

A Study of Mobile Commerce (M-Commerce) in New Generation Private Banks in Madurai City (South)

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Abstract

The phrase Mobile Commerce is developed in 1997 by Kevin Duffey to mean "the delivery of electronic commerce capabilities directly into the consumer's hand, anywhere, via wireless technology." Many choose to think of Mobile Commerce as meaning "a retail outlet in your customer's pocket." The M-Commerce consists of the following services. Markets are expanding from regional to global. Knowledge is replacing land, labor, and capital as the key value driver. Intelligent networks and virtual spaces are limiting the need for surface and air travel. With the technological progression particularly in computers and Internet field has led to the birth of electronic commerce (e-commerce) which enabled the business continues to be more simplified, efficient, quick and accurate resulting in improved productivity with higher satisfaction level to the customers. Also, improved processes result a reduced cost of production and transaction cost, and therefore the profitability of businesses increased manifolds. The emerging wireless and mobile networks have added another dimension of mobility and extended e-commerce to another research and application subject called Mobile Commerce popularly known as M-Commerce. The paper has to attempt a study of mobile commerce (m-commerce) in new generation private banks in Madurai city (south)

Keywords: M-Commerce, Private bank, Mobile banking-Commerce

Introduction

M-Commerce is the buying and selling of goods and services through a wireless held devices such as mobile telephone and personal digital assistants (PDAs).M-Commerce is a platform where a mobile customer can avail various banking and other related commercial facilities through his mobile phone.

M- Commerce is not the transfer itself. It provides services and information, which can trigger a future transaction. The scope of M-Commerce, therefore, goes beyond the initial one - time commercial transaction. The main areas of M- Commerce use are in text messaging, or SMS, mobile payment, financial and banking services, logistics, goods/services buy/sell information services and wireless customer relationship management, etc.

Benefits of M-Commerce

The benefits of M-Commerce concerning customers, merchants and banks are as below:

- Ubiquitous Personalized service – anywhere, anytime
- Remote payment for utility bills, insurance premiums, Credit card, bills, EMIs, etc
- Integration with existing payment systems, e.g., Credit/debit card payment option
- Promotion of Location - based services
- Point of Sale (POS) device may not require
- Penetration into cash dominated category
- Help developing customer loyalty

M-Commerce Services - Concept

M-Commerce Services Infrastructure to change the scenario of retail applications adopting Wireless Technology on GSM / CDMA. The Ready platform is offered for deploying M Commerce Services by different organizations like

- a. Banks and Financial Institutes
- b. Cellular Operators
- c. Government
- d. Loyalty Providers
- e. Various Corporate

M-Commerce Infrastructure integrates front end applications, like Wireless Point of Sale Terminals, Micro Finance, cash, e-purse, Bill Payment, Prepaid Top - up Vouchers, Vending Machine operation, e-Governance etc, way by different organizations with backend applications offered by other organizations, required to establish the working model. Being a manufacturer, E Cube India offers different hardware to support the applicant desired by the client.

Types of M-Commerce

The M-Commerce can be classified broadly in the three main categories:-

1. M-Payment: Through Credit/debit cards

Mobile phones linked to credit/debit cards can be used to make payments. e.g., M-payment applications like mChek etc.

2. E-Money

Cash loaded in mobile phones. Consumers use this virtual cash as real value for all types of transactions. E.g., prepaid cash card, recharge voucher amount, etc.

3. M-Banking

The Mobile phone used for accessing the bank accounts. All payments are route through the bank. e.g., Balance query, share trading alert, banking transactions, etc.

Mobile Payment (m-payment) Solutions

There are broadly three different models available for m-payment solutions by payment

- Bank account/debit card based
- Credit card based

Applications of M-Commerce

Application	Example of M - Commerce services offered
Mobile banking	Mobile Accounting
	Mobile online stock transaction
	Mobile banking information
	Payment for insurance, recharge coupons etc

Mobile Information Services	Current affairs
	Tour and travel information
	Mobile search engines and directories
Mobile shopping	Purchase of goods and services
	Content purchase & delivery
Mobile ticketing	Sports and cultural events
	Cinema Tickets
Mobile marketing	Mobile coupons
	Mobile newsletters
Mobile Entertainment	Mobile Gaming
	Download of music, video

The Objective of the Study

The aim of the study is way of adopting the M-Commerce technologies as well as to analyze the impact of adopting the M-Commerce services. The M-Commerce features include ubiquity, personalization, flexibility, and localization. The goal of M-Commerce is to combine technology with new ways of operating through which all the activities can be more effective, transparent and responsive

Research Hypotheses

There is no significant association between the age of the respondents and their overall M-Banking services qualities.

Methodology

Both primary and secondary data will collect. Primary data will collect the administration of the questionnaire, survey, and discussions with people. Secondary data will be collected from the organizations already providing the services through M-Commerce, journals of M-Commerce and RBI. Analyses of the study are done with the help of the relevant statistical tools Chi-square test, T-test.

Sampling design

The aim of the study mobile commerce (m-commerce) in new Generation private banks in Madurai city (south). To achieve this survey was conducted among customer in Madurai city. A total of 100 customers below 25 to 55 aged years were select on a convenient sampling method according to the convenience of getting data from the bank. An interview schedule was made in Tamil and English to bring out better understanding from the customer.

Tools for analysis

Chi - square

Chi- square test is the nonparametric used for comparing a sample variance to a theoretical population variance. The chi- square test is applied if the cell frequency is more than 5.

$$\text{Chi- square (X)}^2 = \frac{(O - E)^2}{E}$$

$$\text{Degrees of freedom} = (r - 1) (C - 1)$$

Where

- O - Observed Frequency
- E - Expected Frequency
- E - Row Total x Column Total
Grand Total
- C - No. of Columns
- R - No. of Rows

The Scope of the study

This research is based on the customers' perception regarding M-Banking services. This research discusses the opinion of the customers regarding the M-Banking services provided by the selected new generation private banks and the qualities of the M-Banking services in the area of reliability, responsiveness, security, easy use, accessibility, and efficiency. Also the research analyses the problems faced by the customers while using the M-Banking services. The research evaluates the relationship between the activities undertaken through M-Banking services by the customers, the qualities of M-Banking services.

Impacts of adopting or using M-Commerce

While electronic commerce (e-commerce) continues to impact the global business environment profoundly, technologies and applications are beginning to focus more on mobile computing and the wireless Web. With this trend comes a new set of issues especially related to mobile e-commerce. The purpose of this paper is to examine some of these issues so that researchers, developers, and managers have a starting point for focusing their efforts in this new domain. In simple terms, one can say/ $M\text{-Commerce} = E\text{-commerce} + \text{Wireless Web}$.

The days of initial euphoria over the possibilities of mobile technology have transitioned into a time of more cautious enthusiasm. Instead of simply wanting to go mobile, companies are asking for proof that the introduction of mobile services will add value to their businesses. The most important fact is that now mobile touches many areas other than just targeting customers. Furthermore, companies initially focused on B2C (business-to-consumer) the mobile solutions, are now finding that B2E (Business to Employee) applications to be more strategic. B2E is Business-to-Employee, an approach in which the focus of the business is the employee, rather than the consumer (as it is in business-to-consumer or B2C) or other businesses (as it is in business-to-business or B2B). The B2E Solution Set enables global enterprises to fully unlock the potential of their businesses, and optimize their existing assets, through the use of Web-based Portal technologies. B2E moves a wide variety of work to the Web, improving collaboration, productivity and operational efficiency among key stakeholders of any organization by making critical information and tools easily accessible and usable, regardless of an individual's role or location. The mobile technology continues to evolve and present an exciting range of possibilities for both near and long-term solutions. The technologies that once seemed a distant promise such as Bluetooth, location-based services and telemetric, are moving closer to becoming a reality. This fact can make service provider to be capable of providing value-added mobile solutions. Companies are finding that there is no need to wait on the sidelines for these next-generation developments to occur, they can leverage devices already in users hands such as non-WAP phones and sync PDAs (personal digital assistants) and readily available to introduce equally innovative, strategic solutions today.

Customer Acceptance of Mobile Banking

A survey was organized to examine the customer acceptance for various Mobile Banking services offered by new generation private banks and also analyze their qualities. The collected data were then analyzed to identify characteristics of customers most likely to use a particular type of service.

The primary data is collecting for the purpose of analysis and interpretation M- Commerce system concerning new generation private banks, i.e., ICICI and HDFC.

Gender wise classification

The following table shows the gender – wise classification of the sample respondents.

Table 1.1 Gender wise classification of the respondent

S.No.	Gender	No. of respondents	Percentage
1	Boys	54	54
2	Girls	46	46
	Total	100	100

Source: primary data

Table 1.1 shows that out of the total respondents who were using M-Banking services, (54%) of respondents were male and (46%) were female. It is infer that compared to female respondents male respondents using the M-Banking services are more which constitute 54% of the total.

Age Wise Classification

Table 1.2 Age wise classification of the respondents

S.No.	Age in years	No. of respondents	Percentage
1	Below 25 years	15	15
2	26-35 years	23	23
3	36-45 years	37	37
4	46-55 years	25	25
	Total	100	100

Source: primary data

The above table 1.2 shows that out of the total respondents using M- Banking services a vast majority (37%) of respondents belongs to the age group between 36 to 45 years. Exactly (25%) of the respondents belong to the age group of 46 to 55 years. Nearly (23%) of the respondents belong to the age group of 26 to 35 years, 14% of the respondents belong to below 25 years age group It is infer that maximum no of respondents belonging to the age group of 36 to 45 years are using the M-Banking services.

Association between the age of the respondents and the qualities of overall M-Banking services qualities

Table1.3

Age	Level of qualities of overall M-Banking services qualities			Total
	Low	Medium	High	
Below 25 years	0 (0)	0 (0)	25 (100)	25 (100)
26-35 years	0 (0)	25 (47)	28 (53)	53 (100)
36-45years	0 (0)	36 (95)	2 (5)	38 (100)

46-55years	30 (88)	4 (12)	0 (0)	34 (100)
Total	30 (20)	65 (43.3)	55 (36.7)	150 (100)

Computed Results of Chi-Square Test

O	E	O-E	(O-E) ²	(O-E) ² /E
0	5	-5	25	5
0	10.8	-10.8	116.64	10.8
25	9.2	15.8	249.64	27.13
0	10.6	-10.6	112.36	10.6
25	23	2	4	0.17
28	19.4	8.6	73.96	3.81
0	7.6	-7.6	57.76	7.6
36	16.5	19.5	380.25	23.05
2	13.9	-11.9	141.61	10.18
30	6.8	23.2	538.24	79.15
4	14.7	-10.7	114.49	7.79
0	12.5	-12.5	156.25	12.5
Total				197.78
Calculated value				197.78
Table Value				12.592
Degree of Freedom				6
Inference				Significant

Source: Computed Data.

It is noted from Table, the calculated value is higher than the table value. Therefore, the null hypothesis is rejected. Hence, it is concluded that there exists a significant association between the age group of respondents and the qualities of overall M-Banking services qualities.

Conclusion

Banks need to develop their M-Banking services so that their service will not be out of date, thus leading to that customer choose other E-banks which are better develop and modern. Banks need to recognize the potential of innovation and utilize them, besides implementing innovations, it is that banks also develop their services and to personalize even further to satisfy their customers. The banks have to meet the needs of customers and continuously improve their ability to do so. The banks have to be accurate, reliable, helpful and understanding to try to win customers' confidence by providing adequate security. They should also ensure good connectivity and power base that will enable them to serve customers faster and more conveniently and no time should service cease as a result of the network problem.

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