

COMPARATIVE STUDY OF NET BANKING VS MOBILE PAYMENT APPS



Introduction

Over the years Indian Banking Sector has undergone many transformations. Post Liberalization, with coming together of market forces because of globalization and new technologies have made business highly competitive. These changes have major effect on service industry like banking. Increased material comfort, more disposable income, tech savvy nature, has increased their expectation. Many leading banks are putting huge resources into transforming the customer experiences. Customers are most important to a series of new opportunities and challenges facing banks. Today banks are facing an array of competitors.

It was during 1980's banking sector started the use of information technology to carry out basic functions like customer service, auditing etc., by introducing stand-alone PCs and migrated to LAN. After a little while Core Banking Solutions were adopted to improve customer experience. During 1990's with the entry of private and global players the competition increased leading to adoption of technology offering convenient, simplified anywhere, anytime banking. This has resulted in reduced human error, reduced cost and increased

revenues. Continuous innovation in banking technology is because of growing customer expectation and internal business mandate

Today we live in digital age. Digital influence in the Indian banking sector has been growing faster due to the increasing digital foot print. With the rapid growth of digital technology banking institutions came up with varied banking solutions across various digital channels such as net banking. Mobile banking, digital wallet etc., providing customers with an unmatched, personalized banking experience.

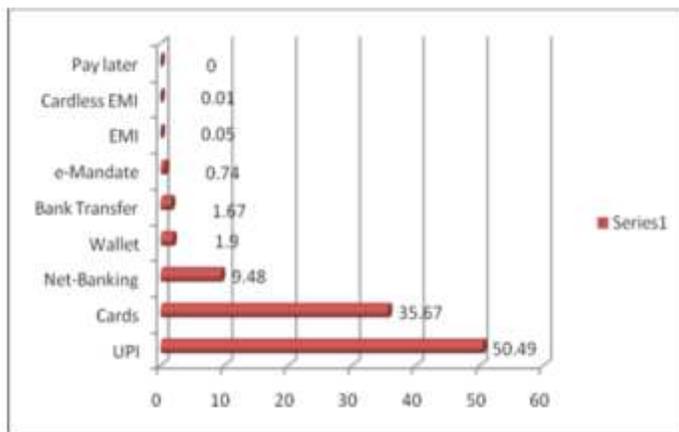
ICICI, the first bank to introduce internet banking has made life simpler for millions of people Net banking has made possible certain tasks at the click of button via internet and moved the customer towards queless, paperless, branchless and anytime banking. Net banking facilitated number of financial services such as account opening ,tracking account activity ,bill payments. Money transfer and non financial services like applying for cheque book, getting account statement and many more.

Mobile banking another most dominant form of digital payment is growing and evolving rapidly. Mobile banking originated during 21st century from SMS text messaging and is supported

by 2G technology. 3G technology enabled users to use mobiles for net banking transactions. With proliferation of smart phones, reduced cost and access to free internet brought about a tremendous change the way digital payments were made.

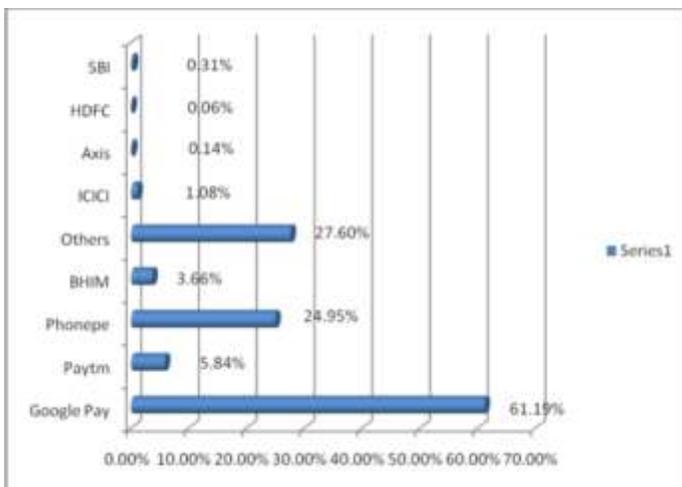
In 2016 introduction of Unified Payment System, a real time payment system changed the way inter- bank transactions were allowed with the use mobile platforms. This payment method which is the future of retail banking is the fastest and secure payment gateway developed by National Payment Corporation of India. With more and more payments apps coming into use the competitions has increased. Banking is expected to become more open in the future with the help of UPI.

Different types of contribution in the month of October 2019



Source: Quartz India, Bengaluru –based payment gateway

App-wise share in UPI transactions in the month of October 2019



Source: Quartz India, Bengaluru –based payment gateway

Need and Importance

Technology has touched every aspect of life and banking is no exception. With India embarking on digital economy digital payments gained importance. Digital impact in the Indian banking sector has been growing rapidly due to growing digital foot print. Digitization brought incomparable functionalities, coverage and usability for the huge Indian population. Majority of digital transactions are fulfilled by UPI in India. The use of smart phones has redefined the way bank transactions are carried in the present. With simple, easy and secure transactions and the presence of 39 payment apps and 50 banks supporting them there is an increased competition among payment apps like yono. Phonepe, Google pay, Amazon pay etc., It gains importance in the context of mobile payment apps becoming the future of retail banking.

Literature Review

Venkatesh et al(2003) in UTAUT indicated performance expectancy, effort expectancy, social influence and facilitating conditions as factors that influence the usage intention and behavior in case of payment apps. According to Au& Kauffman.,(2008) understanding the usefulness of the system is major factor influencing the use of mobile technology. C Kim et al(2010) stated that ease of use and usefulness are factors which lead to adoption of mobile payment apps. Chong et al.,(2012) identified gender as main variable in adopting and use of mobile technology. According to Anshul Malik et al (2017) Satisfaction and habit influence the continuous use of mobile payment apps.

Objectives

1. To study the awareness and use net banking among youngsters
2. To study the reasons for preferring mobile payment apps among youngsters

Research Methodology

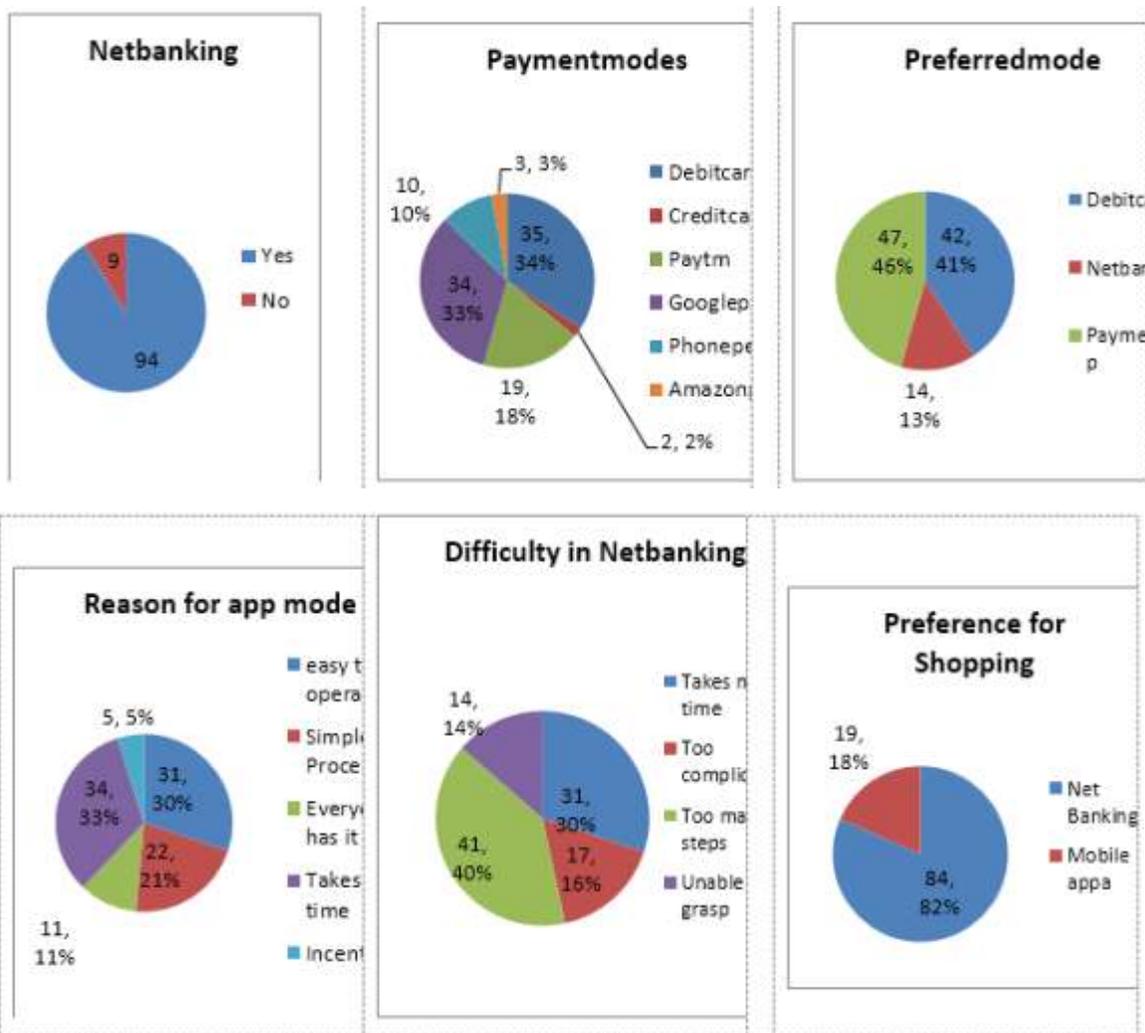
The study focused on young college students (Girls) in the age group of 18 to 25 yrs located in and around vidyanagar in Hyderabad.

Research method is exploratory in nature. Primary data was collected by administering a structured questionnaire consisting of dimensions which measured awareness and use of net banking, factors that stopped them from using net banking and use of mobile payment apps and factors that influenced them to use mobile payment apps. Non-Probability sampling namely Convenience sample has been used. The sample size was 120. But only 103 forms are valid. Primary data was collected by administering a structured questionnaire. The questionnaire consists of 20 items. Secondary data was collected from journals, newspapers and websites.

Findings and Conclusion

On analysis it was found that more than 90% of the respondents were aware of net banking. Those who use net banking more than 50% rarely use it.

According to 40% the reasons for rare use of net banking was found to be too many steps and 30% for taking more time. 82% of the respondents prefer using Payment apps for shopping. 84% of the respondents prefer mobile payment apps. The reasons for preferring mobile payment is easy operation, consumption of less time and attractive incentives. Among the payment apps Google Pay is the most used app. It can be concluded that though majority of the respondents are aware of net banking more than half of them rarely use it and only one fourth use it frequently. After cash the most preferred payment mode is mobile payment app. For shopping 81% of the youngsters prefer using mobile payment apps. Among payment apps Google pay is used by 33% of the respondents followed by paytm, Phonepe and Amazon pay is just gaining its place. Overall its Google Pay is the most widely used and preferred among youngsters in mobile payment apps.



Future Implications

Mobile Payment apps are one of the most prevalent present development in banking system. This practice has taken over the conventional banking system. To meet the growing customer demands, in future mobile banking is likely to become more competent and easy, Its future trend indicates at the acquiring of IoT and Voice-Enabled Payment Services to become the reality of tomorrow. Top industry leaders are teaming up to adopt IoT connected networks to produce mobile banking technologies that need users' voice to operate.

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