PERCEPTION OF YOUTH TOWARDS MOBILE BANKING USAGE INTENTION – AN EMPIRICAL STUDY

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ABSTRACT

Purpose of This Paper: *The main aim of this empirical study is to examine the mobile banking usage intention among the youth customers of public and private sector banks in India.*

Research Methodology: *The empirical research design was adopted by employing survey method to collect responses from target population through convenience sampling method. The primary data collected were subjected to analysis using SPSS Version 23.0 and the statistical tools such as, percentage analysis, Correlation analysis, Factor analysis and multiple regression analysis.*

Major Findings: *Statistical evidences exhibit that mobile banking usage intention variables have been reduced to five independent factors namely, Convenience Factor (CF), Benefits Factor (BF), Deliberation Factor (DF), Safety Factor (SF) and Trust Factor (TF) in their order of dominance and occupational status is most significant influence of total mobile banking usage intention, followed by major source to information about mobile banking service.*

Practical Implications: *User friendliness and Users Awareness of Mobile Banking at large has to be thrust at every branch banking units to digitally promote awareness of Government Schemes such as, Jan Dhan Yojana, Digital India, Licensing Small Finance Banks/Payment Banks, Aadhaar Enrollment and etc.*

Originality of the Paper: *This research paper aims in exploring the youth customer behaviour and usage intention towards mobile banking in the Chennai city.*

Key word: Mobile Banking, Usage Intention, Convenience, Safety and Trust.

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1. INTRODUCTION

Banking is life blood for Indian financial system. In the recent years, due to technological growth and change in Government policies are made Indian banking industry as versatile and dynamic in nature. India is one of the countries which were more physical cash dependent economy due to volume of cash transactions in every day. The demonetization of Rs.500 and Rs.1,000 currency notes in India in the month of November 2016 was announced by the Government of India to eradicate the black money economy, mitigate the terrorism funding into the country and also to eliminate fake currency notes in circulation among peoples of the nation. Instead, it paved a way for digital transformation of the country, especially, the banking industry (Zhu, K., & et al., 2004; Alt, R., & Puschmann, T. 2012; Dapp, T., & et al., 2004). Peoples are shown positive intend towards the usage of digital cash transactions in their day-to-day life rather than physical cash transactions (Amin, H. 2008; See-To, E. W., & et al., 2014). Indian banking industry has undergone tremendous changes due to technological growth, internet accessibility and considerable enhancement in the socio-economic conditions of the peoples. According to IMAI Report 2017, the number of mobile phone users in India from 2013 to 2019. For 2017 the number of mobile phone users in India is raised to 730.7 million. In this same year the number of smartphone users in India is reached 340 million and could expected to reach almost 468 million by 2021. This clearly exhibit the potential opportunities for the banks in India to target and focus on the youth customers to move the nation towards digital economy.

2. REVIEW OF LITERATURE

Suma Vally and Hema Divya (2018) have made an attempt to understand the Digital Payment in India with the perspective of consumer's adoption. In addition, authors have aimed to be evaluated the impact of customers education on usage and the impact of customers income status on the usage of Digital Payments. The study adopted the descriptive techniques to analyse the perspective of consumer's adoption of digital payment. Finally, the authors have concluded that the deployment of technology for digital payment has improved the performance of the banking sector.

Siddhartha Dasgupta and et al., (2011) have discussed the factors affecting behavioural intention towards mobile banking usage. The authors have investigated the antecedents of the behavioural intentions of Indian customers and to identify the nature and impact of these antecedent's relationship with behavioural intention. The authors have applied multivariate techniques such as, factor analysis and regression analysis to determine the behavioural intention on mobile banking usage and all the variables with respect to Perceived usefulness, Perceived image, Perceived Ease of Use, Perceived Risk, Perceived value, self-efficacy and Tradition influence the Behavioural intention on Mobile banking usage among Indian customers. The author found in the study that the except Perceived risk all other factors have a positive impact on Behavioural Intention of Mobile banking users. Finally, the authors have concluded that customer dependency will be unique when it comes to mobile banking. Therefore, Perceived Risk factor have a negative impact on Mobile banking users.

Tiago Oliveira and et al., (2016) have made an attempt to understand the determinants of customer adoption and intention to recommend the technology of mobile payment among the customer in Portugal. The authors have applied UTAUT model to identify the various

dimensions such as Performance Expectancy, Effort Expectancy, Social Influence, facilitating conditions, Hedonic motivation, Price value that influence the Behavioural intention to adopt and to recommend the Mobile Payment technology. The authors have discussed that the extent to which the adoption of Mobile Payment provides benefits in performing the payment tasks. Finally, the authors have concluded that factors that significantly influence the adoption and intention of Mobile Payment technology have not yet been comprehensively assessed.

Sarika and vasantha (2018) have made an attempt to determine the influence of trust on mobile wallet adoption and its effect on users' satisfaction. This study aimed at the trust of mobile wallet adoption and its effect on user satisfaction. The author critically reviewed the trust of Mobile wallet adoption and its influence on user satisfaction. The researchers have adopted the various existing studies related to the adoption of the consumer day to day adoption. The author proposed an antecedent trust between the actual usages of M-wallet by user satisfaction. Further, the author discussed the modern application practices by the Indian consumer. Finally, the author concludes that trust is the main factor affecting the user's satisfaction and its impact on actual usage of Mobile wallets.

Rajanna (2018) have entitled the study on customer perception and awareness towards the cashless transaction. The author focused on the response towards a cashless economy in Karnataka. The author recommended that a security system should have high-speed responses and the Reserve Bank of India suggested that banks provide an online alert for all card transactions. Finally, the author concluded that customer perception and awareness of the customer are agreed with the government on the usefulness of the cashless economy.

3. SCOPE OF THE STUDY

This present study was limited to select bank customers those who are residing in the Chennai city of Tamil Nadu. Bank Customers possess smartphone and carried mobile banking practices in their day-to-day life are alone selected for the study. The Primary data were collected only from the age group of only eighteen years to thirty years. The perception of bank customers with respect to usage intention of mobile banking only focused by the researcher in this present study.

4. OBJECTIVES OF THE STUDY

- To understand the socio-economic and banking profile of the mobile banking customers in Chennai city.
- To identify underlying dominant dimensions of mobile banking usage intention variables.
- To explore the influence of socio-economic and banking profile of the customers with respect to mobile banking usage intention.

5. RESEARCH METHODOLOGY

The present research study was descriptive and empirical in nature. The researchers adopted survey method to gather information in the form of primary data from bank customers residing in Chennai through a well-designed and structured questionnaire by applying convenience sampling technique. The data collected were subjected to pilot study to explore the reliability and validity of the instrument and Cronbach's Alpha Reliability Co-efficient value of 0.896 proves that the scale is more consistent and highly reliable in nature. The total of 160 questionnaires was distributed to bank customers in the selected study areas and only 148 completely filled questionnaires were returned by the respondents. The sample of 128 responses were finalized for the study.

6. QUESTIONNAIRE DESIGN

Structured Questionnaire with two different sections were finalized for the survey method of data collection among the mobile banking customers in the Chennai city. Section one deals with the personal and banking profile such as, age, gender, marital status, nature of family, marital status, educational qualification, occupational status, monthly family income (in Rs.), nature of bank account, frequency of mobile banking usage and major source of information about mobile banking service are measured in the appropriate nominal and interval scales. Section two consists of eighteen customer perception variables related to the usage intention of mobile banking in daily life.

7. RESULTS AND DISCUSSION

Percentage analysis and descriptive statistics has been applied to understand the personal and banking profile of the respondents such as gender, marital status, nature of family, educational qualification, occupational status, monthly family income (Rs.), frequency of mobile banking usage, nature of bank account and major source to know about mobile banking and the results are shown in annexure table 1

Table 1 Personal and Banking Profile of the Respondents

Demographic Characteristics (N = 128)	Frequency	Percentage (%)
Gender		
Male	88	68.8
Female	40	31.2
Marital Status		
Married	17	13.3
Unmarried	111	86.7
Nature of Family		
Nuclear/Small Family	99	77.3
Joint Family	29	22.7
Educational Qualification		
Upto HSC	9	7.0
Graduate	48	37.5
Post-Graduate	70	54.7
Professionals	1	0.8
Occupational Status		
Student	25	19.5
Salaried	87	68.0
Self-Employed	11	8.6
Professionals	3	2.3
Home-Makers	2	1.6
Monthly Family Income (Rs.)		
Less Than 15K	37	28.9
15K-30K	51	39.8
30K-45K	28	21.9
Above 45K	12	9.4
Frequency of Mobile Banking Usage		
Hourly	16	12.5
Daily	31	24.2
Weekly	50	39.1
Monthly	31	24.2
Nature of Bank Account		
Public Sector Bank	68	53.1
Private Sector Bank	26	20.3
Both	34	26.6
Major Source of Information About Mobile Banking Service		

Demographic Characteristics (N = 128)		Frequency	Percentage (%)
Banks		26	20.3
Newspapers		27	21.5
Official Websites		20	15.6
Magazines		12	09.0
Social Networks		28	21.9
Others		15	11.7
Age (Years)			
Mean		23.31	
Std. Deviation		2.477	
Minimum		18	
Maximum		30	

Table 1 indicates that majority of the respondents are males (68.8%), Singles (86.7%), hailing from nuclear families (77.3%), Post-Graduates (54.7%) and Salaried (68.0) employees. The sizeable portion of the respondents is earning monthly family income of Rs.15, 000 to 30,000. Majority of the respondents are customers of Public sector banks and maximum number of respondents are using mobile banking at least on weekly (39.1%) basis and they opined that social network sites are the major source to know about the mobile banking facilities. The average age of the respondents is 23.31 years with the standard deviation value of 2.477. The age of the respondents ranges from 18 years to 30 years respectively.

The factor analysis has been applied to understand the underlying dimensions of eighteen Mobile Banking Usage Intention (MBUI) Variables and reduce them into a limited number of manageable and independent factors. The Principal Component Analysis of Extraction Method and Rotation Method of Varimax with Kaiser Normalisation has been used in the factor analysis and the results are shown in the Table 1

Table 2 Factorisation of Mobile Banking Usage Intention (MBUI) Variables

Factor Names	Mobile Banking Usage Intention Variables	Mean (SD)	Communalities	Variance (Eigen Value)	Loadings	Reliability
Convenience Factor (CF)	Becoming skillful at using mobile banking is easy for me	3.73 (1.195)	0.603	14.585% (2.625)	0.766	0.747
	Using mobile banking would improve my performance	3.53 (1.094)	0.559		0.745	
	I would find mobile banking useful	4.09 (0.996)	0.594		0.724	
	I will always try to use mobile banking in my daily life	3.83 (0.923)	0.700		0.595	
	I would find mobile banking is easy to use	3.83 (1.095)	0.563		0.578	
Benefits Factor (BF)	Interaction with mobile banking is easy for me	3.97 (0.939)	0.695	13.335% (2.400)	0.811	0.718
	Using mobile banking would save my time	4.23 (0.935)	0.535		0.712	
	My living environment supports me to use mobile banking	3.80 (1.116)	0.547		0.700	
	Learning to use mobile banking is easy for me	3.92 (1.039)	0.565		0.639	
Deliberation Factor (DF)	Using mobile Banking is very entertaining	3.18 (1.038)	0.682	11.243% (2.024)	0.803	0.574
	Using mobile banking is fun	3.09 (1.116)	0.589		0.726	
	I must use mobile banking	3.27 (1.090)	0.450		0.468	
	I am addicted to using mobile banking	2.95 (1.376)	0.542		0.433	
Safety Factor	I believe that mobile banking is trustworthy	3.43 (1.070)	0.689	10.948% (1.971)	0.790	0.612

	I believe that mobile banking keeps users' interests in mind	3.40 (0.975)	0.596		0.767	
	The use of mobile banking has become a habit for me	3.19 (1.234)	0.427		0.523	
Trust Factor (TF)	I intend to continue using mobile banking in the future	4.69 (0.514)	0.671	9.114% (1.641)	0.792	0.50
	I believe that mobile banking keeps its promises	3.33 (1.058)	0.655		0.564	
Total Variance = 59.225% - Meaningfully Extracted into 5 Dimensions						
Cronbach's Alpha Value = 0.756 of 18 items						
KMO and Bartlett's Test						
Kaiser-Meyer-Olkin Measure of Sampling Adequacy = 0.649						
(Bartlett's Test of Sphericity Approx. Chi-Square: 632.650; Df = 153;P-Value = <0.001)						

Tables 2 shows that the range of communalities of the eighteen mobile banking usage intention variables is from 0.427 to 0.700 with KMO measure of Sampling Adequacy Value of 0.649 and Chi-Square value of 632.650 at d.f of 153 with P-Value of <0.001 in Bartlett's Test of Sphericity supports that factor analysis is applicable for factorization of mobile banking usage intention variables. Five factors have been extracted and they explain 59.225% of the variance in the eighteen mobile banking usage intention variables. Thus all the mobile banking usage intention variables have been reduced to five independent factors and the most dominant factor is Convenience Factor (CF) followed by, Benefits Factor (BF), Deliberation Factor (DF), Safety Factor (SF) and Trust Factor (TF) in their order of dominance.

8. RELATIONSHIP OF MOBILE BANKING USAGE INTENTION FACTORS

Correlation analysis has been applied to understand the relationship between the five dominant factors of Mobile Banking Usage Intention variables namely Convenience Factor (CF) Benefits Factor (BF), Deliberation Factor (DF), Safety Factor (SF) and Motivation Factor (MF) and results are shown in table 3.

Table 3 Relationship of Mobile Banking Usage Intention Factors

Dimensions	Mean (SD)	F1	F2	F3	F4	F5
Convenience Factor (CF)	19.00 (3.75)	1				
Benefits Factor (BF)	15.93 (2.97)	0.270** (0.002)	1			
Deliberation Factor (DF)	12.48 (3.08)	0.078 (0.384)	0.091 (0.310)	1		
Safety Factor (SF)	10.02 (2.47)	0.211* (0.017)	0.231** (0.009)	0.374** (0.000)	1	
Motivation Factor (MF)	8.02 (1.30)	0.204* (0.021)	0.196* (0.026)	0.392** (0.001)	0.179* (0.043)	1

Table 3 indicates that all the mobile banking usage intention factors have significant relationship between other factors except, Deliberation Factor (DF). Deliberation Factor (DF) does not significant relationship with other mobile banking usage intention factors.

9. INFLUENCE OF PERSONAL AND BANKING PROFILE OF THE RESPONDENTS ON MOBILE BANKING USAGE INTENTION

The Multiple Regression Analysis has been applied to study the significance of influence of personal and banking profile of the respondents, on total Mobile Banking Usage Intention (MBUI) and the results are shown in Table 4.

Table 4 Influence of Personal and Banking Profile of the Respondents on Mobile Banking Usage Intention

Dependent Variable	Significant Predictors	Mean (SD)	F-Value	R	R ²	Adjusted R ²	β (t-Value)	P-Value
Mobile Banking Usage Intention		65.44 (8.40)	12.591	0.409	0.168	0.154		
	Occupational Status	1.50 (0.869)					-0.308 (-3.780)	<0.001 **
	Major Source of Information About Mobile Banking Service	3.25 (1.734)					0.269 (3.300)	<0.001 **
<p><i>Constant with t value of 35.044 at P Value of <0.001* - (Age (Years) ($\beta = 0.038$; t-value = 0.399; Sig = 0.691), Gender ($\beta = 0.114$; t-value = 1.397; Sig = 0.165), Marital Status ($\beta = -0.003$; t-value = -0.035; Sig = 0.972), Nature of Family ($\beta = -0.068$; t-value = -0.802; Sig = 0.424), Educational Qualification ($\beta = 0.106$; t-value = 1.256; Sig = 0.212), Monthly Family Income (Rs.) ($\beta = -0.156$; t-value = -1.885; Sig = 0.062), Nature of Bank Account ($\beta = 0.085$; t-value = 1.035; Sig = 0.303), Frequency of Mobile Banking Usage ($\beta = 0.031$; t-value = 0.372; Sig = 0.710) are Not significantly influencing the MBUI)</i></p>								
Notes: ** Significant @ 1% level								

Tables 4 reveal that OLS Model has a goodness of fit for multiple regression analysis {F = 12.591, p<0.001}. Occupational status is most significant influence of total mobile banking usage intention, followed by major source to information about mobile banking service and they together account for 16.8% variation in it. Professionals and self-employed have higher usage intention towards mobile banking compared to student and salaried employees and those who opine social networks as a major source to know about mobile banking have higher mobile banking usage intention compared to other sources. Other personal and banking profiles such as, age, gender, marital status, nature of family, educational qualification, monthly family income (Rs.), nature of bank account and frequency of mobile banking usage have no significant influence on mobile banking usage intention.

10. MAJOR FINDINGS OF THE STUDY

- Majority of the respondents are males (68.8%), Singles (86.7%), hailing from nuclear families (77.3%), Post-Graduates (54.7%) and Salaried (68.0) employees. The sizeable portion of the respondents is earning monthly family income of Rs.15, 000 to 30, 000. Majority of the respondents are customers of Public sector banks and maximum number of respondents are using mobile banking at least on weekly (39.1%) basis and they opined that social network sites are the major source to know about the mobile banking facilities.

- The average age of the respondents is 23.31 years with the standard deviation value of 2.477. The age of the respondents ranges from 18 years to 30 years respectively.
- Mobile banking usage intention variables have been reduced to five independent factors and the most dominant factor is Convenience Factor (CF) followed by, BenefitsFactor (BF), Deliberation Factor (DF), Safety Factor (SF) and Trust Factor (TF) in their order of dominance.
- Occupational status is most significant influence of total mobile banking usage intention, followed by major source to information about mobile banking service. Professionals and self-employed have higher usage intention towards mobile banking compared to student and salaried employees and those who opine social networks as a major source to know about mobile banking have higher mobile banking usage intention compared to other sources.

11. IMPLICATIONS AND CONCLUSION

After the perusal of major findings of the study, it offers many suggestions and ideas to extend the benefit to various beneficiaries in the Indian banking sector. The present study was aimed at exploring the usage intention of mobile banking in the Chennai city. This exploratory study exhibit customer perception with respect to usage intention on mobile banking.

This present study explores that bank customers have higher usage intention with respect to mobile banking due to the growth of technology, internet connectivity and enhancement in the socio-economic conditions of the customers. The regulatory authorities are suggested to implement the new technological upgradation and block chain technology in delivering mobile banking services to their customers to create safer and secure banking transactions (Alkhaldi, A. N. 2017; Renu, D. P., & Singh, K. 2019). Banks are suggested to create awareness among the customers to promote mobile banking through handsets and installation of live demonstration counters at selected branches to adopt various promotional activities for enhancement in digital literacy and financial inclusion along with other government schemes. User friendliness and Users Awareness of Mobile Banking at large has to be thrust at every branch banking units to digitally promote awareness of Government Schemes such as, Jan Dhan Yojana, Digital India, Licensing Small Finance Banks/Payment Banks, Aadhaar Enrollment and etc. Banks can devise a new low-cost Android handset that can facilitate only mobile banking and deliver to all its customers as a part of Account opening kit. Banks must create awareness among the smart phone users to use various mobile payment applications like, BHIM, PhonePe, etc., to carry banking on their own palms.

To conclude, banks in India should design their services for the purpose of meeting their needs and wants of the customers. Today's customers are not afraid of technological adoption due to the enhancement in the digital literacy and internet connectivity in their day-to-day life. The customers are primarily use mobile banking for Convenience, Various Benefits of mobile banking, Safety and Trust to make payments with better accessibility, connectivity and controllability. Therefore, banks in India should come out with banking mobile application which offers convenience, benefits, safety and security for the purpose of building the customer loyalty and trust in adoption of mobile banking. Simultaneously, RBI should take necessary steps to avoid various cyber crime frauds to create higher usage intention among the customers.

12. LIMITATIONS AND FUTURE DIRECTIONS FOR RESEARCH

Owing to time and cost constraint this research was restricted to its sample size to 128 mobile banking customers in Chennai city of Tamil Nadu. Consumer behavioral researches are cannot give long lasting and enduring findings over a period of time due to behavioral, cultural and socio-economical changes among the society. This study was conducted among only the customers of public and private sector banks of India. This study is adopted convenience

sampling for the study. convenience sampling cannot yield valid representation for the target population.

This research can be extended for customer adoption towards various digital banking practices in their day-to-day life. This study may be conducted among only private bank customers or public sector customers or even comparative study between private and public sector customers and their usage intention differences can be explored in the near future.

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