

Awareness of Mobile Banking among Rural Households

An Empirical Investigation

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ABSTRACT

Mobile phones have taken an imperative space as a communication tool in our life. Banks also have changed the method of banking services to their customer. With the vision to transform the society into a digitally empowered society, Government has expanded its platform from electronic Governance to mobile Governance which is becoming the most preferred mode for banking transaction among the common masses even in the rural areas. The mobile and wi-fi market has been rising rapidly and becoming fast growing market since the pandemic time period. It is seen that there has been tremendous growth in m-banking transaction postpandemic. Now customer can perform their banking transactions from anywhere anytime with the help of m-banking. The study was executed to find the awareness about the Mobile Banking services among the rural people of Darbhanga District.

Keywords: Mobile Banking services, Rural households, Digital Payment Mode

INTRODUCTION:

Financial Inclusion and Financial Literacy undoubtedly are among the buzzwords originated in India with the beginning of the 21st century and reached the vocabulary of social, economic, and political world of the country in a quick way. The economic status of India requires capital formation via saving and investment, with a view to achieve this aim a properly planned, promoted, and channelized pattern of investment among the rural households are required. The vulnerable group consisting mostly of rural households including weaker section and low-income groups continue to remain outside from the circle of most basic opportunities and services provided by financial sectors. It has been forwarded that the contribution of household sector saving towards GDP came down by 22.8% in 2011-12 to 21.9% in 2012-13. Household's saving has got plural significance. It provides the primary source of Investment and Financing both for the corporate sector as well as the Government. People from rural households avail the services of Banking at an affordable cost. With advent of technology in the arena of financial inclusion, electronic banking activity in rural areas has uplifted the household savings and better living standards (*The Economist, 2004*). Eventually the better living standard paves the way to balanced regional development (*Donner, 2008; Duncombe & Heeks, 2002; Hudson, 2006*). Financial inclusion campaign leads to organized financial system as well as better personal

financial management of low-income strata in a rural region which enable to inclusive growth as a whole. Inclusive banking gained pace after 1969 bank nationalization further supplemented by micro finance in the 1990s.

The mobilephone device has drastically transformed the life of people even in the villages. Now users even at the grassroots level are not using mobile devices for having long hours talk, but also to handle their bank accounts over their smart mobile phone. Now the preference of the customer has shifted from mobile banking as an effective and secured channel rather than ATM, online banking, physical presence in bank for personal banking etc. Mobile banking is becoming more preferable banking channel rather than Internet Banking and ATMs, which brings upgrade quality of services being provided by banks. The main cause according to present study is that Mobile Banking allows '*Anywhere Anytime Banking*' to customers. Mobile banking has reduced the time lag of services between the customer and bank and thus saves the time and money as a whole.

Digital Payment Modes The programme of "Digital India" is for transformation of the society into digitally empowered and to promote cashless transactions. There are different modes of digital payments are available like, USSD, banking cards, AEPS, UPI, Mobile Wallet, Banks Prepaid Card, POS, Internet Banking, Mobile Banking and Micro ATMs. Mobile banking has become the fundamental base for the digital transactions by providing information at the right time and the right place. Banks or financial institutions allows Mobile banking services to their customers. So that customers can conduct financial transaction remotely over the mobile handsets such as cell or tablet. Mobile banking software, also called an app. Banks or financial institution is developing such apps for providing banking services. Now Banks provide its own m-banking App for Android, IOS, Windows mobile platform(s). Peoples are carrying the bank in his pocket and make the transactions anytime anywhere. This study investigated the level of awareness of the M-banking services, and the use of the different available M-Banking App among the rural households. The study also tried to explain the basic knowledge and the pragmatic obstacles while using the various Mobile Banking Applications among the rural households.

NEED OF THE STUDY

India has become the 2nd biggest market for Smartphone after China. The govt. has been forcefully pushing payments through digital platform, especially after announcing its

demonetization. (BGR, 2017) The government has been constantly propagating the news regarding the significance of m-banking among common masses for the day-to-day banking purpose. The increase in surge for the digital business by the government has promoted usefulness of digital transactions. (Datta, 2017) M-banking has eventually become a best solution to gear up speed of goal of financial inclusion to the bottom of the pyramid. While compared to traditional brick mortar banking m-banking transactions is more economical and convenient so there is a need to boost the m-banking services in a huge way for the economic gain. Moreover, literature review showed that there is still need for spreading the awareness in all aspect among the common masses at the bottom of the pyramid.

OBJECTIVES OF THE STUDY:

- 1) To assess the awareness of the m-banking app in rural areas.
- 2) To study the usefulness of m-banking app in rural areas.
- 3) To explore the difficulty in using mobile banking app.

LITERATURE REVIEW

In India M- Banking now is becoming popular improving financial services at an affordable cost and time. Greater than 43.7 million mobile users used M-banking services in one form or the other. Demographically it is said that 60% of m-banking users are from 1-5 Lakh income group. (Desai, 2014) (Times, 2011). India has notably reduced cash dependency after the demonetization. This shows the success trends of motivating cashless transactions programme. (Datta, 2017) According to the data published after demonetization cashless transactions raised effectively and initiatives were being taken by various departments of the government, forcing the people for cashless transaction. (Datta, 2017) The principal advisor Niti Aayog Ratan Watal reported that digital payments raised 55% in volume and %24.2 in 2016-17 than 2015-2016. (News, 2019). Report stated on first March 2017 that the govt. has told to the all banks to offer m-banking facility to their customers by 31 March 2017 to boost digital transactions and also asked to make campaign about this so that customer can be enabled for m-banking transaction. The secretary of E & IT Aruna Sundaranjan reported that this step would support in the enhancement of digitally payment system. (BGR, 2017). Ramdhony and Steven had concluded from their study that many respondents don't faith on m-banking security. The study was focused on problems and acceptance of m-banking. (News, 2019) Banks are now using

mobile platforms as a new techniques of payment modes for commerce transactions and now only need is to use the secured platform. The report titled “Internet Saathi: Improving digital literacy among women”, published those initiatives taken by Tata Trust and Google India which has benefited to seventeen million women in rural area, India, which brings economic freedom to women. It shows that there will be gender balanced at workplace in future (Bhathija, 2018).

RESEARCH METHODOLOGY

This research paper is written with the help of secondary data and primary data. The primary data is collected through structured questionnaire from 80 respondents. Respondents were from rural areas like Khutwara, Gangwara, Benepatti, Sonki and other rural areas of the Darbhanga district. Conclusion is given based on primary data. The secondary data is considered from magazines and Journals, Articles, Newspapers, Internet Websites, Online and offline Libraries.

DATA ANALYSIS AND INTERPRETATION:

The present study attempts to explore the percentage of sample respondents having awareness and access to mBanking App in the selected rural areas of Darbhanga district with a well-structured questionnaire which was distributed among the niche segment of 80 respondents to elicit the response on having any awareness of m banking app. The response was analyzed on SPSS software using percentage crosstabulation as well as Chi-square Test. The above objectives are unfolded into following sub-objectives.

1. Demographic Profile of the sample respondents:

Table no.1
Demographic Profile

Variable	Classification	Total	
		number	percentage
gender	Male	42	52.5
	Female	38	47.5
Age	Below 18	18	22.5
	18-30	21	26.3
	30-50	24	30
	Above 50	17	21.3
Occupation	No Occupation	24	30
	Occupation	56	70
Monthly Income	No Income	24	30
	Less than 10k	33	41.2

	More than 10K	23	28.8
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The demographic profile of the respondents reveals that out of total respondents 52.5% are male and 47.5% are female. Most of the respondents i.e., 30% are from the age group of 31-50 years followed by 18-30 years. With regards to occupation, 70% of the respondents are occupied in distinct field and having income less than 10k, only 28.8% of the respondents having more than 10k income.

2. Awareness regarding mBanking App:

Table no.2

Awareness regarding mBanking App

	Frequency	Percent	Valid Percent	Cumulative Percent
No	18	22.5	22.5	22.5
Valid Yes	62	77.5	77.5	100.0
Total	80	100.0	100.0	

The study found that 77.5% of the respondents are having awareness of mBanking App.

3. Source of awareness of mBanking App:

Table no.3

Source of Awareness

Attributes	Frequency	Percent	Valid Percent	Cumulative Percent
Advertisement	9	11.3	11.3	11.3
friends and families	17	21.3	21.3	32.5
bank hoardings	19	23.8	23.8	56.3
others	18	22.5	22.5	78.8
dnt know	17	21.3	21.3	100.0
Total	80	100.0	100.0	

Bank hoardings is the most reliable source of awareness of mBanking app followed by family and friends.

4. Banking Transaction through mobile banking App:

Table no.4

Crosstabulation of Banking Transaction with frequency of using mBanking App

		Frequency of using mBanking App					Total
		not done	six monthly	monthly	weekly	daily	
banking transation	no	18	0	0	0	0	18
through mBanking App	yes	1	27	14	11	9	62
Total		19	27	14	11	9	80

It is depicted from the table that more than 75% of the respondents have done banking transaction through mobile app and mostly they do it in every six months.

5. Rating of performance of mBanking App:

Table no.5

Rating of mBaking App

Classification	Frequency	Percent	Valid Percent	Cumulative Percent
Bad	5	6.3	6.3	6.3
Good	12	15.0	15.0	21.3
Better	32	40.0	40.0	61.3
Best	17	21.3	21.3	82.5
don't know	14	17.5	17.5	100.0
Total	80	100.0	100.0	

40% of the respondents rate it better. Only 6.3% of the respondents do not like mBankingApp.

5. Reason for not using mBanking App:

Table no.5

Reason for not using mBanking App

Classification	Frequency	Percent	Valid Percent	Cumulative Percent
don't know how to operate	3	3.8	3.8	3.8

difficult to use	5	6.3	6.3	10.0
network problem	11	13.8	13.8	23.8
unable to download App	11	13.8	13.8	37.5
cannot understand problem	5	6.3	6.3	43.8
do not trust	11	13.8	13.8	57.5
Using	34	42.5	42.5	100.0
Total	80	100.0	100.0	

It is depicted from the table that network problem, lack of knowledge regarding download of app as well as lack of trust are the prudent reason for not using mBanking app.

6.Awareness of mBanking App among various demographic profile of the sample respondents:

In order to know the level of awareness among various demographic factors, data has been analyzed through crosstabulation. The result revealed from the table that males are more aware than women. The awareness level increase with ages but it is seen that there is low level of awareness among the people of old age. The level of awareness increases with income as well as those who are having occupation are more aware of mBanking App as compared to those who are having no source of earning livelihood.

Table no.6

Crosstabulation of Demographic Factor and Awareness of mBanking App

Demographic Factor	Classification	Awareness of mBanking App		Total
		No	Yes	
Gender	Male	4	38	42
	Female	14	24	38
Age	Below 18	3	15	18
	18-30	4	17	21
	31-50	2	22	24
	Above 50	9	8	17
Occupation	No	8	16	24
	Having Occupation	10	46	56
Income	No Income	8	16	24
	Less than 10K	10	23	33
	More than 10K	0	23	23

7. Association between demographic profile of sample respondents and awareness of mBanking App:

To find out the association between demographic profile of sample respondents and awareness of mBanking App, Chi- Square test is applied. To know whether significant association exist between the two variables mentioned above, following working hypothesis have been framed.

H₀: There is no association between demographic profile of sample respondents and mBanking App.

H₁: There is significant association between demographic profile of sample respondents and mBanking App.

The result of the test is summarized in Table No.6. The Pearson chi square test is applied with 5% level of significance. Null H₀ is rejected if the p value is less than .05. It is found there exist a significant association between gender (p value-.003) age (p value-.006), income (p value-.009) and mBanking App at 5% level of significance. There is nonsignificant association between occupation and mBanking App as indicated by insignificant value (.129) at 5% level of significance.

Table No.6

Association between mBanking App and Demographic Profile

Attributes	Chi -Square Results (P value)	Interpretation
Gender	.003	Reject H ₀
Age	.006	Reject H ₀
Occupation	.129	Accept H ₀
Income	.009	Reject H ₀

CONCLUSION:

The study can be epitomized in the sense that the people in the rural areas of Darbhanga district are having awareness regarding the use of mobile banking app due to penetration of smart phone at the more than 80% Of the households at bottom of the pyramid. Banks have extended the level of awareness regarding the use of digital financial services through hoardings, GrahakSeva Kendra as well as Banking Mitra's. It is revealed from the study that the key reason for not using the m Banking App is the lack of knowledge regarding the intricacies of mBankingApp, network Issue as well as the lack of trust on the technology. It is further analyzed that there is no

relationship among profession, with the level of awareness of m banking app. It is depicted from the table that gender, age and income are having association with awareness of m banking app as revealed by the chi Square value. The awareness in male is more than female. The awareness level increase with the ages but after 50 years that is old age group of people having less awareness as depicted in the table.

Thus, on the basis of above conclusion it is suggested that the need for training of m banking app from the reliable banking source is pertinent as it would not only provide basic knowledge regarding the digital financial services but would also develop a threshold level of trust at the grassroot level. All the measures undertaken by our very formal organization to promote digital financial services will not fulfill its aim till the time the people at the Grass root level himself want to be aware with full vigor. They themselves want to make change in their financial behavior so the formal organization need to start such initiative which would bridge the gap of financial ignorance, financial illiteracy and inadequate financial literacy at the bottom of the pyramid.

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