



DEVELOPMENTS IN INDIAN BANKS WITH REGARD TO THE ADOPTION OF MOBILE BANKING SERVICES

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ABSTRACT

The banking sector is growing rapidly with the introduction of mobile banking services. With the help of mobile banking, the customers can do transactions online at any time. This is very less time consuming as compared to the traditional way of doing bank related tasks where the customers need to go banks to do any monetary transaction. Internet technology has changed the whole scenario of banks as now banks have become computerized. Every transaction is recorded online and every account can be checked online in real-time.

Banking industry is providing many services like automatic teller machines (ATMs), telephone banking and internet banking etc. It is observed that the growth of mobile banking is much better than that of ATMs and net banking. Since India is the second highest subscriber of mobile base in the world, hence, the growth of mobile banking is higher in India. The current paper highlights the growth of mobile banking in Indian banks.

KEYWORDS: Mobile, Banking, Growth, Bank, Customer

INTRODUCTION

With the help of mobile banking, customers can withdraw, deposit and transfer the money to another mobile account. As the name suggests, the whole service of mobile banking is done with the help of mobiles/smart phones. Mobile banking provides mobile financial institution to the customers so that they can do all their monetary transactions. This service of mobile banking is provided by the Reserve Bank of India to all the customers of Indian banks.

Any customer of public/private bank can use the mobile banking given the condition that his/her mobile number should be registered in the corresponding bank with the account number. The service of mobile banking is so secure that there is no issue of fraud. Mobile banking is made possible with the integration

of telecom industry and banking industry. Before this mobile banking, the customers complete their financial transactions with the help of ATMs and internet banking. It was also good but the customers were getting the difficulty of carrying.

Since mobile phones are easy to carry and handle so customers prefer mobile banking over the usage of net banking and ATMs. In India, the mobile banking was introduced with the SMS in 2002. At that time, the mobile phones were not so much popular in India and they were very costly as well.

Now, with the help of modern technology in smart phones, the online banking has become very popular. Now, almost every bank has its own application on the web platform. By installing these applications, a customer can access his/her account from anywhere



providing that the customer's mobile number should be linked with the account number. All these procedures are made secure by providing an OTP number on user's mobile number so that no authorized person can access the customer's account.

Mobile wallets are also becoming very popular these days. These mobile wallets provide the facilities like bill payments, money transfer, ticket booking etc. All these services are attracting the customers so much that the scope of mobile banking is increasing in India.

It is observed that the trend of using mobile banking among the urban customers of banks is more than that of the rural customers. The reason could be the lack of knowledge or awareness about this new emerging technology in banking sector. Banking sector should conduct some programs in order to aware the rural people about mobile banking so that they can also participate in this new revolution of technology and promote the new vision of cashless transactions.

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Mobile Banking nothing but a fusion occurring between the telecommunication industry and the banking industry, to avail the services of banking by the help of mobile devices. There are enormous advantages of Mobile banking is for those customers who avail these services form the banking sector. Mobile banking is mutual beneficial for both the banks and the customer. In this mode of operations, the banks do not require huge investment nor have to alter their existing infrastructure, send the message to a huge number of people in lesser effort, also helps to form good cordially relations with customers.

Banks get the most valuable data regarding the requirements of the customers and the same is achieved with the help by customer's relationship management with effective practices which in-turn gets a quick feedback and also helps the banks in customer retentions and their loyalty. The banks are not able to reach out to its customers in isolated areas, but today it is possible through mobile phones.

All the banks are having their customer database, so the SMS advertising is used to give information about the products and service to existing customers and at the same time the SMS services can also be used for communication and promotion of products and service to new customers. Coming to the advantages of the customers is that they can operate anywhere and anytime and avail the services of banking provided by their banks with the help of mobile phones. Now there is no need for standing in the queues or talk to the employees for getting the services. Hence mobile banking is cost-effective for both the banks as well its customers.

With the launch of mobile banking in India, there is indeed a tremendous growth in mobile banking transactions. The primary factor which attracts customers to mobile banking is its availability 24 hours / 365 days and ease of transactions, but still mobile banking has a long way to achieve as majority of customers still prefer to bank in the traditional ways.

The RBI has taken large initiatives for mobile banking like relaxing the per day limit value of mobile banking transactions from Rs.50, 000 to no limit. Allowing non - banks to offer banking services by appointing the business correspondents by banks is towards focusing the drive of banking services to the rural areas where most of the population is still deprived of banking facilities and services. This in-turn shall allow the banks and its non-bank



business correspondents to offer services using a mobile phone with the development of barcode, field communication, and sound wave techniques, thus helping to achieve the goal of financial inclusion for all in India. With the adoption of these technologies, mobile banking has led to more transactions, and also increased the reach to connect to the last when compared to the traditional channels of banking like branches and ATMs.

Mobile banking is an m-commerce application done via mobile phone devices which enables customers to access their bank accounts, to conduct banking related transactions such as balance enquiry, issue of cheque, checking account status, transfer of money and stocks selling.

Through Mobile banking the customers can do the transactions without visiting the branch by standing in queues and the bank executives can save their valuable time by attending to other prioritized work. People can now instantly know balance, transaction history, products, transfer of funds at anytime from anywhere through their mobile phones. Mobile banking can capture and serve the people who were outside of the banking world till now. It's a fusion to create the financial security with more efficient infrastructure that ensures economic development.

New banking dimension is Mobile banking making any bank go digital where the bank is branchless banking that has a great potential to extend the distribution of its financial services

with lower the delivery cost to those people who could not be reached by traditional methods of banking with branch network; that includes cost for both the building and maintenance of the delivery channel to its customers of accessing the services.

DATA ANALYSIS

The various statistical tools usage was done through a questionnaire format and the data was gathered. The bank customers were asked to answer the questions regarding their knowledge about Mobile banking products, its services and the common problems faced in this sector.

The total no of respondents were 289, out of which the male respondents were 181 and 108 were female respondents. 7.27% of respondent are in the age group below 20 years followed by 45.75% of respondents in the age group of 20-30 years. There were 25.26% of the respondents from the age group of 30-40 years, 11.76% of respondents from the age group of 40-50 years, 5.88% of the respondents from the age group of 50-60 years, 2.08% of the age group above 60 years.

The respondents who does own business consists of 14.19% followed by 23.88% in the Government sector. The largest percentage goes to private sector which comprises 46.37% and student respondents with a least percentage of 6.57%. In the present study 56.06% are graduates followed by 30.10% post graduates and 13.84% are professionals.

Table No 1 – Respondents Profile

Category		No. of respondents	Total	Percentage	Total
Gender	Male	181	181	62.63	62.63
	Female	108	289	37.37	100.00
Age	Below 20 Years	21	21	7.27	7.27
	20 - 30 Years	138	159	45.75	55.02
	30 - 40 Years	73	232	25.26	80.28
	40 - 50 Years	34	266	11.76	92.04
	50 - 60 Years	17	283	5.88	97.92
	Above 60 Years	06	289	2.08	100.00
Occupation	Business	41	41	14.19	14.19
	Government Sector	69	110	23.88	38.06
	Private Sector	134	244	46.37	84.43
	Students	19	263	6.57	91.00
	Others	26	289	9.00	100.00
Education	Under-Graduate	162	162	56.06	56.06
	Post-Graduate	87	249	30.10	86.16
	Professional level	40	289	13.84	100.00
Annual Income in Rs.	Less than 1,50,000	36	36	12.46	12.46
	1,50,001 – 2,50,000	76	112	26.30	38.75
	2,50,001 – 5,00,000	122	234	42.41	80.97
	5,00,001 – 10,00,000	37	271	12.80	93.77
	Above 10,00,000	18	289	6.23	100.00
Mobile Banking Transactions per Month	1 to 10	76	76	26.30	26.30
	11 to 25	151	227	52.25	78.55
	Above 25	62	289	21.45	100.00

The next category for income and the results indicate that 12.46% earn an annual income below 1, 50,000 followed by 26.30% earn income between 1,51,000 -2,50,000 and 42.41% are between Rs.2,51,000-5,00,000 and 12.80% for those between Rs.5,00,001 - 10,00,000 and 6.23% in the range above

Rs.10,00,000. 26.30% of the respondents do up to 10 transactions through mobile phone in a month, whereas 52.25% do between 11-25 transactions per month whereas 21.45% of respondents do more than 25 transactions in one month.

Table No 2– Descriptive Statistics

Code	Particulars	Std.		
		Mean	Deviation	Analysis N
F1	Mobile banking is safe to use	3.607	1.358	289
F2	Mobile banking is easy to use	2.544	1.365	289
F3	Mobile banking is very use-full for me as an individual	3.521	1.029	289
F4	Payments by Mobile banking is instant	3.918	0.986	289
F5	Service and Individual information is ready available	2.975	1.277	289
F6	Transfer of money by mobile banking is reliable	3.442	1.180	289
F7	Charges for mobile banking is less compared with other services	4.259	1.065	289
F8	Maximum security for each transaction	3.566	1.198	289
F9	No Personal information is compromised	3.563	1.119	289
F10	Provides a system that completes all transaction	3.520	1.016	289
F11	Provides a good network support without problems	3.766	1.077	289
F12	I am satisfied with my Mobile Banking Services	3.412	1.344	289

The survey describes that most of the respondents are satisfied with the mobile banking services. They think that this service is secured and reliable as well. There is no difficulty in using mobile banking and payments are done in instant. Also, no information is compromised in mobile banking.

CONCLUSION

Therefore, the study concludes with an analysis and suggestion on various factors affecting Mobile banking namely giving importance and taking immediate measures on security issues so that the customer shall not face the factor such as in-complete transaction and problem of network, awareness and training to customers regarding the technical aspects, and make them feel confident in adapting the mobile banking in their daily life. Since there are number of other studies that have suggested that this particular delivery channel is yet to grow towards its potential, the financial sector particularly the banks has to make the system much faster, mobility access and convenience to customers so that it reaches to all the citizens of the country

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