ACCEPTANCE OF MOBILE BANKING AMONG CUSTOMERS IN KERALA

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ABSTRACT
The last time that technology had a major impact in helping banks service their customers was with the introduction of the mobile banking. Mobile Banking helped give the customer's anytime access to their banks. This study aims to check acceptance and awareness level of bank customers in Kerala towards mobile banking. Both primary and secondary data were used for data collection. Primary data was collected through interview schedule. From this study, it was concluded that customers are very eager to join new technologies or methods. But there are using m-banking only for primary transactions because they are fear about risk.

Keywords: Technology; Mobile Banking; Risk

INTRODUCTION
With rapid advance of internet technologies and diffusion of mobile phones, mobile banking has gained attention as a viable option in delivering financial services. M-banking provides financial transactions services such as balance check, fund transfer and bill payments via a mobile device such as cell phones, PDA, and smart phones. In seeking improvements in consumer experience, banking institutions have begun offering various m-banking services.

Branchless banking refers to a distribution channel that allows financial institutions and other commercial actors to offer financial services outside traditional, brick and mortar bank premises. Branchless banking technologies come in the form of smart cards or mobile phones services that can be used to conduct transactions. Specifically for purposes of this study, we define mobile phone banking as a channel through which an institution leverages mobile phone telephony to allow customers and banks to interact. Throughout the report we use the term service to refer to the financial services that can be offered through this channel.

- Mobile banking is being increasingly seen as an alternative channel of delivery of banking services.
- It is undertaking banking services using mobile phones that involve debit/credits to their account.
- Banks offer information based services like balance enquiry, stop payment instruction of cheques, transaction enquiry, location of the nearest ATM / branch etc.
Acceptance of transfer of funds instruction for credit to beneficiaries of same/or another bank in favor of pre registered beneficiaries have also commenced in a few banks.

To ensure a level playing field and considering that the technology is relatively new, Reserve Bank has brought out a set of operating guidelines for adoption by banks.

REVIEW OF LITERATURE
Samaneh Barati, Shahriar Mohammadi, An Efficient Model to Improve Customer Acceptance of Mobile Banking In this paper, factors affect acceptance of Mobile Banking are explored and presented as a New Model.

Hanudin Amin, Ricardo Baba&Mohd Zulkifli Muhammad, an analysis of mobile banking acceptance by Malaysian customers this study adopts a technology acceptance model (tam) to investigate factors that determine an individual’s intention to use mobile banking among bank customers in Labuan and kota kinabalu. The study also demonstrates the significant effect of perceived ease of use on behavioral intention through perceived usefulness.

K.T. Geetha1 & V .Malarvizhi, Acceptance of E-Banking among customers, an Empirical Investigation in India. This paper investigates the factors which are affecting the acceptance of e-banking services among the customers and also indicates level of concern regarding security and privacy issues in Indian context. The finding shows that if banks provide them necessary guidance and ensure safety of their accounts, customers are willing to adopt e-banking.

STATEMENT OF THE PROBLEM
In a country like India, there is need for providing better and customized services to the customers. Banks must be concerned about the attitudes of customers with regard to acceptance of mobile banking. The past studies show that customers are interested towards the mobile banking. But most of the customers are using only it for limited application. The study was undertaken to understand the factors that inhibits the usage of mobile banking.

OBJECTIVES OF THE STUDY
The main aim of this study was to check the acceptance level of mobile banking services among Bank customers in Kerala State.

METHODOLOGY
The universe of the study was the bank customers of Kerala. For this study, Kerala was divided into three regions ie, north, south and central. From the three region, one district was selected. The data was collected by using both secondary and primary sources. The secondary data had been collected from periodical reports and various websites. For primary data, 300 customers were selected for the study. Primary data were collected by administering interview schedule and through personal interview.

ANALYSIS AND DISCUSSION
The study was under taken to create better understandings of bank customer’s motivation concerning the use of mobile banking transactions. This study reveals that most of the respondents are using M-Banking transactions. Most of the respondents are agree that their mobile banking transactions are provided by the bank itself, some of them says that it was provided by the bank and mobile company.
Fig. 1. Usage mobile phones for banking transactions

Provider of m-banking services

Table no: 1 Service Provider of m-banking

<table>
<thead>
<tr>
<th>Particulars</th>
<th>No of respondent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank</td>
<td>175</td>
</tr>
<tr>
<td>Bank &amp; mobile operator</td>
<td>53</td>
</tr>
<tr>
<td>mobile operator</td>
<td>11</td>
</tr>
</tbody>
</table>

In the opinion of survey participants, most of the respondents are agree that their mobile banking transactions are provided by the bank itself. Some of them says that it was provided by the bank and mobile company.

Table 2. Purpose of Mobile banking

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Total score</th>
<th>WMV</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance enquiry</td>
<td>1363</td>
<td>64.90476</td>
<td>1</td>
</tr>
<tr>
<td>Bill payment</td>
<td>950</td>
<td>45.2381</td>
<td>2</td>
</tr>
<tr>
<td>Online shopping</td>
<td>874</td>
<td>41.61905</td>
<td>3</td>
</tr>
<tr>
<td>Fund transfer</td>
<td>843</td>
<td>40.14286</td>
<td>4</td>
</tr>
<tr>
<td>Savings</td>
<td>600</td>
<td>28.57143</td>
<td>5</td>
</tr>
<tr>
<td>Pension fund management</td>
<td>389</td>
<td>18.52381</td>
<td>6</td>
</tr>
</tbody>
</table>

According to the opinion of the bank customer’s in Kerala, Most of the respondents are using m-banking for checking their account balance and making bill payments. Some of the customers are using m-banking for fund transfer; make their savings and purchasing goods and services through internet. From this study we understood that of the customers are using m-banking for international remittance, and pension fund management etc.

According to the survey most of the customers are enjoying the mobile banking benefits for settling their mobile bill, electricity bill and school fees.

Fig. 2. Amount of settlement through mobile banking
The survey provides that majority of the bank customers are using mobile banking facility for meeting less valued transactions like payment of electricity bill, water bill, school fees, EMI for vehicles etc. Very few respondents are using M-Banking for international remittance. According to the survey, most of the respondents agreed that their source of information was the bank itself.

![Source of Information about mobile banking](image)

**Fig. 3.** Source of information about mobile banking

The study also looks into the satisfaction level of customers towards M-Banking, it resulted that above 90 percentage of bank customers are satisfied with m-Banking services. A certain percentage of customers have an inclination towards m-Banking services due to security reasons.

**FINDINGS & SUGGESTION**

Most of the respondents are using M-Banking for their banking and financial transactions. Majority of the respondents are using this innovation only for understanding their current account balance, most of them using it for meeting least cost transactions. All of the respondents are aware about M-Banking. Most of them heard the word from the bank itself. According to this survey, ninety percentages of the respondents are satisfied with mobile banking transactions. According to their opinion mobile banking services are cheaper than traditional banking services. The awareness of local m-banking service is quite low and usage level is reasonable. A high percentage of respondents do not trust the security level of M-Banking services. Financial inclusion reached to the door step of every individual, now most of them are enjoying the benefits of banking. Usage of mobile phones increasing day by day. But they are using only traditional banking.

To improve the acceptance of M-Banking among rural customers, bank should conduct awareness programs. Government should take measures to extend the innovations to the local banks as well.

**CONCLUSION**

In a country like India, there is need for providing better and customized services to the customers. Banks must be concerned about the attitudes of customers with regard to acceptance of mobile banking. Perceived security risk & reliability were found to be the main obstacles to M-Banking. The present study shows that customers are very eager to join new technologies or methods. But there are using m-banking only for primary transactions because they are fear about risk. Hence, banks should design the technology to address security and trust issues. According to the study the main recommendation to the banks are that they have to increase the trust and reliability.

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