

REVIEW ARTICLE

SUSTAINABILITY OF MOBILE BANKING AS PERCEIVED BY RURAL BANK CLIENTS IN STA. CRUZ LAGUNA, PHILIPPINES

Harlen P. Balmes

San Pablo Colleges, San Pablo City, Philippines

Corresponding Author Email: harlenbalmes@gmail.com

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ABSTRACT

The introduction of mobile banking has transformed the financial services business, providing clients with exceptional convenience and accessibility to manage their funds on the go. As the globe transitions to a digital age, financial institutions must ensure the long-term sustainability of mobile banking. The purpose of this study is to provide insight into client perspectives of the sustainability of mobile banking services. Focus is given to a selected bank in Sta. Cruz, Laguna, Philippines. The study has adopted a quantitative research design. Data were collected from 82 users of mobile banking using survey questionnaire. The result showed that client perception is an important factor affecting sustainable intentions to use mobile banking. Clients' perception of mobile banking is influenced by the trust and confidence, and quality of customer support and services provided. Moreover, to ensure a sustainable and equitable future for banking services, it is essential to prioritize inclusivity, security, and consumer trust as technology continues to advance and mobile banking evolves.

KEYWORDS

Sustainability, Client Perception, Mobile Banking, Digital

1. INTRODUCTION

Mobile banking has become a powerful instrument in recent years that mixes technology and finance, giving people and businesses easy access to financial services via mobile devices. The widespread usage of smartphones and the increasing penetration of internet connectivity have helped accelerate the global adoption of mobile banking. This technological advancement has the power to completely alter how financial transactions are carried out, providing several advantages like accessibility, efficiency, and cost-effectiveness. However, a crucial issue that needs to be investigated to guarantee mobile banking's long-term viability is how customers view its sustainability.

The previous study examined the factors and obstacles that influence the intention to use mobile banking services and identified a solution to these obstacles. However, research on the sustainability of mobile banking based on client perception is limited. It is necessary to collect pertinent data from rural bank customers to comprehend the clients' perspectives on mobile banking.

This research would like to answer the following research questions. First, what are the perceptions of rural bank clients about mobile banking? Lastly, what issues must be addressed to assure sustainability of mobile banking?

Based on the research questions, this study aims to investigate and assess the sustainability of mobile banking from the client's perspective. This research obtains insight into the attitudes, motivations, and concerns of clients regarding the sustainability of mobile banking by focusing on their perceptions.

The study of mobile banking's long-term viability is crucial for numerous stakeholders, including mobile banking providers, policymakers, and clients. Understanding the client's perception of mobile banking's sustainability enables providers to employ a client-centric approach. By aligning their strategies with client value and expectation, mobile banking

providers can increase customer satisfaction and loyalty, resulting in greater adoption and utilization of mobile banking services. In addition, the study of clients' perceptions of the sustainability of mobile banking can assist policymakers and regulatory bodies in the development of suitable frameworks and guidelines. These regulations can promote the growth and sustainability of the mobile banking industry by ensuring consumer protection, data privacy, and sustainability practices (Kumar et al. 2023). Furthermore, mobile banking has the potential to close the financial inclusion divide by providing access to banking services for underbanked individuals. Understanding client perceptions and adoption barriers enables the identification of strategies to improve accessibility, promote financial literacy, and design user-friendly interfaces, thereby promoting financial inclusion.

2. LITERATURE REVIEW

Mobile banking is the act of conducting financial transactions using a mobile device. (Z.com, 2023) It offers numerous advantages for entrepreneurs and business owners in the Philippines, including convenience, improved financial management, and enhanced security. (Martinez, 2023).

One article stated that only 42.1% of Philippine internet users utilize banking and financial services applications. With a total population of 110.3 million, this indicates that only 46.44 million Filipinos have access to financial services, while 63.86 million do not. The lack of access remains one of the obstacles to financial inclusion improvement in the Philippines (Pearlpay, 2021).

One of the primary objectives of digital banking in the Philippines is to promote financial inclusion, particularly for the unbanked and underbanked population. It offers an opportunity for these individuals to access financial services, promoting economic growth and reducing poverty (Tookitaki, 2023). One of the challenges facing the Philippine banking industry is the need to improve financial inclusion. While the industry has made significant progress in recent years, there are still

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millions of people in the Philippines who do not have access to formal banking services. This is particularly true in rural areas, where many people still rely on informal financial services, such as pawnshops and moneylenders, to meet their financial needs. Banks must work to expand their reach and improve access to financial services for all Filipinos, regardless of their location or socio-economic status (CreditBPO, 2023). It was revealed that most of the low earner groups are wary of opening their account in any bank. The reason behind is that in rural areas, to open an account in any bank branch means loss of one day wages plus an expenditure on transportation to reach there. Due to illiteracy, low income, ignorance, age, identity proof documentation, gender, lack of nearest and approachable bank branches etc., they are not able to avail banking facilities. (Sharma, 2020). The fact that decision variables and demographic status may affect one's approach in choosing which banking platform to use, financial literacy and bank's marketing and communication efforts play an integral role in shaping the Philippines' current banking industry. (Gigante, Martin & Marutani, 2022).

Another article stated that for the banks to begin to embrace the benefits of sustainability they must take a human-centric approach to digital banking (Kumar 2005). Digital solutions need to be seamless and aligned with customer needs, retaining the personalised customer experience that has been traditional banks' distinguishing feature for many years. By doing so, sustainability becomes the only 'by-product' in banking – enabling banks to retain and grow customers along the journey to digitalisation, while creating new revenue streams and optimising processes internally and externally (The Fintech Times, 2021). New technologies allow digital banking to provide a greater customer experience, better deals, and more transparent product information. They also recognise that sustainability must be part of the modern banking and financial services industry for it to continue to thrive. (Retail Banker International, 2023)

4. THE DATA ANALYSIS

4.1 Respondent Profiles

Table 1: Respondents Demographics (N=82)		
Smartphone User	N	%
Yes	62	76%
No	20	24%
Age Group		
16 – 25 years old	10	12%
26 – 45 years old	17	21%
46 – 60 years old	36	44%
61 years old and above	19	23%
Gender at Birth		
Male	5	6%
Female	77	94%
Education		
Primary	23	28%
Secondary	38	46%
Technical Vocational Education	3	4%
College Degree	18	22%

Table 2: Usage of Mobile Banking		
Average time spent on online banking	N	%
5 to 10 minutes	61	98%
11 to 15 minutes	0	0
16 to 20 minutes	0	0
21 to 25 minutes	0	0
26 to 30 minutes	0	0
More than 30 minutes	1	2%
Years using online banking.		
Less than 1 year	7	11%
1 to 2 years	23	37%
2 years to 3 years	28	45%
4 years to 5 years	4	6%
More than 5 years	0	0%

Sixty-two (62) out of eighty-two (82) respondents, or 76%, use their mobile phones for banking activities. The remaining 24% of respondents has existing bank accounts but still prefer the traditional banking methods. In the age range of 46 to 60 years old, female respondents made up most of the sample with highest level of education was secondary.

Almost 98% of the respondents disclosed that they are averaging some 5

The Attitude towards switching to mobile banking has a positive significant effect on Intentions of Mobile Baking Adoption which means that as the consumers get a more positive attitude towards mobile banking, they are more likely to have intentions towards adopting mobile banking. Moreover, user's behaviour related to mobile banking is shaped by the combined effect of habit and culture. Mobile banking services could be very efficient and cost-effective tools in the future, which will have a fundamental impact on the infrastructures that provide banking services (Atobishi T., Bahna M., Fogarassy Cs., 2021).

3. METHODS

The study adopted a quantitative research methodology. Users and consumers of mobile banking and its services in Sta Cruz, Laguna, Philippines are surveyed to collect information. This research uses a simple random sampling with a sample size of approximately 82 respondents.

The primary data were collected using an adapted questionnaire from the previous studies and respondent's responses are meticulously recorded. Most of the queries in the questionnaire use a Likert scale. The questionnaire commenced with the selection of interviewees to identify mobile banking users. Followed by gaining a comprehension of the general procedures the interviewee would employ when conducting financial transactions. The third section consists of a variety of queries designed to ascertain the interviewee's attitude and perception regarding Mobile Banking Services. Fourthly, it gathers opinions on the advantages of Mobile Banking Services. Lastly, the respondent's profile to comprehend the respondent's background characteristics.

to 10 minutes per session on mobile banking. Furthermore, most clients were using mobile banking for almost 3 years. Another 37% said that they have been using online banking for one to two years.

Additionally, to understand user's perspectives, their experience, and their expectations on mobile banking services the figures were shown on figures below.

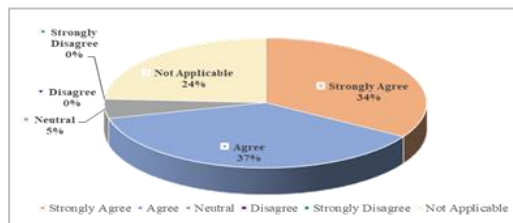


Figure 1: Customer's Trust on Mobile Banking

The Figure 1 shows that respondents are confident that the bank can be trusted and will take all necessary measures to ensure the safety of their online transactions.

banking makes their transactions go more swiftly. It is also helpful in the day-to-day life.

The Figure 2 shows that 42% of respondents think that using mobile

The Figure 3 shows that 32% of respondents say that the mobile banking channel is clear, understandable, and simple to use.

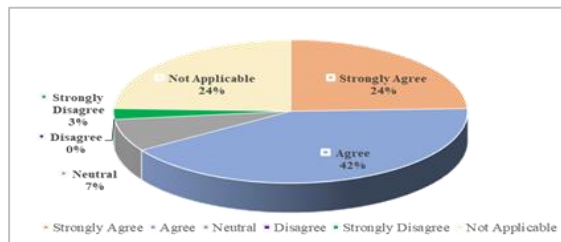


Figure 2: Performance Expectancy

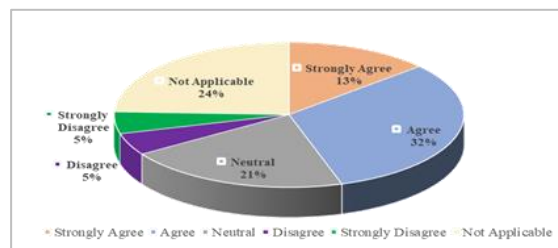


Figure 3: Effort Expectancy

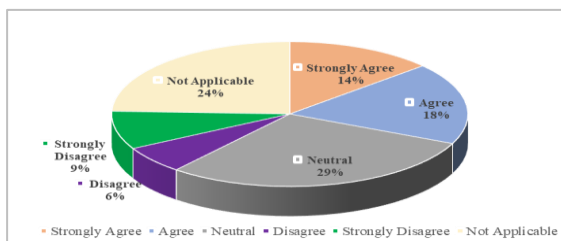


Figure 4: Facilitating Condition

The Figure 4 shows that respondents believe that they neutral in terms of competency about utilizing mobile banking. In addition, there is 6% and

9% of respondent who believe that the application is inapplicable on other devices they use.

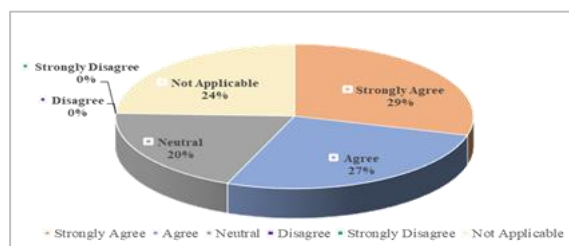


Figure 5: Behavioural Intention to Use Technology

The Figure 5 shows that 29% of respondents intend to utilize this mobile banking channel more regularly in the coming months.

compatibility of application with their smartphone operating system; android or IOS (iPhone Operating System). Overall, clients prefer to continue using the mobile banking channel rather than do it offline.

5. CONCLUSION AND RECOMMENDATIONS

Clients were satisfied on the mobile banking application provided by the bank. Clients believes that bank will do everything to secure the online transactions for users. Moreover, clients also believe that mobile banking is helpful in the day-to-day life, and the mobile banking features are easy to use. Furthermore, clients believe that it enables banking services to avail more quickly. On the other hand, in term of facilitating condition, 6% and 9% has disagreement. These are clients with issue regarding

The financial institution should actively engage with their clients to understand their expectations and concerns regarding mobile banking sustainability. By fostering open dialogue and incorporating feedback, institutions can develop solutions that address specific sustainability challenges and meet the evolving needs of clients. Moreover, given the age range of most clients and the educational background financial institutions should invest in initiatives to improve digital literacy among their clients by providing educational resources and tutorials that can help clients

understand how to use mobile banking services effectively and securely. This will empower clients to make the most of mobile banking while reducing the potential for errors or security breaches.

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