**“A STUDY OF CONSUMER BEHAVIOR OF MOBILE BANKING IN NAGPUR RURAL REGION”**

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**Abstract**

This research delves into the intricate consumer behaviour surrounding mobile banking adoption and usage within the rural Nagpur region of India. It aims to identify the key factors that influence the acceptance, utilization patterns, perceived advantages, and challenges encountered by rural inhabitants. Employing a quantitative research approach, the study utilizes structured surveys to gather data from a representative sample of rural residents. The findings elucidate the primary drivers and obstacles to mobile banking adoption, underscoring the necessity for customized strategies to bolster financial inclusion and enhance digital literacy in rural settings. The study concludes by offering actionable recommendations for banks, policymakers, and stakeholders to refine mobile banking services and cater to the distinct requirements of rural consumers, thereby fostering greater financial empowerment and economic development. This research investigates the consumer behaviour surrounding mobile banking adoption in the rural Nagpur region, an area characterized by agrarian economies and dispersed populations, where mobile banking penetration remains relatively low. The study aims to identify the key factors influencing adoption, usage patterns, and perceived benefits and challenges. Employing a quantitative research design, data was collected through structured surveys from a representative sample of rural residents using stratified random sampling and face-to-face interviews. The analysis revealed that perceived usefulness, ease of use, and social influence significantly drive mobile banking adoption, while lack of trust, limited financial literacy, and poor internet connectivity act as substantial barriers. Notably, balance inquiries and fund transfers were the most frequently used services

**Keywords**

Mobile Banking, Consumer Behaviour, Rural Banking, Financial Inclusion, Digital Literacy, Technology Acceptance Model (TAM), Rural Development, Nagpur Region, India.

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**Introduction**

The advent of mobile banking has revolutionized financial service delivery, offering unprecedented convenience and accessibility. However, the diffusion of this technology remains uneven, with rural areas often lagging behind urban centres. In India, where a significant portion of the population resides in rural regions, the potential of mobile banking to drive financial inclusion and economic empowerment is immense. The rural Nagpur region, characterized by its agrarian economy and dispersed population, presents a unique context for investigating consumer behaviour towards mobile banking. This study aims to bridge the knowledge gap by exploring the factors influencing adoption, usage patterns, and perceived benefits and challenges among rural consumers in this region. By understanding these dynamics, the research seeks to provide valuable insights for developing targeted interventions that can accelerate mobile banking adoption and foster sustainable rural development.

This is the opportune time for policymakers and other financial institutions such as banks to realize consumer behaviour on mobile banking in the rural Nagpur constituency with an aim of shaping the services in the context of the particular segment's needs and challenges. Socio-economic backgrounds, educational levels, levels of trust in technology, and how easy it is to use all have, to some critical extent, affected attitudes and behaviour among consumers toward mobile banking. It would involve diverse determinants that influence the adoption of mobile banking among the masses in the rural region of Nagpur. This paper has understood the concept of drivers and barriers in the process of consumer behaviour. The existing research scrutinizes perception, usage pattern, and constraints and provides inputs on how to make betterment access and effectiveness of services in mobile banking by this area.

**Literature Review**

* In their report of **2018, Demirgüç-Kunt et al.** depicts that mobile banking has in fact been a significant contributor to financial inclusion as it has enabled them to allow people without physical branches of banks to join the mainstream economy.
* **Researches like Gupta and Arora (2017)** have also raised how it can create a revolution in rural India with decreases in dependence on cash-based transactions, formalizing the economy in rural areas, and by an increase in access to safe financial services.
* **Mas and Radcliffe, who cited in 2011**, present studies that although mobile banking is successful in extending other financial services in some regions, poor infrastructure, lack of awareness, and resistance to change limit it from penetrating large rural areas.
* The most widely used frameworks for studying the adoption of new technologies is **Technology Acceptance Model that was developed by Davis in 1989.** TAM further postulated that perceived usefulness and perceived ease of use are the two principal determinants that impact technology adoption. For mobile banking, perceived usefulness concerns the degree to which users feel mobile banking will benefit their financial needs, and perceived ease of use is the degree to which services offered by mobile banking are easy to understand and use.
* **Amin, et al. (2008) applied the TAM model** for an investigation into the adoption of mobile banking in Malaysia. The findings indicated that both usefulness and ease of use are good predictors of the adoption of mobile banking.
* Other country-specific studies, such as **the Koenig-Lewis et al. study in Germany from 2010,** show that ease of use and trust are the important determinants for consumer attitudes in regards to mobile banking.
* **UTAUT, or Unified Theory of Acceptance and Use Technology, is a developed extension of TAM, introduced by Venkatesh et al. in 2003.** Factors, aside from the ones already **considered,** include social influence, facilitating conditions, and effort

expectancy. Venkatesh et al. (2013) applied the UTAUT model to the adoption of mobile banking by rural Indian customers and found that, besides facilitating conditions- infrastructure as well as support when needed, social influence (friends and family recommendations) played a critical role in adopting mobile banking.

**Research Methodology**

**Objectives:-**

* To identify the perceived benefits and challenges associated with mobile banking.
* To evaluate the impact of socio-economic factors on mobile banking adoption.
* To provide recommendations for improving mobile banking adoption and usage in the region.
* To understand the effects of lower education levels on mobile banking adoption.

**Research Design**

Cross-sectional survey design was employed to collect data from a representative sample of the rural population.

**Sample and Sampling Technique**

Stratified random sampling technique was employed to ensure representation from different villages and socio-economic groups of Nagpur area. Sample size was determined using statistical power analysis to ensure adequate statistical power.

**Data Collection Methodology**

This study employed a quantitative study design in investigating the determinants of the adoption and usage of mobile banking. A cross-sectional survey was employed, employing a structured questionnaire to collect data from 110 respondents selected at random. Convenience sampling was employed as the method of sampling employed to enable data collection under the given limitations. The questionnaire was designed to get the data concerning the respondents' comfort level using smartphones, mobile banking usage level, demographic characteristics (age, sex, education, and profession), perceived benefits, and limitations of mobile banking. Data collection was carried out by means of personal interviews to ensure ease and minimal chance of response error, considering the mixed nature of education prevailing among the populace. The questionnaire had ordinal and categorical scales to gather frequency of use and comfort levels along with demographic variables. Descriptive statistics, such as percentages and frequency distributions, were used to describe the usage behavior of mobile banking, the comfort level associated with smartphones, and the demographic profile. Cross-tabulations were utilized to identify interdependency between the demographic variables and mobile banking usage. The findings were also graphically depicted in the form of pie charts for easy interpretation and presentation of the findings. The limitations of the study such as the small, though relatively smaller, sample size and convenience sampling-related biases are acknowledged. Future research can be improved by employing more stringent sampling procedures and utilizing qualitative methods for enhanced understanding of the lived experiences and attitudes of mobile banking customers.

**Data Analysis and Interpretation:**

The pie chart represents the Education Level distribution of 110 respondents. The key observations are:

* Secondary School (26%) is the most common education level, followed by Postgraduate (24%) and Graduate (22%).
* Primary School (17%) and No formal education (11%) make up a smaller portion.
* This suggests a significant portion of respondents are well-educated.

The pie chart represents Occupation distribution of 110 respondents. The key observations are:

* Private job holders (29%) form the largest segment.
* Students (18%) and government employees (16%) also contribute significantly.
* Self-employed (21%) and unemployed (16%) groups show diverse professional backgrounds.

The Graph represents frequently use of mobile banking of 110 respondents. The key observations are:

* Daily: 41.8% of respondents use mobile banking every day.
* Weekly: 23.6% of respondents use mobile banking once a week.
* Monthly: 18.2% of respondents use it once a month.
* Rarely: 16.4% of respondents rarely use mobile banking.

The pie chart represents Trust on Mobile Banking of 110 respondents. The key observations are:

The majority of respondents (52% combining "much" and "very much") trust mobile banking, indicating a generally positive perception. However, a notable percentage (24%) remain neutral, and 24% (combining "little" and "very little") show some level of distrust. This suggests that while trust is relatively strong, there's still room to improve confidence among some users.

**Findings**

* While many rural customers are aware of mobile banking, there are large numbers that are not using it even with awareness.
* Mobile banking is primarily utilized for basic financial services such as seeing balances, sending payments, and transferring money.
* Security concerns, including fear of fraud and unauthorized transactions, discourage many prospective customers.
* Unreliable internet connections and poor network infrastructure in rural areas cause failed transactions and delays, making mobile banking unreliable and discouraging others from adopting it wholescale.
* The majority of rural consumers are not digitally literate, and this hinders them from understanding and utilizing mobile banking apps.

**Suggestions**

* Develop and implement culturally sensitive digital literacy programs tailored to the specific needs of rural consumers.
* Strengthen security measures and promote awareness campaigns to build trust in mobile banking services.
* Invest in improving internet connectivity and mobile network coverage in rural areas.
* Mobile banking applications with user-friendly interfaces in local languages.
* Establish local support centres and provide hands-on training to address consumer queries and
* Reduce transaction costs and offer affordable mobile banking services.
* Leverage social influence by organizing community-based awareness campaigns to promote mobile banking.
* Collaborate with local institutions, such as self-help groups and agricultural cooperatives, to disseminate information and provide support.

**Conclusion**

This research has provided a comprehensive examination of consumer behaviour towards mobile banking within the unique context of rural Nagpur. The findings illuminate a complex interplay of factors that both facilitate and impede the adoption of this transformative technology. While the perceived benefits of mobile banking, such as enhanced convenience and time efficiency, are recognized by rural residents, significant barriers persist, hindering widespread utilization. The study underscores the critical role of perceived usefulness, ease of use, and social influence as key drivers of adoption, aligning with established theoretical frameworks such as the Technology Acceptance Model (TAM) and the Unified Theory of Acceptance and Use of Technology (UTAUT). However, the analysis also reveals that the lack of trust, stemming from security concerns and perceived risks, coupled with limited financial and digital literacy, and infrastructural deficiencies, notably inconsistent internet connectivity, pose substantial challenges.

The implications of these findings extend beyond the immediate context of rural Nagpur. The digital divide, evident in the disparity between urban and rural mobile banking adoption, underscores the urgent need for targeted interventions to bridge this gap. The potential of mobile banking to foster financial inclusion and empower marginalized communities remains largely untapped due to these persistent barriers. Addressing these challenges requires a multi-faceted approach involving collaboration between banks, policymakers, and community stakeholders. Banks must prioritize the development of user-friendly interfaces, localized support mechanisms, and robust security measures to build trust and enhance usability. Policymakers should focus on investing in infrastructure development, particularly in improving internet connectivity and mobile network coverage, and implementing educational initiatives to enhance financial and digital literacy. Community-based awareness campaigns, leveraging social networks and local institutions, can play a crucial role in promoting the benefits of mobile banking and fostering a culture of digital adoption.

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