



AN EMPRICAL STUDY OF CUSTOMERS E - SATISFACTION ON USAGE OF MOBILE BANKING WITH REFERENCE TO BANKS IN CHENNAI CITY

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Abstract

Recently, banks have converted from the traditional use of banking to branchless position of banking. The use of technology has helped banks to extend their services and gain the satisfaction of the customers. The main advancement of technology is internet banking and mobile banking which are the two alternative channel for the banks to deliver their services for the customers .The importance of the subject of mobile banking service and importance of focusing on the service provided by the banks adopted; this study uses seven dimensions that are very important to provide their service and they are reliability, flexibility ,privacy, accessibility, ease of navigation, efficiency and safety ;where the aim of this study is to measure the impact of using banking service via mobile to effect on customer e-satisfaction.

The study consists of 150 customers who use banking service via mobile in banks in Chennai city and has been tested hypotheses through correlation along with percentage analysis. The paper attempts to bring out the effect of the of mobile banking service to accomplish customer e-satisfaction .The study also attempts to find significant impact of these seven dimensions of mobile banking service on customer e –satisfaction.

Keywords: Mobile, Banking Service, E-Satisfaction.

INTRODUCTION

In the present competing and growing financial sector banks have shifted from traditional banking to branchless mode of banking .Mobile banking are categorized as the latest advancement in electronic banking, which has widened customer's access to banks through wireless channel. Mobile banking is a financial service where the bank customer performs various banking activities like balance enquiry, credit transfer and other transfer.

India has a successfully growing economy as its tele-communication industry have advanced tremendously in the recent years. The banking profile of the customer reveals that nearly 90.4% of the respondents prefer mobile banking rather than conventional banking system because of the convenience of 24 hours branch .41.6% of the respondents use mobile banking every day. The study is significant because of the need for research on mobile banking and the impact of technology adoption on customer satisfaction .Furthermore ,to analyze whether the 7 dimensions taken for the study measure the impact of using banking service via mobile to effect on customer e –satisfaction .

REVIEW OF LITERATURE

Chaithanya U (2013) "Mobile banking as tool of financial inclusion in India" narrates that mobile banking in India is huge and it has increased the financial inclusion in urban areas has it facilitates for paying bills, accessing bank account information and making ticket payments. And it is also concluded that financial services are still to be tapped .He says about the mobile banking partnership phase with almost all the telecom operators joining hands with the leading banks.¹

Uppal and Chawla (2009) found that the customers of public sector, private sector and foreign banks in Ludhiana district of Punjab are interested in e-banking services, but, at the same time, are facing problems like inadequate knowledge, poor network, lack of infrastructure, unsuitable location, misuse of ATM cards and difficulty to open an account.²

Tai-Kuei Yu and Kwoting Fang(2009) "Measuring the Post- Adoption customer perception of Mobile banking services" done by With liberalization and internationalization in the financial market and progress in information technology, banks face dual competitive pressures to provide service quality and administrative efficiency. That these recent developments are fueled by technology might misleadingly suggest that the adoption of mobile banking is largely based on technological criteria. The purpose of this study is to establish a better measurement model for post adoption user perception of mobile banking services. Based on 458 valid responses of mobile banking users, the result shows that the instrument, consisting of 21 items and 6 factors, is a reliable, valid and useful measurement for assessing the post adoption perception of mobile banking.³



Piya Baptista(2008)“Mobile banking users and non-users behavior study” . This study involves a comparative study of m-banking user’s and non user’s behaviors in five countries, with particular focus on the BOP market, in order to draw general conclusions that will benefit a broad m-banking audience globally. The study will work with both MNOs and FIs to reach users and non-users. Simply put, users are expected to be individuals who are currently availing of m-banking services, mainly under additive models, while non-users are individuals who own a mobile phone but do not have bank account.⁴

Hoffman, Karen Epper (2007) “Mobile Banking: Where’s the Business Case?” At mid-2007, at least nine U.S. banks had begun to develop or had rolled out a mobile banking service to their customers, either through a proprietary mobile Internet banking site or via an application embedded into the handset. Proponents believe cell phone banking will grow quickly based on ubiquitous cell phone usage and consumers' growing expectation of anywhere/anytime access. Yet, with banks providing the service to customers for free and carriers clamoring for a piece of the action, a business case remains elusive. Banks say they will justify the investment based on strengthening customer relationships, lowering delivery channel costs and paving the way for more sophisticated mobile financial Services in future years.⁵

Dr.Stephan Buse and Rajnish Tiwari (2006)study titled” The Mobile Commerce Prospects: A Strategic Analysis of Opportunities in the German Banking Sectors”examined the viability of mobile financial services on both national and international level. Empirical surveys of more than 450 potential customers and over 50 banks worldwide revealed that Mobile banking has gained increasing acceptance amongst various sections of the society in previous years. The reason for this growth can be traced back to technological and demographical developments that have influenced many aspects of the socio-cultural behavior in today’s world. The study comes to the conclusion that mobile banking presents a sizable opportunity for banks to retain their existing, technology-savvy customer base by offering value- added innovative services and to attract new customers from corresponding sections of the society. The customer survey provides evidence that such sections in the meanwhile include the affluent and financially relevant groups of the society. They seem to be ripe to convert this non- negligible customer interest into business- driving customers” demand. A proactive attitude on the part of the banks seems to be therefore recommendable.⁶

Riivari (2005) research on “mobile banking based on qualitative approach” found that mobile banking is accelerating fast around Europe. Another argument supporting the statement revealing that mobile banking in particular has finally become a fast, user-friendly and affordable service. Customers are now used to mobile applications and are actively using services that help them in their increasingly mobile lifestyles. This lifestyles is synonym with young users.⁷

Laforet and Li (2005) research on” mobile and Internet banking” claimed that the younger consumers were more interested in online and mobile banking topic than older consumers. However the respondents Level of education was not found to influence online and mobile banking adoption in China. In addition, at least among the urban population surveyed, 33 per cent used online banking and 14 per cent used mobile banking. Thus, the level of awareness of such services was low in China.⁸

Hundal .B.S & Abhay Jain(2005) in their paper “Stimulators of Mobile banking adoption in India” done by analyzed the forces that stimulate mobile banking service adoption in Northern India. The study made an attempt to identify various stimulators, viz exhilarator, ease and inquisitiveness, development pace, compatibility and perceived risk regarding the adoption of mobile banking services. The study found that the customers feel more comfortable with mobile banking and are likely to adopt it because mobile banking service facilitate customers to access their bank accounts from any location, at anytime of the day and it provide tremendous advantage, comfort and convenience to users. The author concluded that despite all the possibilities offered by the new electronic channels for banking services, there are various psychological and behavioral issues which appear to influence the acceptance of mobile banking and these need to be understood.⁹

A study conducted by Mattila (2003) discovered that: (1)-pay bills cheaper, (2)-have faster data transmission rate, (3)-authenticate with mobile phone to internet bank are considered as the main factors for mobile banking adoption. Another finding revealed that gender seemed to have slightly impact on mobile service usage. A user of mobile banking belonged most often to age group 25 to 34 years old, which is the age where the university students graduated and employed thereafter.¹⁰

A study conducted by Lee, McGoldrick, Keeling and Doherty (2003) discovered that the relative advantage of using 3G mobile banking services would increase one's self-prestige as what intended by young users. Another finding revealed that, the "perception" and "attitude" were the factors for mobile banking adoption. For instance, previous experiences of other mobile phone systems may generalize to beliefs about the ability to use 3G technologies for banking purpose.¹¹

A study conducted by Howcroft et al. (2002) revealed that young consumers were more likely to adopt Internet or telephone banking. Younger consumers value the convenience or time saving potential of online and mobile banking more than older consumers. Possibly consumers with lower educational qualifications have less access to the Internet and telephone banking. Howcroft et al. (2002) further found the educational levels of respondents did not affect the use of telephone or online banking.¹²

OBJECTIVES

1. To study the satisfaction level of customers' e-satisfaction and quality dimensions that induces them to use mobile service.
2. To study the impact of quality dimension on mobile banking service on customer e-satisfaction
3. To identify the reasons for preferring mobile banking.
4. To identify the awareness of mobile banking service

METHODOLOGY

The study is based on primary data collected from 150 respondents in Chennai city by means of a structured questionnaire .Primary data collected for this research are non-parametric in nature so spearman's Correlation Coefficient is used to find out the significance value of the hypotheses.

ANALYSIS AND INTERPRETATION

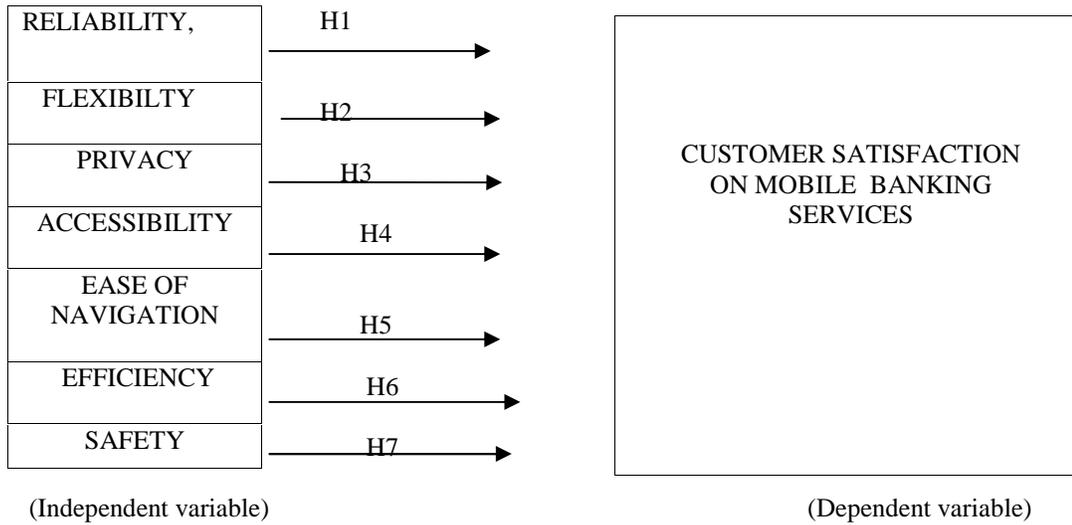
Demographic Analysis: Table 1

Basics	Category	No of respondents	Percentage
Age	Upton 25years	40	26.7
	26-35years	50	33.3
	36-45years	30	20
	46-55years	20	13.3
	Above 55years	10	6.7
Gender	Male	90	60
	Female	60	40
Education	School level	20	13.3
	Graduate	70	46.7
	Post graduate	30	20
	Professional	30	20
Marital status	Married	110	73.3
	Unmarried	40	26.7
Occupation	Student	5	3.3
	Housewife	15	10
	Self-employed	20	13.3
	Employed	100	67
	Retired person	10	6.7
Monthly income	Below Rs. 10000	20	13.3
	Rs.10001-20000	80	53.3
	Rs.20001-30000	30	20
	AboveRs. 30000	20	13.3

It is inferred from the table personal information that out of the total respondents taken for the study 26.7% of the respondents are in the age group up to 25 years and 33.3% of the respondents are in the age of 26-35 years .60% of the respondents are male and 40% of the respondents are female; out of the total respondents 46.7% of the respondents are graduate and 20% of the respondents are post graduate. When marital status is concerned 73.3% of the respondents are married and 26.7% are unmarried and 67% of the respondents occupational status is employed .53.3% of the respondents belong to the monthly income of Rs.10001-20000 and 13.3% of them belong to below 10000 as their income level per month.

The seven dimensions that can be hypothesized to have a direct effect on influencing the satisfaction of mobile banking customers are reliability, flexibility, privacy, accessibility, ease of navigation, efficiency and safety .In a successful long term relationships with consumers ;customer satisfaction is the key of any organization.

CHART1



If the above said seven dimensions are satisfactory then it motivates to use the facilities and services very frequently and thereby increases the satisfaction level to the highest. Thus it can be hypothesized that

H1: Reliability on mobile banking service can increase the level of satisfaction of the customer
 H2: Flexibility on mobile banking brings a positive impact on customer satisfaction
 H3: Privacy on mobile banking brings a negative impact on customer satisfaction
 H4: Access ability on mobile banking brings a positive impact on customer satisfaction
 H5: Ease of navigation brings a positive impact on customer satisfaction
 H6: Efficiency on usage of mobile banking brings a positive impact on mobile banking
 H7: Safety on mobile banking brings a negative impact on customer satisfaction

HYPOTHESIS TESTING

Primary data was collected for the research is non-parametric data and therefore, spearman’s correlation co-efficient and its significant value were used for hypothesis testing. the values of correlation are given in the below

Table2

Variables	Spearman's correlation	Significance
Reliability and customer satisfaction	0.765	0.000
Flexibility and customer satisfaction	0.778	0.000
Privacy and customer satisfaction	0.689	0.000
Accessibility and customer satisfaction	0.720	0.000
Ease of navigation and customer satisfaction	0.731	0.000
efficiency and customer satisfaction	0.745	0.000
Safety and customer satisfaction	0.695	0.000

The above table depicts the correlation between customer satisfaction in relation to mobile banking and independent variables. a strong positive relationship can be seen between the reliability and customer satisfaction with the correlation value of 0.765 and significance level is 0.000. therefore, hypothesis H1 “Reliability have a positive impact on customer satisfaction can be accepted “relationship between flexibility and customer satisfaction has also derived a strong positive relationship with a spearman’s correlation coefficient value of 0.778 with a significance value 0.000. Therefore H2 “flexibility will have a positive impact on the customer satisfaction “. The relation between privacy and customer satisfaction has also resulted in a moderate positive correlation with the spearman’s correlation value of 0.689 and significance value is 0.000. Therefore hypothesis H3 “a negative privacy of mobile banking should have a negative impact on the customer satisfaction “can be accepted. A positive relationship exist between accessibility and customer satisfaction because the spearman’s correlation co-efficient value is 0.720 and significance value 0.000. therefore hypothesis H4 “accessability and customer



satisfaction has a positive impact. Moreover, the coefficient correlation result between ease of navigation and customer satisfaction indicates a positive relationship with a value of 0.731 and a significant value of 0.000. Therefore, H5 "Ease of navigation has a positive impact on customer satisfaction. A positive relationship can be seen between the efficiency and customer satisfaction with the correlation value of 0.745 and a significance level of 0.000. Therefore, hypothesis H6 "efficiency on usage of mobile banking has a positive impact on customer satisfaction can be accepted. Moreover, a moderate relationship can be seen between safety and customer satisfaction with the correlation value of 0.695 and a significance level of 0.000. Therefore, hypothesis H7 "safety on usage of mobile banking has a positive impact on customer satisfaction can be accepted."

CONCLUSION

At present, mobile communication is not a luxury as it has reached even the lower society people where everybody could own a mobile phone. Therefore, mobile banking has been identified as one way of expanding banking services. There have been a number of products introduced by various banks in Chennai to encourage mobile banking. The success has been obtained by the banks because they are able to satisfy the seven quality dimensions like reliability, flexibility, privacy, accessibility, ease of navigation, efficiency, and safety to the greatest level which pulls the customers and retains the customers by the banks.

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