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ENHANCING TREND OF MOBILE BANKING: AN OUTLOOK FOR NEW DIGITAL PAYMENT SYSTEM IN INDIA

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ABSTRACT

Mobile banking is very convenient in today's age with many banks offering impressive apps. Recently, the demands and requirements of banking consumers are altering quickly with the rise in the technological avenues made available in the banking world. Banking customers have started demanding flawless, multi-channel service experiences. And current generation is using mobile banking in a very effective way. Due to advancement of technical world now mobile banking drastically changes the life of every individual. Government and banks are requesting the customers to use mobile banking instead of going to banks as well as for purchasing. The present study on various issues likewise, Customers feel that banking transactions are safe through mobile banking. It can be observed that customers feel that it's not too difficult to use. As per the study Balance enquiry and account information are the most commonly used service in mobile banking. Majority of customer feel that service charges on mobile banking are reasonable. As the study suggest that most of the bank needs to improve on mobile banking. Mobile banking is most commonly adopted by professionals. Most of them are satisfied with mobile banking application. Among the different service provided by the bank, ATM, e-banking and mobile banking are the most commonly used service compared to others. Even lots of people do not prefer mobile banking because of security reasons, and lack of technical know-how. But the advancement of mobile banking makes life easier mainly for financial matters, due to which the customer is now saving his time.

KEYWORDS

Advancement, mobile banking, ATM.

INTRODUCTION

Banking in India has a very long history starting from the late 18th century. The origin of modern banking stated from 1770 in the name of “bank of Hindustan” by English agency ‘house of Alexander & co’ in Kolkata however it was closed in 1832. Further in 1786 “general bank of India” was started and it failed in 1791. Presidency banks- these banks were funded by the presidency government at that time. 1- Bank of Bengal-esta-in 1806,2-bank of Bombay- esta. In 1840, 3- bank of madras- esta in 1843.

SOME OLD BANKS:

- (a) Allahabad bank-1865
- (b) Oudh commercial bank- 1881
- (c) Punjab national bank- 1895
- (d) Canada bank-1906
- (e) Bank of baroda-1908

Banking in India in the modern sense is originated in the last decades of the 18th century. The Indian banking sector is broadly classified into scheduled banks and non-scheduled banks. The scheduled banks are those which defined under the 2nd Schedule of the RBI Act, 1934. The scheduled banks are further classified into: Nationalized banks; State Bank of and its associates; Regional Rural Banks (RRBs); foreign banks; and other Indian private sector banks. The term commercial banks refer to both scheduled and non-scheduled commercial banks which are regulated under the banking Regulation act, 1949. Generally banking in India was fairly mature in terms of supply, product range and reach – even though reach in rural India and to the poor still remains a challenge. The government has developed initiatives through the state Bank of India expanding its branch network and the National Bank for Agriculture and Rural Development with things like Microfinance, cooperative society

MOBILE BANKING

In a layman’s context, the term mobile banking means; “Execution of banking and financial transactions using a mobile phone” Mobile banking is the act of doing financial transactions on a mobile device (cell phone, tablet, etc).and using software usually called an app provided by the financial institution for the purpose. Mobile banking is usually available on a 24 hours’ basis. This activity can be as simple as bank sending fraud or usage activity to a client paying bills of sending money abroad. Advantages to mobile banking include security concerns and a limited range of capabilities when compared to banking in person or on a computer. One of the first commercial applications of the mobile commerce was mobile banking (m-banking) [1]. Some financial institutions have restricted on which accounts may be accessed through mobile banking as well as a limit on the Amount that’s can be transacted. Many banks have implemented Internet and mobile banking to offer their customers a variety of online services with more convenience for accessing information and making transactions. Customer satisfaction and customer retention are increasingly developing into key success factors in e-banking

[2]. The facilities available via mobile banking are as follows:

- Checking account balance
- Fund transfer
- Mobile recharge
- E-fixed deposit
- Sms alerts
- Blocking of ATM cards
- Merchant banking
- Bill payments
- Balance enquiry
- Cheque book request
- E-commerce (shopping) on mobile

STATEMENT OF THE PROBLEM

Mobile banking would as into new era. Established practices and procedures have undergone changes drastically. This is bound to change the nature of relationships of banks with their customers. Customers would no longer be dependent on dedicated systems for each banking relationship. This would be increasing access to low cost electronic service and close integration of bank with web-based service. For performing transactions, mobile phones are most convenient due to lower switching cost, low price that eliminate geographic boundaries. It would be offer the opportunity of a new paradigm to the customers both corporate and retail.

LITERATURE REVIEW

Verma Deepa “Determinants of Adoption Behaviour Towards mobile Banking Services – A Study of Indian Consumers” ,This paper focuses on defining the factors influencing mobile banking adoption, their impact and aims at forming a model which describes consumer behaviour patterns i.e., Perceived usefulness & ease of use, Perceived credibility & security, Perceived compatibility, Perceived service cost, Bank efforts, Knowledge based trust & belief, Perceived customer value, Technology perception, Reference group influence, Personal innovativeness, Perceived reliability, Attitude. An empirical study was conducted through questionnaire survey method.

OBJECTIVES

1. To know the factors that leads to mobile banking than conventional banking.
2. To know the various mobile banking services offered by banks.
3. To understand the concept of mobile banking.
4. To identify the problems and difficulties faced by mobile banking.

RESEARCH METHODOGY

This study uses primary data and secondary data. Mainly data is collected through primary source in uttarakhand (India) and SPSS in this study and secondary source is collected from various sources such as:

- Newspaper
- Social media
- Internet
- Books

ANALYSIS**SAFETY OF MOBILE BANKING****Table 1**

	Valid			
	Yes	No	Can't say	Total
Frequency	35	8	7	50
Percent	67.3	15.4	13.5	96.2
Valid Percent	70.0	16.0	14.0	100.0
Cumulative Percent	70.0	86.0	100.0	

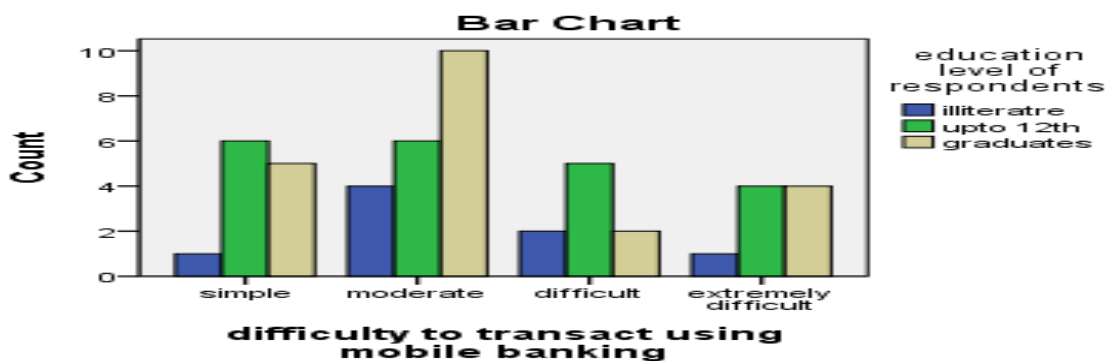


It can be observed on table 1 that 67.3% of respondents feel that their banking transactions are safe in mobile banking. 15.4 % feel insure and 13.5 % not responded

DIFFICULTY TO TRANSACT USING MOBILE BANKING**table 2**

Difficulty To Transact Using Mobile Banking		education level of respondents			Total
		illiterate	upto 12th	graduates	
Simple	Count	1	6	5	12
	% of Total	2.0%	12.0%	10.0%	24.0%
moderate	Count	4	6	10	20
	% of Total	8.0%	12.0%	20.0%	40.0%
difficult	Count	2	5	2	9
	% of Total	4.0%	10.0%	4.0%	18.0%
extremely difficult	Count	1	4	4	9
	% of Total	2.0%	8.0%	8.0%	18.0%
Total	Count	8	21	21	50
	% of Total	16.0%	42.0%	42.0%	100.0%

Difficulty to Transact Using Mobile Banking * Education Level of Respondents Cross tabulation



According to table 2, Maximum respondents are facing moderate (40%) difficulty in transaction on using mobile banking, only 18% of respondents facing extreme difficult due to some illiteracy and other factors.

MOBILE BANKING FACILITIES USED BY RESPONDENTS

table 3

Creteria	No of respondents	Percentage
E-recharge	18	36%
Fund transfer	12	24%
Payment	8	16%
Balance enquiry	12	24%
Total	50	100%

Maximum respondents (36%) are using mobile banking for e-recharge enquiry.

NEEDS OF IMPROVEMENT ON MOBILE BANKING

table 4

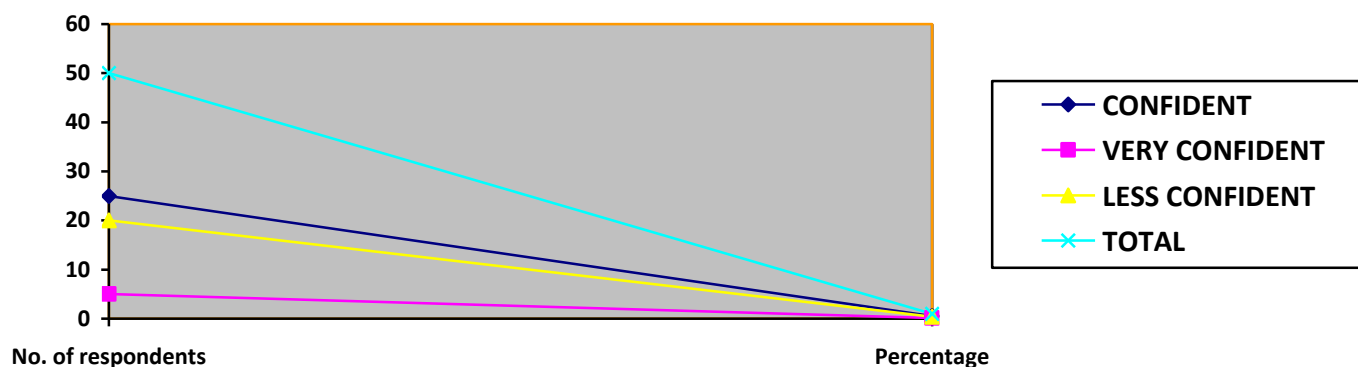
Creteria	No of respondents	Percentage
Yes	38	76%
No	12	24%
Total	50	100%

Maximum (76%) respondents suggested there is a need of improvement on mobile banking and only (24%) not required any change.

CONFIDENCE IN MAKING FUND TRANSFER AND PAYMENT

table 5

Creteria	No of respondents	Percentage
Confident	25	50%
Very confident	5	10%
Less confident	20	40%
Total	50	100%



From the above table it is clear that 50% of respondents are confident in making e-transactions, 40% feels less confident and only 10% of respondents are very confident on using mobile banking.

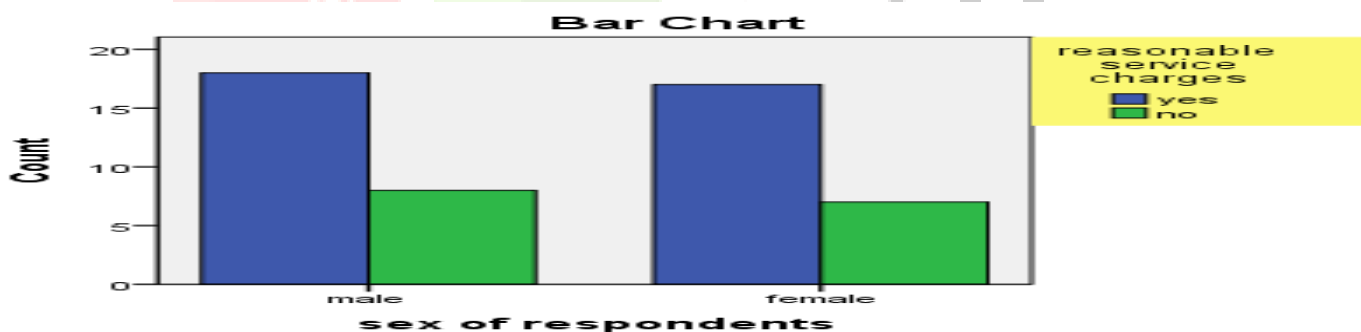
REASONABLE SERVICE CHARGES

table 6

Crosstab

age of respondents		reasonable service charges		Total
age of respondents		yes	no	Total
20-30	Count	9	3	12
20-30	% of Total	18.0%	6.0%	24.0%
30-40	Count	8	4	12
30-40	% of Total	16.0%	8.0%	24.0%
40-50	Count	11	6	17
40-50	% of Total	22.0%	12.0%	34.0%
50-above	Count	7	2	9
50-above	% of Total	14.0%	4.0%	18.0%
Total	Count	35	15	50
Total	% of Total	70.0%	30.0%	100.0%

Reasonable Service Charges with age of respondents

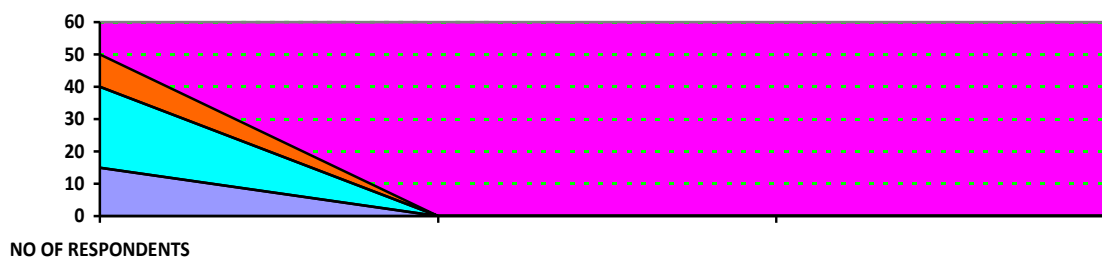


From the above table it is clear that 70% of respondents are of the opinion that service charges on mobile banking are reasonable, only 30% of respondents are not convince with the statement.

REASON FOR USING MOBILE BANKING

table 7

Criteria	No of respondents	percentage
Easy	15	30%
Convenience	25	50%
Security	10	20%
Total	50	100%



Maximum Respondents Are Using Mobile Banking Due To Convenience And 30% of Respondents Think Digital Payment System Is Easy And 20% of Respondents Thinks It's Secure.

SUGGESTIONS

1. Banking operations through Mobile Banking should be cost effective
2. Authenticity and safety of operation should be ensured by Bank.
3. Proper guidelines should be given to the customers regarding usage of Mobile Banking
4. The banks must ensure to update the software and more services through Mobile Banking.
5. There should be call centre feedback.
6. Social media monitoring.
7. App store reviews monitoring.
8. Create awareness of useful applications among young consumers.

CONCLUSION

Mobile banking has already evolved as a powerful intermediate towards efficient and real-time banking service. The banks and the mobile banking service providers are working their way towards increasing consumer's acceptance with mobile devices. The mobile banking and payments ecosystem is complex and dynamic. It is not clear who will emerge as the winner in the growing space from a financial services, application provider or technology perspective. Security and the perception of security will clearly play a role in who ends up dominating. Government and banks urging the customers to use mobile banking instead of going to banks as well as for purchasing. As per the study Balance enquiry and account information are the most commonly used service in mobile banking. Majority of customer feel that service charges on mobile banking are reasonable. Customers feel that banking transactions are safe through mobile banking. Most of them are satisfied with mobile banking application. Among the different service provided by the bank, ATM and mobile banking are the most commonly used service compared to others. A minority of people do not prefer mobile banking because of security fears, so that every individual will prefer mobile banking.

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