

# Increasing Acceptability Of Mobile Banking: An Indian Perspective.

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***Abstract:*** *In the modern competitive era, many communication channels to customers need to be developed through technology. Banking through use of Smartphone and apps is the latest advancement in the field of providing better customer services by banks and financial Institutions. After the beginning of such services in India, transactions relating to the use of mobile for banking have grown, however still there is a long passage to cover since large chunk of clients still believe in the age old ways of performing banking. Mobile banking is offering the customer a very quick, reliable and effective service usually 24X7 to aid transactions. Banks can take the assistance of these services to increase the output and efficiency of their staff members by creating benchmark to provide systematized customer service and enhancing linkage with their clients. This paper examines the benefits as well as the limitations of using the aid of mobile banking and the resulting issues which a customers have encountered.*

***Keywords:*** *Mobile banking, customer, mobile technology, e- banking*

## 1. INTRODUCTION

Mobile Banking is the process of enhancing banking as well as finance related services with the aid of cellular devices and networks. The various services provided under mobile banking includes for instance the facility to conduct routine transfers and transactions, to administer and monitor accounts and to activate and deactivate multitude services which the banks may offer like opening an FD or RD Account, taking loans and applying for credit card, fastag ( in case of ICICI, PNB, HDFC, SBI)to name a few. Mobile banking offers new possibilities to tap the rural segment and provide easy marketing opportunities along with awareness. Banks do face challenges in this aspect owing to newer technologies and safety norms which are updated very quickly to tackle risks of fraud and enhance banking efficiency.

**Mobile banking** is the use of a smart phone or any other cellular powered device in order to do any banking related tasks when one is connected to the internet and is not near his home computer, such as making transfer of funds, payments, checking balance of funds and locating a nearby or even remote ATM. Mobile banking is made functional with the assistance of short messages. Thus, Customers have to accordingly configure as per need and instructions , the Short Message Service (SMS). Mobile banking is a very significant via media through which the user of service can be addressed from indirect channels rather than front office ,in order to cut on their time along with saving of man hours of the executives working in the bank. The time so saved can be therefore used for activities like business development follow ups from other clients.

Smart devices have garnered a lot of usage base and acceptability in today's day and age that an individual cannot easily get past a day without this communication channel. All Govt. related services are now being shifted to Mobile apps and web portals like MParivahan for RTO Services, Locating Suvidha and Chikitsa Kendars, Swacch Bharat Portal etc and Therefore, banks both Public and Private have chosen mobile banking one of the tools for channel migration of its clients. Having a utility at hand also pleases the customers and the ease of using it as and when required.

## 2. OBJECTIVES OF THE STUDY

1. To identify the advantages and disadvantages of using mobile banking.
2. To study the issues encountered by customers with the use of mobile banking.

## 3. METHODOLOGY USED

### *III.1 Nature of study*

Descriptive study is undertaken for the research.

### *III.2 Data Collection*

Secondary data from various sources was used to collect the data.

#### *I. Facilities offered on Mobile Banking*

**a) Balance Enquiry:** The basic and most widely used service which provides all the customers a detail of the available balance in his various accounts in a particular bank, primarily the operative ones that are linked to the customer's mobile and unique identification number.

**b) Cost Transactions:** This particular transaction can be of immense help for the users. They can get information about the last 5 credits and debits in his/her account.

**c) Cheque Book Request:** With the convenience of mobile banking, now rather than physically visiting a bank, the customer request for the issuance of a new cheque book as per the no. of leaves which can be then sent via post to his address, thereby saving time, cost and effort of both the bank and the customer.

**d) Bill Payment:** Ease of paying routine bills as the bank account can be linked to the particular companies and as per schedule, the payment can be done via use of mobile banking and related gateway.

**e) Change of Primary Account:** In case of multiple accounts held by an individual, the registered user gets the convenience to edit his primary account to another account number, new or old for doing any transaction.

**f) Assistance and alerts:** For all daily matters and transactions, a customer can know the transaction codes for

Mobile banking users get regular alerts about regarding cheques presented for payments, realizations, cheque inward entries and returns, any deposits and interests matured, loan and installment due, any KYC pendency and related instructions, information regarding insufficient bank balance in the customer's account, etc. Bank initiates various alert messages on reaching the minimum balance in the customer's account and for any bills due. Such services by various mobile service providers are custom-built and as per the need of each such customer.

#### *II. Mobile Banking and its Pros and Cons*

##### *V.1 Benefits of Mobile Banking*

- a) **Saves time:** Rather than of spending time in visiting a bank, a customer can check his account balance, schedule and receive money in the form of transfers and payments, transfer funds and buy banking products.
- b) **More Convenient:** Banking at your finger prints, wherever and whenever is a great convenience at fraction of cost (if any) which save lot of time and effort.
- c) **Secure:** With time to time updation and advancements, multiple layers of security are now added with SSL certification required for websites and use of lock codes, passwords, OTPs
- d) **Easy accessibility:** Earlier banking was limited till 4 P.M. with majority of the banks shutting off services, especially a problem faced by majority of business men, however the same is now made easier by providing easy banking all days , anytime of the week..
- e) **Increased efficiency:** The no. of customers visiting banks have considerably reduced and so is the work load on employees on tasks which can be automated. It is cost effective and efficient at the same time.
- f) **Fraud reduction:** Each and every minute transaction is now reported to the account holder , be it as little as change of password or withdrawal of funds, these notifications along with pass codes for each transaction makes it difficult for fraud to happen.
- g) **Remote Places Covered:** A remote place which used to be far off from banking have now gained mobility through mobile banking and innovative payment options like BHIM UPI an initiative by the Govt. A phone and network is all one needs.

### *V.2 Disadvantages of Mobile Banking*

- a) **Fake SMS:** With scams and fraud messages , a person may be duped into fraud and important information may be taken from him/ her.
- b) **Risk of loss of device:** Since all the sensitive data is secured on the mobile device, it is a big issue if the mobile device is lost or stolen, thus it is important to keep it secured and protected.
- c) **Suitability:** Still today, mobile banking is more easy and fully functional on modern devices and not on feature phones. Though Govt. is spreading awareness to switch to smart phones, cost of buying one is still significant for the lower and lower middle class of the society.
- d) **Charges:** Not all mobile banking services are free, some services like NEFT, IMPS, RTGS etc are payable and add to significant cost if done regularly.
- e) **No safety:** Internet is a network of networks , thus the chances of getting duped into internet fraud, online cheating, hacking etc. are multifold if one does not use prudence and presence of mind with technical sensibility, the same may leads to issues.
- f) **Dependency on Internet connection:** Since the entire banking via mobile rests on internet and networks, a failure in connection will make the entire process null. Connectivity issues and internet speed problems may also lead to failed transactions in between the process.
- g) **Compatibility issues with various operating systems:** Different platforms have different reviews for various software and apps due to the file system, compatibility, developer bugs etc. Any changes across platforms takes lot of time and clashes.
- h) **No security assurance from banks:** With no personal interaction with a human and lack of updated knowledge and awareness, the level of assurance for e transactions be it through mobile or internet is still far less as compared to physical banking. .

### *III. Increasing adoption of Mobile Banking*

According to the Reserve Bank of India's (RBI) annual report for 2017-18, mobile banking services witnessed a growth of 92 per cent and 13 per cent in volume and value terms, respectively. Registered customers count increased to 251 million i.e. by 54 per cent by March end 2018 which was 163 million by March end 2017.

The share of e transactions of total retail volume of the transactions have considerably gone up. The said share rose to from 88.9 percent in 2016-17 to 92.6 per cent in 2017-18 with corresponding cutback with respect to paper oriented clearing tools to 7.4 percent in 2017-18 from 11.1 per cent in 2016-17.

The RTGS i.e. Real Time Gross Settlement took care of 124 million dealings which were around Rs 1,167 trillion in the year 2017-18, which is an increase as compared to 108 million transactions having a value of Rs 982 trillion in the previous year. By the March end, 2018, the facility of RTGS was available across 194 banks having 137924 branches.

The NEFT facility catered to 1.9 billion dealings which were of near Rs. 172 trillion for the year 2017-18, an increase from Rs 120 trillion valued 1.6 billion transactions undertaken in the previous year, thereby showing an increase in rate of growth by 20 percent (volume) along with 43.5 per cent growth in terms of value. By March end, 2018, NEFT instrument was made available to customers across 192 banks in 140339 branches, which is in addition to the multiple business correspondent (BC) outlets operating in large numbers.

During the year 2017-18, the transactions undertaken via debit cards and credit cards were respectively around 3.30 billion and 1.40 billion

PPIs i.e Prepaid payment instruments registered around 3.5 billion dealings in volume which were around Rs 1,416 billion in value.

#### **4. CONCLUSION**

It is certain that with the advent of deregulation liberalization, globalization and privatization new ways are opened for banks to enhance their revenues by diversifying their product portfolio and offerings. Technology is going to be a major player in enhancing customer delight and a place to provide uniform and integrated banking services to its clients. Infact , all major World Corporations are in the process of procuring and implementing advanced technologies with changing times and banking is no exception to this. Though largely accepted as evident from above data, still for many in rural and remote areas, Mobile banking is not fully trusted and is considered as an add on service of banking rather than a mainstream banking service itself. Banks are spending considerable amount of time to spread awareness and allocating funds for the same along with offering schemes on the purchase of products/ payment through banking app linked with Debit/ Credit Cards like cash backs and discounts. With the focus of the Indian Government to curb the menace of black money and use of plastic money from one's account, the usage of mobile banking shall keep rising and more customers would choose the same over traditional banking.

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