A Study on Issues and Challenges Faced by Mobile Banking with Reference to Customer Perspective

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Abstract
Mobile banking has transformed how customers interact with their finances, offering unprecedented convenience and accessibility. However, alongside its advantages, mobile banking also presents numerous challenges and concerns from the customer's perspective. This abstract examines these challenges, covering topics such as security worries, privacy risks, usability hurdles, and technological barriers. Drawing from existing literature and empirical studies, it discusses the complexities of navigating mobile banking platforms, the significance of trust and confidence in digital financial services, and the necessity for continuous innovation to meet changing customer needs. By shedding light on these challenges, these abstract aims to enhance understanding of the customer experience in mobile banking and provide insights for policymakers, financial institutions, and technology developers to improve the mobile banking ecosystem.

Introduction

Mobile banking, a technological marvel that has revolutionized the financial landscape, offers unparalleled convenience and accessibility to banking services. However, amidst its transformative potential, mobile banking encounters a myriad of challenges and issues from the customer perspective. As users increasingly rely on their smartphones for financial transactions, it becomes imperative to scrutinize the hurdles that impede seamless mobile banking experiences. From security concerns to technological limitations, customers encounter various obstacles that hinder their trust and satisfaction with mobile banking platforms. Understanding these challenges is paramount for banks and financial institutions to fortify their mobile banking services and cultivate enduring customer relationships. This paper delves into the multifaceted issues and challenges faced by mobile banking, examining their implications for customers and proposing strategies to address them effectively. By illuminating the customer perspective, this study aims to foster a deeper understanding of the intricacies surrounding mobile banking and facilitate the development of robust solutions to enhance user

experiences in the digital banking realm. Mobile banking has transformed how people handle their money, providing simplicity and accessibility beyond anything seen before. In India, the adoption of mobile banking has seen a significant surge, driven by increasing smartphone penetration, digital literacy initiatives, and the government's push towards a cashless economy. However, alongside its rapid growth, mobile banking in India faces a myriad of issues and challenges that require careful consideration and innovative solutions. One of the foremost challenges is ensuring widespread accessibility and inclusivity. While smartphone usage has increased, there are still segments of the population, particularly in rural areas, with limited access to smartphones or reliable internet connectivity. Bridging this digital divide and making mobile banking services accessible to all remains a pressing concern. Security and privacy concerns also loom large in the mobile banking landscape. With the proliferation of cyber threats and sophisticated hacking techniques, safeguarding sensitive financial information and ensuring secure transactions are paramount. Building robust cybersecurity infrastructure and fostering awareness among users about best practices in online security are essential steps towards mitigating these risks.

Review of Literature

Barnes and Corbett [4]; Scornavacca and Barnes (2004) concluded that Recent advancements in telecommunications have given rise to new approaches for financial services, like mobile banking. Rugimbana (1995) found that there is vast potential for mobile banking because of its anywhere and anytime accessibility. Clark (2008) argues that customers have access to more affordable self-service alternatives for accessing cash, banking information, and making payments using mobile phones as a channel. It also gives customers choice, convenience, and immediate gratification.

Jadav Anil (2004), conducted a study on the state of e-banking in India and detailed the features of the major e-banking service channels, including ATMs, phone banks, mobile banks, and online banks. Along with these benefits, e-banking difficulties and security considerations are highlighted when doing online banking transactions. In addition, obstacles to the expansion of e-banking in India are examined, along with a comparison of public, international, and cooperative banks. The report concludes with a summary of the main private sector banks that offer online banking services, including ICICI, HDFC, IDBI, and UTI banks.

Uppal (2010) has examined the rise of mobile banking in the Indian banking sector, where the number of cell phone users is rapidly rising. Based on his data, he concluded that, out of all the bank groups under investigation, private sector banks are the best at offering M-banking services to their clients and are very profitable. excluding international banks. Along with outlining the advantages of mobile banking for both consumers and bankers, he also makes recommendations for techniques that may be used to improve m-banking services in India, especially in rural and semi-urban regions. These include raising awareness of m-banking and expanding its reach.

Bamoriya and Singh (2011) discovered that there are problems with mobile banking, including standardization, privacy concerns, and security and interoperability with mobile devices. Downloading software, security, and privacy The Basel Committee on Banking Supervision anticipates risk associated with banking operations because of the extraordinary rate of technology advancement and product/service innovation. The committee that made the recommendation advocated an integrated approach to risk management for all of a financial institution's operations.

Chethan V.P (2016) has highlighted acceptance of challenges with e-banking services include those pertaining to customers, expensive technology, security concerns, legal challenges, other business-related limitations, transparency in providing, and adoption of appropriate organizational structure.

Scope of the Research

The following mobile banking concerns were explored with current bank clients based on literature.
* Compatibility for mobile devices
* Mindset about the Adoption of Mobile Banking
* Comfort rating using the current setup
* Availability of Facilities
* Concerns about security
* Availability to use mobile banking services

Research Methodology

The systematic procedures and techniques employed for research, data collection, analysis, and conclusion formulation are known as research methodology. Research methodology plays a vital role in maintaining the accuracy, dependability, and credibility of the study. It encompasses a range of elements include the research design, data collection techniques, data analysis techniques, and ethical issues

Research Design
Descriptive Research

Descriptive research is a type of research design that emphasizes observing and identifying a certain phenomenon or group's characteristics, actions, and qualities without trying to influence or control it. It is primarily concerned with providing a accurate and detailed comprehensive account of the subject Being inspected into. Descriptive research aims to answer questions about "what is" rather than "why" or "how."

Research Model
Independent Variable
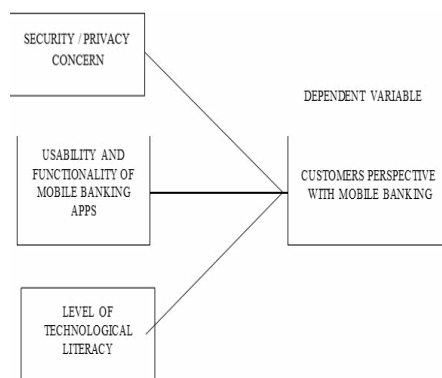
Data Collection

Collecting data is the process of obtaining and measuring details on relevant factors in a systematic way, which enables researchers to answer questions, test hypotheses, and analyse the results. It's a crucial step in any research study, as the quality of the collected data directly affects how reliable and trustworthy the study's conclusions. The research study is conducted using surveys and questionnaires to gather information from a diverse group of participants. A self-administered online questionnaire is utilized to get information from a sample of 207 across various demographic factors.

Sample Size and Characteristics

The research study utilized convenience sampling, whereby participants were selected based on their easy accessibility and proximity to the research team. This method allowed us to gather data quickly and efficiently from individuals who were readily available and willing to participate. It's crucial to remember that selection bias might mean that our sample isn't entirely representative of the population as a whole Despite this limitation, convenience sampling provided valuable insights into the initial perceptions and experiences of participants regarding the topic under investigation.

Sample Size: 207
Results-Gender of the Respondents

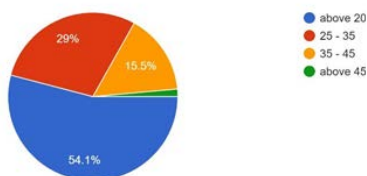| S. No	Particulars	Respondents	Percentage
1	Male	127	61.8
2	Female	75	36.2
3	Prefer not to say	5	2.0

Gender
207 responses
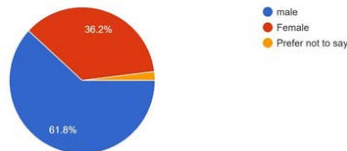
Age of the Respondents

S. No	Particulars	Respondents	Percentage
1	Above 20	112	54.1
2	25-35	60	29
3	35-45	32	15.5
4	Above 45	3	1.4

Age
207 responses

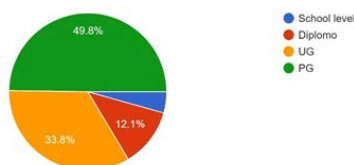### Education Level

S. No	Particulars	Respondents	Percentage
1	School level	9	4.3
2	Diploma	25	12.1
3	UG	70	33.8
4	PG	103	49.8

Education Level
207 responses

● School level
● Diplomo
● UG
● PG

49.8%
12.1%
33.8%

Hypotheses

Null hypothesis (H₀): There is no significant difference in customer perspectives on security and privacy concern, usability and functionality of mobile banking apps and level of technological literacy among the different groups.

Alternate hypothesis (H₁): There is significant difference in customer perspectives on security and privacy concern, usability and functionality of mobile banking apps and level of technological literacy among the different groups.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Security and privacy concern	Between Groups	67.925	3	22.642	1.888	.133
	Within Groups	2434.809	203	11.994		
	Total	2502.734	206			
Usability and functionality of mobile banking apps	Between Groups	36.533	3	12.178	.716	.544
	Within Groups	3452.945	203	17.010		
	Total	3489.478	206			
Level of technological literacy	Between Groups	76.640	3	25.547	1.672	.174
	Within Groups	3102.239	203	15.282		
	Total	3178.879	206			

Interpretation

The ANOVA results indicate that, from a customer perspective, there are no significant differences in the levels of security and privacy concern (p-value of .133), usability and functionality of mobile banking apps (p-value of .544), or the level of technological literacy (p-value of .174) across the various groups studied, we fail to reject the null hypothesis (H0), this implies that the perceived levels do not significantly vary among the different groups.

Correlations
Hypotheses

Null Hypothesis (H₀): There is no significant correlation between security and privacy concern and other factors such as usability, technological literacy, and customer perspective in mobile banking.

Alternate Hypothesis (H₁): There is significant correlation between security and privacy concern and other factors such as usability, technological literacy, and customer perspective in mobile banking.

		Security and privacy concern	Usability and functionality of mobile banking apps	level of technological literacy	Customer perspective with mobile banking
Security and privacy concern	Pearson Correlation	1	.617	.557	.491
	Sig. (2-tailed)		.000	.000	.000
	N	207	207	207	207
Usability and functionality of mobile banking apps	Pearson Correlation	.617	1	.733	.654
	Sig. (2-tailed)	.000		.000	.000
	N	207	207	207	207
Level of technological literacy	Pearson Correlation	.557	.733	1	.660
	Sig. (2-tailed)	.000	.000		.000
	N	207	207	207	207
Customer perspective with mobile banking	Pearson Correlation	.491	.654	.660	1
	Sig. (2-tailed)	.000	.000	.000	
	N	207	207	207	207
**. Correlation is significant at the 0.01 level (2-tailed).					

Interpretation

The correlation analysis reveals strong positive correlations between security and privacy concern with usability and functionality of mobile banking apps (.617), level of technological literacy (.557), and customer perspective with mobile banking (.491). This indicates that higher perceptions of usability and functionality are associated with increased considerations of security, technological literacy, and overall positive customer perspectives. There is a strong positive relationship between security and privacy concern and other factors such as usability, technological literacy, and customer perspective in mobile banking.

Summary of Findings and Suggestions
- Rural areas face limited smartphone access and unreliable internet, hindering mobile banking adoption.
- Banks urged to innovate, making mobile banking accessible to all, empowering customers in the digital finance revolution.
- Advanced hackers threaten customers' financial data, eroding trust in mobile banking.
- Essential to implement robust cybersecurity measures and enhance user awareness for a secure mobile banking environment.
- Customer views on security, usability, and tech literacy vary by demographics.

Interpretation of Findings
- Banks must tailor services to diverse needs, ensuring intuitive and accessible mobile banking experiences for every customer.
- Despite demographic differences, no significant variations were found in customer perspectives on security, usability, and technological literacy.

- Strong positive correlations exist between security concerns and usability/technological literacy.
- Higher perceptions of usability and functionality are associated with increased consideration of security, technological literacy, and positive customer perspectives.

Suggestions
- Improve internet infrastructure and offer affordable smartphone/data plans to expand accessibility, especially in underserved areas.
- Collaborate on digital literacy initiatives to empower customers to navigate mobile banking services.
- Invest in advanced security technologies like biometrics and encryption.
- Conduct regular security audits and launch comprehensive customer awareness campaigns.
- Adopt a user-centric design approach to streamline the mobile banking interface.
- Ensure seamless compatibility across devices and continually update apps.
- Segment customers and offer tailored solutions based on their needs and technological literacy.

Conclusion

The research illuminates the various complex obstacles encountered in mobile banking, highlighting concerns such as security, usability, and technological limitations. It stresses the necessity of strengthening services to nurture long-lasting customer connections. Closing the digital gap is imperative to enhance accessibility, particularly in areas with limited connectivity. Implementing strong cybersecurity measures and promoting user awareness are essential for protecting confidential financial data. Suggestions involve enhancing infrastructure, investing in security technologies, and embracing a user-focused design methodology. Tackling these issues guarantees seamless, secure, and equitable mobile banking interactions, instilling confidence in the digital financial landscape.

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