

A STUDY ON NEED AND GROWTH OF MOBILE BANKING

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ABSTRACT

The study is designed to understand the concept of Mobile Banking. An attempt has been made to study the need for Mobile banking and its growth in India. The banking system has been transformed from traditional branch banking to technology-based banking which provides the customers a platform where financial services are provided through utility applications of mobile phones. The constant developments and inventions in the field of electronics and technology led to the growth of standard products and services. Mobile banking can be considered one of such services which can be referred to as a precious innovation of a digital platform for availing banking services. Mobile banking can be considered an opportunity for the banking sector for maintaining a crucial customer base by providing them with quick, convenient, and quality financial solutions. The objective of the study is particularly confined to studying the dimensions of Mobile banking covering the trend in the current era and the future expectations of mobile banking in India. It is conceptual research based on a descriptive study with available literature. The findings increase the understanding of the growth of mobile banking and its current scenario in Indian society.

Keywords: Mobile Banking, Digital Platform, Utility Applications, Technology-based Banking.

Introduction

Banking is the backbone of the service industry for any developing country like India. Technology plays a very important role in the service industry in providing services efficiently and conveniently. Technological advancement has become a boon for the world. Internet and Technology made people connected to the world. Technology is playing a tremendous role in improving people's life. The banking sector has to explore the latest technology-based services to provide a better customer experience. The constant development in android and other operating systems has led to increased use of Mobile Applications which can be downloaded to the mobile device for related services. In the past few decades, it has been seen those advancements in web technologies and developments programming languages guided banks to launch technology-based services. The earliest mobile banking services were limited to messaging services which were known as SMS Banking. However, With the invention of Smart Phones, the banking services are also upgraded to the application-based virtual banking system.

Concept of Mobile Banking

Mobile banking is one of the smooth options for digital services. Mobile banking is the need of the Era and it refers to the innovative way of rendering banking-related financial services. Mobile Banking helps to generate revenue for the service provider as well as provides a convenient platform of financial service for the customers. Mobile banking refers to a secure utility application-based mobile platform for banking services where customers can avail of banking-related financial services easily such as payment transfers, making utility bills, balance inquiries, stock market operations, etc. Mobile technology has great potential for conducting financial services conveniently and is less costly. The utility factors of mobile

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banking attracted the common man. Mobile banking is becoming very popular in India. Mobile Banking is just an act of rendering banking-related financial transactions through a mobile device. It refers to a banking service provided by a bank or other financial body that allows its customers to conduct financial transactions remotely using mobile devices. It uses software called a banking application which is provided by the financial institution for the purpose. However, Mobile banking services depend on the availability of an internet or data connection to the mobile device. There has been recorded high growth in the usage of mobile phones in developing countries which led to high adoption of mobile banking.

Utility of Mobile Banking Services

Mobile Banking refers to a platform for banking and other financial services with the help of mobile telecommunication devices. The scope of mobile banking is not limited to transactions only but also mobile banking provides a platform for other informational services and also provides some kind of supportive services to their clients. Mobile banking offered services may include facilities to operate a bank account, transfer funds, make or receive payment directly into the bank account, support stock market transactions, regulate bank accounts and access other relevant information, etc.

Mobile banking services may be categorized as follows:

- **Mobile Wallets**
- **Bank Account Application**
 - Bank account news and other financial offerings
 - Coupon benefits
 - Bill payments and account clearance
- **Account Information**
 - Mini statement of accounts
 - Account history and details
 - Monitoring all types of accounts such as fixed deposits, saving accounts, etc
- **Transactions**
 - Fund Transfer
 - Payment from the bank account to the third party
 - Access Debit/credit cards details
- **Investment**
- **Mutual Fund Management**
- **Investment Management**
- **Insurance management**
- **Bank Account Management**
- **Access loan account**

Characteristics of Mobile Banking

Mobile banking can be regarded as a personalized model of banking. A customer can avail of most of the financial services without even visiting the branch conveniently at any time from anywhere. The utility factors and other relative advantages of mobile banking attract its customer base. Utility factors or the advantages of mobile banking can be measured in terms of the following benefits:

- Convenient mode of banking
- Ease to understand,
- Ease of operation,
- Quick access to bank account,
- Speedy service with low charges, s
- Safe and secure mode of banking, etc

However, side by side few disadvantages related to safety measures and security concerns are also associated with mobile banking which makes some kind of hindrance to the overall functioning and growth rate of mobile banking throughout the world.

Literature Review

Mobile Banking refers to the usage of banking and financial services with the help of mobile telecommunication devices. Mobile banking is a system that helps customers to conduct several financial transactions with the help of their mobile devices (Prerna Sharma, Bamoriya & Preeti Singh, 2011). It has been recorded that India is the fastest-growing Mobile communications nation in Asia. The banking sector of India adopted Information and Communication Technology (ICT) as a platform for effective and efficient means of conducting financial transactions (T.Kadalarasane, 2015). Technology plays an important role in the banking sector and the mobile phone is a common technology device that became part of every individual in the information era. Mobile Banking can be considered as an alternate channel for providing banking services. India is the second-largest telecom market in the world, which is having high potential for expanding mobile banking services (Dr. Parul Deshwal, 2015). Digitization of banking services is the best decision for the banking industry. It is a recorded fact that every industry is being digitized and growing through technology (Khandelwal, A.K. (2017). In India growth of technology for digital payments and other financial solutions has improved the performance of the banking sector and can achieve the motive of a digital revolution in the country (Hema Divya and Suma Vally (2018). Mobile banking is just making monetary businesses on mobile It is favorable in today's digital world. Safety and security are two major concerns while using mobile banking. However, it can be avoided if precautionary steps have been taken by the users (S. Nitish Kumar, 2019). Demonetization held in 2016 and the Covid-19 pandemic both situations promoted Digital banking in India (Dr. Jain, Dr. Sarupia, A.Kothari, 2020). COVID-19 has changed the banking habit in the world. Customers have formed new habits of making payments and handling money. The Indian government has also taken numerous steps to facilitate the adoption and growth of digital banking and cashless payment (Bhagyalakshmi Burra, 2021)

Need for Mobile Banking in India

Mobile banking is the need of the Era. Innovation and inventions of technology are providing novel solutions for connecting and communicating with society. Programming languages are developing day by day, operating system has been upgrading with the latest generations year by year. Mobile technology with the latest technologies improves the everyday life of society and provides value to work for efficient performance.

Mobile technology is becoming a necessity in society for every product and service. The business environment being a part of the society also wants to take full advantage of this growing technological era.

Objectives of the Study

The study highlights the need and current status of Mobile banking in India. The objective of the study is to find out the reasonable factors that influence the customers to adopt mobile banking services and to study its futuristic approach.

Research Methodology

This is theoretical research based on a descriptive study with a detailed available review of the literature.

Data Collection

The secondary data has been collected on the matter of facts from related research publications, research papers published, and the data available on the Internet, and also information has been collected from websites to develop theoretical background.

Finding of the Study

The future of Mobile Banking is very hopeful. In the last few decades, the Country has witnessed unique innovations in the Digital world. Mobile banking and other related financial services would not be possible if we were not connected to the world through technology. So, the credit goes to the telecommunication industry, the constant development in the field of technology boosts mobile banking in the country.

- Government initiatives under the Digital India program accelerated the path of Mobile banking in India. As the study has found that the Government launched the Digital India flagship Programme in 2015 and since it's launched significant progress has been counted and India is making tremendous progress in mobile banking.
- Demonetisation held in the year 2016-17 forced the people to adopt digital currency and indirectly pushed forward the system of technological banking

- Again, as came to the pandemic situation of Covid-19, the Digital and branchless banking system grew as it reduces physical contact and promoted the protection of users.
- Mobile banking payments across India have been extremely increased as compared to the previous years and which is estimated to reach one trillion by the year 2023.

Suggestions as Per the Study

Suggestions related to mobile banking may be classified as tips for the customers and some suggestions for the service providers too. As we studied that mobile banking is an online platform for various financial services so the customers or users must have to take some precautionary steps while using it.

- Customers should use a safe and secure network connection.
- They must have anti-virus software installed on their device for an added layer of protection.
- They should avoid signing in through a third-party website
- Customers should not open the online link for promotional emails and advertisements.
- Drawbacks and other limitations of mobile banking can be minimized with common-sense solutions like strong password protection and secure connections. By taking beforehand concerns and adopting these protectionary tips one can enjoy a better customer experience with mobile banking.

Some additional suggestions for the mobile banking service providers. The study found that once a customer well communicated about the usefulness and utility of Mobile banking, they may adopt the digital platform for banking services.

- Banks must have to invest in Communicating the benefits of the Digital mode of banking to customers through live demonstration, especially in backward areas.
- Banks in India should invest in raising the awareness level of customers about Mobile application-based banking and should work for increasing the Digital literacy of customers, especially in rural and backward areas.
- Banking institutions have to invest a lot in their security systems.
- As the safety of the customers must be prioritized, Anti-virus-protected systems must be offered to customers by the banks.
- It is recommended that the Reserve bank should strictly and aggressively monitor the virtual model of banking.

Conclusion of the Study

Mobile banking has the huge potential to revolutionize the customer experience by providing valuable services for their maximum level of satisfaction. Banks in India can expect a great transformation in the retail banking market by maintaining a considerable investment for the same. Mobile banking enables the path for growth of the Indian Economy. India is growing through the banking sector by adopting technology in the last few years. The study has found that in the last few years Mobile banking is rapidly growing in India. Government initiatives help the country boost the growth of Digital platforms for banking and other financial services. The utility factors and other advantages of Mobile banking attracted its customer base throughout the world.

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