A STUDY ON THE IMPACT OF BANKING APPS AMONG THE CUSTOMERS IN MADURAI CITY

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ABSTRACT

In today's business, technology has been the largest indicators of growth competitiveness and banking plays a major role in every industry. As the development of technology is increasing very rapidly day by day, it promotes the services of banking sector in India. Banking is one of the largest financial institutions, which regularly explore the opportunity of technology to provide better customer service. Nowadays, most of the banking transactions are being carried out through internet. The increased dominance of mobile phones provides exceeding opportunities for the growth of mobile banking. At present based on digital India plan and demonetization people are converting to these mobile banking apps. The present study attempts to know the customer attitude towards banking apps in Madurai city. Appropriate tools were used to draw the inferences.

Key words: Banking apps, Technology, Mobile banking and Customer attitude

INTRODUCTION

At present, based on the digital India plan and demonetization, people are converting to these mobile banking apps, so based on this, the topic was selected related to banking apps. Different banks provide different apps, so considering this, six banking apps were chosen. They are State Bank of India (Yono App), Bank of Baroda (M Connect Plus), Canara Bank (Candi), Tamilnad Mercantle Bank (Tmb M Connect), ICICI Bank (I Mobile), HDFC (HDFC Bank Mobile Banking).

STATEMENT OF THE PROBLEM

Many government campaigns claim that inclusive growth is possible through mobile

phones for financial services. Success of mobile banking in rural areas is yet to be established. Challenges are wide and complex for people to access internet with available technologies. Studies have proved that banking penetration into mobile banking stands as the best alternative. Nowadays, transactions are being carried out through different banking apps. Most people use banking apps for bill payment, online shopping payments, and money transfers from one account to other accounts, etc.., so based on this, the satisfaction level of people using their banking apps will be known.

REVIEW OF LITERATURE

The reviews of previous studies relating to mobile banking apps used has been discussed as follows.

Sharma and Singh (2009) in their study have found that Indian mobile banking users are specifically concerned about security issues like financial fraud, misuse of accounts ,ease of use, difficulty in recollecting the codes and passwords for different transactions, software installations and updates.

According to Astha (2010), Mobile banking is a new invention for the untapped demand of the customers, especially for the economically weaker section. They have suggested mobile banking regulation to avoid risks as regulation will reduce the risk level. Mobile banking is a part of the new banking dimension, i.e. branchless banking to make any bank digital, which has great potential to extend the distribution of financial services to people who are not reached by traditional bank branch networks.

Sadi and Noordin (2011) have studied cost as an attribute and they found out that perceived cost has a negative relationship with the intention of adopting mobile banking services. This study recommends that pricing and creative promotional strategies, including cost reduction, should be executed to attract more price-conscious customers.

Samudra and Phadtare (2012) in their study used the UTUAT model to examine the adoption of mobile banking services in Pune city and have suggested that mobile banking services should be promoted to middle level managers whose salaries are in the range of 1-6 lacs and the age group is 25-30. The reason cited in their study is that the group is the most active age group for 3G mobile. They have used five factors of the UTUAT model to study the adoption of mobile banking, such as effort expectancy, performance expectancy, facilitating conditions

and social influence. Facilitating conditions is also another major factor that influences M-banking adoption in this study.

SCOPE OF THE STUDY

The study involves knowing the customer attitude toward banking apps in Madurai. The study is based on nationalized banks and private banks. In and around, there were a greater number of banks in both the private sector and the public sector. Considering the six banks that were chosen for the studies, the banks were as follows: SBI Bank, Bank of Baroda, Canara bank in the public sector, and in the private sector we prefer TMB, ICICI BANK, HDFC BANK.

OBJECTIVES OF THE STUDY

To know the attitude of people using banking apps.

To identify the most preferred banking app

To find out the expectations of the customer regarding banking apps.

To analyze the problem faced by problems while using a banking app.

To know the reason for using other payment apps.

RESEARCH METHODOLOGY

The study is to analyse the customer attitude towards the usage of different banking apps among the community in and around Madurai city. The data for this study is not easy to collect in a practical way, so considering this, the researcher selects simple random sampling and also the researcher differentiates two different sectors in banking, so it also includes the stratified sampling technique. The data was collected from primary as well as secondary sources. Based on the convenience for the researcher, the researcher selects the location for research. It also covers convenient sampling.

SAMPLE SIZE

The data was collected by the researcher from 100 respondents,

Public sector banks 50 respondents

Private sector banks 50 respondents

SOURCE OF DATA

The primary data collected from the bank customers through structured questionnaire which contains closed and open-ended questions.

The secondary is data has been collected from the websites, newspapers and magazines which are published and unpublished.

TOOLS FOR ANALYSIS

Percentage analysis

One-way anova

Chi square test

Independent sample t test

One sample t test

LIMITATIONS OF THE STUDY

The study covers the customers in different branches. The result of the study cannot be generalized to all branches in Madurai because each bank has a greater number of branches. Some hesitate to share their opinion. Some people hesitate to use technology provided by the banks. Even though they know about the app. Due to some precautionary steps, the data is not collected in an elaborate manner, the data is covered around friends and relative circles, so the result may vary if it is collected in a large manner.

ANALYSIS AND INTERPRETATION

PERCENTAGE ANALYSIS

AGE

Table 3.1 AGE

AGE	FREQUENCY	PERCENTAGE
20-30	71	71.0
30-40	17	17.0
40-50	5	5.0
50 ABOVE	7	7.0

The above table shows that 71% of respondents are belonging to 20-30 category, 17% of respondents are belonging to 30-40 category, 5% of respondents are belonging to 40-50 category, and 7% are belonging to 50 above category.

GENDER

Table 3.2 GENDER

GENDER	**FREQUENCY**	**PERCENTAGE**
MALE	24	24 .0
FEMALE	76	76 .0

For the given table it is concluded that 76% of respondents are female and 24% of respondents are male.

EDUCATIONAL QUALIFICATION

TABLE 3.3 EDUCATIONAL QUALIFICATION

EDUCATION QUALIFICATION	**FREQUENCY**	**PERCENTAGE**
H S C	18	18.0
U G	47	47.0
P G	35	35.0

The above table mentions that under graduate are maximum of 47% and there are minimum of secondary education which is 18%, and post graduate at35%.

OCCUPATION

TABLE 3.4 OCCUPATION

OCCUPATION	**FREQUENCY**	**PERCENTAGE**
PRIVATE EMPLOYEE	38	38.0

PUBLIC EMPLOYEE	11	11.0
BUSINESS	24	24.0
PROFFESIONAL	27	27.0

The above table shows there are 38% of respondents are private employees and they are the most users, 27% of respondents are professionals, 24% respondents do Business, and the least usages are covered by 11% of public employees.

HOLDING BANK ACCOUNT

Table 3.5 HOLDING BANK ACCOUNT

Holding different bank accounts	**FREQUENCY**	**PERCENTAGE**
SBI	50	50.0
BOB	8	8.0
CANARA BANK	18	18.0
HDFC BANK	17	17.0
ICICI BANK	14	14.0
TMB	29	29.0

The above table covers 50% of respondents from State Bank of India, 29% from Tamilnadu Mercantile Bank, 18% from Canara Bank, 17% from HDFC Bank, 14% from ICICI Bank, 8% from Bank Of Baroda.

CONVENIENT BANK APP FOR USAGE

Table 3.8 CONVENIENT BANK APP FOR USAGE

CONVENIENT BANK	**FREQUENCY**	**PERCENTAGE**
SBI	38	38.0
BOB	7	7.0
CANARA BANK	10	10.0

HDFC	11	11.0
ICICI	5	5.0
TMB	29	29.0

From the given table it is concluded 38% of respondents were satisfied with SBI, 29% were satisfied with TMB,7% from Bank Of Baroda 10% from Canara Bank 11% from HDFC.

VISTING BANK

Table 3.9 VISTING BANK

VISIT THE BANK	FREQUENCY	PERCENTAGE
DAILY	5	5.0
WEEKLY	14	14.0
MONTHLY	41	41.0
RARELY	40	40.0

The given table infers that 41% of respondents visit the bank monthly once, 40% of respondents visit the bank rarely, 5% of respondent visit the bank daily.

CONVENIENT FOR USAGE

Table 3.10 CONVENIENT FOR USAGE

CONVENIENT FOR USAGE	FREQUENCY	PERCENTAGE
VISITING BANK	18	18.0
DIGITAL BANKING	82	82.0

The given table infers that 82 %respondents are convenient with digital payment while 18% of respondents are convenient to visit the bank.

APP INTRODUCER

Table 3.11 APP INTRODUCER

APP INTRODUCER	FREQUENCY	PERCENTAGE
BANK EMPLOYEE	37	37.0
FRIENDS	44	44.0
RELATIVES	19	19.0

The above table infers that 44% are friends, 37% are bank employees, and 19% are relatives.

ONE WAY ANOVA

To test whether there is significant difference between age group with regard to digital payment usage.

H0: There is no significance difference between age group with regard to digital payment usage.

H1: There is a significant difference between age group with regard to digital payment usage.

TABLE 3.12 ONE WAY ANOVA

DIGITAL PAYMENT USAGE						
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Upper Bound
20-30	71	9.7183	2.19859	.26092	9.1979	10.2387
30-40	17	10.1176	1.40900	.34173	9.3932	10.8421
40-50	5	9.6000	2.88097	1.28841	6.0228	13.1772
50&above	7	9.0000	2.00000	.75593	7.1503	10.8497
Total	100	9.7300	2.09306	.20931	9.3147	10.1453

	Sum of Squares	**Df**	**Mean Square**	**F**	**Sig.**
Between Groups	6.379	3	2.126	.478	.699
Within Groups	427.331	96	4.451		
Total	433.710	99			

As the p value is significant at 5% level, So the null hypothesis is rejected and alternative hypothesis is accepted, there is significant difference between age group and digital payment usage

CHI – SQUARE TEST

To test whether there is significant difference between bank sectors and complaints raised by the users.

H0: There is no significant difference between bank sectors and complaints raised by the users.

H1: There is a significant difference between bank sectors and complaints is raised by the users.

TABLE 3.13 CHI- SQUARE TEST

			Do you have any complaints while using the bank app like?			
			YES	NO	MAY BE	Total
Which sector bank is best for digital payments?	PRIVATE SECTOR	Count	13	27	15	55
		Expected Count	13.2	25.3	16.5	55.0
	PUBLIC SECTOR	Count	11	19	15	45
		Expected Count	10.8	20.7	13.5	45.0
		Count	24	46	30	100

Total	Expected Count	24.0	46.0	30.0	100.0

	Value	**df**	**Asymptotic Significance (2-sided)**
Pearson Chi-Square	.564[a]	2	.754
N of Valid Cases	100		

As the p value is significant at 5% level, So the null hypothesis is rejected and alternative hypothesis is accepted So there is a significant difference between bank sectors and complaints raised by the users.

INDEPENDENT SAMPLE T-TEST

To test whether there is a significance difference between genders with regard to the bank app usage.

H0: There is no significant difference between genders with regard to the bank app usage.

H1: There is a significant difference between genders with regard to the bank app usage.

TABLE 3.14 INDEPENTENT SAMPLE T-TEST

	Gender	**N**	**Mean**	**Std. Deviation**	**Std. Error Mean**
Total	Male	24	48.5000	5.34057	1.09014
	female	76	49.4211	6.80052	.78007

			t-test for Equality of Means						
	F	**Sig.**	**T**	**df**	**Sig. (2tailed)**	**Mean Difference**	**Std. Error Difference**	**95% Confidence Interval of the Difference**	
								Lower	**Upper**
Equal variances assumed	.136	.713	.606	98	.546	-.92105	1.51901	-3.93549	2.09338

Equal variances not assumed			.687	48.671	.495	-.92105	1.34049	-3.61533	1.77323

As the p value is more than 5% so the null hypothesis is accepted and the alternative hypothesis is rejected, so the there is a significance difference between gender and the bank app usage.

ONE SAMPLE T-Test

To test whether the opinion regarding the best bank for using digital payment

H0: The opinion regards the usage of the bank are below or not above the average level.

H1: The opinion regards the usage of the bank are above the average level.

	N	**Mean**	**Std. Deviation**	**Std. Error Mean**
The best and convenient banking	100	3.25	2.120	.212

	Test Value = 0					
	T	**Df**	**Sig. (2-tailed)**	**Mean Difference**	**95% Interval Difference**	**Confidence of the**
					Lower	**Upper**
The best and convenientbanking	15.334	99	.000	3.250	2.83	3.67

As the p value is significant at one percentage level, we reject the null hypothesis and accept the alternative hypothesis that the opinion scores are above the average level.

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSIONS

FINDINGS

About 71% of the respondents belong to 20 to 30 group, it can be concluded that the respondents are between the age group 20-30 are more involved in digital banking.

About 76% of the respondents are females and are eager to involve in mobile banking.

About 47% have studied under graduate, so there is less concentration in spreading awareness.

About 38% are private employees and also, it is found out that most of the people save their time in an effective manner.

About 50% of the respondents are covered by State Bank of India. So, compare to private and public sector banks, public sector of SBI covers most people of them in mobile banking app.

About 61% of the respondents are having more than one bank account and remaining are using one bank account.

The respondents covered by savings account are 72%. Most of the respondents covered in employees' category so they are using only savings account.

About 38% of the respondents are satisfied with SBI app and most of the respondents use SBI app.

About 82% of the respondents say that they are convenient with digital payment. This shows that they are comfort with digital payments.

The respondents were aware of this app by their friends is 44%. Compared to bank employees', people are getting the banking app details from their friends based on word-of-mouth promotional activity.

As the p value is significant at 5% level, So the null hypothesis is rejected and alternative hypothesis is accepted, there is significant difference between age group and digital payment usage.

As the p value is significant at 5% level, So the null hypothesis is rejected and alternative hypothesis is accepted So there is a significant difference between bank sectors and complaints raised by the users.

As the p value is more than 5% so the null hypothesis is accepted and the alternative hypothesis is rejected, so there is a significance difference between gender and the bank app usage.

As the p value is significant at one percentage level, the null hypothesis is rejected and the alternative hypothesis is accepted, it infers that opinion scores are above the average level.

SUGGESTIONS

- The respected bank should create more awareness for using their bank app forbanking transaction.
- The respondents should come up if there are any queries and feel free to ask with theirbank employees it in turn protect them with insecurity.
- The bank should take promotional activities to cover their customer with theirupgraded technology.
- The customer satisfaction level should be increased and the expectation of the customers should be fulfilled.

CONCLUSION

The role of technology is increasing day by day. The various sectors of India are growing at much faster rate with the help of technology. Mobile banking is also a big mobile telecommunication platform of new technology, which promotes the banking function in India. Mobile banking apps which are given also helps the banks to increase their customers. Today everyone has mobile phones in their hands. The increasing frequency of mobile internet users gives the energy to the mobile banking through their respective bank apps. This paper explores the importance of safest and fastest mobile banking user satisfaction in the new era of technology which helps the banking industry to grow at higher speed.

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