

The Adoption Level of Mobile Banking: A Review

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Abstract— The Banking Industry is truly the backbone of any developing country. Technological advancement and major impacts to serve the customers in the utmost manner have influenced the banking activity majorly in the past decade. The banking industry basically depends on the adoption patterns of the customers which implies that the technological developments in the banking industry are based on the foundation of customers behavior and attitude to accept to the changes. The research paper here tries to explore the literature and studies conducted by experts in the past decade about adoption of mobile banking and the technicalities lying within. It has also put up the various regulations confronted by RBI in context of mobile banking.

Index Terms— Mobile Banking, Customer Satisfaction, Adoption levels, Awareness

I. INTRODUCTION

The banking industry has drastically evolved in the past decade and what sets it apart is the customers readiness to accept to these changes. The introduction of the branchless banking, easy storage of data, processing, information collection and transmission are all bringing in the technological advancement for an empowered industry that strives to achieve the best in the economy. The smartphone generation is readily accepting the branchless banking with major transaction taking place each day. Mobile banking has brought a drastic effect on the banking industry as it is bringing the customer more and more closer to the banks. The penetration of the mobile banking brings in significant cost saving and time saving operations for both the customers and the banks. The banks are ready to expand their scope not just by customers but also by the offerings yet the lag stays at the initial step as the attitude of customers is difficult to be judged. The awareness of customers and the readiness to accept the technological advancement is a major drawback. The Indian banking industry and their clients are totally different from the global market scenarios. The large population of the country serves with diverse cultures and so falls the diversity in awareness of customers to the bank offerings.

The banking industry is heavily a growth-led model that is fairly playing in the mid-range effort as the customers are not totally aware about the branchless banking models or the convenience it offers. The Customer may be aware but there are many factors that affect the perception and the adaptation of consumers in the acceptance of any new offering. Specifically it being on the virtual level, the biggest factor is

the security of finance that affects the mind-set of the customers. This review paper aims to succinctly review the existing literature on Mobile banking that is empirical, descriptive and conceptual in nature carried out worldwide and in India. The review paper has also made an attempt to synthesize the results and highlight the factors that affect Mobile banking adoption in India and Worldwide. The review is based on research studies on technology, innovation, finance, banking journals, and major conferences. The recommendations made for the Indian Mobile banking service providers is based on the implications of the resulting review and the typology for future research is also outlined.

II. REVIEW OF LITERATURE

Rajnish Tiwari, Stephan Buse and Cornelius Herstatt (Rajnish Tiwari, July 2006) explore the acceptance and willingness to pay for mobile banking transactions in their research study. Their study examines the opportunities for banks to generate revenue yet offering value based services. Mishra, Sahoo (Mishra, Volume 2 Issue 1(2013)) found that the average mobile banking user is married, 25 to 34 years old, has intermediate education and average income in clerical work. She found that age and education have a major influence on the use of the mobile phone in banking services. The adoption theories assume that use of Internet banking precedes the adoption of mobile banking. Luarn, Hui lin . (Luarn, (2005)) explained his study on how the behavior of customers differ in adoption of mobile banking and their human intentions that trigger the adoption process. Shamsher Singh (Singh, Dec 2014) in his research explored the perspective of customers of different banks and how it affects the adoption rate and its impact on the effectiveness and penetration rate of banking services.

III. RESEARCH GAP

The above studies reveal that a lot has been studied and reviewed under Mobile banking yet there are loopholes of data information. Worldwide and in India technology is taking its integration but the virtual data is not synthesized to know the proceedings for further research.

IV. OBJECTIVE OF STUDY

The objective of the study is to review existing literature on Mobile banking. It aims to review the studies carried out worldwide and in India and synthesize the data to identify the further research.

To achieve the stated objectives the study seeks help of peer reviewed studies of conceptual, descriptive and empirical studies.

V. SIGNIFICANCE OF THE STUDY

The findings from the research shall contribute to variant population. It shall benefit the banks to understand the

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customers and provide customer oriented services to regulatory gaps shall give a reflection of government's role in demographic and geographic population. Moreover the mobile banking.

REVIEW OF INTERNATIONAL STUDIES

	RESEARCH PAPER	SOURCE	FINDINGS
1	Factors influencing the use of Mobile banking: Survey of Mobile Banking Users in New Zealand (Yu, 2009)	Yu, S. (2009)	The given research papers were a study on the adoption patterns and survey of users internationally. The early adopter's for Mobile banking were Kenya, Brazil, New Zealand
2	Customer adoption of Banking Technology in Private Banks of India. (Tater, 2012)	Tater	The author explains in the pape about the perception of Indian customers with use of technology for banking transaction with respect to factors like security, convenience, privacy, ease of use , real time accessibility and hindrances in adoption of it. They further try to draw a linkage between the adoption and impact factors faced by users.
3	Mobile Banking and Economic Development: Linking adoption, impact and use (Tellez, 2011)	Donner and Tellez	studied on the adoption of Mobile banking and its linkage with economic development. They took up illustrative data where their research focuses on the context of m-payments. The researcher signifies how innovations emerge from unexpected places and capabilities enabled flexible technology.
4	White Paper: The Impact of Mobile Banking. (Shevlin, 2010)	Shevlin 2010	The Aite group surveyed large banks and found that customers has no issues in the basic mobile functions but were further wrestling as to how to justify their investments in the mobile channels.
5	Exploring Trust in Mobile Banking Transaction. (IFC, 2008)	Ogla 2008	The IFC surveyed researcher Ogla's paper "where they presents the relation of institutional trust between the customers and the mobile service provider offering the banking transactions. The paper basically focused on the agent based mobile banking system in Kenya. The paper has revealed that the customers did not trust the agents with their monetary transactions. Here the question of Brand trusting also aroused with many customers.
6	Attitude towards Mobile Banking: Are there any difference between Users and Non Users? (Ibrahim, 2014)	Ibrahim 2014	The reseracher in his paper says about his insight on monitoring behaviour of people who use mobile banking to the non users. He has taken up the questionaaire method and cross sectional analysis to examine the same. His paper provides valuable insight regarding the demographic patterns of users and non-users and attitudinal influences of users.
7	Effects of self-service technology on customer value and customer readiness: The case of Internet banking. (Ho, 2008)	Ho, S. H., & Ko, Y. Y 2008	This paper investigates whether self service technology can enhance customer value and customer readiness. An online survey was conducted to examine the factors contributing to positive effects on customers continued on technology acceptance. The study was conducted on 771 respondents through 11 hypothesis. The research reflected that customer readiness is positively related to customer value.
8	Mobile banking adoption: Application of diffusion of innovation theory. (Al-Jabri, 2012)	Al-Jabri, I., & Sohail, M. S. (2012)	The study helps to investigate the factors that help bankers design mobile services. The research reflected that relative advantage, compatibility and observability have positive impact on adoption. The research was conducted on 330 mobile users in the banking customers of Saudi Arabia.

9	The moderating effect of gender in the adoption of mobile banking. (Riquelme, 2010)	Riquelme, H. E., & Rios, R. E, 2010	The paper seeks to test the factors that influence the adoption of mobile banking and gender as a moderating variable in adoption of internet banking. The study was conducted on 600 users of electronic banking in Singapore. The study shows that usefulness, social norms and social risk affects the intentions. Ease of Use has stronger influence on female respondents.
10	Mobile banking adoption of the youth market (Akturan, 2012)	Akturan, U., & Tezcan, N.	This study reflects the perceptions of non-users and university students – potential future prospects – in an emerging country. The main theoretical contribution of this research is the development of a risk-benefit model by extending TAM.
11	What drives mobile commerce? An empirical evaluation of the revised technology acceptance model. (S.C, 2005)	Wu, J. H., & Wang, S. C. (2005)	The paper presented an extended TAM that integrates innovation diffusion theory, perceived risk and cost to TAM. Here factor analysis was performed to examine the reliability and validity of the model. The findings suggested that all the variables except perceived ease of use affected the users behavior.
12	The influence of mobile self-efficacy on attitude towards mobile advertising. (M.C, 2009)	Lee, C. C., & Hsieh, M. C. (2009, June).	The present research paper reviews the attitude of youngsters towards mobile self efficacy. It reflects the gap that if the person is efficient in usage of mobile then it does effect the usability of applications.

REVIEW OF INDIAN STUDIES

	RESEARCH ARTICLE	SOURCE	FINDINGS
1	Master Circulars-Mobile Banking Transactions in India (Master Circular for Mobile Banking Transaction, 2015)	www.rbi.org	The series of Master circulars issued as reports give an insight of how the RBI is working for mobile banking penetration
2	Scenarios for Branchless Banking 2020 (Scenarios for Branchless Banking, 2010)	www.cgap.org/focusnotes.	The focus note shows the comparison of majority player countries trying to bridge the gap of financial inclusion through branchless channels
3	Demonetization and its impact on Digital Wallets (R.Rupa, 2017)	R.Rupa(2017) www.pwcindia.com	The research papers give an insight about the impact of demonetization on Mobile banking and the economy.
4	Evolution of Branchless Banking (Desai, 2014)	Ashish Desai (2014)	The given research papers reveals financial inclusion is more than providing accounts, rather he has put the reality where a common man who finds less the \$2 a day finds it difficult to avail the financial services rendered by the banks. He also addressed the issues regarding basic literacy levels in connection to financial literacy, technological drawbacks and branchless banking as a medium to serve the bottom of the pyramid.
5	A Study of Adoption Behaviour of Mobile Banking Services by Indian customers. (Nayak, 2014)	Nitin Nayak, (2014)	Nationally there were quite a few papers before Demonetization. The research papers gave an insight on the adoption patterns and customers perception.
6	Scope and Problems of M-Banking in Financial Inclusion (Kumbhar, (August 2011),)	Vijay Kumbhar(2011)	He reveals in his research paper about the expanded, efficient and effective use of technology that can be used to offer wider opportunity for financial services for the unbanked and rural people. He has also put a light on the problems faced in serving the technology in the banking sector. He concludes that the golden and wide opportunity of tremendous technological advancement can

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			serve the large asection of subscribers by creating awareness about financial inclusion and serving through the mobile banking services. He also suggested that RBI and other commercial banks should coordinate to educate the customers for banking facilities and technologies.
7	Mobile Banking and Payment Resolutions. (Gupta, 2013)	Sunil Gupta(2013)	The researcher shows an insight about the changing dynamics in developed markets like US, Australia, France, Canada, UK, Germany and the emergence of new developing markets in the field of Payment transactions. He gives a light on the new road ahead at the global platform for providing easy, convenient banking options to the unbanked customers.
8	Mobile Banking zooms as India gets Smarter (Anand, 2013)	Nupur Anand	The author talks about the relativeness forming between the increase in the volume of smartphone users to the surge in the mobile banking transactions. MsNupur has also shares the opinion of the General Managers of leading banks like ICICI, Axis and HDFC about how they plan to take up this financial and technological development to serve the increasing masses of adoption in Mobile banking. The major players in this field are SBI, Bank of Baroda, ICICI, Axis bank.
9	Update on Regulations by RBI for Branchless Banking. (Scenarios for Branchless Banking, 2010)	CGAP Report 2010	In a report by CGAP, it presented the possibility given by RBI to set up a special committee to introduce SMS based payments. RBI showed its mandate to support inclusive growth and development for easy access.
10	Issues and Challenges in Mobile Banking. (Barmoriya, 2011)	Barmoriya 2011	The researcher has presented the paper on the existing barriers to the adoption of mobile banking. She also talks about the issues relation to the security and challenges faced by banking companies and mobile companies to merge the technological insights in the successful working of M- Banking.
11	(Shett, 2015) SBI has 50% share in Mobile Banking	Shetty 2015	In a web article presented in 2014, the author has presented his article on the current status of Mobile Banking in India. It presents a picture as to how SBI has emerged as a surprise market leader in mobile banking accounting half of all mobile transactions. SBI chairman Arundhati Bhattacharya presented her view as to how the virtual space is having an explosion of activity and what the bank plans for further tie ups.
12	Mobile Banking: A Possible Avenue for sustainable growth. (Srivastav, 2012)	Srivastava 2012	The paper by Srivastav attempts to look at the possible contribution by mobile banking to financial inclusion. The paper concentrates majorly on the exploratory research done in this area and its possible chances to take mobile banking to a higher level in India. The researcher has used secondary data to serve the title. It has given aan light on how financial inclusion along with mobile banking can bring about a sustainable growth to the economy.

DISCUSSION

The study reveals how adopters of mobile banking are highly satisfied due to reasons like availability of services, accessibility and facilities of balance checking, blocking of lost cards, service charge, checking transactions. From the studies carried out worldwide and in India, it clearly suggests that trust issues, perceived credibility, usefulness, ease of use, social influence and cost are important factors that affect consumer adoption. Self efficacy and awareness is majorly adopted but with the intourage of mobile banking people prefer shifting to mobile banking. It has been observed from the studies that attitude towards mobile banking differs from new to repeat customers

CONCLUSION

It is evident from the research that mobile banking is rapidly evolving everywhere and banks are investing huge sum of money to make it viable for the users. The review outlines diversified findings and reflects the adoptability and mindset of customers. Mobile bankers should consciously take measures to perform transactions, increase awareness and reach out to remote villages with local language support. By harnessing the potential technology approach with continuous involvement, large sections of untapped sections can be empowered to become financially inclusive.. It shall create a matured ecosystem and effective network transformation of banking services in India.

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