

# Financial Implication of Mobile Banking Usages Among Customers of Selected NBFCs

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## Abstract:

Mobile banking is changing the way people use financial services from Non-Banking Financial Companies (NBFCs), making it easier and faster to manage money. This study looks at how customers of NBFCs like Muthoot Fincorp, Siyaram Finance, Bajaj Finserv, and IIFL Finance in Amravati benefit from mobile banking. Data from 40 customers and interviews with NBFC staff show that mobile banking saves time, reduces costs, helps with timely loan payments, and improves financial awareness. However, users still face problems like failed transactions, login issues, and security concerns. The study suggests that NBFCs should make apps easier to use, provide better support, and help customers learn how to use digital banking safely. These steps can make banking simpler and more inclusive for everyone.

**Keywords:** Mobile Banking, NBFC, Financial Management, Digital Finance, Financial Inclusion.

## 1. Introduction:

Mobile banking has transformed everyday financial activities by allowing customers, including those of NBFCs, to manage their money directly on their mobile phones, eliminating the need to stand in long queues or visit physical branches (Bhutani & Kumar, 2023; Parmar, Kulkarni, & Parwani, 2024). It offers unprecedented convenience, enabling users to check balances, transfer funds, and pay bills quickly anytime and anywhere, which helps people save time and reduce effort in their daily financial tasks (Bankrate, 2025). This accessibility not only simplifies financial management but also gives users real-time updates

about their accounts, helping them stay informed and in control of their finances (Samartha et al., 2022). Mobile banking has also played a significant role in expanding financial inclusion by reaching underserved populations, making financial services more accessible in remote areas (Shetty et al., 2025).

## 2. Statement of the Problem:

The digital evolution of financial services has caused a significant shift in the manner in which customers engage with financial institutions. Mobile banking is one such service that plays a significant role in providing convenient and swift financial services to customers. (Shaikh & Karjaluoto, 2015) Even though commercial banks are increasingly adopting mobile-based financial services, very few studies have analyzed the impact of such services among their customers, and this deficiency also exists when it comes to NBFCs, especially in India where such institutions have a substantial customer base (Kaur & Arora, 2021).

The current scenario reveals that the NBFCs are increasingly adopting mobile banking services with the aim of improved efficiency. A gap exists between the current state, where the usage of mobile banking is neither consistent nor convenient, and the desired state, where the customer can utilize the mobile banking service effectively for financial management. This absence of comprehensive knowledge about the monetary effects of mobile banking might hamper the achievement of efficiency and satisfaction of NBFCs. This issue has implications for customers, who are perhaps not using m-banking services efficiently (RBI, 2023). the NBFC, which also requires some inputs to develop more efficient online services; and government bodies, which work for enhancing financial inclusion

through online platforms. Hence, the research problem that emerges in this context relates to the financial implications of the usage of mobile banking by customers of the selected NBFCs (Bhutani & Kumar, 2023).

### 3. **Review of Literature:**

In recent years, the Indian financial system has transformed significantly, influenced by initiatives regarding financial inclusion, digital innovation, and the growing role of NBFCs. Financial inclusion has been widely regarded as a facilitator of inclusive and sustainable economic growth, affording access to basic financial services such as savings, credit, insurance, and digital payments for all sections of society.

**(Ananya Baid 2024)** Financial inclusion has become a landmark requirement for balanced and sustainable economic growth. It ensures that all sections of society, in particular the disadvantaged and rural masses, have access to basic financial services like savings, loans, insurance, and digital payments. In India, the improving level of financial access is due partly to different government initiatives, which include the Pradhan Mantri Jan Dhan Yojana. Despite this, many people still depend on informal systems of finance.

<https://www.iosrjournals.org/iosr-jef>

**(Vaivaw Kumar Singh, Kunal Sinha 2024)** Non-Banking Financial Companies: NBFCs, in increasing efficiency at different levels of operational activities, especially customer service and risk management. Automation via AI helps NBFCs conduct routine activities with minimal human errors and faster financial solutions, thus enhancing overall operational accuracy and effectiveness. Moreover, through AI-powered personalized services.<https://www.researchgate.net/publication/385092424>

**(Rajeswari Sengupta, Lei Son, and Harsh Vardhan 2022)** Although NBFCs make significant contributions to extending credit to informationally opaque sectors, their high dependence on bank funding also makes them susceptible to high levels of liquidity risks during periods of financial stress. Access to household savings and thus diversification of their funding base remains limited for NBFCs due to underdeveloped bond markets. <https://www.igidr.ac.in/pdf/publication/WP-2022-009.pdf>

**(Pankaj Dutt, Aayush Jain, and Asish Gupta 2020)**, their study extends the available literature by investigating a relatively unexplored dimension thus far—that of applying Data Envelopment Analysis to measure the performance of Non-Banking Financial Companies. While DEA has been widely adopted for assessing the operational efficiency of banks, applications within the nonbanking financial sector have been limited. In this study, traditional DEA models are used to estimate Overall Technical Efficiency, Pure Technical Efficiency, and Scale Efficiency. <https://www.researchgate.net/publication/341234567>

### 4. **Objective of the Study:**

- Identifying the financial benefits that associated with mobile banking uses.
- To evaluate how mobile banking improves access to financial services.
- To examine the impact of mobile banking usage on transaction cost savings among NBFCs customers.

The overall objective of this study is to understand how mobile banking benefits users financially and improves their access to financial services. It aims to examine how mobile banking makes transactions easier, faster, and more affordable for NBFC customers by reducing costs such as travel, time, and service expenses, while also enhancing convenience and inclusion in the financial system.

### 5. **Research Hypotheses:**

**Null Hypotheses (H<sub>0</sub>):** Mobile banking usage has no significant impact on the financial awareness of NBFC customers.

### 6. **Research Methodology:**

#### 6.1 **Research Design:**

This study uses a **descriptive research** design as it ideal for examining how customers of NBFCs are currently using mobile services and simply understand how customers use mobile banking and how it affects them financially. It focuses on observing customer behavior, usage habits, and experiences across different groups, using data that helps explain real-life patterns in an easy and practical way.

#### 6.2 **Sample Design:**

This study covers all customers who use mobile banking services, with a specific focus on NBFC customers in

Amravati city. The sample includes individual customers of selected NBFCs such as Muthoot FinCorp, Siyaram Finance, Bajaj Finserv, and IIFL Finance who actively use mobile banking for transactions and loan-related activities. A total of 43 respondents were selected using random sampling to ensure fair and unbiased representation of customers across different genders, age groups, and income levels. This sampling approach helps in understanding customers' views on mobile banking and its financial impact in a balanced and reliable manner.

### 6.3 Sources of Data Collection:

The study uses both primary and secondary sources of data. Primary data were collected directly from customers through questionnaires and interactions to understand their experience, usage, and opinions about mobile banking. Secondary data were gathered from reliable sources such as research journals, and trusted websites to support and strengthen the study.

### 6.4 Tools for Collecting Data

To collect data, we customers a structured questionnaire that comprised lots of closed- ended questions and Multiple Choice Answers to provide standard responses.

### 6.5 Statistical Analysis Technique

Respondents provided answers to their questionnaires. These answers were analyzed mathematically via descriptive statistics percentage analysis, and techniques as Chi-square analysis.

## 7. Data Analysis and Interpretation:

**Table1: How Frequently do use mobile banking?**

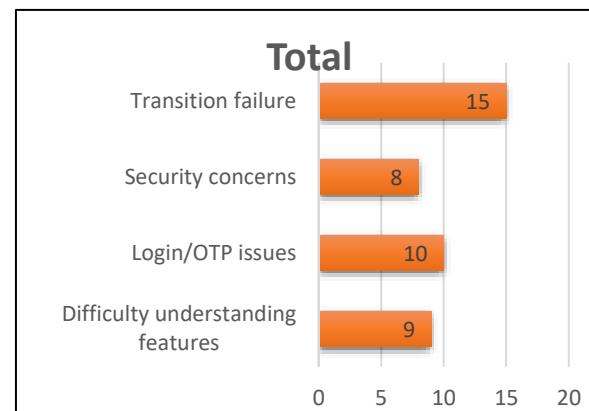
| Uses         | No of Respondent | Percentage  |
|--------------|------------------|-------------|
| Daily        | 13               | 32.5%       |
| Weekly       | 15               | 37.5%       |
| Monthly      | 4                | 10%         |
| Rarely       | 8                | 20%         |
| <b>Total</b> | <b>40</b>        | <b>100%</b> |

(Source: Primary data)

### Interpretation:

Most people in the survey use mobile banking regularly about 1 in 3 use it daily and a little more than 1 in 3 use it weekly. This shows that mobile banking has become a part of their everyday financial life because it's easy

and convenient. A smaller group, about 1 in 3, use it less often, which could be due to lack of awareness, comfort



with technology, or access issues. Overall, it's clear that mobile banking is becoming popular, but there's still room to help everyone use it more confidently.

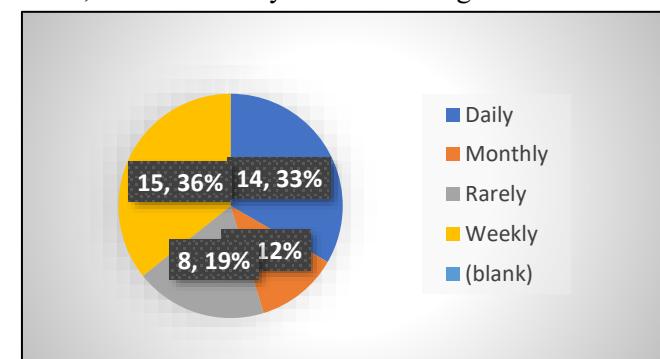
**Table 2 Describe the mobile banking services you use most frequently and why?**

| Mobile banking Services | No of Respondent | Percentage  |
|-------------------------|------------------|-------------|
| EMI/Loan                | 14               | 35%         |
| Fund transfer           | 13               | 32.5%       |
| Balance enquiry         | 5                | 12.5%       |
| Checking loan           | 8                | 20%         |
| <b>Total</b>            | <b>40</b>        | <b>100%</b> |

(Source: Primary Data)

### Interpretation:

Users mostly use mobile banking for EMI/loans and fund transfers, indicating that financial management is the primary need. However, the high usage is related to technical challenges: services like payments and transfers are affected by transition failures, login/OTP issues, and difficulty understanding features. This



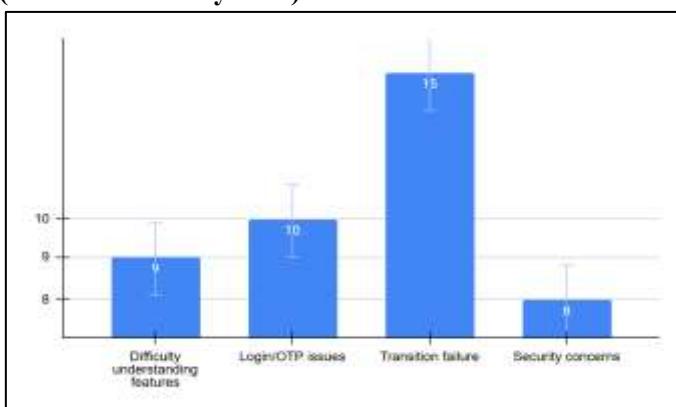
shows a direct relationship—the more users rely on mobile banking for critical tasks, the more they face operational and usability problems, highlighting the

need for smoother and more user-friendly mobile banking services.

**Table3: What challenges or difficulties have you faced while using the mobile banking app?**

| Difficulties faced in mobile banking | No of Respondent | Percentage  |
|--------------------------------------|------------------|-------------|
| Difficulty understanding             | 8                | 13.26%      |
| Login/OTP issues                     | 10               | 26.32%      |
| Transition failure                   | 14               | 21.05%      |
| Security concern                     | 8                | 39.47%      |
| <b>Total</b>                         | <b>40</b>        | <b>100%</b> |

(Sources: Primary data)



| Observed  | Expected | $(O-E)^2/E$        |
|-----------|----------|--------------------|
| 11        | 10.5     | 0.023809524        |
| 6         | 10.5     | 1.928571429        |
| 9         | 10.5     | 0.214285714        |
| 16        | 10.5     | 2.880952381        |
| <b>43</b> |          | <b>5.047619048</b> |

### Interpretation

The data indicates that users face multiple difficulties while using mobile banking, with transition failure being the most common problem, reported by 14 respondents (35%), showing that navigating between app functions is a major challenge. Login or OTP issues were the second most reported difficulty, affecting 10 respondents (26.32%), highlighting problems with authentication and account access. Difficulty in understanding features and security concerns were reported by 8 respondents each, representing 13.26% and 20% respectively, suggesting that a portion of users struggles with app usability and trust. Overall, the findings reveal that technical issues, usability challenges, and security concerns all influence user

experience, emphasizing the need for more intuitive interfaces, reliable systems, and enhanced security measures in mobile banking services.

**Chart4: What financial benefits have you gained from using mobile banking services?**

(Sources: Primary data)

$$\text{Degree of freedom} = (n-1) = (4 - 1) = 3;$$

$$\text{Chi Square: } 5.05 \quad \alpha = 0.05, \quad p = 7.815$$

Chi-square calculated value is  $5.05 < 7.815$  that is level of significance is **5**

| Financial benefits mobile banking | No of Respondent | Percentage  |
|-----------------------------------|------------------|-------------|
| Save time                         | 11               | 0.26        |
| Reduce travel cost                | 6                | 0.14        |
| Better control our finances       | 9                | 0.21        |
| Avoided late payment charges      | 16               | 0.38        |
| <b>Total</b>                      | <b>43</b>        | <b>100%</b> |



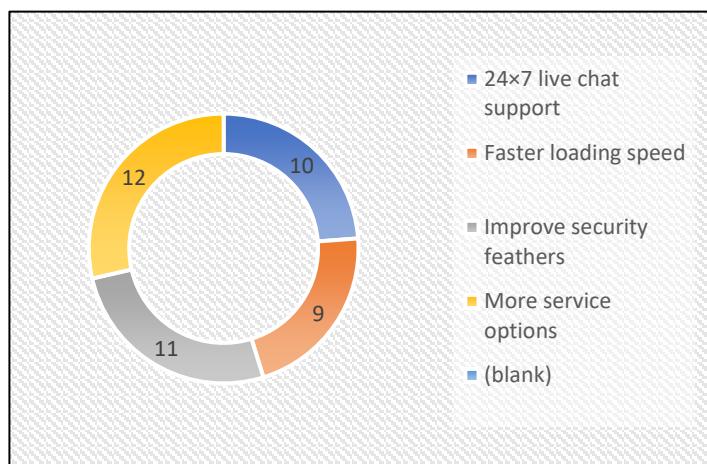
**Null hypothesis is Accepted**, This means there is no significant difference in how respondents perceive the financial benefits of mobile banking. All benefits are valued almost equally, so the null hypothesis (that there is no difference) is accepted.

### Interpretation

The study shows that users of mobile banking gain several financial benefits, including saving time, reducing travel costs, better control of finances, and avoiding late payment charges. Among these, avoiding late payment charges is slightly the most recognized

benefit. However, the Chi-square test indicates that the differences in how respondents perceive these benefits are not statistically significant. This means that all financial benefits are valued almost equally, and no single benefit is strongly preferred over the others.

**Table 5: What cost-saving advantages have you experience with mobile banking?**



| Response                      | No of Respondent | Percentage  |
|-------------------------------|------------------|-------------|
| Lower transaction cost        | 8                | 19.05%      |
| No travel expenses            | 12               | 28.57%      |
| Reduce need for branch visits | 14               | 33.33%      |
| Improve budgeting             | 8                | 19.05%      |
| <b>Total</b>                  | <b>42</b>        | <b>100%</b> |

(Source: Primary Data)

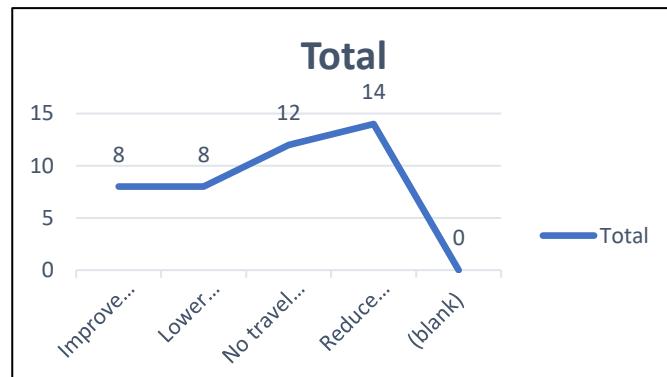
### Interpretation

The results show a clear relationship between mobile banking usage and cost savings among NBFC customers. A higher number of respondents reported reduced need for branch visits and lower travel expenses, indicating that mobile banking directly helps customers minimize physical visits and related costs. Other benefits such as lower transaction costs and improved budgeting were also acknowledged, suggesting that mobile banking contributes to overall financial efficiency rather than a single isolated advantage.

**Table 6: What improvements would you like to see in your NBFCs mobile banking app?**

| Response                  | No of Respondent | Percentage  |
|---------------------------|------------------|-------------|
| 24x7 live chat support    | 10               | 24%         |
| Faster loading speed      | 9                | 21%         |
| Improve security features | 11               | 26%         |
| More service options      | 12               | 29%         |
| <b>Total</b>              | <b>43</b>        | <b>100%</b> |

(Source: primary data)



### Interpretation

The findings show that customers expect multiple improvements in NBFC mobile banking apps, with a slightly higher preference for more service options and improved security features. The results indicate that customer satisfaction is influenced by a combination of service availability, security, support, and app performance rather than any single factor.

### 8. Findings of the Study:

The findings of the study reveal that the use of mobile banking has brought notable financial benefits to customers of selected NBFCs. Most customers reported that mobile banking has helped them reduce direct and indirect expenses such as travel costs to branches, printing of documents, and repeated follow-up visits. Easy access to services like balance checks, loan applications, EMI payments, and transaction history has enabled customers to manage their finances more efficiently and save time, which indirectly translates into cost savings. The study also found that faster loan

processing and digital repayments have reduced delays and penalties, improving overall financial planning for customers. Additionally, mobile banking has encouraged better budgeting and timely payments due to instant notifications and reminders. Overall, the findings indicate that mobile banking has positively influenced customers' financial behavior by making financial services more affordable, convenient, and efficient, especially for customers who prefer quick and paperless transactions.

### **9. Managerial Implication:**

The study shows that mobile banking is changing the way customers manage their finances, and NBFCs can use this to their advantage. By making mobile apps simple, secure, and easy to use, customers can handle transactions quickly without needing to visit branches. Encouraging digital payments, loan applications, and EMI payments helps customers save time and money while also reducing delays and penalties. Features like instant alerts and reminders make it easier for people to budget and pay on time, which builds trust and loyalty. Highlighting these benefits can attract new customers and keep existing ones happy, especially those who prefer quick, paperless solutions. By paying attention to how customers use mobile banking, NBFCs can also create services and products that fit real needs, helping more people manage their money better and feel more confident financially.

### **10. Limitation of the study:**

- This research is limited to certain NBFCs and their customers, so the results may not be representative of all NBFCs or banking clients.
- The study specifically examines customers of Bajaj Finserv, Muthoot Fincorp Ltd, Siyaram Finance, and IIFL.
- Data was gathered between 2025 to 2026, acknowledging that mobile banking trends and technology can evolve quickly.

### **11. Recommendation:**

NBFCs can further strengthen their mobile banking services by focusing on usability, support, and customer empowerment. Enhancing app usability by simplifying navigation, reducing the number of steps for transactions, and designing an intuitive interface ensures that customers from all segments can use the

app comfortably. Strong customer support, such as 24/7 in-app chat, call assistance, and easy-to-understand tutorials for activities like loan payments and document uploads, helps reduce customer anxiety and builds confidence in digital services. Timely EMI payments can be encouraged through regular reminders, notifications, and alerts, enabling customers to avoid penalties and manage their finances responsibly. Transparency is equally important; clearly displaying loan balances, interest rates, repayment schedules, and transaction history improves financial awareness and trust.

### **12. Scope For Future Research:**

This research focuses on understanding the impact of mobile banking on the financial behavior of customers using selected NBFCs. It examines how mobile banking helps customers save time, reduce costs, manage finances efficiently, and improve budgeting and timely payments. The study also explores customer preferences for digital, paperless, and quick transactions. While the research primarily covers customers of certain NBFCs, the insights gained can help banks and financial institutions design better mobile banking services, improve customer satisfaction, and promote financial inclusion in a growing digital economy.

### **13. Conclusion:**

The study shows that mobile banking has positively impacted NBFC customers, making financial services more convenient, cost-effective, and accessible. It helps customers pay EMIs on time, track loans, manage expenses, and improve financial discipline. While challenges like technical issues and transaction fees exist, the overall effect on financial well-being is positive. The study contributes to theory by enhancing understanding of digital financial behavior and technology adoption in NBFCs. It contributes to practice by offering managers insights to improve app usability, customer support, and financial empowerment, promoting higher adoption and satisfaction.

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