opportunity for bankers to cater to the "unbanked" section of society through the mobile banking system in India.

## II. REVIEW OF LITERATURE

We considered several research papers and conducted a systematic literature review to see the insight of customers towards the use of mobile banking. Several types of research have been done up till now to know the customer's perception, satisfaction with adopting this technology, and its complications. This paper shows that Mobile banking is the newest advancement in electronic banking.

Study exhibits the adoption and effect of mobile banking on the customer of different banks. Also, the study took the opinion of 200 customers of various banks situated in Delhi. He conducted

ANOVA and Factor Analysis to have perceptions of the mobile banking services delivered by the multiple banks. (Singh, 2014) Natalia and Tesniwati, in this study, describe and examine the consequences of perceived trust, convenience, and risk as well as perceived service eminence on using mobile banking at Bank Mandiri in Bekasi city by consumers. The study's outcome displayed that all the factors significantly affect interest in consuming BankMandiri mobile banking. (Natalia & Tesniwati, 2021) Shree has mentioned that demographic aspects such as age, gender, and income. are significant factors that define the choice. Also, they find that an individual's practice of digital payment methods is subjective to his/her perception via these instruments, in addition to their faith in the overall payment method and banking initiatives. (Shree, Pratap, Saroy, & Dhal, 2021) Their study displayed that education, gender, and income act as a significant role in the usage of mobile banking. The study expresses research validated the conceptual framework utters that if skills were advanced, there would be more chances to use Mobile banking consumers. Research study reveals that factors like trust, gender, education, culture, religion, security, and price have a negligible result on the consumer approach toward Mobile banking. (Palani & Yasodha, 2012; Palani & Yasodha, 2012) In their studies, Singh and Rustagi describe the influence and adoption of mobile wallets and consumer perception towards them. Statistical analysis was conducted on IBM SPSS. The data were tested for Reliability; Normality was accomplished to check variance in acceptance and the preference for diverse demographic variables such as age, gender, occupation, education, and income level. The study found that relative to selection, adoption, and threats to mobile wallets and Paytm appeared to be the current market buzz. (Singh & Rustagi, 2018). Alkhalwaldeh, in their studies outcomes, illustrates that apparent ease of use, perceived usefulness, awareness, perceived bank credibility, and group influence had an encouraging effect on the practice of mobile banking services by the customers. According to them, Banks must take these aspects to encourage customers' favorable perceptions of mobile banking. (Alkhalwaldeh, Ali, & Mahmoud, 2020)

## III. RESEARCH GAP

After an extensive literature review, it can be analyzed that there are many studies conducted on behavioral intention, perceived usefulness, adoption of mobile banking services, purchase intention of fintech products, ease of use, financial

inclusion, and several risks in new adopting new technology. But no study tests perceived trust, awareness, ease of use, and risk associated with customer perception and satisfaction with mobile banking services in Aligarh District of Uttar Pradesh in India.

#### IV. PROBLEM STATEMENT

Earlier, people had to devote several hours to go for bank transactions. Sometimes the cost of the transaction was greater than that of money deposited or withdrawn. E-banking permits the customer to conduct a financial transaction on a secure platform. With the advent of mobile banking, the delivery of financial products and services is more convenient and effective than traditional banks. Though mobile banking has some pitfalls like Mobile Banking is not available on all mobile phones, Consistent use of Mobile Banking may lead to additional charges imposed by the bank for providing the service, Mobile banking users are at risk of getting fake SMS messages and scams, the loss of a mobile banking PIN and other delicate information. Hereafter, the researcher has tried to analyze the problems customers face while using Mobile Banking services.

#### V. OBJECTIVES OF THE STUDY

1. To determine the constructs, namely, ease of use, perceived trust, awareness, risk associated and problems related that impact the customer's perception of mobile banking services.
2. To examine the customer's level of satisfaction with mobile banking.

#### VI. RESEARCH METHODOLOGY

The questionnaire was developed by taking variables such as perceived trust, awareness, perceived ease of use, risk associated with the literature survey. The variables are converted into 5 points Likert scale. The study area is the Aligarh district. The respondents in the study are the users of Paytm, Google Pay, Phone Pay, UPI, and other apps. These mobile payment applications were selected based on their rating on the play store. The sample is determined through the convenience

sampling technique. A total of 300 respondents were surveyed online. In the final editing, nine responses were deleted due to incorrect/missing/ineligible entries. The final sample size is 284. The data is collected mainly from primary sources with the help of a questionnaire sent through Google Forms. The questionnaire was designed to comply with the study's objectives and was divided into two parts. The first part consists of questions related to the socio-demographic conditions of the customers. The second part includes the responses related to perceived trust, awareness, perceived ease of use, risk associated, and perceived satisfaction. SPSS has made the analysis and interpretation. The mean represents the descriptive part. Regression analysis was performed to test the linear relationship between the constructs on customer perception for the inferential part. With the help of the following equation-

$$Y = a + bx_1 + x_2 + x_3 + x_4 + x_5$$

Where Y = Customer perception,

a = Constant

b = Slopes

$x_1$  = Perceived trust

$x_2$  = Awareness

$x_3$  = Perceived ease of use

$x_4$  = risk Associated

$x_5$  = Problems Associated

#### Research Hypothesis:

Ho<sub>1</sub>: There is a significant impact of perceived trust on customer perception.

Ho<sub>2</sub>: There is a significant impact of awareness on customer perception.

Ho<sub>3</sub>: There is a significant impact of perceived ease of use on customer perception.

Ho<sub>4</sub>: There is a significant impact of risk associated with customer perception.

Ho<sub>5</sub>: There is a significant impact of problems associated with customer perception.

#### VII. RESULTS AND DISCUSSIONS

##### Sample characteristics

This section covers the socio-demographic profile of the respondents, such as gender, age, education, income, and marital status.

**Table 1:**

**Customer's Socio-demographic profile**

<b>Characteristics</b>	<b>n</b>	<b>%</b>
<b>Gender</b>		
Male	181	63.73
Female	103	36.27
<b>Age group</b>		
<20	29	10.21
20-30	106	37.32
30-40	85	29.93
40-50	53	18.66
>50	11	3.88
<b>Educational Qualifications</b>		
Illiterate	20	7.04
High school	25	8.80
Intermediate	30	10.56
Graduate	90	31.69
Post Graduate	81	28.52
Doctorate	38	13.38
<b>Monthly Income</b>		
<10,000	15	5.28
10,000-20,000	63	22.18
20,000-30,000	83	29.22
30,000-35,000	82	28.87
>35,000	41	14.43
<b>Marital Status</b>		
Married	104	36.62
Unmarried	180	63.38
<b>Mobile application Used for payment</b>		
Paytm	85	29.93
Google Pay	62	21.83
Phone pay	43	15.14
UPI	33	11.62
Amazon Pay	30	10.56
Other	31	10.91
<b>Usage of Mobile application</b>		
Daily	58	20.42
Weekly	88	30.99
Monthly	67	23.59
Once in 3 months	44	15.49
Once in 6 months	22	7.75
Once a year	5	1.76

Source: Online Survey

Summary of regression analysis performed to test the impact of perceived trust, awareness, perceived ease of use, and risk associated with customer perception

**Table 2:Regression Analysis**

Constructs	Customer Perception			Decision	Impact?
	Beta value	t- value	P-value		
Perceived Trust	0.541	39.172	0.000	Ho <sub>1</sub> is rejected	Yes
Awareness	0.489	31.672	0.000	Ho <sub>2</sub> is rejected	Yes
Perceived ease of use	0.564	37.173	0.000	Ho <sub>3</sub> is rejected	Yes
Risk Associated	-0.429	11.114	0.000	Ho <sub>4</sub> is rejected	Yes
Problem Associated	-0.389	13.232	0.000	Ho <sub>5</sub> is rejected	Yes
<b>R: 0.768</b> <b>R<sup>2</sup>: 0.589</b> <b>Constant: 1.119</b> <b>F-value: 37.441(0.000*)</b>					

Source: Online Survey

Table 2 shows the regression analysis. The value of the R square is 0.589, which means that the independent variables explain 58.9% of the variability in the dependent variable. The R-value is 0.768, and the P-value is 0.000, which means the model is statistically significant. The standard beta value between perceived trust and customer perception is 0.541, and P-value is less than 0.05; therefore, it can be implicated that there is a significantly positive relationship between perceived trust and customer perception. An increased perceived trust by 1 unit will increase customer perception by 0.542 units. Since the P-value is less than 0.05, Ho<sub>1</sub> is rejected at a 5% significance level. Moreover, the standardized beta value for the relationship between awareness and customer perception is 0.489, and the P-value is more than 0.05, which means that perceived ease of use significantly impacts customer perception. Increasing awareness by 1 unit will increase customer perception by 0.490 units. Since the P-value is less than 0.05, Ho<sub>2</sub> is rejected at a 5% significance level. The standardized beta value for the relationship between perceived ease of use and customer perception is 0.564, and the P-value is more than 0.05, meaning that perceived ease of use

significantly impacts customer perception. Increased perceived ease of use by 1 unit will increase customer perception by 0.564 units. Since the P-value is less than 0.05, Ho<sub>3</sub> is rejected at a 5% significance level. Similarly, the standard beta value for the relationship between the risk associated and customer perception is -0.429. A P-value is less than 0.05, so it can be assumed that risk associated significantly impacts customer perception. There is also a negative relationship between the risk associated and customer perception. An increase in risk associated with unit 1 will result in a decrease in customer perception by -0.429. As the P-value is less than 0.05, Ho<sub>4</sub> is rejected at a 5% significance level. Similarly, the standard beta value for the relationship between the related problems and customer perception is -0.389. The P-value is less than 0.05, so it can be assumed that problems related significantly impact customer perception. There is also a negative relationship between the problems associated and customer perception. An increase in risk associated with unit 1 will result in a decrease in customer perception by -0.389. As the P-value is less than 0.05, Ho<sub>5</sub> is rejected at a 5% significance level.

**Summary of different variables and their level of satisfaction**

**Table: 3**  
**Level of satisfaction**

S.No	Variables	Mean Values
1.	Are you satisfied with the services provided by mobile banking?	3.21
2.	Are you satisfied with the features provided in mobile banking?	3.43
3.	Is it cheaper to use mobile banking than to use cash payments?	2.57
4.	Are you satisfied with mobile banking services and feel safe using them?	2.88
5.	Are mobile banking services meeting your needs?	3.87

Source: Online Survey



Table 3 shows the mean values of the level of satisfaction regarding mobile services. The mean value of satisfaction regarding services provided by mobile banking is 3.21, which offers users are moderately satisfied and moderately comfortable with mobile banking, represented by the mean value of 3.43. Similarly, mobile banking satisfies the need of users with a mean value of 3.92. But users find cash payment cheaper than using mobile banking, with a mean score of 2.57, and are also dissatisfied with the service providers and safety while using mobile banking has a mean value of 2.88.

### VIII. MANAGERIAL IMPLICATIONS AND DIRECTION FOR FUTURE RESEARCH

The present study helps to understand customers' perceptions regarding adopting mobile banking services in the Aligarh District of Uttar Pradesh. Banking experts and managers can use the results of mobile banking services as the dimensions to measure the usefulness of their service. The outcome can be used to utilize organization resources and deliver higher quality services to their customers. This will result in retaining the customer and lowering the cost of acquiring a new customer. They may give special attention to the factors such as security/safety aspects and easy transactions through mobile, which will further enhance the confidence levels of the customer in using this facility and positively impact the customer's perception. The younger age group and those who are in service, either in the private sector or government sector, constitute the majority of the users of mobile banking; therefore, immediate attention is required from the bank managers and service providers to ensure better service quality to this massive technology savvy customer segment. The high education level of this segment provides a vast opportunity for bankers to convert from traditional banking to mobile banking, providing that the security of transactions and privacy issues are given top priority so that they can have a favorable perception of mobile banking. The banks have already taken many steps in this direction and may continue to enhance their security systems so that fraud and loss of information/money do not occur. The government should also focus on bringing up programs that facilitate to state the importance of mobile banking in the 21st century to the customers to ease their work.

### IX. CONCLUSION

The present study examines the customer's perception of practicing mobile banking services, intention, and satisfaction regarding it. For this purpose, five constructs, namely perceived trust, awareness, ease of use, risk-associated, and related problems, were considered and were analyzed using linear regression analysis to know customers' perception regarding mobile banking. Additionally, customers' level of satisfaction with mobile banking was also examined in the studies. The results reveal that **Perceived Trust, Awareness, and Perceived ease of use** show a significantly positive relationship with customer perception. On the other hand, **Risk Associated Problems related** relatively show a negative relationship with customer perception in mobile banking.

It was found in the study that perceived ease of use, perceived risks, perceived trust, perceived awareness, and satisfaction had affected the perception of customers in using mobile banking services. It was also found that most customers are aware of and frequently use mobile banking services such as buying things, transferring money, checking account balances, getting account statements, making transaction inquiries, and SMS alerts. Study exhibits that the adoption of mobile banking services has speed up the fund transfer process, made inquiries on account faster, saved the customers' time, enhanced prompt response, was extra convenient to customers, and saved cost. The adoption of Mobile banking services permits transactions to be done anywhere you want worldwide and at the customer's convenience.

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