

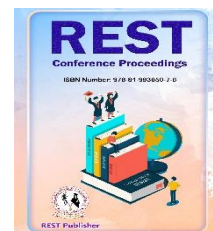


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# Impact of Mobile Banking App on Walk-In Customers of Banks in Amravati City

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**Abstract:** The integration of technology in the banking sector has significantly transformed the way banking services are accessed and utilized. This research paper examines the influence of mobile banking applications on the frequency and behavior of walk-in customers in banks across Amravati city. Using a structured questionnaire and employing statistical tools like the Chi-Square Test, data was collected from 100 respondents to understand their banking preferences, app usage patterns, and overall impact on traditional banking practices. The findings indicate a clear trend toward increased reliance on mobile banking, particularly among younger and professionally active demographics, leading to a decline in walk-in transactions. The study provides insights and recommendations for banking institutions to adapt to this shift, ensuring better customer service and optimized resource allocation.

**Keywords:** Mobile Banking, Walk-in Customers, Digital Banking, Customer Preferences.

## 1. INTRODUCTION

The financial sector has undergone a paradigm shift in recent years, driven largely by advances in digital technology and the widespread use of smartphones. Mobile banking applications, also known as m-banking apps, have emerged as a core component of this digital revolution, enabling users to perform a wide range of banking functions—such as checking account balances, transferring funds, paying bills, and applying for loans—without visiting a physical branch (Koksal, 2016). This evolution has fundamentally altered how customers interact with banks, offering enhanced convenience, accessibility, and time-efficiency. In the context of India, the push towards digital banking has been further accelerated by government initiatives such as Digital India, Jan Dhan Yojana, and the Unified Payments Interface (UPI). These efforts have significantly increased mobile banking penetration even in semi-urban and rural areas. According to the Reserve Bank of India (RBI, 2022), mobile banking transactions in India grew by over 100% in volume and nearly 90% in value between 2020 and 2022. The COVID-19 pandemic further catalyzed this trend, as lockdowns and social distancing norms compelled both consumers and banks to shift toward contactless banking solutions (Gupta & Arora, 2021). Amravati, a tier-2 city in Maharashtra, is experiencing the ripple effects of this transformation. While traditionally reliant on physical banking services, many customers in Amravati are now transitioning to mobile platforms, particularly younger and more tech-savvy demographics. However, this shift is not without its challenges. Issues such as digital illiteracy, cybersecurity concerns, limited internet penetration in some localities, and resistance to change among older age groups continue to hinder the full adoption of mobile banking in the city. The transition to mobile banking also has significant implications for the operational dynamics of banks. With a noticeable decline in walk-in customers, banks are faced with the challenge of reallocating resources, retraining staff, and redesigning service strategies to cater to an increasingly digital clientele. It becomes essential to understand whether this decline in physical branch visits is uniform across all demographic groups or concentrated among specific segments of the population. This study aims to explore how mobile banking applications are influencing walk-in customer behavior in Amravati's banking sector. By analyzing factors such as age, gender, occupation, and education in relation to app usage, the research seeks to provide a granular understanding of digital adoption patterns. The findings will help local banks develop targeted strategies to enhance digital engagement while still supporting customers who prefer traditional banking methods.

## 2. REVIEW OF LITERATURE

The emergence of mobile banking has been a subject of extensive academic and industry research, particularly in the context of digital transformation in the financial sector. Mobile banking has redefined customer-bank relationships, offering unprecedented flexibility, accessibility, and efficiency (Alalwan et al., 2016). As digital technology continues to evolve, financial institutions are adopting mobile platforms to meet the changing expectations of customers and to maintain a competitive edge. Agarwal and Rastogi (2020) emphasized

that mobile banking significantly enhances customer satisfaction by offering 24/7 access to banking services, reducing the need for in-person visits. Their study also underlined the growing preference for digital channels among urban professionals. Sharma (2019) supported this view, highlighting that digital banking adoption is more prominent in urban areas due to greater internet penetration, smartphone usage, and digital literacy. The Reserve Bank of India (2021) reported that mobile banking transactions in India grew by 121% in volume and 88% in value during 2020–2021. This surge was attributed to the COVID-19 pandemic, which accelerated the shift toward contactless and remote banking solutions. However, this growth is not uniformly distributed. Tier-2 and tier-3 cities, such as Amravati, still face significant challenges related to awareness, trust, and technical skills. Patel and Sinha (2020) conducted a study on mobile banking usage in semi-urban regions of Gujarat and found that despite increasing smartphone ownership, actual usage of banking apps was hindered by security concerns and fear of digital fraud. Similarly, Kaur and Arora (2021) noted that senior citizens and less-educated customers were more likely to continue using traditional banking methods, citing unfamiliarity with digital interfaces and lack of personal assistance as key deterrents. A comparative study by Das and Rout (2022) analyzed mobile banking penetration across different Indian states and concluded that socio-economic factors such as education level, occupation type, and income significantly influence adoption. Their study also emphasized that banks need to invest in customer education and app usability improvements to encourage wider adoption. Furthermore, Ramesh and Bansal (2019) discussed the organizational perspective, highlighting how banks are adapting to declining footfall by redefining branch roles, digitizing internal operations, and re-skilling employees. They also stress the need for hybrid service models that cater to both digital users and those reliant on traditional banking. These studies collectively point to a critical transition phase in Indian banking, where mobile applications are gaining traction but still coexist with conventional service modes. The situation in Amravati reflects this duality, making it an ideal case for examining the impact of mobile banking apps on walk-in customer behavior.

### 3. OBJECTIVES OF THE STUDY

- To identify the extent of mobile banking usage among bank customers.
- To analyze the demographic profile of mobile banking users.
- To evaluate the impact of mobile banking on the frequency of bank visits.
- To suggest strategies for banks to adapt to digital trends.

Scope and Limitations: This study is confined to banks within Amravati city. It captures data from 100 respondents, which may not represent the entire population. The research primarily focuses on customer behavior and does not deeply analyze the internal operational adjustments made by banks.

### 4. RESEARCH METHODOLOGY

- Research Design: Descriptive
- Sample Size: 100 respondents from various banks in Amravati
- Sampling Technique: Random sampling
- Data Collection: Primary data through questionnaires; Secondary data from journals and reports
- Statistical Tool: Chi-Square Test of Independence

#### Hypothesis Testing:

Hypothesis: Null Hypothesis ( $H_0$ ): There is no significant association between reduction in visits and customer satisfaction with mobile banking apps. Alternative Hypothesis ( $H_1$ ): There is a significant association between reduction in visits and customer satisfaction.

Hypothesis Analysis: Reduction to visit the bank Vs. customer's satisfaction about mobile banking apps.

TABLE 1. Observed Value Table

Options	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied	Total
More than 75% reduction	30	3	1	0	0	34
50% to 75% reduction	29	4	2	0	0	35
25% to 50% reduction	9	5	1	0	0	15
Less than 25% reduction	7	6	3	0	0	16
Total	75	18	7	0	0	100

Note: Columns "Dissatisfied" and "Very Dissatisfied" have 0s across all rows and will be excluded from the Chi-Square analysis.

**Expected Frequencies Calculation:**

Expected frequency for each cell =

$$E_{ij} = \frac{(\text{Row Total}_i \times \text{Column Total}_j)}{\text{Grand Total}}$$

We compute expected values and then apply the chi-square formula:

$$\chi^2 = \sum \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

**TABLE 2.** Expected Frequencies Table

Reduction in Visit	Very Satisfied	Satisfied	Neutral
More than 75% reduction	25.50	6.12	2.38
50% to 75% reduction	26.25	6.30	2.45
25% to 50% reduction	11.25	2.70	1.05
Less than 25% reduction	12.00	2.88	1.12

**Chi-square test result:**

- Chi-Square Statistic ( $\chi^2$ ): 15.43
- Degrees of Freedom (df): 6
- P-value: 0.0172
- Significance Level ( $\alpha$ ): 0.05 (typically used)

**Interpretation:** Since the p-value (0.0172) is less than 0.05, we reject the null hypothesis. There is a statistically significant association between the reduction in bank visits and customer satisfaction due to mobile banking apps.

**Discussion:** The results affirm a strong correlation between professional status, age, and the frequency of mobile banking use. This suggests a generational and occupational divide in banking preferences. While younger users favor the convenience of mobile apps, older customers still rely on physical banking. The data suggests that banks must address this divide by providing user-friendly mobile interfaces and digital literacy programs.

**Findings:** 76% of respondents use mobile banking regularly. 58% reported a decrease in their physical visits to banks after adopting mobile apps. The highest mobile app usage was recorded in the 20-35 age group. Security concerns and lack of knowledge were primary barriers for non-users.

**Suggestions And Recommendations:** Banks should enhance the security features of mobile apps to build trust. Conduct workshops for elderly customers to teach app usage. Align bank resources and manpower according to reduced footfall. Introduce app-based loyalty programs to increase digital adoption.

## 5. CONCLUSION

The study concludes that mobile banking apps significantly impact walk-in customer behavior in Amravati city. With an increasing number of customers opting for digital transactions, traditional banking methods are witnessing a decline. To sustain in this evolving landscape, banks must innovate continuously and bridge the digital divide among their clientele.

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