CHAPTER 8

STRATEGIC ASSESSMENT OF SURVEY RESULTS

This chapter deals with the significance of Mobile Banking and possesses key relevance for new generation private banks (ICICI and HDFC), worldwide, that are confronted with the challenges of Mobile Banking.

8.1 Relevance of Mobile Banking

The survey results have demonstrated unambiguously that Mobile Banking has staged a remarkable comeback. Whereas most banks and indeed many experts believed Mobile Banking to be dead after the dotcom burst, banks are seeing themselves increasingly forced to include mobile services in their product portfolios. The reasons for this extraordinary resurrection are: The phenomenal growth of the telecommunication sector and the resultant (unparalleled) penetration of the society by mobile phones present unique business opportunities for protagonists in the market. A new generation of technology- and innovation friendly consumers is taking over the centre stage in business- and social life of the society. This generation is more open to the opportunities presented by mobile telecommunication.

The ongoing process of globalization and the integration of the world economy are forcing working professionals to be on the move within national and international geographic boundaries. These professionals need to carry out their bank business also while on the move even when they do not necessarily have access to an Internet-capable computer. The “anytime, anywhere” feature of Mobile Banking is thus nothing less than a professional necessity for many of them. Thus, on the one hand, the banks are forced to take cognizance of the needs and wishes of some of their most attractive customer groups. On the other hand, the advantages that
mobile services potentially bring to a bank or any other provider of financial services, as seen in previous chapters, are too palpable to deny. In the following, we list some relevant factors that ought to be taken into account while making decisions on the launch, maintenance and scope of Mobile Banking.

Data was collected from customers who use mobile banking in the banks. Consequently, the collected data was analyzed and interpreted in line with the aims of the study on which is to compare the banks in the customers’ perspectives. This analysis is focused on relevant dimensions of services qualities and the problems faced by the customers for the purpose of comparison between themselves and across respondents.

The respondents using M-Banking services been taken equally from two banks. Out of the total respondents using M-Banking services 50 percent of the respondents belong to HDFC bank and 50 percent belong to the ICICI bank. Demographic breakdown of the sample presents the frequencies and percentages of the respondents divided according to gender, age, education, occupation and personal monthly income.

The majority of the respondents were male (75%). As for the age distribution, most of the respondents fall between the age group of 36 to 45 years (41%). With respect to education, 52.2 percent of the respondents are holders of post graduate degrees, 45 percent of the respondents belong to salaried class and 37.2 percent had monthly income between the ranges ‘10001 to 20000.

**Usage of M-Banking services**

The respondents were asked how many times they have used the M-Banking services in 3 months duration. It was revealed that 21.6 percent of respondents are doing mobile recharging two times, 34.6 percent are
using the M-Banking services once for payment of telephone bill, 53.8 percent use one time for payment of electricity bill, 24 percent use two times for money transfer, 35 percent use one time for railway ticket booking, 36.6 percent use one time for air ticket booking, 50.2 percent use one time for filing of tax returns air ticket booking, 35.4 percent use one time for investment and other services in 3 months duration. It was revealed that 50.2 percent of the respondents have account in two or more banks. 70.8 percent of the respondents are having account access to internet and 35.4 percent have internet at office.

**This part of the analysis provides the information on the views of the respondents using M-Banking services with regard to the M-Banking service qualities.**

To understand the M-Banking services provided by the banks, six key service quality dimensions been taken for analysis are reliability, responsiveness, security, easy use, accessibility, efficiency. Under each of key service quality dimension five scales been taken to evaluate the service qualities.

**Opinion and Satisfaction level of the respondents regarding the qualities of the M-Banking services**

Table 4.22 shows that More than one half (52%) of the respondents perceived with regard to the qualities of overall of M-Banking services that the banks are providing high performance of M-Banking services taking into consideration all the six service qualities (reliability, responsiveness, security, easy use accessibility, efficiency). Less than one half (48%) of the respondents perceived that the M-Banking services provided by banks are having low performance. The mean value 120.28 shows the high satisfaction of the respondents with regard to the service
qualities M-Banking services.

Frequency table used to calculate the mean value of various dimensions of M-Banking service qualities revealed that while evaluating the service quality, reliability, the five scales i.e., Relevant and accurate information, Updated information, Accurate record, More service attitude (lowest service charges), restricts unauthorized access are taken in to consideration. After evaluating the scales 63.6 percent of the respondents considered the reliability level on the banks as very high.

65.6 percent of the respondents evaluated that the security in M-Banking services provided by the banks is high after evaluating the five scales, no misuse of personal information, safe with online transaction, secure in providing personal information, provide secure transaction through mobile devices, Multi-kind security control.

57.4 percent of the respondents evaluated that easy use in the M-Banking services provided by the banks have high easy use after taking into consideration the five scales, systems are clear and understandable, Easy to operate mobile devices, facilitates investment planning, service systems are easy to use, easy navigation through web pages.

60.2 percent of the respondents evaluated that accessibility in the M-Banking services provide high accessibility to their bank operations after evaluating the service quality scales- available all 24 hrs/day, 7 days a week, anytime conduct of transaction, able to get on site quickly and reach the bank immediately, easy proximity, facilitates online shopping.

58.4 percent of the respondents after considering the scales of quality, access and conduct, care and speed of using the websites, staff, speedy supply of information, standardized service perceived that the banks have high level of efficiency.
52 percent of the respondents perceived that the banks are providing high performance of M-Banking services taking into consideration all the six service qualities (reliability, responsiveness, security, easy use accessibility, efficiency).

**Opinion regarding the problems of M-Banking services;**

Table 21 indicates the opinions of the respondents regarding the problems faced by them while dealing with the M-Banking services. A majority (13.4%) of the respondents have given fifth rank for the problem inadequate knowledge about the usage of e-channels, a majority (13.4%) have given first rank for the problem Invalid User ID, majority (18%) of the respondents have given fourth rank for the problem Request is not processed, majority (40%) of the respondents have given fourth rank for the problem poor network, majority (33.8%) of the respondents have given second rank for the problem lack of interest from the customers, majority (34%) of the respondents have given fourth rank for the problem password forgotten, vast majority (33.8%) of the respondents have given fourth rank the problem Data entered is invalid, vast majority (62.6%) of the respondent have given second rank for the problem User Id is forgotten, vast majority (59.2%) of the respondents have given second rank for the problem of lack of confidence, Out of the total respondents a vast majority (45.4%) of the respondents have given second rank for the problem Lack of reliability.

**Cross tabulation on age of the respondents and the qualities of overall M-Banking services.**

Out of the total respondents 54.2 percent of the respondents of the age group of 26 to 35 years, 55.5 percent of respondents of the age group of 36 to 45 years, 55.6 percent of the respondents of the age group of 56 years
and above age perceived that the overall M-Banking services qualities are high. 63.2 percent of age group of below 25 years and 55.6 percent of 46 to 55 years perceived that the overall M-Banking services qualities are low.

**Cross tabulation on gender and the qualities of M-Banking services**

This indicates that there is no significant association between age of the respondents and their overall M-Banking services qualities. The mean value depicting gender level satisfaction with regard to each service quality dimension and overall M-Banking services qualities. Compared to mean value of female gender 117.68 the mean value of male gender 121.15 shows the male gender satisfied with the M-Banking services qualities.

**Cross tabulation on association between occupation and the qualities of M-Banking services**

The mean value calculated on the opinions perceived by the respondents of different occupational groups regarding the M-Banking services qualities provided by banks. The reliability level of professionals regarding M-Banking service quality shows the highest mean value of 19.82. The responsiveness of banks in providing M-Banking services in the opinion of the businessmen shows the highest mean value of 19.69. The security provided by the banks viewed by the other occupational group with the high mean value of 20.28. The other occupational group has perceived the easy use of M-Banking services with the highest mean value of 21.88. The overall mean value of professional respondents is 120.88, agriculturist is 116.22, businessman is 120.93, salaried class is 119.00, others is 121.72 with regard to overall M-Banking services qualities.
Cross tabulation on difference between educational qualification of the Respondents and the qualities of overall M-Banking services

The respondents of professional level have high level of mean value 121.19, graduate level have mean value of 120.76, post graduate level have the mean value of 119.92 and below HSC level have a mean value of 119.28.

Cross tabulation on difference between income of the respondents and the overall M-Banking services qualities.

The respondents belonging to the income group of 20001 to 30000 have the highest mean value of 121.54. the respondents of the income group of 30001 to 40000 ranks next with the mean value of 120.62, the respondents of the income group of below Rs.10000 ranks next with the mean value of 120.24, the respondents of the income group of 10001 to 20000 ranks next with the mean value of 119.55, the respondents of the income group of 40001 to 50000 ranks next with the mean value of 118.97 and the respondent of the income group of 50001 and above ranks next with the mean value of 118.58.

Cross tabulation on Association between no of bank account of the respondents and their overall M-Banking services qualities

A majority (51.3%) of the respondents having account in one bank perceive that the M-Banking services qualities provided by the banks are high. A majority (51.4%) of the respondents having account in two banks perceive that the M-Banking services qualities provided by the banks are high. A majority (66.7%) of the respondents having account in three banks perceive that the M-Banking services qualities provided by the banks are high.

8.2 Appropriate scope of Mobile Banking
The above discussion shows that Mobile Banking offers could become indispensable for banks in a not-so-distant future. The question here is no more of “whether” but of “when”. Even more important seems the question of “what, how and whom”, if one wishes to avoid mistakes made in the past. That is, what services (scope) should be offered how (mediums) and to whom (target groups).

Apart from the fact that the scope of the offered services should be selected carefully to suit one’s own customers, the following two factors ought to be kept in mind.

Mobile financial services should be seen as proper business services with clearly focused business objectives of strategic nature. After all, the objectives that banks seek to follow with Mobile Banking are clearly motivated by strategic thinking.

One of the past mistakes, it seems, was that the technological solutions were given central focus. The impression gained during bank interviews was that Mobile Banking was driven in its first phase by enthusiastic IT divisions which wanted to make use of the newest technologies available then. Purely technology-motivated solutions can, however, prove counterproductive as they run a non-negligible risk of ignoring actual scopes of customer needs and wishes.

Business divisions, and not IT divisions, should therefore decide on the product portfolio and mediums of Mobile Banking, based on plausible market studies. While IT divisions undoubtedly play a key role in the implementation of the mobile strategy and should be involved, e.g. within the framework of an interdisciplinary team, in the conception and
management of mobile services, the primary area of their work should remain within the realm of technological implementation.