

A Study on the impact of Mobile Banking with special reference to Millennials in Mumbai

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ABSTRACT

Banking is the backbone of every economy and technology plays a very important role in every industry. Technology is vital today and plays an important role in every banking organization. Banking is one of the largest financial institutions which regularly explores the opportunity of technology in order to provide better customer services. Banking has transformed from a traditional store consisting of customers queuing for services in the banks to modern day banking where customers can avail these services 24x 7. Today technology is regarded as the largest indicators of growth and competitiveness. Today, banks have welcomed wireless and mobile technology and offer their customers the freedom to pay bills, money transfers and other services by just sitting at home.

This study focuses on how mobile banking have an influence on millennials these days. As this study focusses on mobile banking and customer satisfaction, this study will benefit all the millennials that are using the mobile banking service with their specific banks. The study helped millennials to put their views and rate the services provided to them.

Keywords: Mobile Banking, E-Commerce, Millennials, Internet

INTRODUCTION

Technology and Innovation is the driving force and it is taking over in every way. Mobile banking is a service provided by the bank through which customers can conduct all their financial transactions through mobile devices or tablets. Mobile banking is typically accessible on a 24 X 7. Some banks and financial institutions have restrictions on the amount that can be transacted. Mobile banking is dependent on the availability of internet connection or mobile data

Mobile banking helps to reduce the cost of transactions, also reducing the need for customers to visit a bank branch for cash withdrawal and deposit transactions. Mobile banking is also called as 'Anywhere Banking.' Customers do not need access to a computer terminal to access their banks they can do so when they are travelling or waiting for their order in a restaurant.

In today's time every person has personal mobile rather than having computer at home. People staying in the rural areas possess a mobile phones. Hence, they can also benefit from the mobile banking service. Since the last few years, the mobile market has been one of the fastest growing markets in the world and it is still growing at a rapid pace.

OBJECTIVES OF THE STUDY

The objectives of this study are

- To determine the factors influencing the use of mobile banking services.
- To assess the level of customer awareness towards mobile banking services.
- To identify the impact of mobile banking services on consumer satisfaction.

SCOPE OF THE STUDY

This study covers the influence of mobile banking on millennials and their changing mindset about mobile banking system. Millennials have a great comfort level with the mobile banking system. This study also focusses on the availability of various facilities, security issues as well as the willingness of millennials to adopt mobile banking services.

RESEARCH METHODOLOGY

- **Source of data collection**
- a) **Primary data:** Primary data was collected through a structured questionnaire.
- b) **Secondary data:** Books, journals and web-sites
- **Sample unit:** General Public
- **Sample size:** 150
- **Sampling technique:** Convenient sampling.

STATEMENT OF THE PROBLEM

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RESEARCH INSTRUMENT

Questionnaire was filled by 150 respondents and conclusions are drawn by the answers given by the respondents

SAMPLING PLAN

The questionnaires were filled by 150 respondents out of which 73 were females and 77 were males

HYPOTHESES OF THE STUDY

The hypothesis of the study is as follows:

Hypothesis 1

H₀- Consumers are aware about mobile banking services

H₁- Consumers are not aware about mobile banking services

Hypothesis 2

H₀- Ease in fund transfer influences millennials to use mobile banking

H₁- Ease in fund transfer does not influence millennials to use mobile banking

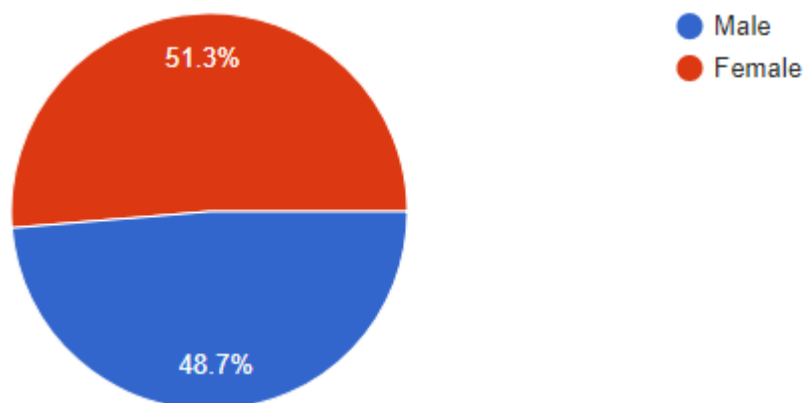
Hypothesis 3

H₀- There is no significant impact of mobile banking services on customer satisfaction

H₁- There is a significant impact of mobile banking services on customer satisfaction

DATA ANALYSIS AND INTERPRETATION

1. Gender

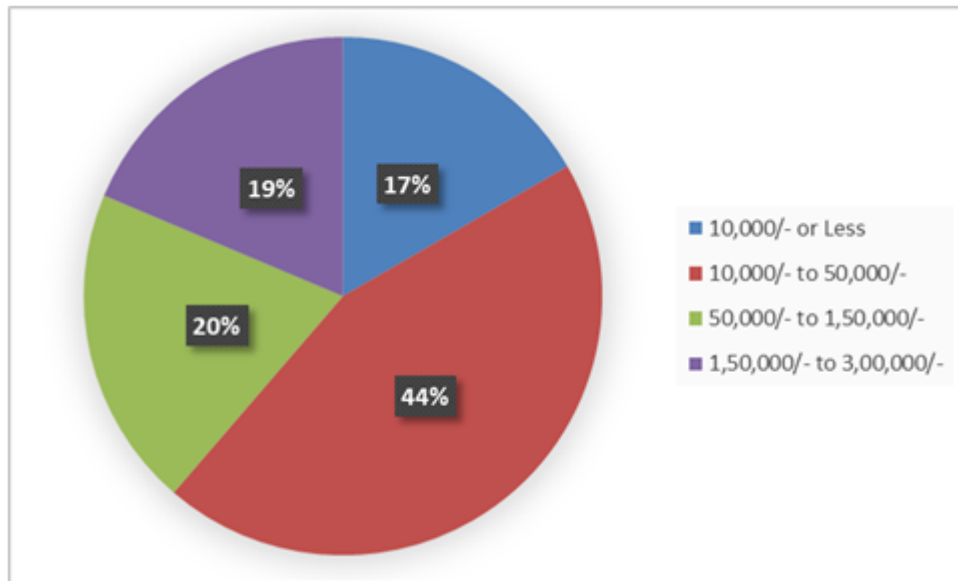


The questionnaire is administered by 150 respondents out of which 77 are females which constitute to 51.3 % and 73 respondents are males which is around 48.7%.

Gender	Frequency	Percentage
Male	77	51.30%

Female	73	48.70%
Total	150	100.00%

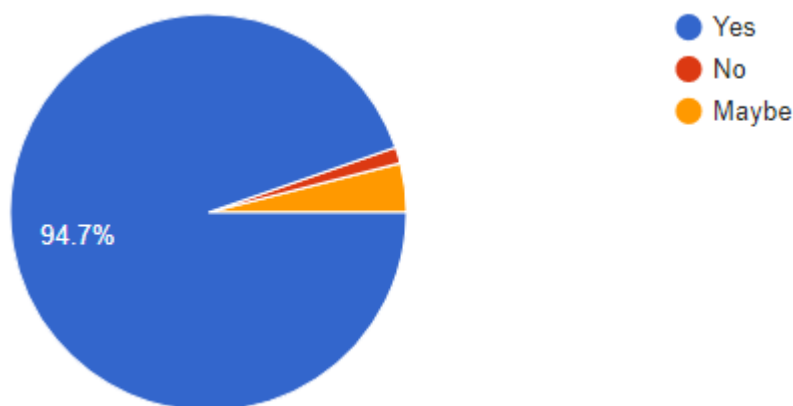
2. What is your average monthly income?



Around 17% respondent’s income is less than 10,000pa and around 45 % of the respondent’s income is below 50,000 per annum. 20.% of the respondents are between the category of 50,001 to 1,50,000. 19 % percent of the 28 respondent’s income is between 1,50,001 to 3,00,000.

Average Monthly income	Frequency	Percentage
10,000/- or Less	25	17%
10,000/- to 50,000/-	67	45%
50,000/- to 1,50,000/-	30	20%
1,50,000/- to 3,00,000/-	28	19%
Total	150	100%

3. Are you aware about mobile banking services for any financial / banking transaction?



Awareness about mobile banking is a vital part in today’s era with the increase technological development happening around.

Awareness of Mobile banking	Frequency	Percentage
Yes	142	94.70%
No	2	1.30%

Maybe	6	4%
Total	150	100%

Chi square testing first Hypothesis

$$\chi^2 = \frac{\sum \frac{(O - E)^2}{E}}{n - 1}$$

$$= \frac{(-8)^2}{150} = \frac{64}{150} = 0.42$$

Degree of freedom= n-1

$$= 3-1$$

$$=2$$

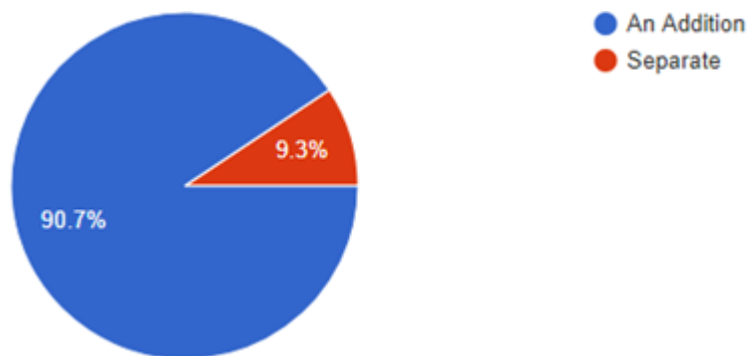
From the table X 2, 0.05 = 5.91

Table value = 5.91

Since, observed value is less than the table value, we accept the null hypothesis.

It states millennials are aware of the mobile banking and is been used by them for financial transactions.

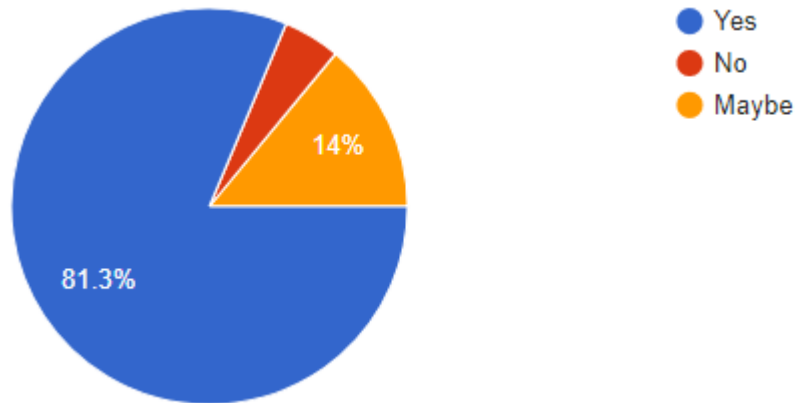
4. Is your Mobile banking service an addition to existing bank account or separate service?



Whether mobile banking is addition or existing service to account holders.

Service of Mobile banking	Frequency	Percentage
An addition	136	90.70%
Separate	14	9.30%
Total	150	100%

5. Does ease in fund transfer influence you to go for mobile banking?



Yes, it does as the factors which influence mobile banking is also the same which gives out ease in carrying out transaction that is (Fund transfer) below is percentage form description. Out of 150 respondents 122 feels it yes it does gives us ease in carrying out transaction that is around 81.30%.

Ease of fund transfer	Frequency	Percentage
Yes	122	81.30%
No	7	4.70%
Maybe	21	14%
Total	150	100.00%

Chi square testing second Hypothesis

$$X^2 = \frac{\sum \frac{(O - E)^2}{E}}{1} = \frac{(-28)^2}{150} = \frac{784}{150} = 5.2$$

$X^2 = 5.2$

Degree of freedom= n-1

= 3-1

=2

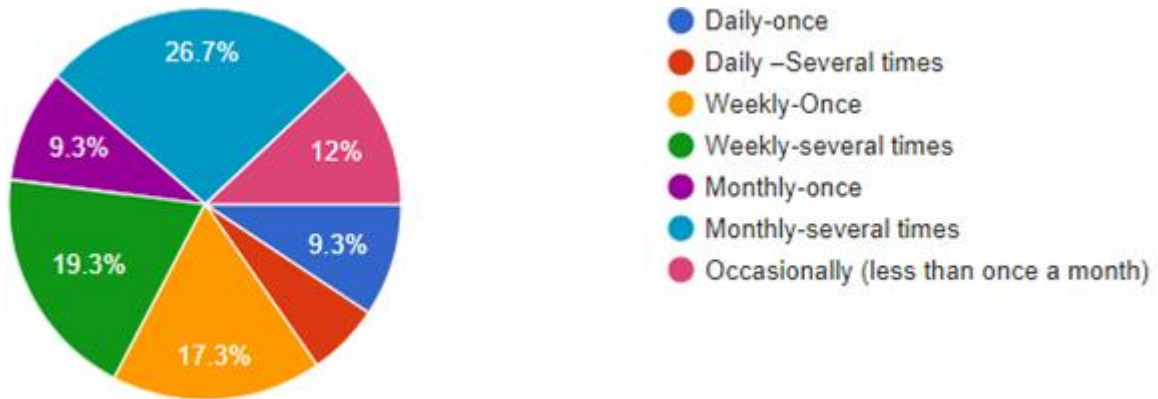
From the table X 2, 0.05 = 5.91

Table value = 5.91

Since, observed value is less than the table value, we accept the null hypothesis.

It means there is ease in fund transfer influences millennials to use mobile banking

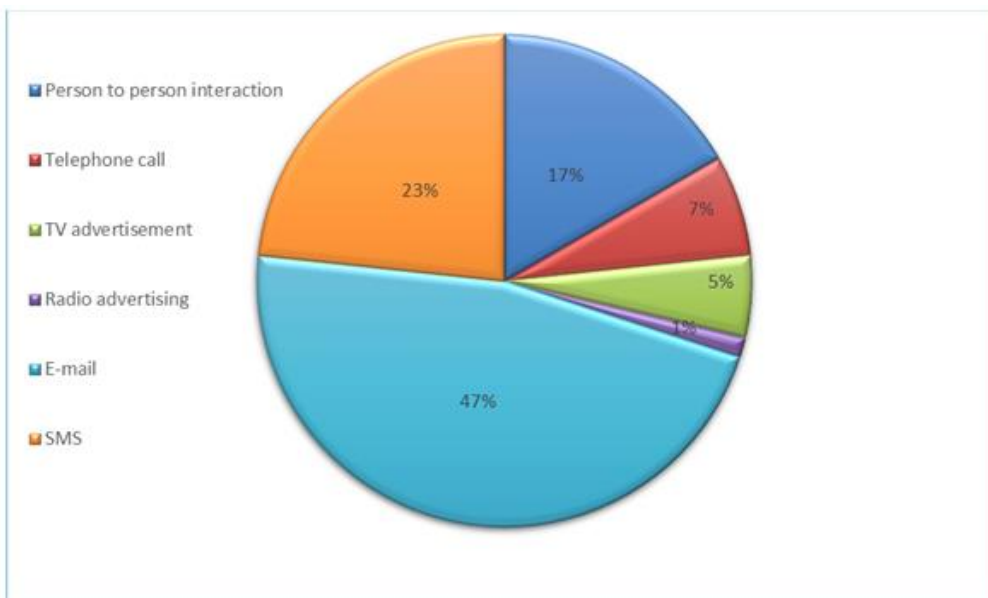
7. How often do you make transaction?



The transaction is mostly done monthly several times that is out of 100% of the pie 26.7% does the transaction monthly several times which states out of 150, 40 people uses mobile banking several times a month.

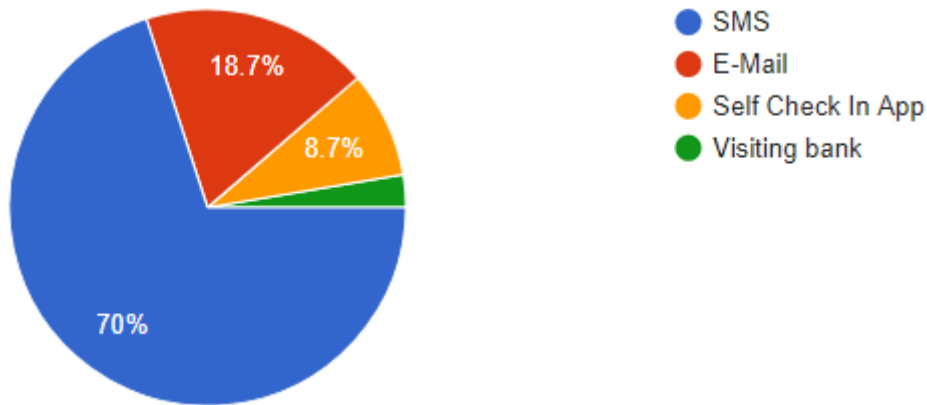
Transaction Analysis	Frequency	Percentage
Daily-once	14	9.30%
Daily –Several times	9	6.00%
Weekly-Once	26	17.30%
Weekly-several times	29	19.30%
Monthly-once	14	9.30%
Monthly-several times	40	26.70%
Occasionally (less than once a month)	18	12.00%
Total	150	100.00%

8. How would you prefer financial service providers to communicate with you about mobile banking services?



In the digitalise way the majority of banks are able to reach out to people through email i.e 47 % majorly covering 70 respondents out of 150 and 23 % comes to know through SMS on their phones covering 35 respondents out of 150 and only 1 % could be reached out through radio advertising.

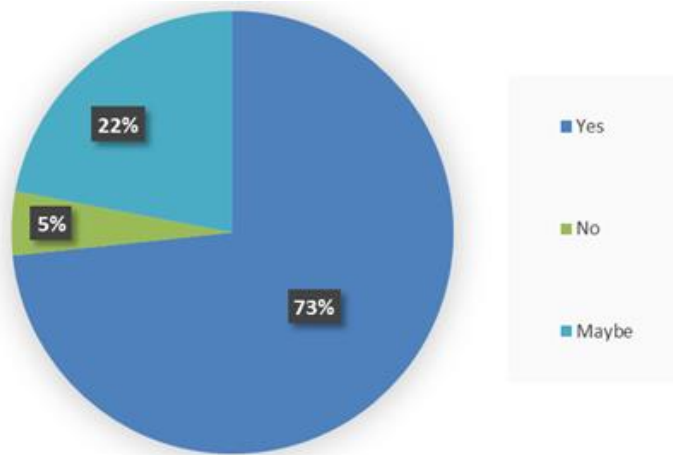
9. How do you come to know about the fraudulent transaction/ cancelled transaction happened while doing a transaction?



While trying to reach out to people about the services, mobile operators and bank needs to understand that security should be the major concern for the customers. As the reaching out medium through Email and SMS is as much positive only if there is any fraudulent activity carried out, the customer gets the instant Email and SMS on the mobile phone.

Fraudulent/Cancel transaction intimation	Frequency	Percentage
SMS	105	70%
E-mail	28	18.70%
Self-check in app	13	8.70%
Visiting bank	4	2.70%
Total	150	100.00%

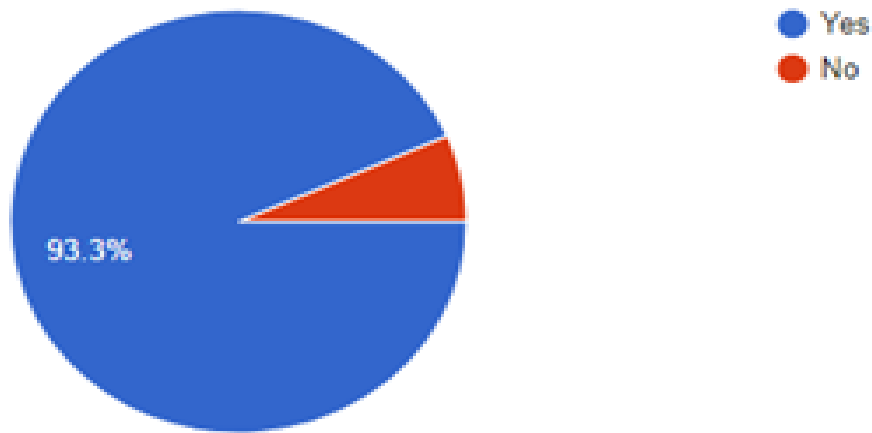
11. Are you satisfied with the services offered through mobile banking?



Out of 150 millennials respondents, 110 feels that they are satisfied with the mobile banking services i.e. 73% are happy with the use of services and 22% are not sure if as they must be needing few more options to ease out the transactions using mobile banking.

Satisfied with the service	Frequency	Percentage
Yes	110	73.3
No	7	4.7
Maybe	33	22.0
Total	150	100%

13. Do you think Mobile banking services are convenient than traditional banking services?



Out of 150 respondents, 140 respondents are satisfied that is 93% feels it is convenient than the traditional approach of brick and mortar.

Convenient than traditional banking	Frequency	Percentage
Yes	140	93%
No	10	7%
Total	150	100%

Chi square testing 3rd Hypothesis:

$$\chi^2 = \frac{\sum \frac{(O - E)^2}{E}}{df}$$

$$= \frac{(-40)^2}{150} + \frac{(10)^2}{150} = 10.67$$

$$\chi^2 = 10.67$$

Degree of freedom= n-1

$$= 3-1$$

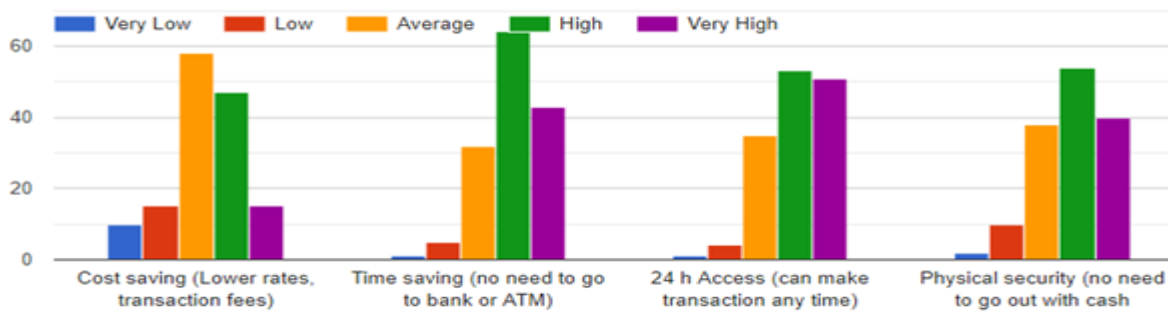
$$=2$$

From the table $\chi^2_{0.05, 2} = 5.91$

Table value = 5.91

Since, observed value is greater than the table value, we reject the null hypothesis.

15. How would you rate the following benefits of Mobile Banking?



The major benefit of the above graph is that the customer saves their valuable time and they need not go to bank or ATM for doing their financial transactions, 24hours they can have access to their transaction and there is high physical security as they need not carry huge amount of cash with the and process digitalise.

5.3 CONCLUSION

It’s a critical time for banks if they’re going to be able to retain current Millennial customers and attract new ones. Today’s tech-savvy consumer wants choices, convenience and for their financial institution to market to them. Millennials want to feel less like a number, and banks that take the steps to provide them with what they want will be able to stand above the competition in a rapidly changing era of how we handle our finances.

LIMITATION

The limitations of the study are as follows:

1. The study is conducted in the Mumbai city only hampering in generalisation of the results. Therefore, geographic limitation exists.
2. This study could be extended to other cities as well.
3. Comparison with older generation does exist as the data is filled by millennials it depends on the nature, attitude and behaviour of the individual while filling the survey.
4. The youth has hardly visited the bank hence, lack of experience for them of traditional banking and the services offered by them.

5.5 SUGGESTION

1. Cyber security is very important part of mobile banking
2. More limits can be better with the service frauds happening easy to use more, Password protected Finger
3. OTP generation should be faster. Registration of new payee should be quicker. Mobile application should be unique for all banks.
4. Should work without the using the mobile data not necessarily every individual would have this facility in their phone.
5. Failed transaction reimbursement should be faster. Like money gets deducted but transaction is failed. Also charge less for transactions.
6. Ease of use and continuous customer support. Customer service is still lacking in mobile banking.
7. Frequent updates in app should not hamper customers transacting daily.
8. More Security features catering to the unfortunate scenario of loss of mobile handset.
9. All charges should be lower as nowadays banking services are chargeable and higher charges are irrelevant.

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