

MOBILE BANKING IN INDIA - A CUSTOMER PERSPECTIVE

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ABSTRACT

This study aims to explore the mobile banking perception among the customers of Chennai city. Mobile phone is a common technology equipment that became part of all individual in the information era. Mobile Banking is a rising alternate channel for giving banking services. The second largest telecom market in the world is India, which is having more potential to expand banking services through mobile. The awareness creation among the existing customers and providing special benefits for using the mobile banking will increase the mobile banking users. Once the customer becomes confident on technology it will automatically increase the adoption of mobile banking in mass.

Keywords: Mobile Banking, Customers, Perception, Technology and Awareness

INTRODUCTION

Technology plays a vital role in banking sector. Banking is one of the important financial institutions constantly exhibits the opportunity of technology enabled services to give better customer experience and comfortable. Mobile phone is a common technology equipment that became part of all individual in the information era. Mobile Banking is an rising alternate channel for giving banking services. The second largest telecom market in the world is India, which is having more potential to expand banking services through mobile. However, mobile banking has not a choice of millions of people. The main motive of this study is to find the mindset and analyse the security issues in Mobile Technology among the banking people in India.

The people see the impact of mobile banking due to the development in technology. Operating system utilised in mobile device also plays a prominent role in development The challenges and problems in mobile banking are focused in this paper.

REVIEW OF LITERATURE

Bamoriya and Singh (2011) indicated in their article that the mobile banking has the issues and problems like mobile handset compatibility, software downloading, standardizing, privacy & protection.

OBJECTIVES OF THE STUDY

The study intends to achieve the following objectives:

1. To understand the customers perception towards mobile banking in India.
2. To investigate the growth and emergence of mobile banking usage in India.

SCOPE OF THE STUDY

On the basis of literature, these mobile banking issues were discussed with the bank customers

- Mobile adoptability
- Attitude about Mobile Banking acceptance
- Comfort stage with existing system
- Availability of amenities
- Security Problems
- Willingness to take mobile banking service

DEVELOPMENTS IN MOBILE TECHNOLOGY

Motorola1 was the initial company introduced mobile phone, which is very expensive and also more weight when compared with present mobile sets which are cheap and small in size.

There are two major technical developments happened that is GSM and CDMA. In Japan the NTT DoCoMo introduced online service on mobiles in the year 1999. The 3G mobile phone became essential communication system for millions of users worldwide. The 3G technology improved with the concept of circuit switching for data transmission. The 4G technology introduced in the year 2009 with the technology development like WiMAX & Long Term Evolution (LTE) technologies.

ISSUES AND CHALLENGES IN MOBILE BANKING

The rapid development in Mobile technology like 2G, 3G, 4G has become main challenges for banks. It is noted that the bank which began Mobile Banking in the form of SMS banking, then changed application based model for old mobile handsets, the Smart phones evaluation, operating system of mobile and Mobile Apps posed the banks to change

the current technology. The customers are using ATM and Net banking services. Most of the customers are so comfortable without mobile banking. There are so many chances of misuse in mobile banking through mobile handset theft.

MOBILE BANKING IN INDIA

Banks are persistently adopting technology to engage its business and to get different level of customers. Apart from other technologies enabled services Mobile Banking is one of the services provided to customers by banks. Amazing growth in telecommunication sector, its diffusion including population of rural and technology possibility are the major factors for the introducing Mobile banking services. State Bank of India (SBI), Union Bank of India (UBI), Punjab National Bank (PNB), HDFC, ICICI, Axis Bank, etc are started to provide Mobile Banking Services.

ANALYSIS

Through the analysis, the 65 respondents of bank customers, the conventional mobile phone users are 55% (35) and smart phone users are 45% (30). The awareness about the Mobile Banking facility provided by the bank was tested by 85% (55) customers, 6 % (4) customers mentioned their bank does not provide the facility and 9% (6) customers are not aware about the mobile banking facility from their bank.

The data also indicates 75% (49) of bank customers are not even using tested the mobile services of their bank and 25% (16) of customers are tested the facility.

Table: 1 Security Issues

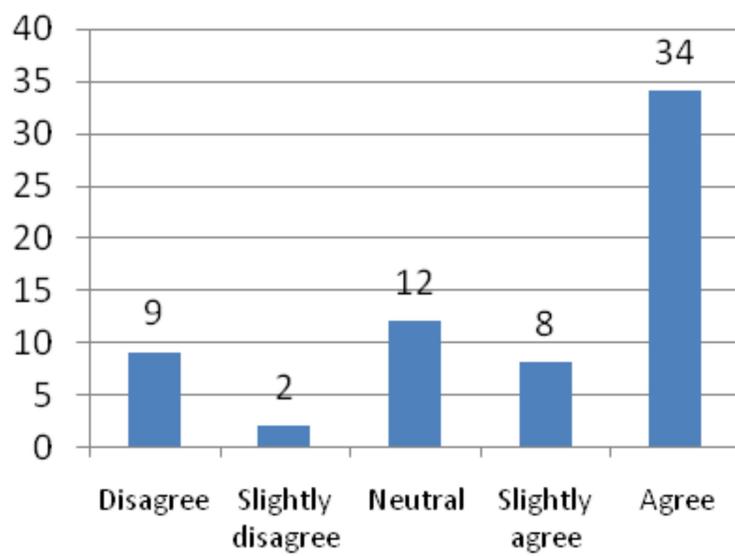
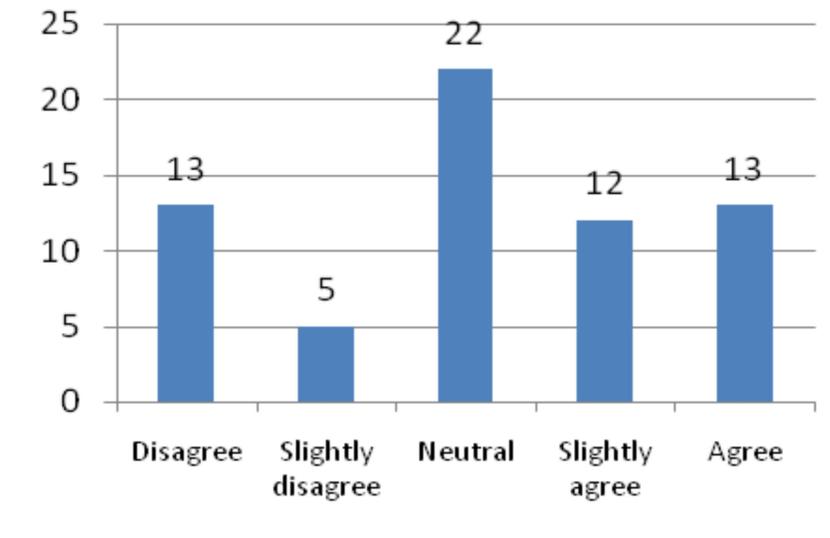


Table:2 Comfortable without mobile banking

RECOMMENDATIONS & CONCLUSIONS

Based on the survey, it is interpreted that the most respondents are using Netbanking facility from their respective banks. 25% of customers are having a habit of using mobile banking and 75% are not. The most of the online banking users are comfortable without using the mobile banking facility and they are also agreed to test the facility.

It is shown from the study that the evolution of different technology in the system of communication and mobile is a major challenge to change the mobile banking solutions. Some banks has given mobile banking in the form of SMS banking.

With the initiation of technological development banks adapted applications for mobile phones in the starting stage, now the innovation of Smart phones changed the old mobile software into Mobile Apps. The major tactics in Apps are it has to be maintained for different mobile Operating Systems.

The awareness creation among the existing customers and providing special benefits for using the mobile banking will increase the mobile banking users. Once the customer becomes confident on technology it will automatically increase the adoption of mobile banking in mass.

Technology is a force in the world age and is taking over in each way; mobile and Net banking is examples of the developing technology innovations. Mobile banking is a innovative banking, as it makes it comfortable for consumers to make their finances, even from rural and remote areas. For the commercial banks to develop on the current mobile banking facilities they provide to the consumers they should find out what the anticipations of consumers are and whether they are fulfilled with the services provided by the banks.

Frequently, some customers complaint about some aspects such as the lack of customer service, problem of ATM's, lack of responsiveness of the app in mobile banking, undefined banking charges, etc. This has an effect on consumers as they may need the money at that time to take out an important action or to pay off a debt; this makes a low satisfaction to the customer.

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