

Analysis of problems faced by customers during use of Mobile Banking in Tenkasi

S.Gomathinayagam¹ & Dr. V. Bharathi² & Dr.C.Azhakappan³

¹(Reg.No.12018), Ph.D., Research Scholar in Commerce, Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli - 627 012, Tamil Nadu, India.

²Head & Associate Professor in Commerce (Rtd.), Ambai Arts College, Ambasamudram.

³Principal (Rtd.), Thiruvalluvar college, Papanasam,

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ABSTRACT: *Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a smartphone or tablet. This paper is an attempt to analyse the problems faced by the customers during the use of mobile banking. Chunk sampling technique is used to collect data. Both primary and secondary data were used. 45 samples were collected through a structured questionnaire. Data were analysed through statistical tools like percentage, Mann-Whitney U Test in SPSS package, and mean score. The major finding of this study is that the majority of the customers fear to use mobile banking due to the security issues.*

Key Words: *Mobile banking, Mobile App, internet, Security issues.*

Introduction

In country only banking sector is that sector which works as a channel in attracting savings and mobilizing them in required areas. Banking sector's profitability depends on better customer relationship. And nowadays today's consumer banking needs are getting more complex and demands are for more innovative products. So give them better services banks have introduced a new profitable technology called internet banking. It helps the customers to access their account at any time. However the internet banking has some obstacles hence the banking sector adopt new technology called Mobile Banking.

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a smartphone or tablet. Mobile banking is dependent on the availability of an internet or data connection to the mobile device.

Mobile banking applications for Android, iPhone and Blackberry, connect the user directly to the bank server for complete banking functionality without having to navigate a mobile web browser. These applications can be downloaded either through the bank's website or through the iTunes store.

Mobile banking offers many advantages such as good security, easy access and plentiful applications for smart phones. The biggest benefit is that you have more control of your money. This paper highlights the problem faced by customer while using Mobile Banking.

Statement of the problem

Once a time, people have to spend three to four hours to go for bank transaction sometimes cost of transaction was more than that of money deposited or withdrawn. E-banking allows customer to conduct financial transaction on a secure website. In current scenario, Advances in mobile technology are allowing for delivery of financial products and services more conveniently and effectively than traditional banks. Mobile Banking renders various services to the customers such as fund transfer to inter and intra bank, Balance enquiry services or mini statements, Request services, utility bill payments and credit card payments.

However, the mobile banking has some hurdles for using Mobile Banking like Mobile Banking is not available on all mobile phone, Regular use of Mobile Banking may lead to extra charges levied 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 sensitive information.

Hence, the researcher has attempted to analyze the problems faced by the customers during using of Mobile Banking.

Objectives of the study

- * To know the socio economic background of the respondents.
- * To find out the problems faced by the customers while using mobile banking
- * To suggest the way to improve Mobile banking services.

Research Methodology

Research Design: The study has used a ‘Descriptive design’ of a conclusive nature.

Sampling Design: The Area sampling method was applied for the selection of samples from Tenkasi. The researcher has adopted chunk sampling method.

Sampling frame: Sampling frame is limited to Tenkasi. Respondents are Bank customer particularly Mobile Banking users in Tenkasi.

Sampling size: For the purpose of the study, a sample size of 45 was decided on.

Sample Area: The geographical area of the study conforms to Tenkasi.

Sources of Data: The study was based on primary and secondary data.

Data collection tool: For the collection of primary data; a field survey was conducted with the help of a well-structured Questionnaire. The secondary data was collected from Books, Magazines and from related Web sites.

Pilot study: A pilot study was conducted with the initial questionnaire to a sample size of 10, after identifying its drawbacks a few questions were removed and some of the words were made simpler to improve understanding.

Sample Unit: Mobile banking users as sample unit.

Statistical Tools: The data thus collected was analyzed and interpreted with relevant statistical tools (Percentage analysis, Mann–Whitney U Testin SPSS Package and Mean Score) for drawing conclusions.

Review of Literature

V. Raja, Joe A. (2012), “Global e-banking scenario and challenges in banking system”. This paper is an attempt to explore the various levels of internet banking services provided by banks using the secondary data. It also compares the traditional banking systems with net banking. It lists out the various advantages of internet banking and the successful security measures adopted by different banks for secured banking transactions. It also analyzes how E-banking can be useful for banking industry during this global financial meltdown.

Ahmed S. M, et.al., (2011), “Problems and prospects of mobile banking in Bangladesh” This study revealed that 61 % respondents think it saves time than traditional banking, the highest number of respondents use mobile banking for Air-time top-update service, that is 21%, out of 120 respondents 56% replied it is less costlier than traditional banking, 100% respondents did agree that it is speedy, and 38% respondents are upper class. Although this concept is new in Bangladesh but its potentiality is high. From this research, other researchers and policy makers will get an insight about the problems and prospects of mobile banking in Bangladesh.

Analysis and interpretation of data

Gender and frequency of using Mobile Banking

H₀: There is no significance difference between Gender and frequency of using Mobile Banking

Table No. 1.1
Gender and frequency of using Mobile Banking
Ranks

	Gender	N	Mean Rank	Sum of Ranks
Frequency of usage	Male	21	26.60	558.50
	Female	24	19.85	476.50
	Total	45		

Test Statistics^a

	usage
Mann-Whitney U	176.500
Wilcoxon W	476.500
Z	-1.810
Asymp. Sig. (2-tailed)	.070

a. Grouping Variable: Gender

Since, Mann – Whitney U value is 176.50 and exact p – value for 2tailed is .070 which is > 0.05, the null hypothesis can be accepted at 0.05 level of significance. There is enough evidence to conclude that there is no significance difference between Gender and frequency using of mobile banking.

Problems involved in Mobile Banking

Table No. 1.2
Problems of Mobile banking

Problems	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Mean score	Rank
Login / Sign off are not easy	8	7	20	8	2	3.24	VIII
My handset does not have the capability to use Mobile Banking	11	9	15	9	1	3.44	VII
Security issues	23	8	10	2	2	4.10	V
Required facility not available	9	29	2	4	1	3.91	VI
Outdated Apps often mean out of date security	31	7	5	1	1	4.47	I
Poor connectivity lead to poor security	29	8	6	1	1	4.40	II
Virus attack the mobile banking App	16	21	7	1	0	4.16	IV
Risk by hackers	17	23	3	1	1	4.20	III

Source: Primary Data

Table 1.2 shows that out of the total respondents, based on the means score ranks are assigned to problems faced by customer while using mobile banking. It is evident from the table that, Outdated Apps often mean out of date security (4.47), Poor connectivity lead to poor security (4.40), Risk by hackers (4.20), Virus attack the mobile banking App (4.16) Security issues (4.10), Required facility not available (3.91), My handset does not have the capability to use Mobile Banking (3.44), Login / Sign off are not easy (3.24).

Findings

- ◆ It is found that most of the respondents were using mobile banking facility from their respective banks.
- ◆ Majority of the Mobile banking users are comfortable without using the traditional banking facility
- ◆ 25% of customers are frequently using mobile banking and remaining 75% are using occasionally.
- ◆ Most of the respondents felt that the biggest problem of Mobile Banking is frequently updated their Mobile Banking App because outdated Apps often mean out of date security.

Suggestions

- Every device does not have the facility for mobile banking. This application available only on a few phones like Apple's iPhone and Blackberry phones. Hence the bank provide securable software which adopted in all types of Mobile phone.
- Some banks will charge an extra fee for their service to mobile banking users. If the bank cut or reduce this service charge number of mobile banking user will be increase rapidly.
- Every banks should provide strongest security to their user which helps to protect from hackers. Because in current scenario, hackers easily gain from the users account through sending spam message, viruses like Trojan horse, fake application which similar to the original app. Therefore the bank provide more securable software for giving firewall protection to their users and also take necessary steps to reduce the hacking activities with the help of government.
- The bank must simplify the mobile banking procedure.
- The bankers should maintain a special section for mobile banking services to meet their customer needs and to serve them better.
- This study revealed that security and applications should be updated as per need.
- The proper training to use of mobile banking to the people of rural background is proposed.
- Bank can offer EMI or rental based mobile phone handsets to poor people with doing tie up with

mobile handset company. It may give access to them via m-banking service

- Bank should take care that the refund facilities should be provided concerning to wrong transactions made by customers.

Conclusion

Mobile banking is a fairly recent phenomenon for the Indian banking industry. It is an electronic system that provides most of the basic services available in traditional banking. It involves the use of mobile phone or any other mobile device to undertake financial transactions linked to a customer's account. It renders various services to the customers such as fund transfer to inter and intra bank, balance enquiry services or mini statements, request services, utility bill payments and credit card payments, Demat account services, Mobile top up etc.

There are several benefits to this technology, particularly for activity notification and account management while traveling. Mobile banking has become increasingly popular over the years. Banks offer mobile banking to their clients as a convenience, but also because mobile banking saves these institutions considerable money.

However, Mobile banking provides some trouble to the users like handset operability, security issues, poor internet connection, authentication risks and issues, virus, hackers fear etc. this study evaluate the problem faced by the customer during the using of mobile banking consequently it gives some valuable suggestion if the bank take appropriate steps to follow this suggestions the mobile banking users protect from the mentioned problem which leads to the fruitful growth of Mobile Banking in India.

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