



The Role Of Mobile Banking Services In Present Era

Author: R.JAYANTHI(1) and Co-Author Dr.N.NAVEENA(2)

1.Research Scholar,Kongu College of Arts & Science,Karur.(Affiliated to
BharathidasanUniversity,Tiruchirappalli.)

2.Research Supervisor,Kongu College of Arts & Science,Karur.(Affiliated to
BharathidasanUniversity,Tiruchirappalli.)

ABSTRACT

In the Modern banking scenario Mobile banking services plays a vital role in, financial sector. The technological advancement has enabled the new method of banking services to the customer. Mobile banking is a term used for performing balance check, account transactions, payments etc. It can also be understood as availing banking and financial services with the help of mobile telecommunication devices. Mobile banking is often transacted by SMS hence it is called as SMS banking. This branchless banking has extended the distribution of more financial services. It has lot of advantages for bankers and customers and it helps to maintain good relations with their customers, it facilitates quick feedback and helps in customer retentions and customer loyalty. Customers feel ease while using mobile banking transaction as they have unlimited access to bank services, with the advancement of technology it helps to raise domestic savings, increase money transfer at low cost and less financial transaction costs, customers moved according to the technology because of their busy schedule of their work. During non availability of banking service in holidays they are moving towards the internet services and other outlets to transfer funds for their purpose.. Mobile and online banking frees customers from the need to call into branches or it takes phone for most common transactions and enhances their lives in a small way. The internet and mobile phone two technological advancement that have profoundly affected human behaviour in the last decade have started to converge. Communication of banks with the customers helps the banker to sell the financial product. Customer can check account balances and various information about their account, they can view last 30 days transaction history, view the payment of interest by banks of different types of account, processing of cheque details, purchase made by credit cards etc. are the key features of mobile banking. . Therefore they want to save time and cost for operating banking activities. At the same time customer satisfaction are influenced by reliability, safety and other perceived benefits on adoption of this services.. This study also wants to highlight the role of service providers on individual awareness and usefulness of mobile banking. The main aim of the study is to find the customer attitude towards the use of mobile banking services, because the customers of the banking industry changed their attitude from traditional banking operations to modern banking concepts such as mobile banking, internet banking etc.

Keywords- Mobilebanking, Technology, Financial products.

INTRODUCTION

The mobile users' base in India is expected to zoom to 893 million. This is a 150 million increase of what was projected earlier. India is now the second largest mobile market in the world after China, which has over 650 million subscribers, with India having 400 million mobile users. There will be 1.24 billion mobile users in 2015 - which means one phone for every Indian. With this strong base Mobile banking is expected to be successful if the Banks convince the customers with security. Mobile banking as a financial tool has been seeing its time of acceptance occur very much thanks to increasing mobility offered by smart phones. Phones essentially pack the capability of a basic computer and Internet access into a communication device. The technological push for increased mobility and function via a phone has begun to take shape with increased capital investment into networks and systems that can support these features. Mobile banking is an electronic system that provides most of the basic services available in daily, traditional banking, but does so using a mobile communication device, usually a smart phone.

1.1 Statement of the study

The development of mobile banking applications can be seen as a step toward a digital India. In these instances, it is essential to consider the level of satisfaction with these applications between various individuals. The project focuses on determining consumer satisfaction with Mobile Banking Applications among youth. It is said that there is a significant shift from cash to cashless transactions. This research also looks into the elements that influence user satisfaction with mobile banking apps. 1.3 Significance of the study The purpose of the study is to determine the level of customer satisfaction with mobile banking applications among youth. Because India is heading toward digitalization, these apps can help make monetary transactions simpler and more convenient. However, it's also crucial to understand the aspects that influence client satisfaction with mobile banking apps. Only in this way can we comprehend why there is such a large shift from cash to cashless transactions. This research could also aid in determining client satisfaction with mobile banking services.

1.2 Objectives of the study

- To highlight the theoretical background and current scenario of mobile banking services in Indian context.
- To understand the factors that influences the customer satisfaction towards mobile banking Application

1.3. Research methodology

Data are collected from various secondary sources like books, magazines, journal papers, websites, reports, working papers, etc were also used to get knowledge about the research area and develop a theoretical framework and research hypotheses.

Concept of Mobile Banking

According to the Reserve Bank of India's Master Circular 2008, "Mobile Banking Transactions" refers to bank clients accessing, crediting, or debiting their accounts via their mobile phones. This RBI definition not only specifies the scope of mobile banking, but also the required elements that must be taken into account while defining the parameters of a mobile banking research. In the scope of the research of mobile banking, the definition explicitly states what should be included as well as what should be omitted. In India, mobile banking rules seek to facilitate real-time financial transfers from any bank account to any other bank (interoperability), regardless of the customer's mobile network

subscription. Mobile banking may be done by using a browser or your mobile phone to access your bank's website, sending a text message, or downloading a mobile banking application to your phone. Mobile Banking is made up of three principles that are all interconnected: mobile accounting, mobile brokerage, and mobile financial information (Bamoriya & Singh, 2011). Mobile banking is described as "the supply and management of banking and financial services using mobile communications devices," based with one academic model. Facilities for conducting bank and stock market transactions, administering accounts, and accessing customized information may be included in the scope of supplied services." Global history and evolution of mobile banking applications In 1999 (the same year as Fundamo launched their initial prototype), the first mobile banking and payment efforts were revealed. A business named Pay Box was the first to do a substantial rollout (largely supported financially by Deutsche Bank). Two young Germans (Mathias Entemann and Eckart Ortwein) formed the firm, which has successfully deployed the solution in 13 Germany, Austria, Sweden, Spain, and the United Kingdom. More than a million 32 individuals were registered on Pay Box about 2003, and the firm was ranked as the top in the market by Gartner. Unfortunately, Deutsch Bank withdrew its financial assistance, forcing the firm to swiftly restructure. All save the Austrian activities were shut down. Mobi Pago, a Spanish effort funded by BBVA and Telephonic, was another early starter and acknowledged as a pioneer in the area. Later, the name was changed to Mobi Pay, and all Spanish banks and mobile carriers were encouraged to participate. When the product was first introduced in 2003, numerous businesses agreed to accept the unique USSD payment confirmation. The product never lived up to its promise due to the complicated shareholding and continual political issues of the several owners.

Mobile Banking Applications in India

Union Bank of India, India's first state-owned bank to launch mobile banking services, has just 1700 mobile banking subscribers thus far. SBI has only received 10,000 registrations for mobile banking, whereas ICICI bank became the first bank in India to offer complete mobile banking services to its customers on January 11, 2008 (ICICI bank, Press Release, 2008). ICICI bank has 80 lakh customers registered for mobile banking, HDFC bank has 40 lakh, and Kotak Mahindra bank has around 52000 clients. According to the Boston-based financial regional and consulting organisation, 84 percent of Indian households were unbanked in 2005, while mobile banking has increased by 94 percent in India since 2002. In this context, Patel estimates that India's active mobile banking users will reach 25 million by 2012. According to a study by the Reserve Bank of India, 82 banks were allowed to provide mobile banking application services in India in 2014, compared to 21 banks in 2010. According to the latest RBI data, 445 banks in India are licensed to provide mobile banking application services as of July 31, 2018. In India, the volume and value of mobile banking transactions has increased dramatically. According to RBI data on the payment and settlement system (month-by-month), the number of mobile banking transactions was 19.75 million in April 2015, 48.67 million in April 2016, and 106.27 million in April 2017. In comparison to 2016 and 2015, the amount of monthly mobile banking transactions at the RBI increased significantly in 2017. This clearly indicates that the amount of mobile banking transactions in India is expanding. According to the Economic Times (11th January 2017), based on RBI statistics, mobile banking applications have emerged as the clear victor among all digital payment choices since the Prime Minister of India declared demonetisation on November 8, 2016. According to RBI data on payment and settlement systems, there were 8.55 million mobile banking transactions in the first month after the note ban (November 2016), compared to 7.81 million transactions in the month before the note ban (October 2016).

TOP RATED MOBILE BANKING APPLICATION IN INDIA

1. HDFC Bank Mobile Application HDFC Bank is one India's largest banks. Its mobile banking app allows its customers to look at their account summary, transfer funds, make mastercard payments and pay utility bills. HDFC Bank's mobile application features a 4.2-star rating on the Google Play Store and has over 1 million downloads. The app allows its users to customize the —My Menu tab on the app, where the foremost frequently used services can all be available within the same tab. HDFC's mobile banking app is also available in Hindi and has a —LITE version that is compatible with lower 15 internet speeds. While the LITE version doesn't have all the features of the regular version, it covers the foremost frequently used services.

2. ICICI Bank's iMobile Application The iMobile app by ICICI Bank is one of the highest rated mobile banking applications in India. The app has a 4.5-star rating on the Google Play Store and has over 10 million installs. The app allows its users to transfer funds, pay mastercard bills, pay utility bills, open fixed deposits and recurring deposits, and manage life assurance policies. The iMobile app also allows users to locate ICICI Bank ATMs, transfer funds instantly through UPI payments, and transfer funds to an email id or mobile number. The app is consistently updated to reflect newer services that the bank offers through the app. Apart from fixing bugs, the foremost recent update enables users to see loan eligibility, and avail instant personal loans against their mastercard, and upgrading debit cards. In addition to the mobile banking app, ICICI Bank has also launched iWear. ICICI Bank's smart watch app. iWear allows users to access their account information through their smart watches, including information about their last 3 bank transactions, current balance and credit card accounts.

3. Axis Bank's Axis Mobile Application

The Axis Mobile app is popular due to its stability. With over 5 million downloads and a 4-star rating on the Google Play Store, the app allows its users a number of various services and functions. In addition to the standard funds transfer and viewing account statements, the app allows users to schedule mastercard payments for a date that suits them better, convert credit card payments to EMIs, block cards and replace them, temporarily deactivate open-end credits and set limits on debit card purchases. App users also can set standing instructions and auto-pay bills for over 200 utility services. Axis Mobile also allows its users to create a —Favourite list with 10 of the most frequent transactions carried out on the app. Customers also can email and Tweet feedback directly from the app and may also request a call back from a customer care executive.

4. SBI's Anywhere Personal Application SBI features a number of banking apps for a spread of services, but Anywhere Personal is that the app that gives the elemental banking services. The app formerly called the State Bank Freedom app is available in both Hindi and English. The app features a 3.9-star rating on the Google Play Store and allows its users access to deposits, withdrawals, and a mini-balance sheet. 16 The app has the mCash feature that permits users to transfer funds to a mobile number or email id. Customers also can make payments for utility bills, instantly open and shut fixed and recurring deposits, and schedule transactions. The mPassbook option provides customers with information of the last 150 transactions. The app also allows users the power to form payments to the SBI Life premium, and make ad-hoc payments to billers that aren't registered on the app. SBI has also launched a Wear app that provides its users access to their account through their smart watches.

5. Kotak-811 & Mobile Banking Kotak -811 is the number one in this list and there are so many reasons for that. You can open a Zero Balance Saving Account with Internationally enabled Virtual openend credit. The mobile banking app has excellent and super intuitive UI with several in-app features. You never need to go branches for any account-related work. The main drawback of Kotak Bank is the less branch network. Kotak Bank has also recently introduced the first Whatsapp Banking in India. Kotak 811 is additionally the simplest Digital checking account in India. For more details on the best Digital Bank Accounts in India, you can read my earlier article. As per RBI directives after the Supreme Court verdict on Aadhaar, you have to complete biometric eKYC verification or have to submit Officially Valid ID proof within 12 months of the opening of your Kotak 811

Advantages of Mobile Banking

A very effective way of improving customer service could be to inform customers better. Credit card fraud is one such area. A bank could, through the use of mobile technology, inform owners each time purchases above a certain value have been made on their card. This way the owner is always informed when their card is used, and how much money was taken for each transaction. Similarly, the bank could remind customers of outstanding loan repayment dates, dates for the payment of monthly instalments or simply tell them that a bill has been presented and is up for payment. The customers can then check their balance on the phone and authorize the required amounts for payment. The customers can also request for additional information. They can automatically view deposits and withdrawals as they occur and also pre-schedule payments to be made or cheques to be issued. Similarly, one could also request for services like stop cheque or issue of a cheque book over one's mobile phone. Through mobile messaging and other such in faces, banks provide value added services to the customer at marginal costs.

IMPACT OF MOBILE BANKING ON CUSTOMER CONCERN IN INDIA.

Introduction of mobile banking in 1980 helped banking industry to achieve exponential growth in the increased mobile transactions and improved customer service (Garima& Gulati, 2013). But in India, mobile banking is still in its nascent stage. Banks really need to identify various factors impacting customer's behavior about mobile phone to grow mobile banking in India (Patel, 2013). FIIB Business Review, Volume 5, Issue 2, April - June 2016 77 Research A Report on Mobile banking (www.nextbigwhat.com) says, "By 2015, \$350 billion in payment and banking transactions could flow through mobile phones, compared with about \$235 billion of total credit- and debit-card transactions today in India". This report highlights the development of mobile transactions in India. "India currently has more than 700 million mobile subscribers. Of the households more than 40 percent have at least one mobile phone even doesn't have bank accounts. We have just 240 million individuals with bank accounts, 20 million credit cards, 88,000 bank branches, and 70,000 ATM's.". This explains the growth trend and determines huge potential to generate income from mobile transactions. Mobile payment is considered convenient for customers and this will increase the usage of mobiles for various banking transactions by customers. Over the next five years it is expected that unbanked rural market could act as a threat for urban market in terms of size. Huge opportunity is there for banks. (Source: nextbigwhat.com). In this paper, we have highlighted the usage of various mobile banking facilities and also frequency. Mobile Banking is gaining popularity in India with time. Main reason behind this can be enhanced use of mobile by the customers. Mobile banking has emerged significantly in last 10 years which symbolize innovation in banking where both service and delivery mode is technology based. Thus innovation and use of technology have an effect on the distinctiveness of mobile banking services (Lesley, 2001). In developing countries like India, there are more mobile phone users than bank account owners. India stands second in terms of financially disqualified households in the world which mean that more than fifty percent of the population is financially underserved. Report on financial inclusions by World Bank state that 35 percent of Indian population has bank account and 65 percent of the population is still in the need of various financial services and access to financial institutions facilities (Global Findex 2011). Although growth can be seen in mobile banking and it is beneficial for banks, there are many challenges that Indian banks are experiencing through tremendous increase in the mobile banking user database like mobile set effectiveness, major privacy issues, transaction feasibility and appropriateness, app compatibility, consumer awareness and knowledge etc. Indian banks are struggling with issues like technology adoption into their systems which is very complex and banks should make these technologies easy to use to customers. Data shows that people are not very well updated with this upcoming mobile banking technology (Chaipoopirutana & Vij, 2009).

CONCLUSION

One of the major hurdles to overcome for successful consumer acceptance of mobile banking is financial systems security. The idea of managing funds over a cell phone or similar, with a signal that can easily be grabbed by others with the right equipment, is a scary idea for many consumers. The customers must be made to understand the system and explain its safety and make them overcome their fear. If this is done in future there is a possibility the usage of Mobile Banking Will go up to 100%.

REFERENCES

- [1]. Barnes, S.J., and Corbett, B. Mobile Banking: Concept and Potential, International Journal of Mobile Communications, 1 (3), pp. 273-288, 2003.
- [2]. Black, N. J., Lockett, A., Ennew, C., Winklhofer, H. And McKechnie, S. Modelling consumer choice of distribution channels: An illustration from financial services, International Journal of Bank Marketing, 20(4), pp.161- 173, 2002.
- [3]. C. Narendiran, S. Albert Rabara, and N.Rajendran.Public key infrastructure for mobile banking security, Global Mobile Congress 2009, pp. 1-6, 2009.
- [4]. Rao, G. R., &Prathima, K. (2003). Online banking in India.Mondaq Business Briefing, 11 April 2003.
- [5]. Kolodinsky, J. M., Hogarth, J. M., &Hilgert, M. A. (2004). The adoption of electronic banking technologies by US consumers.International Journal of Bank Marketing, 22 (4), 238-259. . Peterson, Marcus. (2009). A Brief History of Internet Banking, EzineArticles.Retrieved.

