A Study On Customer’s Opinion About Usefulness Of Online Banking V/S Mobile Banking

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Abstract

Information and communication technology coupled with knowledge management hold much potential for propelling the development process (Okpaku, 2003). The vital role information and communication technology is playing is felt across many industries and sectors, affecting both economic development and growth at large in many societies. The resulting implications have had a major role in transforming such sectors and have affected the economic-development process in developing nations.

Keywords: Online Banking, Mobile banking.

Introduction

Information and communication technology coupled with knowledge management hold much potential for propelling the development process (Okpaku, 2003). The vital role information and communication technology is playing is felt across many industries and sectors, affecting both economic development and growth at large in many societies. The resulting implications have had a major role in transforming such sectors and have affected the economic-development process in developing nations.

The banking sector is an example in which information-technology infrastructures have had implications on the economic development of many nations in the developing world. It is important to note that the banking industry was one of the very first to utilize information technology back in the 1960s, and has thus a record of influencing the development process through the technology. There are many examples of information-technology applications in the banking sector that have helped build new markets and fuel the economy. For example ATM, Internet banking and mobile banking etc.

About Online Banking

Online banking is becoming much more common. We can pay our bills online and access a record of our checking account transactions online. Online banking makes everything we do with our finances a bit easier. We can access the information anywhere that we have access to the Internet. It makes our financial life much easier to manage. In short, online bank provides the financial service for the individual client by means of internet.

The banking industry in India is facing unprecedented competition from non-traditional banking institutions, which now offer banking and financial services over the Internet. The deregulation of the banking industry coupled with the emergence of new technologies, are enabling new competitors to enter the financial services market quickly and efficiently.

About Mobile Banking

Mobile Banking (MB) means a financial transaction conducted by logging on to a bank’s website using a cell phone, such as viewing account balances, making transfers between accounts, or paying bills. It is a term used for performing balance checks, account transactions, payments etc. via a mobile device such as a mobile phone. In recent time Mobile banking is most often performed via SMS or the Mobile Internet but can also use special programs called clients downloaded to the mobile device.

In general term we can categorized the mobile banking below –

a) Mobile Accounting
b) Mobile Brokage
c) Mobile Financial Information Services

In India, the earliest mobile banking services were offered over SMS, a service known as SMS banking. Now in India, Banking sector has became more customer friendly to provide banking services through mobile phone. It has given an opportunity to customers to update themselves about Account balance, transactions and do the transfer of amount from one Account to another. All the public and private sector banks in India have started providing their different services through mobile phone. Currently they are offering banking services through mobile free of cost (except some bank) but customers have to bear the cost of mobile service providers.
Objectives Of The Study

a) To study the customer’s opinion about the usefulness of Online Banking and Mobile Banking
b) To compare the customer’s opinion about usefulness of Online Banking and Mobile Banking

Review Of Literature

Jain A., Hundal B. S. (2007), “Factors Influencing Mobile Services Adoption in Rural India”, revealed that despite several attempts over the last few years, telecom infrastructure in rural areas is lagging behind the expected levels. There has been a phenomenal spurt in the growth of tele-density in the country, with the evolution of new wireless technologies, but the gap between the urban and rural tele-density has been increasing. Various policy initiatives are on the way to reduce this widening gap, which in turn, leaves the impression of tremendous potential for growth in the rural areas. To make the adoption and diffusion growth possible, the companies are constantly facing certain challenges in tackling rural market viz., understanding rural consumers, reaching products and services to remote rural locations and communicating with vastly heterogeneous rural audience. While mobile phone usage in rural areas is rather an unexamined genre in academic literature, this explanatory study investigates the factors influencing the rural consumer buying behaviour towards mobile phone and making choice of service providers prevailing in mobile phone markets. The data have been collected from the rural regions of Punjab, India during July to December 2005 and include 1357 respondents who have adopted mobile phones. The study concludes that rural people extremely desire the facilities and knowledge along with latest technology to make choice about mobile sets and service provider.

Agarwal R., Rastogi S., Mehratra A., (2009), “Customers’ perspectives regarding e-banking in an emerging economy” Determining factors affecting customer perception and attitude towards and satisfaction with e-banking is an essential part of a bank’s strategy formulation process in an emerging economy like India. To gain this understanding in respect of Indian customers, the study was conducted on respondents taken from the northern part of India. The major findings depict that customers are influenced in their usage of e-banking services by the kind of account they hold, their age and profession, attach highest degree of usefulness to balance enquiry service among e-banking services, consider security & trust most important in affecting their satisfaction level and find slow transaction speed the most frequently faced problem while using e-banking.

Safeena R., Date H., Kammani A. (2011), “Internet Banking Adoption in an Emerging Economy: Indian Consumer’s Perspective”, revealed that Information technology Services is considered as the key driver for the changes taking place around the world. Internet banking (IB) is the latest and most innovative service and is the new trend among the consumers. The shift from the formal banking to e-banking has been a ‘leap' change. This study determines the factors influencing the consumer’s adoption of internet banking in India and hence investigates the influence of perceived usefulness, perceived ease of use and perceived risk on use of IB. It is an essential part of a bank’s strategy formulation process in an emerging economy like India. Survey based questionnaire design with empirical test was carried out.

Analysis And Interpretation Of Data

1- Customer’s opinion about usefulness of the OB

In questionnaire seven questions were related to customer’s opinion about usefulness of online banking. The maximum score for each question was 4, thus the total maximum score was 28. The following table shows the mean score of the customer’s opinion about usefulness of the online banking (out of the total score i.e. 28), standard deviation and higher limit, moderate limit and lower limit. To calculate higher limit, the researcher add 1 standard deviation in mean and to calculate the lower limit 1 standard deviation was deducted from the mean.

<table>
<thead>
<tr>
<th>Mean Score (out of 28)</th>
<th>S.D.</th>
<th>Higher Limit</th>
<th>Moderate</th>
<th>Lower Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>23.37</td>
<td>4.91</td>
<td>28.28</td>
<td>23.37</td>
<td>18.46</td>
</tr>
<tr>
<td>No. of Customer</td>
<td>250</td>
<td>47</td>
<td>180</td>
<td>23</td>
</tr>
<tr>
<td>Percentage of Customers</td>
<td>100%</td>
<td>18.8%</td>
<td>72%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

The above table shows that the mean score of the customer’s opinion about usefulness of the online banking was 23.37. The standard deviation was 4.91. 18.8% customers believed that online banking is highly useful for them. 72% customers believed that online banking is moderately useful for them. 9.2% customers believed that online banking is less useful. Thus, the researcher found that approx. 90% customers believed that online banking is useful for them.

The following is the graphical presentation of the above facts.
2- Customer’s opinion about usefulness of the MB

In questionnaire seven questions were related to customer’s opinion about usefulness of mobile banking. The maximum score for each question was 4, thus the total maximum score was 28. The following table shows the mean score of the customer’s opinion about usefulness of the mobile banking (out of the total score i.e. 28), standard deviation and higher limit, moderate limit and lower limit.

To calculate higher limit, the researcher add 1 standard deviation in mean and to calculate the lower limit 1 standard deviation was deducted from the mean.

The above table shows that the mean score of the customer’s opinion about usefulness of the mobile banking was 18.57. The standard deviation was 4.14. 6.8% customers believed that mobile banking in highly useful for them. 82.4% customers believed that online baking is moderately useful for them. 10.8% customers believed that mobile banking is less useful. Thus, the researcher found that approx. 89% customers believed that mobile banking is useful for them.

The following is the graphical presentation of the above facts.
3- Comparison of the customers’ opinion about usefulness of MB and OB

The next table shows the comparison of customers’ opinion about usefulness of MB and OB.

<table>
<thead>
<tr>
<th>Sample Size</th>
<th>Mean</th>
<th>S.D.</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer’s Opinion about OB</td>
<td>250</td>
<td>23.37</td>
<td>4.91</td>
</tr>
<tr>
<td>Customer’s Opinion about MB</td>
<td>250</td>
<td>18.57</td>
<td>4.14</td>
</tr>
<tr>
<td>df</td>
<td>498</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From table D, for df = 498

Tabulated t = 1.96 at 0.05 level
Tabulated t = 2.58 at 0.01 level

From the preceding table it is seen that:
The t ratio is 11.82. The obtained t ratio is greater than 2.58 and hence is significant at 0.01 level. Hence, the null hypothesis was rejected. Thus, there is significant difference in the opinion of the customers’ about usefulness of MB and OB.

The mean score of the customers’ opinion about usefulness of the OB was 23.37 and the mean score of the customers’ opinion about usefulness of the MB was 18.57. It clearly indicates that the customers feel that OB is more useful as compared to MB.

Findings

The study showed that approximately 90% customers believed that OB is useful for them. 8% customers felt that the use of online banking is not very easy while 92% customers found it easy to operate online banking. 89.2% customers were satisfied with the speed of response from the bank site. 5.60 % customers were highly encouraged by the bank officials while 15.6% were highly encouraged by their friends or colleagues.

The study showed that approximately 89% customers believed that MB is useful for them. 1.2% customers felt that the use of mobile banking is not very easy while 98.8% customers found it easy to operate mobile banking. 11.2 % customers were highly encouraged by the bank officials while 19.6% were highly encouraged by their friends or colleagues. More than 50% of the customers were highly encouraged by banks, bank officials and friends or colleagues to use MB.

Conclusion

The study showed that customers have positive opinion about MB and OB. Approx. 90% customers were found OB and MB is useful for them. But OB was more useful for them as compared to MB. All customers with different age, gender, education and socio economic status felt that OB is more useful for them as compared to MB. Because more functions were available in OB as compared to MB.

References

