

Mobile Banking Adoption and Usage: An Empirical Investigation of The Customer's Behaviour of Public Sector Banks in Punjab

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DOI: <https://doi.org/10.51244/IJRIS.2025.120600155>

Received: 30 June 2025; Accepted: 02 July 2025; Published: 18 July 2025

ABSTRACT

Mobile banking plays an important role in modern technologies. The present paper is an attempt to study the frequency of mobile banking usage by the respondents besides identifying the main activities which are carried out by them through mobile banking. Data was collected from 217 respondents as per top 5 public sector banks operating in Punjab during 2023-24. The data has been analysed by using frequencies, percentages and weighted average score. The study reveals that majority of the respondents are self-motivated to an open mobile banking account and respondents generally prefer the mobile banking for checking their balance amount and to transfer money between two bank accounts. However, results revealed that respondents least prefer to use mobile banking for certain activities like changing of PIN of ATM, to stop payments on cheque also for repayments of loan etc. So, in future the researchers as well as policy-makers need to focus on these aspects for further analysis.

Keywords: Mobile, Banking, Public-sector, Customer, Transaction

INTRODUCTION

Mobile banking services play a vital role in modern technology. Mobile banking is a type of M-Commerce service because it allows consumers to perform service through their mobile devices. Mobile devices may include mobile phone. Personal digital assistant (PDA) and tablets etc. Traditionally, mobile banking services used were SMS based. Nowadays, the number of mobile phone users have increased significantly and so is the mobile banking services provided by the banks to their customers. In the modern technology the application based mobile banking services offered by bank to their called app base mobile banking services. Customers can download mobile banking apps on their mobile. Mobile banking is generally available on a 24 hours basis. Through the mobile banking services users can carry out a variety of banking activities like check account balance, transfer balance from one account to another account and bill payments etc.

Mobile banking services were introduced firstly through short messaging services (SMS), Wireless Application Protocol (WAP) enabled mobile banking devices (Singh, 2016). Mobile banking services are mainly used for performing banking activities such as financial transactions and various payments etc. Mobile banking assists customers to do banking activities at anytime and anywhere (Sharma and Kaur, 2016).

“Mobile Banking (M-Banking) is the latest and most innovative information medium and is the new trend among the customers with the feature to access their accounts at any time – 24 hours a day X 365 as well as greatly enrich the connotation of banking services, saving time and money for users, banks offer M-Banking as a less expensive alternative to traditional banking” (Angumutu, 2012). Mobile banking service offer a large range of services to the banks customers such as funds transfers to one account to another account, purchasing and selling stock, payments of insurance premium and access to account information through mobile phone (Saini, 2014).

Reserve bank of India is also offering the application based mobile banking service to their customers and the Customers can carry out financial and non-financial transactions that consist of balance enquiry, cheque book request and mini statements respectively.

REVIEW OF LITERATURE

The area of the usage of mobile banking services has been discussed and analyzed by various researchers and academicians from time to time. Laukkanen and pasanen (2005) in their paper examined that characterises the users to mobile services form distinct group of online customers in banking. It was revealed that majority of consumers paid attention to electronic banking rather than mobile banking. It was also analysed that mobile banking service were generally accepted in middle aged group than younger generation. R.K Uppal (2010) in her paper studied that explores the extent of mobile banking among various e-channels besides to make strategies to enhance Mobile banking services in India. It was revealed that mobile banking services helps to banks to keep their valuable customers and reduce the transaction cost. It was also concluded that mobile banking helps to both banks and users to decrease the burden and save time of customers. Bamoriya and Singh (2011) in their study titled “issues & challenges in mobile banking in India: A customer’s perspective” analysed the selected issues in mobile banking from customers perspective besides perceived utility of mobile banking in comparison to retail banking. It was observed that maximum numbers of customers were using mobile banking services weekly. Motwani , Matharu and Haryani(2013) in their paper titled “A Comparative Study of Mobile banking services in Public and private Banks” aimed to mobile banking services and its determinants for public and private sectors banks furthers study the customers perception regarding mobile banking services offered by public and private sectors banks. It was suggested that bank customers were expected to adopt mobile banking, when customers have adequate information regarding mobile banking.

Surendra Malviya (2015) in his paper studied that develop an instrument to measure the mobile banking services quality and identify services quality dimension of mobile banking of public and private sectors banks in Indore. It was observed that majority of respondents were feel secure by using mobile banking services. It was also concluded that mobile banking services a key factor to improve a reputation of banks and catch the attention of new customers. Sharma and Kaur (2016) in their paper titled “M-services in India: A study on mobile banking and application” studied that trends in mobile banking in terms of numbers of users and transaction besides recent progress by various banks with respect of mobile banking. It was concluded that mobile banking service appropriate for bank customers and offering new services to unbanked customers. Shukla and Singh (2020) in their research paper titled “A study of mobile banking & its impact on consumer satisfaction with reference to Nagpur Area.” Observed that the reason behind growing trend of M-banking is that, it helps the consumer to perform banking at anytime and anywhere. It makes consumers to access their banking transactions very easily 24X7.

All the studies reviewed above highlighted the various aspects of mobile banking being researched previously. However, one aspect of mobile banking services not covered in most of the studies is the frequency of usage along with the activities for which mobile banking is mostly used specifically by the customers of top 5 public sectors banks in Punjab namely; State bank of India, Punjab National Bank, Bank of Baroda, Union Bank of India and Canara Bank respectively. So, the main objective of the present study is:

To study the frequency of mobile banking usage by the respondents besides identifying the main activities which are carried out by them through mobile banking.

DATA BASE AND RESEARCH METHODOLOGY

For the present study, primary survey has been conducted with the help of a structured questionnaire. The relevant option was constructed on the basis of review of literature. In total 250 respondents (50 each of 5 banks) from the urban areas of the Amritsar, Jalandhar, Ludhiana, Patiala and Mohali cities of the state were approached for the data collection. Data was collected using convenience-cum-judgemental sampling technique. However, due to some incomplete entries, effective collected sample size for the study is 217 respondents. The data has been analysed by using frequencies, percentages and weighted average score. Analysis was conducted using SPSS Ver. 18.

ANALYSIS AND FINDINGS

In order to achieve the objective of the study options were formulated on the basis of review of literature to find out the frequency of usage of mobile banking. The respondents were asked to tick the relevant options besides the motivational forces behind the usage of mobile banking by them. They were also requested to give the information about the activities carried through mobile banking. The results for the relevant options and motivational factors are shown in tables 1 and 2 respectively.

TABLE 1: FREQUENCY OF USAGE OF MOBILE BANKING

	Frequency	Percent	Valid percent	Cumulative percent
Daily	21	9.7	9.7	9.7
Weekly	67	30.9	30.9	40.6
Once in month	55	25.3	25.3	65.9
Twice in a month	30	13.8	13.8	79.7
Monthly –several times	15	6.9	6.9	86.6
Occasionally	29	13.4	13.4	100.0
Total	217	100.0	100.0	

Source: Survey Data

The above table shows that frequency of usage of mobile banking. Out of 217 respondents 21 (9.7 Per cent) use mobile banking daily followed by 67 (30.9 Per cent), 55 (25.3 Per cent) use mobile banking once in month, 30 (13.8 Per cent) twice in month, 15 (6.9 Per cent) use mobile banking monthly -several times and 29 (13.4 Per cent) use mobile banking service occasionally.

Table 2: Motivation Behind Use of Mobile Banking

	Frequency	Percent
Self motivation	97	44.7%
Advertisement	30	13.8%
Friends	43	19.8%
Internet	36	16.6%
Family members/ Relatives	35	16.1%
Bank staff	45	20.7%

Source: Survey Data

The above table 2 shows that out of total 217 respondents majority of the respondents 97 (44.7 Per cent) self-motivated to open a mobile banking account followed by 30 (13.8 Per cent) by advertisement, 43 (19.8 Per cent) by friends, 36 (16.6 Per cent) by internet, 35 (16.1 Per cent) by family member/ relatives and 45 (20.7 Per cent) motivated to open a mobile banking account by the bank staff.

The respondents were asked the activities carried out through mobile banking on the 5 point Likert scale (Whereby Very Often =5, Often =4, Sometimes =3, Rarely =2, Never =1)

Table 3: Activites Carried Out Through Mobile Banking

Activities	Very Often	Often	Sometimes	Rarely	Never	WAS
To check balance amount	121 (55.8%)	59 (27.2 %)	30 (13.8 %)	6 (2.8 %)	1 (.5 %)	4.3502
To transfer money between two bank accounts	87 (40.0%)	51 (23.5 %)	37 (17.1 %)	34 (15.7%)	8 (3.7 %)	3.8065
To request bill payment	67 (30.9%)	68 (31.3%)	35 (16.1 %)	26 (12.0%)	21 (9.7 %)	3.6175
To locate ATM	11 (5.1 %)	32 (14.7 %)	49 (22.6 %)	36 (16.6 %)	89 (41.0%)	2.2627
For changing of PIN of ATM	6 (2.8 %)	6 (2.8 %)	27 (12.4 %)	35 (16.1 %)	143 (65.9%)	1.6037
To enquire for cheque status	6 (2.8 %)	23 (10.6 %)	32 (14.7 %)	20 (9.2 %)	136 (62.7%)	1.8157
To access card statement	12 (5.5 %)	18 (2.3 %)	26 (12.0 %)	26 (12.0 %)	135 (62.2%)	1.8295
To view fixed deposit details	14 (6.5 %)	31 (14.3 %)	43 (19.8 %)	60 (27.6%)	69 (31.8%)	2.3594
Cheque book request	13 (6.0 %)	57 (26.3 %)	35 (16 %)	35 (16.1 %)	77 (35.5%)	2.5115

		%)		%)		
To stop payment on cheque	5 (2.3 %)	13 (6.0)	20 (9.2 %)	32 (14.7 %)	147 (67.7%)	1.6037
For repayment of loan	9 (9.1 %)	6 (2.8 %)	21 (9.7 %)	22 (10.1 %)	159 (73.3%)	1.5438

Source: Survey Data

The above table 3 shows that as per weighted average score the most important activities which is carried out by respondents through mobile banking is ‘to check balance amount’ (4.3502) followed by to transfer money between two bank accounts (3.8065), to request bill payment (3.6175) and the least important activities in this order are for changing of PIN of ATM and to stop payments on cheque (1.6037) respectively.

CONCLUSION AND SUGGESTIONS

Mobile banking service is a valuable service in the modern technology. Customers can do banking transactions and carried out various activities through mobile phone at any-time anywhere. The study resulted that majority of the respondents are self- motivated to an open mobile banking account. It was also observed that the respondents generally prefer the mobile banking for checking their balance amount and to transfer money between two bank accounts. However, results revealed that respondents least prefers to use mobile banking for certain activities like changing of PIN of ATM, to stop payments on cheque also for repayments of loan etc.

Further, due to more dependency on digital banking mobile banking apps are seeing more user traffic than ever. So, it becomes more important for the banks to make sure that their websites and their mobile apps can withstand the levels of traffic while also being available to their customers virtually 24/7 with the click of a mouse or tap of a screen.

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