

Maintaining the Trust of consumer by banks in mobile banking

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ABSTRACT

The technology of banking and payments has made life easy and saves times and energy for the banks customers. The E-banking is one of the most accepted form of banks transaction in the years. With all the access to the e-banking the services are available to bank 24X7 and 365 days. It is easy access to all the information in the shortest time. Online payments and requests are made through the banks e-banking sites which are also called as net-banking. Net-banking is the safe, secured and also costs less.

The e-banking and mobile banking has also reduced the time for the banks in employing and training as most of the things are now done with the programmes. The calculation is now integrated into the software and thus gives the uniformity to the banks customers. One of the ways that we need to d the e-banking is bank away from bank. There are no holiday applied to the e-banking for the transfer of money and information related to banking. The gadgets or devices are the main means of the banking through e-banking. We see that the ability for the transactions is with more of clicks than the typing and the process can be more automated for a few options. Banking through the e-banking has bought in the much needed satisfaction with regards to securedness.

Keywords: Net Banking , Trust & e-Banking

LINTRODUCTION

Trust, and particularly the lack of or limited trust that many unbanked and underbanked consumers have for banks, was a recurrent theme throughout most of the focus groups and interviews conducted during this research. This is consistent with findings from the 2013 FDIC National Survey of Unbanked and Underbanked Households, in which the second most common reason unbanked households cited for not having a bank account was distrust or dislike of banks (34 percent of unbanked households indicated that was a factor in their decision to not have a bank account, and 15 percent indicated this was the main reason).⁵ Similarly, focus group dialogue indicated that many consumers are unfamiliar with banks and banking products and services. For many unbanked and underbanked consumers in these focus groups, banks are simply foreign entities. Indeed, they do not consider banks to be relevant to meeting their financial services needs. This section presents quotes and synthesizes descriptions from several bank executives about their perceptions of the lack of trust some

consumers feel for banks. These comments came up without prompting—bank executives were not directly asked in the interviews to discuss issues of trust. The section also includes comments from consumers and counselors about distrust and its effects on consumers' existing and potential relationships with banks, as well as the lack of familiarity many consumers have with banks and their products. The counselor and consumer focus groups discussion guide included specific questions about trust; consequently this group's discussion of their perspectives on trust and familiarity issues was substantially more detailed than that of the bank executives

II.LITERATURE REVIEW

E-banking is a generic term for delivery of banking services and products through electronic channels, such as the telephone, the internet, the cell phone, etc. The concept and scope of Ebanking is still evolving. It facilitates an effective payment and accounting system thereby enhancing the speed of delivery of banking services considerably. While E-banking has improved efficiency and convenience, it has also posed several challenges to the regulators and supervisors. Several initiatives taken by the government of India, as well as the Reserve Bank of India (RBI), have facilitated the development of E-banking in India. The government of India enacted the IT Act, 2000, which provides legal recognition to electronic transactions and other means of electronic commerce. The RBI has been preparing to upgrade itself as a regulator and supervisor of the technologically dominated financial system. It issued guidelines on risks and control in computer and telecommunication system to all banks, advising them to evaluate the risks inherent in the systems and put in place adequate control mechanisms to address these risks. The existing regulatory framework over banks has also been extended to E-banking. It covers various issues that fall within the framework of technology, security standards, and legal and regulatory issues (Prof. Gajanan T. Waghmare 2012)

The increased prevalence of mobile phones provides exciting opportunities for the growth of mobile banking (m-banking).This paper reviews the emerging research literature on m banking.It presents a classification framework for m-banking research based on 65 m-banking papers published between 2000 and mid-2010 in Information Systems (IS), technology innovation, management, and marketing journals, and major IS conferences. These papers are classified into five main categories: m-banking overview and conceptual issues, Features & Benefits of Mobile Banking, Current operating practices of commercial banks, Mobile banking/payment practices in Indian Commercial Banks and Challenges in India strategic, legal and ethical issues. It is expected that the comprehensive list of references and assessments presented in this paper will provide a useful anatomy of young m-banking literature to anyone who is interested in m-banking and help stimulate further interest (Vishal Goyal , Dr. U.S .Pandey, Sanjay Batra, 2012)

The Mobile Payment Forum of India (MPFI) has been formed with Institute for Development and Research in Banking Technology (IDRBT) and Rural Technology Business Incubator (RTBI), IIT Madras taking the lead role. It has member s and representatives from the 2telecommunications industry, financial institutions (banks and microfinance institutions) as well members from the Reserve Bank of India. Three sub- committees have been formed – on technology, on business models and on regulatory issues. The first meeting of MPFI was held

in Hyderabad on the 15th of September 2007. The subcommittees are expected to go over their particular concerns in depth and submit a report shortly. Lots of challenges are to be overcome for a successful implementation of mobile payments to be widely accepted as a mode of payment. Businesses, merchants and consumers have to come forward and make value-producing investments. A regulatory framework and widely accepted standards will be the pillars on which mobile payment applications will be built. Research so far has outlined adversity of thinking and innovation that exists in the m- payments arena. Numerous solutions have been tried and failed but the future is promising with potential new technology innovations (Vishal Goyal , Dr.U.S.Pandey, Sanjay Batra 2012).

Technology plays an important role in the banking. Mobile technology has become a common technology device that has become a part of an individual in the information era. Majority of the customers found in the survey were comfortable without using the Mobile Banking facility. It is found from the study that evolution of different technology communication system and mobile device is a major challenge to frequently of the mobile banking solution. (V Devendran, 2013).

Banks face significant challenges as new players enter these new markets and change the trends of banking. Payments through electronic and mobile channels have the potential to reduce these costs by a third and also avoid the leakage due to corruption. Different products appeal to each of these customer segments. Winning these segments require unique capabilities. No single player will be able to dominate all these market. Mobile banking technology is trying its best by providing the added convenience to existing banking customers and also providing the new services to unbanked customers in emerging markets. This has the potential to unlock large untapped customers. This has attracted the Mobile Network Operators, start ups and companies from adjacent industry all trying their own business models to succeed. This industry is undergoing dramatic changes. The winners in the mobile banking and payment banks will be the local companies who have a understanding of the local markets (Sunil Gupta, 2013)

Banks need to adopt the strategies that ensure their success. Banks need to understand the customer behavior and banks must focus on the services. Most of the users were interested in the basic banking services. Major challenge is that the banks have been facing the poor acceptance among customers. Lack of regulations for electronic banking remains a setback for mobile banking (Garima Malik, Kapil Gulati, 2013)

III.RESULTS & DISCUSSION

Analysis & Interpretation:

Numbers of Respondents were 499 , Simple Random Sampling Technique was adopted & IBM SPSS Tool was used .

Primary data is data that is collected for the first time and it is also known as unpublished data. It is generally collected from the respondents. In this study the primary data was collected under the following categories:

1. Raw data and fact sheets from the banking magazines and journals database.
2. By way of questionnaire that the respondents have contributed

- The Data collected has been primarily tabulated & Master table was prepared
- Sample was tested for reliability using Cronbach's alpha
- Percentage analysis is the basic tool for analysis
- Regression analysis a statistical process for estimating the relationships among variables is used

Table 1 : Frequency Table for the question “The Internet charges increases with the usage of Mobile Banking services”

Agree	82	16%
Disagree	79	17%
Slightly Agree	109	22%
Slightly Disagree	89	18%
Unbiased	140	28%
Total	499	

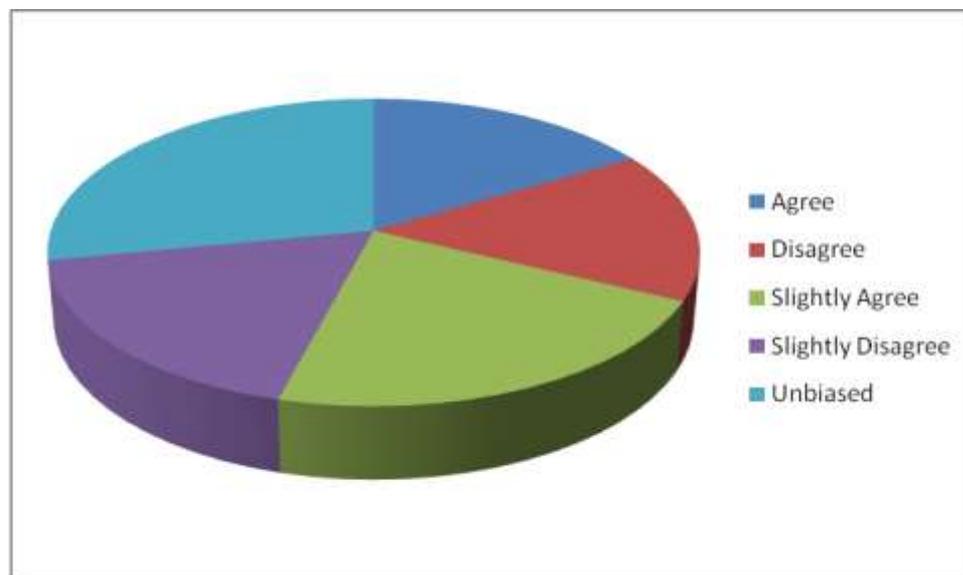


Figure 1: Pie-Chart for “The Internet charges increases with the usage of Mobile Banking services”

For the Research question “The Internet charges increases with the usage of Mobile Banking services”– 16% of the respondents responded by saying Agree, ”– 17% of the respondents responded by saying Disagree, – 22% of the respondents responded by saying Slightly Agree, – 18% of the respondents responded by saying Slightly disagree, , – 28% of the respondents responded by saying Unbiased.

Table 2: Frequency Table for the question “Banks should enforce proper safety of the privacy of the transactions and data”

Agree	268	54%
Disagree	29	6%
Slightly Agree	108	22%
Slightly Disagree	30	6%
Unbiased	64	13%
Total	499	

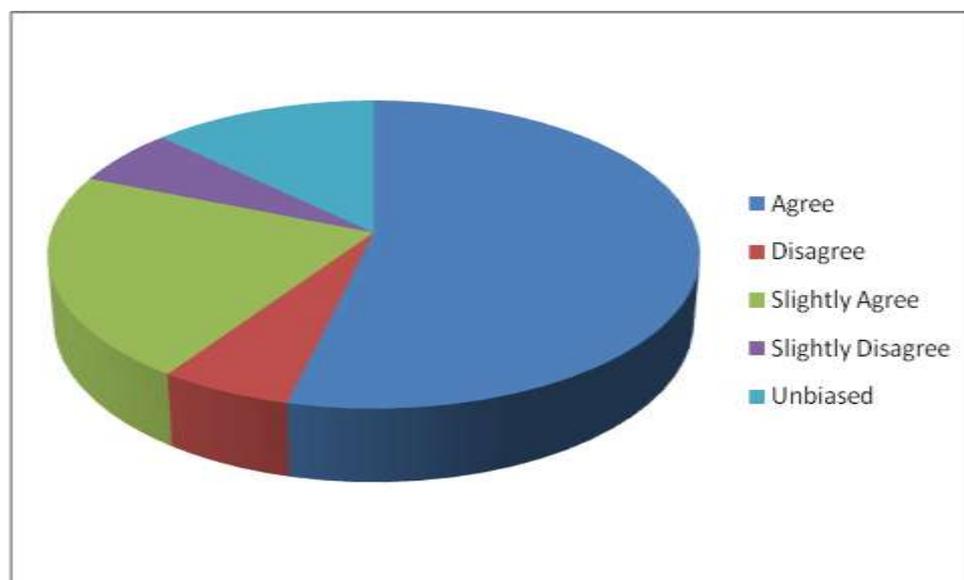


Figure 2: Pie-Chart for “Banks should enforce proper safety of the privacy of the transactions and data”

For the Research question “Banks should enforce proper safety of the privacy of the transactions and data”– 54% of the respondents responded by saying Agree, ”– 6% of the respondents responded by saying Disagree, – 22% of the respondents responded by saying Slightly Agree, – 6% of the respondents responded by saying Slightly disagree, , – 13% of the respondents responded by saying Unbiased.

Table 3: Frequency Table for the question “Do you feel that you need a very high end smart phone to use mobile Banking”

Agree	86	17%
Disagree	88	18%
Slightly Agree	117	23%

Slightly Disagree	125	25%
Unbiased	83	17%
Total	499	

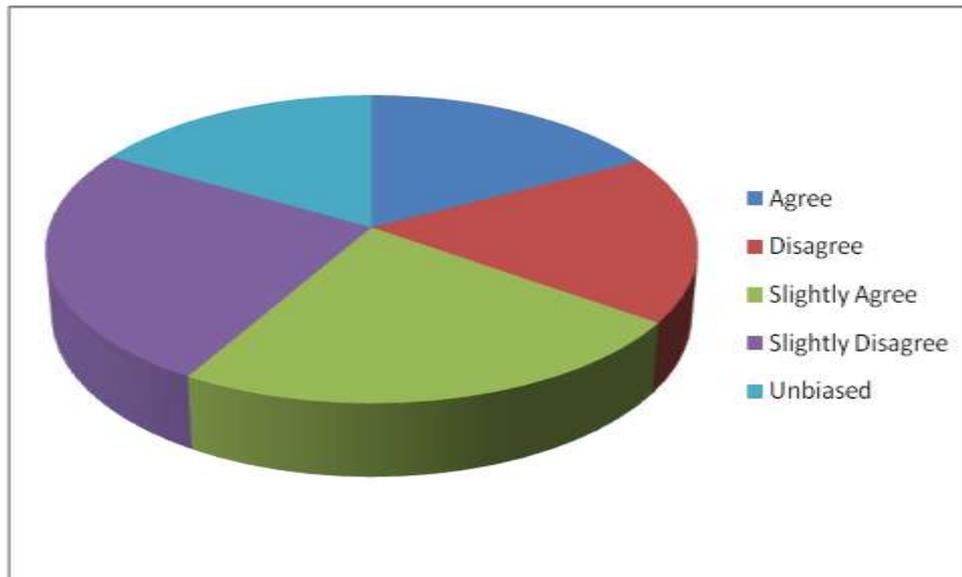


Figure 3: Pie-Chart for “Do you feel that you need a very high end smart phone to use mobile Banking”

For the Research question “Do you feel that you need a very high end smart phone to use mobile Banking”– 17% of the respondents responded by saying Agree, – 18% of the respondents responded by saying Disagree, – 23% of the respondents responded by saying Slightly Agree, – 25% of the respondents responded by saying Slightly disagree, , – 17% of the respondents responded by saying Unbiased.

Statement: Maintaining the Trust of consumer by banks in mobile banking.

H₀. The trust of consumer is retained by banks in mobile banking.

H_{a1}. The trust of consumer is difficult to retain by banks in mobile banking.

Descriptive Statistics			
	Mean	Std. Deviation	N
Do you use Internet banking frequently	1.40	.490	499
Mobile Banking users data is secured with banks	3.54	.996	499

Mobile theft and the data of Mobile banking apps can be stopped immediately	3.29	1.037	499
Mobile Banking is easy to interact with banks	3.53	.957	499

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	F Change
1	.121 ^a	.015	.009	.488	.015	2.464

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.760	3	.587	2.464	.062 ^b
	Residual	117.879	495	.238		
	Total	119.639	498			

Considering the F value of 2 , it can be clearly stated that there is trust of customers in net banking and are adopting it in large numbers . the null hypothesis is accepted

IV.CONCLUSION

The banking industry is witnessing a permanent shift in consumer expectations. Mobility and social media are creating a new marketplace where consumers expect anytime, anywhere access. Yet most banks struggle to provide true omnichannel customer experiences. To stay competitive, banks must adopt sophisticated analytics and technology, embrace mobile banking, create highly differentiated, segmented approaches to customer engagement through predictive analytics and skills-based routing, and empower employees to act in customers' best interests. Firms can also implement enterprisewide voice-of-the-customer programs to help capture and act on customer perceptions. This focus on customer centricity will help increase engagement,

enhance loyalty, and foster trust, thereby retaining existing customers and acquiring new ones—all while managing the current disruption in banking and repairing the industry's diminishing reputation.

Limitation of the Research:

- It was noted that the respondents has less knowledge of mobile banking services.
- There were not aware of the negative effect of mobile banking
- The respondents were doubtful infilling up the questionnaire when asked for the difference between internet banking, mobile banking and this caused the probing question related to the questionnaire.
- The respondent's answers or responses could have been biased

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