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3. A Study of Customer's Opinion About Online Banking V/S Mobile Banking W.R.T. Trust, Security and Precautions

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ABSTRACT:

The banking sector is an example in which information-technology infrastructures have had implications on the economic development of many nations in the developing world. It is important to note that the banking industry was one of the very first to utilize information technology back in the 1960s, and has thus a record of influencing the development process through the technology. Online banking makes everything we do with our finances a bit easier. We can access the information anywhere that we have access to the Internet. In recent time Mobile banking is most often performed via SMS or the Mobile Internet but can also use special programs called clients downloaded to the mobile device. Here, the researcher has taken three aspects i.e. trust, opinion and precautions to be taken w.r.t. online banking and mobile banking. The researcher has tried to analyze the same with the help of standard deviation and t-test. 250 respondents are surveyed through pre-structured questionnaire.

KEYWORDS:

Online banking, mobile banking, Standard deviation and t-test.

1. Introduction:

The banking sector is an example in which information-technology infrastructures have had implications on the economic development of many nations in the developing world. It is important to note that the banking industry was one of the very first to utilize information technology back in the 1960s, and has thus a record of influencing the development process through the technology. There are many examples of information-technology applications in the banking sector that have helped build new markets and fuel the economy. For example, ATM, Internet banking and mobile banking etc.

Online banking is becoming much more common. We can pay our bills online and access a record of our checking account transactions online. Online banking makes everything we do with our finances a bit easier.

We can access the information anywhere that we have access to the Internet. It makes our financial life much easier to manage. In short, online bank provides the financial service for the individual client by means of internet.

Mobile Banking (MB) means a financial transaction conducted by logging on to a bank's website using a cell phone, such as viewing account balances, making transfers between accounts, or paying bills. It is a term used for performing balance checks, account transactions, payments etc. via a mobile device such as a mobile phone. In recent time Mobile banking is most often performed via SMS or the Mobile Internet but can also use special programs called clients downloaded to the mobile device.

2. Review of Literature:

Rangan, V. Kasturi and Lee, Katharine L., (2012), "Mobile Banking for the Unbanked ",

The case describes in detail the workings of two mobile banking operators in Africa-WIZZIT in South Africa and M-PESA in Kenya. It explores the dimensions of strategy that make for success in the market for the unbanked. It raises questions regarding the portability of the model to other countries and settings.

Safeena R., Date H., Kammani A. (2011), "Internet Banking Adoption in an Emerging Economy: Indian Consumer's Perspective", revealed that Information Technology Services is considered as the key driver for the changes taking place around the world. Internet banking (IB) is the latest and most innovative service and is the new trend among the consumers. The shift from the formal banking to e-banking has been a 'leap' change. This study determines the factors influencing the consumer's adoption of internet banking in India and hence investigates the influence of perceived usefulness, perceived ease of use and perceived risk on use of IB. It is an essential part of a bank's strategy formulation process in an emerging economy like India. Survey based questionnaire design with empirical test was carried out. The results have supported the hypothesis

Datta S. K. (2010), "Acceptance of E-banking among Adult Customers: An Empirical Investigation in India", revealed that Internet banking is a form of self-service technology. The numbers of Internet users have increased dramatically, but most of them are reluctant to provide sensitive personal information to websites because they do not trust e-commerce security. This paper investigates the factors which are affecting the acceptance of e-banking services among adult customers and also indicates level of concern regarding security and privacy issues in Indian context. Primary data was collected from 200 respondents, above the age of 35, through a structured questionnaire. Statistical analysis, descriptive statistics was used to explain demographic profile of respondents and also Factor and Regression analyses were used to know trend of internet use and factors affecting e-banking services among adult customer in India.

Khan M. S., Mahapatra S. S., (2009), "Service quality evaluation in internet banking: an empirical study in India" Demographic analysis of data reveals that gender is hardly a bias for use and evaluation of service quality of i-banking in most of the cases across various categories of customers.

A valid mathematical model is proposed to assess the overall service quality using regression analysis. The results show that customers are satisfied with quality of service on four dimensions such as reliability, accessibility, privacy/security, responsiveness and fulfillment, but least satisfied with the 'user-friendliness' dimension.

The empirical findings not only priorities different parameters but also provide guidelines to bankers to focus on the parameters on which they need to improve. The analysis showed that three variables (relative benefits, propensity to trust and structural assurances) had a significant effect on initial trust in mobile banking.

3. Objectives of The Study:

1. To study the opinion of the customer about Online Banking and Mobile banking w.r.t. trust, security and precautions.
2. To compare the opinion of the customer about Online Banking and Mobile banking w.r.t. trust, security and precautions.

4. Research Methodology:

Research universe: Commercial Banks in Thane city

Sample Size: 250

Sampling Method: Simple random sampling

Data Collection Method: Primary Data

Data Collection Tool: Questionnaire

Data Analysis tool: Standard deviation, Mean and t-Test

Hypothesis of Study:

H1: The opinion of the customer about Online Banking and Mobile banking w.r.t. trust, security and precautions are independent of each other.

5. Analysis and Interpretation of Data:

1. Customer's Trust On Their Bank While Using MB:

In questionnaire five questions were related to customer's trust on their bank. The maximum score for each question was 4, thus the total maximum score was 28. The following table shows the mean score of the customer's trust on their bank (out of the total score i.e. 20), standard deviation and higher limit, moderate limit and lower limit.

Table 1: Customer's Trust On Their Bank

	Mean Score (Out of 20)	S.D.	Higher Limit	Moderate	Lower Limit
	15.18	3.89	19.07	15.18	11.29
No. of Customer	250		22	199	29
Percentage of Customers	100 %		8.8 %	79.6 %	11.6 %

The above table shows that the mean score of the customer's trust on their bank was 15.18. The standard deviation was 3.89. 8.8% customers were having full trust on their banks while using MB. 79.6% customers were having moderate trust on their banks while using MB. 15.2% customers were having less trust or no trust on their bank while using MB.

2. Customer's Opinion About Security Provided by The Bank to MB Users:

In questionnaire three questions were related to customer's opinion about the security provided by the bank. The maximum score for each question was 4, thus the total maximum score was 12. The following table shows the mean score of the customer's opinion about the security provided by the bank (out of the total score i.e. 12), standard deviation and higher limit, moderate limit and lower limit.

Table 2: Customer's Opinion About the Security Provided by The Bank

	Mean Score (Out of 12)	S.D.	Higher Limit	Moderate	Lower Limit
	1.78	1.24	3.01	1.78	0.54
No. of Customer	250		56	69	125
Percentage of Customers	100 %		22.4 %	27.6 %	50 %

The above table shows that the mean score of the customer's opinion about the security provided by the bank was 1.78. The standard deviation was 1.24.

22.4 % customers believed that there are high chances of misuse their accounts if they use MB due to weak security provided by the banks. 27.6% customers believed that there are moderate chances of misuse their accounts if they use MB. 50% customers believed that there is less chance or no chance of misusing their accounts by other persons if they use MB. The study clearly shows that approximately 50% customers were satisfied with the security measures taken by the banks for MB users.

3. Precautions Taken by The Customers:

In questionnaire five questions were related to the precautions taken by the customers. The maximum score for each question was 4, thus the total maximum score was 20. The following table shows the mean score of the precautions taken by the customers (out of the total score i.e. 20), standard deviation and higher limit, moderate limit and lower limit.

Table 3: Precautions Taken by The Customers

	Mean Score (Out of 20)	S.D.	Higher Limit	Moderate	Lower Limit
	11.97	2.11	14.08	11.97	9.86
No. of Customer	250		33	191	26
Percentage of Customers	100 %		13.2 %	76.4 %	10.4 %

The above table shows that the mean score of the precautions taken by the customer was 11.97. The standard deviation was 2.11.

13.2% customers were taken high precautions, 76.4 % customers taken moderate precaution while 10.4% had not taken precautions or were taken less precautions.

4. Customer's Trust On Their Bank While Using OB:

In questionnaire seven questions were related to customer's trust on their bank. The maximum score for each question was 4, thus the total maximum score was 28. The following table shows the mean score of the customer's trust on their bank (out of the total score i.e. 28), standard deviation and higher limit, moderate limit and lower limit.

Table 4: Customer's Trust On Their Bank

	Mean Score (Out of 28)	S.D.	Higher Limit	Moderate	Lower Limit
	21.20	3.66	24.86	21.20	17.53
No. of Customer	250		31	181	38
Percentage of Customers	100 %		12.4 %	72.4 %	15.2 %

The above table shows that the mean score of the customer's trust on their bank was 21.20. The standard deviation was 3.66.

12.4% customers were having full trust on their banks. 72.4% customers were having moderate trust on their banks while 15.2% customers were having less trust or no trust on their bank.

5. Customer's Opinion About Security Provided by The Bank to OB Users:

In questionnaire three questions were related to customer's opinion about the security provided by the bank. The maximum score for each question was 4, thus the total maximum score was 12. The following table shows the mean score of the customer's opinion about the security provided by the bank (out of the total score i.e. 12), standard deviation and higher limit, moderate limit and lower limit.

Table 5: Customer's Opinion About the Security Provided by The Bank

	Mean Score (Out of 12)	S.D.	Higher Limit	Moderate	Lower Limit
	3.32	0.70	4.02	3.32	2.62
No. of Customer	250		59	189	02
Percentage of Customers	100 %		23.6 %	75.6 %	0.8 %

The above table shows that the mean score of the customer's opinion about the security provided by the bank was 3.32. The standard deviation was 0.70.

23.6 % customers believed that there are high chances of misuse their accounts if they use OB due to weak security provided by the banks. 75.6% customers believed that there are moderate chances of misuse their accounts if they use OB. 0.8% customers believed that there is less chance or no chance of misusing their accounts by other persons if they use OB. The study clearly shows that customers are not satisfied with the security provided by the banks to their OB users as they felt that somebody may misuse their accounts.

6. Precautions Taken by The Customers While Using OB:

In questionnaire five questions were related to the precautions taken by the customers. The maximum score for each question was 4, thus the total maximum score was 20. The following table shows the mean score of the precautions taken by the customers (out of the total score i.e. 20), standard deviation and higher limit, moderate limit and lower limit.

Table 6: Precautions Taken by The Customers

	Mean Score (Out of 20)	S.D.	Higher Limit	Moderate	Lower Limit
	11.83	1.03	12.86	11.83	10.80
No. of Customer	250		32	169	49
Percentage of Customers	100 %		12.8 %	67.6 %	19.6 %

The above table shows that the mean score of the precautions taken by the customer was 11.83. The standard deviation was 1.03. 32% customers were taken high precautions, 67.6 % customers taken moderate precaution while 19.6% had not taken precautions or were taken less precautions.

Comparison of the MB and OB users' trust on the banks:

Table 7: Comparison of MB and OB users' trust on the banks

	Sample Size	Mean	S.D.	t
OB users' trust on the bank	250	21.20	3.66	0.15
MB users' trust on the bank	250	21.26 *	5.45 *	
df	498			

Seven questions were asked to know the OB users' trust o their banks and five questions were asked to know the MB users' trust on their banks. To calculate t ratio, first researcher converted the score of MB users by dividing each score by 5 and multiply by 7 and then calculated the mean and standard deviation and t ratio was obtaining.

From table D, for df =498

Tabulated t = 1.96 at 0.05 level

= 2.58 at 0.01 level

From the preceding table it is seen that:

The t ratio is 0.15. The obtained t ratio is smaller than 1.96 and hence is not significant at 0.01 level or 0.05 level. Hence, the null hypothesis was accepted. Thus, there is no significant difference in the OB users' and MB users' trust on their banks. The mean score of MB and OB users' trust on their bank was more than 21 out of 28. Therefore, the researcher concluded that MB and OB users' have more than 75% trust on their banks.

Comparison of the customers' opinion about security provided by the banks to MB and OB users: The next table shows the customers' opinion about security provided by the banks to MB and OB users.

Table 8: Customers' opinion about security provided by the banks to MB and OB users

	Sample Size	Mean	S.D.	t
Security provided by the bank to OB users	250	3.32	0.70	17.12
Security provided by the bank to MB users	250	1.78	1.24	
df	498			

From table D, for df =498

Tabulated t = 1.96 at 0.05 level

= 2.58 at 0.01 level

From the preceding table it is seen that:

The t ratio is 17.12. The obtained t ratio is greater than 2.58 and hence is significant at 0.01 level. Hence, the null hypothesis was rejected. Thus, there is significant difference in the opinion of the customers about the security provided by the banks to MB and OB users.

The mean score of the customers' opinion about security provided by the bank to OB users was 3.32 and the mean score of the customers' opinion about security provided by the bank to MB users was 1.78. It indicates that the customers feel that bank provides more security to OB users as compared to MB users.

Comparison of the Precautions taken by the customers while using MB and OB:

Table 9: Comparison of precautions taken by the customers while using MB and OB

	Sample Size	Mean	S.D.	t
Precautions taken by the customer while using OB	250	11.83	1.03	0.97
Precautions taken by the customer while using MB	250	11.97	2.11	
df	498			

From table D, for df =498

Tabulated t = 1.96 at 0.05 level

= 2.58 at 0.01 level

From the preceding table it is seen that:

The t ratio is 0.97. The obtained t ratio is smaller than 1.96 and hence is not significant at 0.01 level or 0.05 level. Hence, the null hypothesis was accepted. Thus, there is no significant difference in the precautions taken by the customers while using MB and OB. The mean score of precautions taken by the customers while using MB and OB was more than 11 out of 20. It indicates that MB and OB users took more than 55% security measures while using MB and OB.

6. Conclusion:

- The customers felt that OB is more useful than MB. MB is much easier to operate as compared to OB.
- The bank, bank officials and friends / colleagues encouraged the customers to adopt OB and MB, but they encouraged more to adopt OB as compared to MB.
- The study also revealed that some individual / groups have negative concept of OB and MB, thus they discouraged the customers for adopting MB and OB.
- There is no significant difference in the discouragement of the customer by individual / groups for adopting OB and MB.
- The customers using MB and OB have almost equal trust on their banks.
- The study showed that both customers i.e. MB users and OB users have more than 75% trust on their banks.
- Customers felt that banks provide more security to OB as compared to MB because of a high chance of misuse the accounts of the customer in OB.
- Both MB users and OB users took approx. 55% precautionary measures while using these services.

7. Scope for Further Research:

The researcher can further study the same aspects with respect to income pattern of consumers with further analysis of gender and educational background.

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