
ACCESSIBILITY OF MOBILE BANKING: A CASE STUDY OF A VILLAGE IN KERALA

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Abstract

Today, most of the people adopt Next Generation Technologies (NGTs). In this changing scenario, the banking sector is not an exception. Recent innovations in telecommunications have enabled the launch of new access methods for banking services through various e-channels like, ATMs, credit/debit cards, internet banking, mobile banking, tele-banking, Electronic Fund Transfer (EFT) etc. With the advent of smart phones, it became a new technology in financial and banking sector which helps customer to enjoy the banking facility on mobile like account information, transaction, transfer money from one account to another account and other banking facilities are available in our mobile phones. Mobile banking, or m-banking, is one of the most promising tools for achieving a cost-effective pathway to digital financial inclusion at scale. So m-banking not only helps to save our time but it also gives the facility to access the bank account from anywhere and anytime. After the demonetization Indian government gives much concern to digital transactions than physical transactions which aim at a drive towards cashless economy.

Keywords: *Mobile Banking, Smart Phones, M-Banking Applications, Demonetization, Cashless Economy.*

Introduction

The market penetration of smart mobile devices has steadily increased in the past few years. Feature phones are being replaced with smartphones; tablets find applications both as work instruments and as part of everyday life. Banking through mobile devices also got prominence with this phenomenon. Mobile Banking refers to the use of a mobile phone or other cellular device to perform banking tasks while away from home computer, such as monitoring account balances, transferring funds between accounts, bill payment and locating an ATM. Internet banking (earlier forms of E-banking) made the banking service easy for the customer and M-banking (latest form of E-Banking) made it easier than before. Banking services are no more confined to the bank, but in the hand of the people. M-banking is the way that made it possible to bring mass population under the banking services and reach the banking facilities at the doorstep of the people which became widespread after the demonetization and the drive towards cashless economy.

Objectives

1. To study the awareness and accessibility of mobile banking facilities from the users.
2. To study the trend and pattern of mobile banking among the selected samples.

Methodology

The survey research is conducted among the consumers who are residing at Padiyoor village in Thrissur district, Kerala. Primary data are collected from 40 selected households through a structured interview schedule from the respondents. Secondary statistics are collected from articles, publications, journals and from various internet sources to analyze the reasons behind growth of mobile banking in India, especially after the demonetization and a drive towards cashless economy, and to describe methods of M-banking, benefits of M-banking.

Statement of the Problem

How far the market penetrations of smart phones lead to overall popularity of M-banking technology in India especially in this revolutionary period of demonetization and a drive towards cashless economy?

Importance

New innovations are providing novel ways to enable an “always on” society: mobile, social, and cloud technologies are being interwoven into the fabric of everyday life creating new value or offering new efficiencies. The mobile handheld device is becoming the touch-point for a wide array of products and services, as mobile devices are the “go to” gadgets for most consumers. After the demonetization Indian government gives much concern to digital transactions than physical transactions. Thus the significance of m-banking has been augmented via the importance given to e-banking technologies. Mobile banking, or m-banking, is one of the most promising tools for achieving a cost-effective pathway to digital financial inclusion at scale which not only save our time but gives the services anytime in an easy way. The main reason of increasing in trend of m-banking is that it helps to perform banking activities at *anytime and anywhere*.

Description of the Village

Padiyoor village is situated in Mukunthapuram taluk, Thrissur District of Kerala state in India. It lies in Edathirinji, Padiyoor and Manavalassery Villages with an area of 18.57 sqkm . There are 14 wards in Padiyoor village.

Population of the Panchayat

Gender	SC/ST	General	Total
Male	1085	8540	9625
Female	1169	9614	10783
Total	2254	18154	20408

Source: Secondary Data

As per the population census of 2011 census, the total population in the Panchayat is 20408 including 9625 males and 10783 females. The total SC/ST

population is 2254 with 1085 males and 1169 females.

Socio-Economic Background of the Sample Population

For conducting the study of accessibility of M-banking, 40 individuals were randomly selected from the Vaikkom ward (8th ward) of Padiyoor village. There are 23 males and 17 females in the sample.

Age composition of the sample

Age Category	Number of Persons
20-29	18
30-39	14
40-49	2
50-59	5
60-69	1
Total	40

Source: Primary Data

The table highlights that majority of the sample population belongs to the age group of 20-29 years and 30-39 years. Middle aged sample constitutes only 7 persons and the old aged is only one in the sample population of the study.

Gender of the sample size

Gender	Number of Persons	%
Male	23	57.50%
Female	17	42.50%
Total	40	100%

Source: Primary Data

The above table shows the classification of the selected sample on the basis of their gender. There are 23 males and 17 females among the sample at hand.

Monthly income composition of the sample

Income Category	Number of Persons	%
Less than Rs.10,000	5	12.5%
Rs.10,000 - Rs.20,000	21	52.5%
Rs.20,000 - Rs.30,000	9	22.5%
Rs.30,000 - Rs.40,000	3	7.5%
Rs.50,000 and above	2	5%
Total	40	100%

Source: Primary Data

The above table shows the categorization of the sample on the basis of income. It is clear from the diagram that the lion percentage of sample size belongs to the income group of Rs.10,000 – Rs.20,000 and it is numbered at 21. The 23% of sample

belongs to the income group of Rs.20,000 – Rs.30,000 and the 12% of sample belongs to the income group of less than Rs.10,000. Only 3 persons have the income of Rs.30,000 – Rs.40,000 and only 2 persons have the highest income of above Rs.50,000 per month.

Bank Accounts Details of the Selected Sample

Type of Accounts	Number of Users
Savings Account	104
Current Account	2
Loan Account	1
Total	107

Source: Primary Data

There are 107 total bank accounts for 40 selected samples. Among them savings account is the most which is 104 followed by 2 current accounts and one loan account. Out of these 40 samples 5

were found to be having only one bank account and 12 persons were found to own 2 bank accounts. Majority of the sample has 3 accounts which are numbered at 19 with a total sum of 57. Only two persons are having 4 bank accounts. More than 4 bank accounts were accounted for 2 persons. One among these owned 5 bank accounts and another one has 8 bank accounts.

Name of Banks and the Number of Accounts

Name of the Bank	Number of Accounts
State Bank of India	30
South Indian Bank	14
Catholic Syrian Bank	12
Federal Bank	10
Co-operative Banks	9
HDFC Bank	8
Canara Bank	6
Syndicate Bank	4
Post office Bank	3
ICICI Bank	2
Union Bank	2
Punjab National Bank	2
Others	4
Total	107
Source: Primary Data	

The selected sample has 107 bank accounts in different banks such as state bank, nationalized banks, private banks and co-operative banks. These numbers are represented under the following table.

The data describes that the highest number of bank accounts belong to State Bank of India (SBI). Sample population has number of accounts in private banks such as South Indian Bank, Catholic Syrian Bank and Federal bank. It can be seen that sample has more accounts with Co-operative banks, HDFC Bank, Canara Bank and Syndicate Bank too. Other banks are not that much familiar among the sample size of the study, so these bank accounts are less in number.

Mobile Phone Users among the Sample

Type of mobile phones used by the sample

Type of mobile phone	Number of mobile phone users
Feature phone	5
Smart phone	35
Total	40
Source: Primary Data	

Mobile phones have been become an inevitable mean of life. The table exhibits that the traditional feature phones have been overtaken by the new and advanced smart phones. It is evident that out of forty samples,

35 persons use smart phone and only 5 persons use feature phones. Among the smart phone users, 34 of them use android smart phones and only one person uses windows phone.

Age-wise mobile phone users among the sample

Age	Feature phone users	Smart phone users
20-29	1	17
30-39	0	14
40-49	1	1
50-59	2	3
60-69	1	0
Total	5	35
Source: Primary Data		

The table contains the data about the age-wise mobile phone users among the sample. We have already seen that only 5 persons in the sample use feature phones. Four of them are belonging to the age group of 40-69 and only one person belongs to the age

group 20-29 who uses the feature phone. It is not because of the unavailability of smart phone, but due to the reluctance to use such advanced cell phones. All the other youngsters are using only smart phones and it is numbered at 31. And 4 middle agers are also using the smart phones who belong to the age group of 40-49 and 50-59. No one above 60 years uses smart phone among the sample.

Banking Habit

Method of Banking	Number of Customers	%
Only offline	13	32.5%
Only online	2	5%
Both offline and online	25	62.5%
Total	40	100%
Source: Primary Data		

Increased financial needs led to the predominance of banks and the banking habits among the people. Majority of the sample i.e., 25 sample conducts both offline and online payments. 13 persons are conducting only offline payments and 2 persons are making only online payments via

all kinds of available online banking facilities.

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 mobile phone or tablet. 90% people among the sample are aware of mobile banking technology but only 57.50% sample are using it.

M-banking users

Sample	Number of persons	%
M-banking users	23	57.50%
Non-users	17	42.50%
Total	40	100%
Source: Primary Data		

The above table highlights the sample response towards the usage of m-banking technology. Even though 77% of the people are aware of the advanced m-banking technology provided by their

bank, all of them do not use this tool for making their daily financial transactions. It was found that out of the 40 sample who use mobile phones as a communication device, only 23 persons use the mobile banking facility and majority of this users are youngsters of the sample population. 17 persons are not using this novel mean of banking. It is quite interesting to be noticed that out of this 17 persons 2 persons had used m-banking applications previously but due to some security problems and difficulties in managing the accounts they had deactivated the m-banking method and uninstalled the m-banking applications used in their smartphones.

M-Banking Application Usage

Banks are offering different kinds of m-banking applications to their customers which help the smart phone users to conduct their financial activities anywhere at any time.

M-Banking Application			
S.No	Bank	M-Banking Application	Number of Users
1	SBI	State Bank Anywhere Personal	4
		State Bank Buddy	2
		State Anywhere Saral	3

2	ICICI	i Mobile	1
3	Axis	Axis mobile	1
4	HDFC	HDFC Bank Mobile Banking	5
5	Federal bank	Fed Book Selfie	3
6	Union Bank	Union Bank Mobile Banking	1
7	Syndicate Bank	Synd Mobile	1
8	Canara	CANMOBILE	2
9	PNB	Mobi Ease	1
10	SIB	SIB M-Pay	4
11	CSB	CSB Mobile	3
12	Kotak Mahindra	Kotak- 811 & Mobile Banking	1
13	IDBI	IDBI Bank GO Mobile	1
14	Indian post	India Post Mobile Banking	0
Other Banking Apps			
S.No	Company	M-banking application	Number of users
1	One97 Communications	Paytm	10
2	Idea	My Idea-Recharge and Payments	3
3	Vodafone	My Vodafone (India)	1
4	Airtel	My Airtel-Recharge, Bill, Bank	2
5	Jio	Jio Money Wallet	2
Source : Primary data			

The table describes the m-banking applications provided by the banks and other banking apps provided by private companies other than banks. It is clear that majority of the sample use SBI m-banking applications and the applications offered by HDFC Bank, South Indian Bank (SIB), Federal Bank, Catholic Syrian Bank (CSB) and Canara Bank are also mostly chosen by the users other than SBI apps. In case of other banking apps Paytm is the most popular one among the sample.

Pace of m-banking application usage

Periodicity of M-banking usage	Number of users	%
Daily once	1	4.34%
Daily Several times	2	8.69%
Weekly once	5	21.73%
Weekly several times	3	13.04%
Monthly once	2	8.69%
Monthly several times	3	13.04%
Occasionally (less than once a month)	7	30.43%
Total	23	100%
Source : Primary data		

The table indicates that majority of the sample, i.e. 7 persons out of the 23 m-banking users in the sample use the m-banking applications occasionally. 5 persons use these apps weekly once. Two persons of the sample use the mobile banking applications daily several times as part of their job and only 1 person is using the m-banking application once in a day.

Purpose of M-banking application usage

Purpose	Number of users
Mobile Recharge	12
Online bill payment	10
Online fund/money transfer	12
Online Bookings	5
To check the account balance	19
Online shopping / purchasing	11
Requesting cheque book / bank statement	2
Know last few transactions	12
Know bank products advertised	6
To change Password	8
Others	11
Source: Primary data	

The table describes about the purpose of mobile banking application usage by the sample. It is clear from the table that the most important usage of m-banking apps among the sample is to check the account balance. They also use such apps to make mobile phone recharges, online fund transfer and payments, know the last few transactions...etc.

Rating of the usefulness of m-banking apps

Users rating of the m-banking applications on the basis of its important features are tabulated as follows.

Features	Rating Scale				
	Not at all True	Not True	Sometimes True, Sometimes Not True	True	Very True
Very easy to navigate	1	1	2	6	13
Very easy to understand	1	2	2	5	13
Very easy to make a payment	1	1	3	6	12
Very easy to make transfer money	1	2	4	6	10
Very easy to make a balance inquiry	0	1	4	7	11
Source: Primary data					

It is clear from the above table that majority of the sample who use the m-banking application rates that m-banking applications are very easy to navigate, understand, make online payments, transfer money and make a balance inquiry. Only few among them responded negatively.

Rating of the benefits of m-banking service

Benefits	Rating Scale				
	Very Low	Low	Average	High	Very High
Cost saving (Lower rates, transaction fees)	4.34%	8.69%	13.04%	34.78%	39.13%
Time saving (no need to go to bank or ATM)	4.34%	4.34%	38.69%	17.39%	60.86%
24 h Access (can make transaction any time)	4.34%	4.34%	4.34%	34.78%	52.17%
Physical security (no need to go out with cash)	4.34%	4.34%	4.34%	39.13%	47.82%
Overall consumer satisfaction of M-banking technology	4.34%	8.69%	21.73%	26.08%	39.13%
Source: Primary data					

The above table indicates the overall user satisfaction of m-banking technology. It is clear that 39.13% of the users are very highly satisfied of the m-banking services and 26.08% are highly satisfied. 21.73% are rating the service as average. 8.69% have less satisfaction and one user has the least satisfaction. It was found that the user is about to uninstall the banking application due to the lack of security that he faced while making online transfer of fund.

Findings of the Study

- Mobile phones have become an inevitable part in the day-today life of the people. Selected samples use mobile phones more than a communication device. There is a transmission from feature phones users to smart phones users among the sample. 35 persons are using smart phones and only 5 persons are using the feature phones. Except one, all other youngsters are smart phone users in the sample.
- People have number of accounts in different banks. Savings bank account (104 out of 107) is found to be the common type of account among the sample. Current account and loan account are merely used, 2 and 1 respectively.
- Lion portion of bank account i.e., 30 bank accounts, out of the total 107 bank account among the sample, is found to be with State Bank of India. People have more accounts with private banks too than with the co-operative banks.
- 62.5% of the sample makes both online and offline method of payments and 5% of the sample makes only online payment method.
- 24 persons in the sample make electronic banking facility. Moreover, 90% of the people among the sample are aware of m-banking technology and 23 persons are using the Mobile banking facility.
- People use both m-banking apps provided by the banks and other banking apps provided by the private companies like one97 and mobile phone companies. State bank apps and the m-banking applications provided by the HDFC bank, South Indian Bank, Federal bank and Catholic Syrian Bank are the prominent among them. Among the other banking applications, Paytm app is the most commonly used app by the sample i.e., 10 persons out of 23 m-banking users.
- M-banking trend has been increased after demonetization. Impact of demonetization has led to wide spread usage of mobile banking applications. 39% of the mobile banking users started to use the m-banking applications over the last six months which is exactly after the announcement of the demonetization which led to the drive towards cashless economy via digital payments.
- Even though the users are skeptic on the security issues and doubtful about the involvement of third party in the online payments and accessing the accounts, customers use the m-banking applications due to its invaluable uses in the modern world of digital transaction and cashless economy.

- 30.43% of the users conduct m-banking payments occasionally and 21.73% of the users use mobile banking weekly once. One person uses it daily and 2 persons who are in the IT field make use of m-banking facility daily several times.
- The highest amount paid through m-banking was found to be on online shopping payment bills.
- On a rating scale of m-banking applications 9 persons argue that it is very reliable and 6 persons say that it is fairly reliable. 39.13% users are very highly satisfied with the m-banking applications and 26.08% have a high satisfaction where a person is highly dissatisfied with m-banking technology due to the security issues and virus attack on banking sector such as a newly threat like 'wannacry'.

Conclusion

New technology has rapidly altered the traditional ways of doing banking business. Customers can view the accounts, get account statements, transfer funds, purchase drafts by just making a few key punches. Mobile banking offers a lot of benefits to both banks and consumers and one of the major advantage of mobile banking is 'Anywhere anytime banking'. In India M-banking has shown an increasing trend after the announcement of demonetization. Impact of demonetization has led to wide spread usage of mobile banking applications. We have seen that 39% of the mobile banking users among the sample started to use the m-banking applications over the last six months which is exactly after the announcement of the demonetization which led to the drive towards cashless economy via digital payments. Even though the users are skeptic on the security issues such as a newly virus threat like 'wannacry' and doubtful about the involvement of third party in the online payments and accessing the accounts, customers use the m-banking applications due to its abundant scope in the modern world of digital transaction and cashless economy.

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