

Recent Trends in Mobile Banking Services - With Special Reference to Mysore City

Dr.R.H.Pavithra

Assistant Professor

Department Of Economics

Karnataka State Open University

Mukthagangotri, Mysore

Abstract

Mobile Banking refers to provision of banking and financial services with the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank transactions, to administer accounts and to access customized information. After the launch of mobile banking in India, mobile banking transactions have seen some growth. Still mobile banking has a long way to go as, majority of customers prefer banking in traditional ways. The banking sector reforms and introduction of e-banking has made very structural changes in service quality, managerial decisions, operational performance, profitability and productivity of the banks. There are various factors which have played vital role in the Indian banking sector for adoption of technology. So in order to run the mobile banking effectively, proper care has been taken care of and take adequate steps to improve the quality services. This paper makes an attempt to analyse the attitude of people towards e- banking. It also identifies the problems of using e-banking and suggest remedies to the problems of using e-banking.

KEY WORDS : *Banks, Telecommunication, Managerial Decisions, Technology.*

Introduction

With the globalisation trends worldwide, it is difficult for a nation , whether big or small, developed or developing, to remain isolated from what is happening around. Information technology has shrunken the world, as a result of which, time and distance have become non-entities. It has enveloped every aspect of life. Today, most of the people adopt new generation technologies. In this changing scenario, the banking sector is not an exception. Recent innovations in telecommunications have enabled the launch of new access methods for banking services through various e- channels like , ATMs, credit/debit cards, internet banking, mobile banking, tele banking, EFT etc. One of these is mobile banking; whereby a customer interacts with a bank via mobile phone. Mobile Banking refers to provision of banking and financial services with the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank transactions, to administer accounts and to access customized information. After the launch of mobile banking, transactions have seen some growth. Still mobile banking has a long way to go as, majority of customers prefer banking in traditional ways. Most of the customer's problem is that they are not well educated and not aware of the technological innovations.

OBJECTIVES

1. To explain the attitude of respondents towards use of mobile banking between urban and rural area in case study area.
2. To identify the problems faced by the respondents between urban and rural area in case study area through mobile banking.
3. To study about the benefits and limitations of mobile banking in urban and rural area in case study area
4. To give suggestions to overcome from the problems of mobile banking in case study area

HYPOTHESES

1. There is difference of attitude of respondents towards use of mobile phones in rural and urban areas of case study area.
2. Problems faced by rural respondents are more than the urban respondents

REVIEW OF LITERATURE

In one academic model, mobile banking is defined as:

Mobile Banking refers to provision and availment of banking- and financial services with the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank and stock market transactions, to administer accounts and to access customized information."

According to this model mobile banking can be said to consist of three inter-related concepts:

Mobile accounting

Mobile brokerage

Mobile financial information services

METHODOLOGY

The Statistical data for the study has been collected both from the primary and secondary sources. Primary data have been collected from Mysore city questionnaire from respondents. Secondary data have been collected from the various publications of economic survey reports, journals and periodicals. The data thus collected, have been analyzed by using the tables and charts. 50 respondents of different aged, qualified and engaged in various activities such as

college students, various professionals(doctors, lecturers, employees of banking sector, bus drivers, administrators etc), business class, home makers are chosen for case study.

Result and Discussion

Table-1

Age Composition

Age	Rural	urban	Total
18-30	14	10	24
31-50	06	08	14
Above 50	00	2	02
Total	20	20	40

Source: Field Survey

Table 1 explains the age composition of the respondents, out of 50 respondents belong to the age group of 18-30 years, 17 of them belong to the age group of 31 - 50 years, only 3 of them comes under the age group of above 50 years.

Table-2

Types of payment App using by Respondents

Types	Rural	Urban	Total
Bhim App	07	14	
Paytm	12	24	
Google pay	03	06	
Phone pay	03	06	
Yono SBI	05	10	
Paybal	20	40	
Total	50	100	

Source: Field Survey

Table 3 explains the mobile app using by the respondents. Out of 50 respondents, 07 are using Bhim app, 12 respondents are using Paytm, 03 are using Google Pay, 03 using Phone pay, 05 are making use of Yono SBI and 20 are using Paybal.

Table-4

Transaction Amount made by Respondents

Transaction	Respondents	Percentage
1,000 to 5,000	10	20
5,001 to 50,000	30	60
50,001 to 2 lakhs	05	10
Above 2 lakhs	05	10
Total	50	100

Source: Field Survey

Table 4 shows the amount transacted by the respondents per day, out of 50 respondents 10 of them have velocity of money to the tune of 1000 to 5000, 30 respondents transacts between 5001 - 50,000, 05 respondents to the extend of 50,001 to 2 lakhs and 05 respondents have transactions above 2 lakhs.

Table-5

Respondents Spending More than 5 Hours a Day

Spending more than 5 hours	Respondents	Percentage
➤ 5 hours	20	40
4-5 hours	8	16
3-4 hours	9	18
2-3 hours	8	16
1-2 hours	5	10

Total	50	100
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Source: Field Survey

Table 5 depicts the respondents spending more than 5 hours a day, Out of 50 respondents, 20 spend more than 5 hours a day for making use of banking services, which shows that they are making use of mobile banking services for domestic purposes, bill payment and check balance and statement. 08 respondents spend between 4-5 hours, 9 of them spend 3 -4 hours, again 8 of them spend 2 - 3 hours and 5 respondents spend 1-2 hours a day.

Table-6 How many mobile devices owned by individuals

Number of mobile phones	Respondents	Percentage
Own neither	2	4
Both tablet and smartphone	18	36
Own tablet	3	6
Own smartphone	27	54
Total	50	100

Source: Field Survey

Table 6 explains the number of mobile devices owned by individuals for making use of banking services. Out of 50 respondents 2 of them own neither tablet or smart phone, 18 of them own both tablet and smart phones, 3 respondents own only tablet, 27 are owning only smart phones.

Table-7

Devices commonly used by respondents for banking

Devices used	Respondents	Percentage
Phone only	23	46
Do not use mobile banking services	16	32
Phone and tablet	7	14

Tablet only	4	08
Total	50	100

Source: Field Survey

Table 7 explains the devices commonly used by respondents for making use of banking services. Out of 50 respondents, 23 of them use only phone, 16 responded that they do not use mobile phones, 7 of them use both phone and tablet and 4 of them use only tablet.

Table-8 Mobile banking for variety of services used by respondents

services	Respondents	Percentage
View balance and statements	5	10
Apply for credit and loans	2	4
Domestic transfer	13	26
International transfer	1	2
Paying bills	20	40
Others	1	2
Do not use	8	16
Total	50	100

Source: Field Survey

Table 8 depicts the variety of mobile banking services used by respondents. Out of 50 respondents 5 of them use for viewing balance and statement, 2 of them use for applying credit and loans, 13 respondents use for domestic transfer, 20 use for paying bills, 1 for international transfer, 1 for other services and 8 respondents said that they do not use mobile banking services.

Result

	Value	Level of Significance
Chi Square	7.0986	0.05

The Chi Square or P value is 7.0986. It is significant at 5 percent level. 95 percent shows that there is an association between use of mobile banking services and less preference towards use of cash for their transaction purposes.. Therefore reject null hypotheses and accept alternative hypotheses.

HYPOTHESES :

H0 : There is no decrease in the preference towards cash as they involve in mobile banking services in the study area

H1 : There is decrease in the preference towards cash as they involve in mobile banking services in the study area

FINDINGS :

1. Majority of the respondents belong to the age group of 18-30 years.
2. Out of 50 respondents, most of them are degree holders in their qualification.
3. Large number of respondents use Paybal and followed by paytm.
4. Most transactions per day takes between 5001 - 50,000 by the respondents.
5. Large number of respondents use mobile devices for making use of banking services more than 5 hours a day.
6. Majority of them own only smart phones
7. Large number of respondents use only smart phones for banking transactions.
8. Most of the respondents use mobile banking services for paying bills and followed by for domestic purposes.

SUGGESTIONS

1. The banks must improve its service quality in terms of internet access,
2. To provide various effective financial security and transparency in transactions.
3. Banks should provide 24*7 services to the customers.
4. Banks should provide awareness and information about mobile banking services to its customers.

5. Bank set standards for industry agreements between banks and MNOs (Mobile Network Operations) for handling customer grievances.

CONCLUSION

The process of liberalization, privatization, globalization and deregulation has opened new way for banks to increase their revenues by diversifying in to universal banking, investment banking, bank assurance, mortgage financing, depository services, securitization, personal banking etc. Technology is the key to move towards providing integrated banking services to customers. Indian banks have been late starter in the adoption of technology for automation of processes and the integrated banking services. Further the banking sector reforms and introduction of e-banking has made very structural changes in service quality, managerial decisions, operational performance, profitability and productivity of the banks. There are various factors which have played vital role in the Indian banking sector for adoption of technology.

Further, new technology has rapidly altered the traditional ways of doing banking business. Customers can view the accounts, get account statements, transfer funds, purchase drafts by just making a few key punches. Availability of ATMs and plastic cards, EFT, electronic clearing services, internet banking, mobile banking and phone banking; to a large extent avoid customers going to branch premises and has provided a wider range of services to the customers.

Mobile banking is a system that allows customers of a financial institution to conduct a number of financial transactions through a mobile device such as a mobile phone or personal digital assistant.

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