

## **A STUDY OF MOBILE BANKING AND ITS IMPACT ON CUSTOMER BANKING TRANSACTIONS WITH SPECIAL REFERENCE TO HDFC BANK**

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### **ABSTRACT**

In India, we have more than 900 million mobile users but still mobile banking is used by 40 million customers approximately. There can be various reasons behind this, such as need of active collaboration between banks and Telecom Company, lack of accessibility to customers, cost, awareness about the mobile banking app etc. Banks have to work on creating mobile banking awareness among the customers. They need to promote the benefits of mobile banking and its effectiveness. In this paper, we aim to determine how the mobile banking services offered by HDFC is helping the customers in their banking transactions. Customer has different views on mobile banking services provided by HDFC. We examine the expectations of customers from HDFC towards mobile banking system. In this paper we also evaluate the impact of mobile banking on customer experience after using mobile banking. This paper reflects the change in transactions mode of customers through mobile banking. This paper also shares the initiatives taken by customers in their banking usage after switching to mobile banking. For the survey around 100 customers of HDFC are selected. The Research mainly aims to study about how the mobile banking services offered by HDFC is making the lives of the customers as well as the bankers easier. It also studies about the various Mobile Banking Services offered by HDFC and its role in the customers banking transactions. It also enlists factors that influence customers to choose mobile banking over various other e-banking channels.

Key Words: Mobile Banking, Accessibility, Banking Transactions, Initiatives, Expectations, EBanking Channels

## INTRODUCTION

The brisk or quick improvement of the portable media transmission industry alongside remote innovation and web made another correspondence innovation named as 4G or Fourth Generation with properties as speed or tweaked/customized administrations/services, interactive multimedia and sound, predominant quality video, and quick broadband web [1-3]. Versatile/cell-phone banking is a basic, sheltered and quick service given by banks or other money related establishment which enables its clients to direct monetary exchanges remotely utilizing a cell phone. At first the dominant part of banks began with only short message service based banking services to drive the transaction messages to the customer.

After the evolution of smartphones, various operating systems to mobile phones and many apps, the Bank and other financial institutions adopted some of the new technologies like fund transfer, utility bill payments, ticket booking, mobile/DTH recharge etc. Real Banks have created a portable application which encourages bank's customers to get account clarifications as passbook and other transaction details with the assistance of their advanced cells/tablets whenever it might without visiting the Banks. convenient way to access account details while on the move. Fourth Generation (4G) remote portable innovation structure is a latest remote electronic gadget standard with features like improved data conversion scale, high security, modified and unavoidable administrations /services, smart intuitive media, voice, video, remote web and other broadband services with quick and effective.

This 4G technology can be affectively used in order to successfully implement and deliver mobile banking services worldwide. Cell-phone based banking (m-managing an account) is seen as one of the most recent internet and mobile enabled money services to its clients. Despite the fact that Automated Teller Machine (ATM), phone, and Internet based banking are managing an account benefits outside the banks and offers effective conveyance channels for customary money, versatile/cell-phone banking is the most up to date circulation channels built up by the banks in many developed and developing nations with more accentuation on omnipresent nature of administration accessibility.

## **NEED AND SCOPE OF THE STUDY**

Technology helps in the improvement of the services rendered by Global banking sector. Mobile banking is one such initiative using the technology. Flexibility is something that every bank customer aspires for and mobile banking indeed provides such Flexibility. This research work aims to understand the impact of Mobile Banking on Banking transactions. The need of the study is to analyze how Mobile Banking offers flexibility in doing Banking transactions compared to other modes of E-Banking and how it is different from Internet banking. The respondents covered are customers of HDFC Bank. The study mainly focused on how Mobile phones are helping customers perform banking transactions better. It also covers about the various Mobile Banking Services offered by HDFC Bank

## **PERIOD OF THE STUDY**

The period of study is for two months from January 2023 to March 2023.

## **RESEARCH GAP**

Although there are many studies related to mobile banking most of the studies are related to the customer satisfaction of mobile banking or mobile banking in general but a very few studies are about the mobile banking operations. People are more interested about how mobile banking helps customers rather than how happy they are with mobile banking. Also most of them have done the study generally or else comparing the Services of various banks as a result nobody has a deeper understanding about a particular bank. So this study bridges the gap by studying about how Mobile Banking helps customers perform their transactions better and also talks about one particular bank.

## STATEMENT OF RESEARCH PROBLEM

To access the financial services, various banks have implemented Mobile banking services to its customers. Banks have also invested major portion of its funds in order to reach its customers anytime and also to reduce cost of providing such benefits. Although Mobile Banking Services are provided by many banks, even today we find customers standing in long queues to get the transaction done or depend on Internet Banking which lacks flexibility. Therefore the research made an attempt to study the role of Mobile Banking in customer banking transactions. The study aims to encourage people to using mobile banking rather than standing in long queues or use internet banking which is less flexible in nature.

## RESEARCH OBJECTIVES

The main objectives that the study aims to cover are as follows

- I. To study the impact of Mobile banking on customer banking transactions at hdfc
- II. To study the most used mobile banking services
- III. To study and enlist factors that influence customers to prefer mobile banking over various e-banking models

## HYPOTHESIS

Hypothesis (H1) : There exists a significant influence of knowledge of banking staff on mobile banking on consumer perception of mobile banking

Hypothesis (H2) : There exists a significant influence of Bank's image on the consumer's perception of mobile banking

## **RESEARCH DESIGN**

In this study descriptive research method is applied to measure the role of Mobile Banking in customer banking transactions. The researcher has measured the variables of mobile services such as network, reasonable pricing, easy accessibility, trust, time saving etc. and its impact on the customer satisfaction. The paper will be being conducted to get a deep insight and understanding about how Mobile Banking is making banking transactions easier.

## **METHODOLOGY**

Online questionnaires were sent to people who were customers at HDFC. The respondents were asked to give their opinion on how Mobile Banking is helping them in banking transactions and also about the use of various Mobile Banking Services offered by HDFC.

## **SAMPLE SIZE**

Sample Size of 110 customers of HDFC Bank were selected for the study. Cluster sampling technique is followed where the customers are divided on the basis of banks and one entire Cluster(HDFC) is selected. To also increase the number of respondents snowball sampling technique is followed where one respondent sends it to someone else they know.

## **DATA COLLECTION METHODS**

Primary data is mainly collected from online questionnaire and secondary data is collected From various sources such as websites research papers and journals.

## **TOOLS USED FOR ANALYSIS**

### **1. CORRELATION**

Correlational research is a type of non-experimental research method, in which a researcher measures two variables, understands and assess the statistical relationship between them with no influence from any extraneous variable. So, correlation analysis is used to understand the nature of relationships between two individual variables. Correlation analysis as a research method offers

a range of advantages. This method allows data analysis from many subjects simultaneously. Moreover, correlation analysis can study a wide range of variables and their interrelations. The distinctive feature of correlational research is that neither of the variable involved is manipulated. The correlation between two variables is shown through correlation coefficient (A correlation coefficient is a statistical measure that calculates the strength of the relationship between two variables), that is a value measured between -1 and +1.

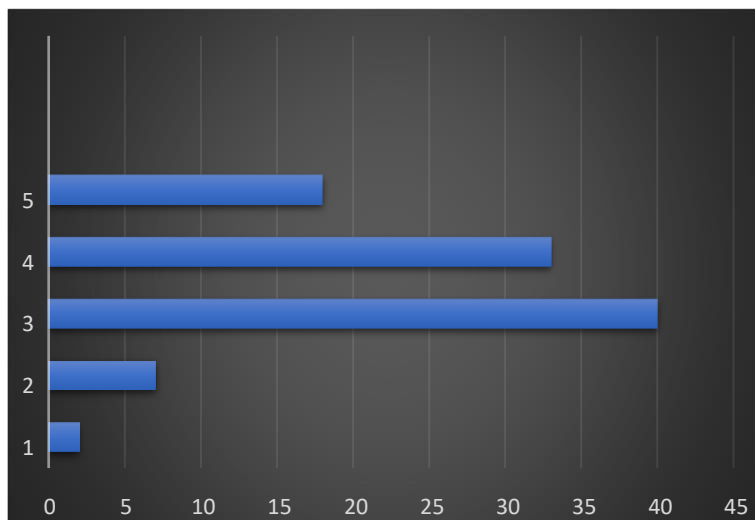
- When the correlation coefficient is close to +1 then there is a positive correlation between the two variables. A positive correlation between two variables is when an increase in one variable leads to an increase in the other variable and a decrease in one variable will see a decrease in the other variable.
- When the correlation coefficient is close to the value -1, then there is a negative correlation between the two variables. A negative correlation is quite literally the opposite of positive correlation. This means, if there is an increase in one variable, the second variable will show a decrease and vice versa.
- When the value is close to zero then there is no relationship between the two variables. In this third type, two variables are not correlated. This means a change in one variable may not necessarily see a change in the other variable.
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## 2. DESCRIPTIVE STATISTICS

Descriptive statistics are brief informational coefficients that summarize a given data set, which can be either a representation of the entire population or a sample of a population. Descriptive statistics are broken down into measures of central tendency and measures of variability (spread).

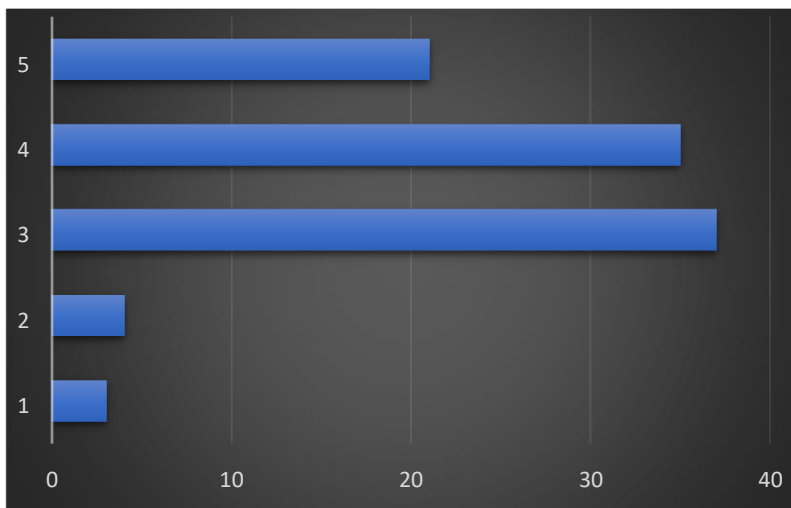
### DESCRIPTIVE ANALYSIS

INITIAL PERCEPTION ABOUT MOBILE BANKING SERVICES OFFERED BY HDFC



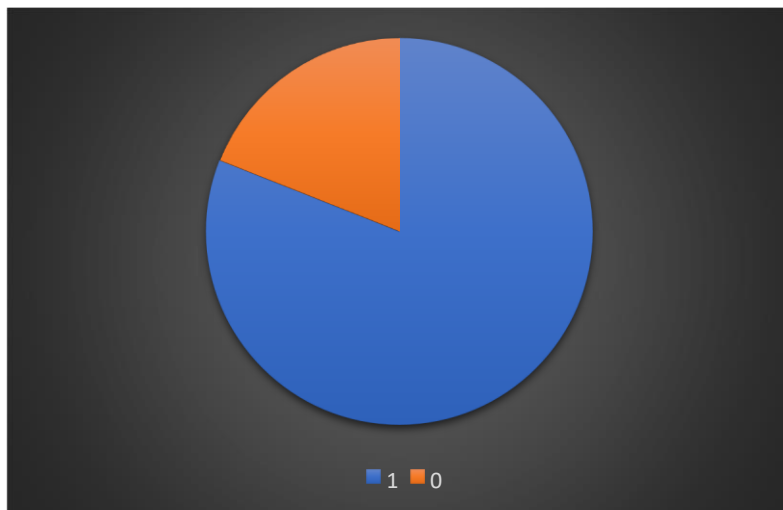
Out of the 100 Respondent most of them had rated 3 for the initial perception followed by 4.

PERCEPTION AFTER USING

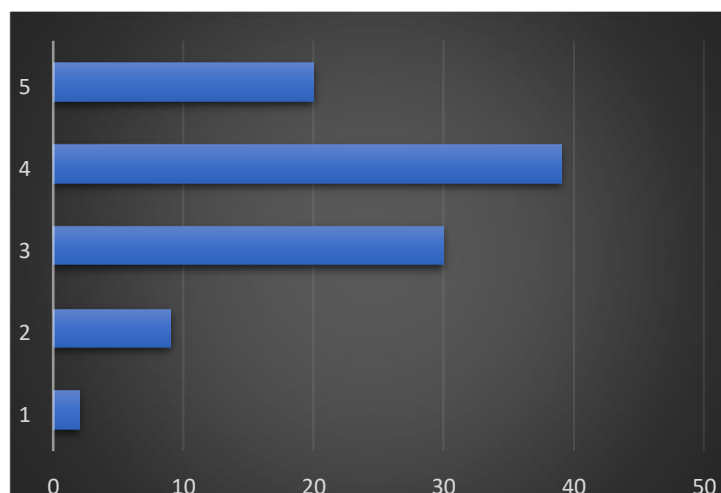


Out of 100 respondents majority had rated 3 only even after using the mobile banking services offered by HDFC followed by 4 and 5.

### POSITIVE IMPACT ON CUSTOMER AND BANK



Out of the 100 respondents 81 of them felt that the M-Banking services has made a positive impact on the customer and bank while 19 people felt it didn't.





Out of the 100 respondents majority rated 4 which indicates that the banker can almost solve a M-Banking problem but not entirely followed by 3 which indicates that they can solve the problem only partially.

**DESCRIPTIVE STATISTICS OF THE DEMOGRAPHIC PROFILE**

FACTORS	GENDER	OCCUPATION	AGE	BANK ACCOUNT
Mean	1.504	1.863	3.4	1.754
Median	2	2	4	2
Mode	2	2	2	1
Standard Deviation	0.502	0.759	1.369	0.814
Sample Variance	0.252	0.577	1.875	0.663
Count	110	110	110	110

FACTORS	The mbanking services offered by HDFC IS Making my life easier	The MBanking services offered by HDFC is the best	M-Banking is a combination of EBanking Channels	Overall Rating	How often do you use m-banking in a week	Perceptio n after using MBanking services offered by HDFC
MEAN	3.676	3.575	3.505	3.646	3.464	3.626
MEDIAN	4	4	4	4	3	4
MODE	3	3	4	4	3	3
SD	0.878	0.972	1.081	0.954	1.408	1.015
SV	0.777	0.945	1.169	0.91	1.218	1.0323645
COUNT	100	100	100	100	100	100

## HYPOTHESIS TESTING

Hypothesis 1 stated earlier is tested using correlation coefficient

<i>Variable</i>	<i>Customer Perception</i>	<i>Banker Knowledge</i>
Customer Perception	1	0.9275
Banker Knowledge	0.9275	1

$R=0.927$   $P=0.023$

$0.023 < 0.05$  (significant)

There is a significant and strong relationship between the perception of customers and the bankers knowledge  $R=0.927$   $P < 0.05$ . Hence the Alternative Hypothesis is Accepted.

Hypothesis 2 is also tested using correlation coefficient

<i>Variable</i>	<i>Bank Image</i>	<i>Initial perception</i>
Bank Image	1	0.908
Initial perception	0.908	1

$R=0.908$   $P=0.032$   $0.032 < 0.05$  (significant)

There is a significant and strong relationship between the perception of customers and the bank image  $R=0.908$   $P < 0.05$ . Hence the Alternative Hypothesis is Accepted.

## FINDINGS

- Out of the 100 Respondent most of them had rated 3 for the initial perception followed by 4 and 5. The first impression of customers towards M-Banking was Neutral one.
- Out of 100 respondents majority had rated 3 only even after using the mobile banking services offered by HDFC followed by 4 and 5. It shows that HDFC was able to change the perception of the customers only to a certain extent.
- Out of the 100 respondents 81 of them felt that the M-Banking services has made a positive impact on the customer and bank while 19 people felt it didn't.
- Out of the 100 respondents majority rated 4 which indicates that the banker can almost solve a M-Banking problem but not entirely followed by 3 which indicates that they can solve the problem only partially. But it is clearly seen that most of the bankers can solve the problems and it is due to proper knowledge training and skills.
- There is a significant and strong relationship between the perception of customers and the bankers knowledge  $R=0.927$   $P < 0.05$ . Hence the Null Hypothesis is Rejected. It shows that higher the bankers knowledge higher the customers perception and vice versa.

- There is a significant and strong relationship between the perception of customers and the bank image  $R=0.908$   $P<0.05$ . Hence the Null Hypothesis is Rejected. It shows that higher the bank image higher the customer perception and vice versa.

## LIMITATIONS OF THE STUDY

It did not cover each and every customer of HDFC Bank. So a broader view of the customers regarding the banking operations was not possible

Bankers point of view would have made the study a complete one

The customers opinion about Mobile Banking Services offered by HDFC May not be true.

## SUGGESTIONS

1. The customer's safety in-terms of availing the services should be strengthened as there is a possibility of hacking and cracking of personal details.
2. Customers must be given individual training regarding the usage of the Mobile Banking services who want to avail such services as they may not be technically sound and also it takes some time for understanding the technology.
3. Similarly training should be given to the bankers as well regarding the operation of M-Banking so that if at all any problem arises due to mobile banking the banker can solve it in an instant.
4. There are many issues cropping up due to the complex app interface to solve that problem the website should be made in such a way that it becomes easy to navigate or else if it is still a complex interface the customers should receive some guidance .

5. The power of personalization services through mobile banking apps has not yet plateaued. This includes both UX and content personalization. A UX personalization would involve allowing users to customize home screens, choose colors and increase or decrease font sizes. With additional how-to-guides and quick access to customer support (help buttons) would assist customers who prefer self-service. In this way the customer need on depend on the bank much for assistance.

## CONCLUSION

It is identified that most of the HDFC Customers are satisfied with the M-Banking services and are also able to use the mobile banking services with ease and are also ready to accept changes. The customers are ready to continue using the mobile banking services offered by HDFC and are also willing to recommend it to others. The study concludes with an analysis and suggestion on various factors affecting Mobile banking namely giving importance and taking immediate measures on security issues so that the customer shall not face the factor such as in-complete transaction and problem of network, awareness and training to customers regarding the technical aspects, and make them feel confident in adapting the mobile banking in their daily life whether they continue to be a HDFC Bank customer or not the M-Banking knowledge is very important as it is very helpful in the long term.

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