



Mobile Banking- A Recent Trend in Banking Industry

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Abstract:

Mobile banking does not handle transactions involving cash, and a customer needs to visit an ATM or bank branch for cash withdrawals or deposits. Many apps now have a remote deposit option; using the device's camera to digitally transmit cheques to their financial institution. Various companies have developed various applications which are user friendly like PAYTM, Phone Pe, and G-Pay which facilitate customer to link their bank accounts without much effort only by using their registered phone numbers. All these applications have become part of our day to day lives, every small transaction we do is based on these apps making our lives easier by reducing our burden in our day to day life. No matter how many benefits this technology may provide us but too much of anything is also dangerous.

Key words: e- wallets, mobile banking, online transactions, online bill payments, cost efficiency.

Introduction:

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a smart phone or tablet. Unlike the related internet banking it uses software, usually called an app, provided by the financial institution for the purpose. Mobile banking is usually available on a 24-hour basis. Some financial institutions have restrictions on which accounts may be accessed through mobile banking, as well as a limit on the amount that can be transacted. Mobile banking is dependent on the availability of an internet or data connection to the mobile device. Transactions through mobile banking depend on the features of the mobile banking app provided and typically includes obtaining account balances and lists of latest transactions, electronic bill payments, remote check deposits, P2P payments, and funds transfers between a customer's or another's accounts.^[1] Some apps also enable copies of statements to be downloaded and sometimes printed at the customer's premises. Using a mobile banking app increases ease of use, speed, flexibility and also improves security because it integrates with the user built-in mobile device security mechanisms. Mobile banking is the act of making financial transactions on a mobile device (cell phone, tablet, etc.). This activity can be as simple as a bank sending fraud or usage activity to a client's cell phone or as complex as a client paying bills or sending money abroad. Advantages to mobile banking include the ability to bank anywhere and at any time. Disadvantages include security concerns and a limited range of capabilities when compared to banking in person or on a computer.



REVIEW OF LITERATURE:

Sohel Ahmed, Shah Johir Rayhan, Md.Ariful Islam and Samina Mahjabin (2012)¹³ used a descriptive research design to explore the reasons for the adoption of Mobile banking services among 120 bank customers in Bangladesh. The study found that majority of the respondents think that Mobile banking services saves time and costs less than the traditional banking services offered by these banks. Moreover, the study reported that these customers use Mobile banking for 'Air-time top-up' service. The study concluded that the potentiality of Mobile banking services is quite high and provided several suggestions for improvement.

Chian-Son Yu (2012)¹⁴ employed the Unified Theory of Acceptance and Use of Technology (UTAUT) and investigated the reasons behind the adoption of Mobile banking services among 441 respondents. The study found that an individual's intention to adopt Mobile banking was significantly influenced by social influence, perceived financial cost, performance expectancy, and perceived credibility, in their order of influencing strength. Moreover, the study found that gender significantly moderated the effects of performance expectancy and perceived financial cost on behavioural intention, and the age considerably moderated the effects of facilitating conditions and perceived self-efficacy on actual adoption behaviour.

Janet Hernandez, Jeff Bernstein, and Amy Zirkle (2011)¹⁸ examined the ways with which the Mobile banking services have been introduced around the world. The authors highlighted some of the key regulatory issues that have emerged with respect to Mobile banking and recommended the ways by which the governments, particularly the telecommunications and financial service regulators, can help to promote Mobile banking services to the customers.

Wessels & Drennan (2010) in their empirical research using national web based survey among 553 bank customers found that perceived usefulness, perceived risk, cost and compatibility are the key reasons that influence a consumer's acceptance of Mobile banking services offered by banks.

Objectives of study:

- To study the Information Technology in view of research study
- To understand what the use of Information technological means in the system
- To get the feedback of the past transaction system
- To know the existing transaction system
- To explore the all dependent parameters
- To study the work culture of customer, employee and management
- To get the feedback of the existing transaction system

Research methodology:

Primary data: This is first-hand information is collected from the respondents associated with selected banks. Structured questionnaire prepared by the researcher and it is filled up by 200 bank customers. Secondary data: This shall be collected by



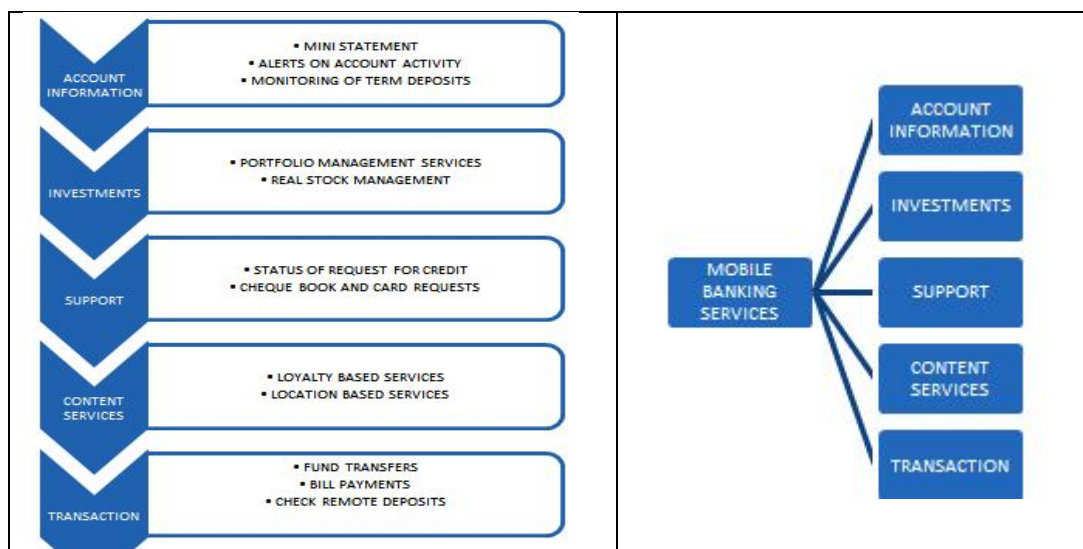
using a variety of sources. These sources are Publications of Public sector banks, Journals Of banking and finance

Mobile Banking: Ever since the internet has taken over the world, the banking industry has undergone a major shift. Before the internet was so popular for carrying out banking transactions, people had to go the bank, stand in long queues and then wait for their turns even if they only wanted to check their account balance, withdraw cash or transfer money. But now they no longer need to visit a bank to carry out different kinds of banking transactions since they can use internet banking or mobile banking facilities.

Mobile banking has simplified the lives of many people and given them the option to send money, receive money, check account balance, pay bills, etc. using their mobile phones. And the best part is that banks offer mobile banking services for free.

Mobile banking services:

Banks provide mobile banking services to their clients in the ways listed here:



Advantages of mobile banking:

Be available when and where your customers want you to be
 Empower your customers
 Have a single view of customers
 Provide super-fast services to customers
 Facilitate location-based services
 Reward your customers
 Safeguard customer details
 Streamline the contact process
 Stay efficient and compliant

Disadvantages of mobile banking:



Security
Handset accessibility
Scalability and reliability
Application distribution
Personalization

Conclusion: Mobile banking is a recent trend in banking system that allowed customers to make their payments in a most easy and simpler manner when compared to bill payment a decade ago it reduced burden of their customers by helping them to sit in their home and carry on various transactions like transfer of funds bills payments etc. As there is a saying that consuming anything more than necessary is dangerous the same is applicable to mobile banking also. It has various disadvantages like loss funds during some transactions or online frauds.

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