

Mobile Banking

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Abstract – Banking is the backbone of every industry and technology plays an important role in every industry. The role of technology is increasing very rapidly day by day, which is also promoting the banking industry. Banking is one of the largest financial institutions which regularly explore the opportunity of technology to provide better customer services. Over the years, banking has transcended from a traditional brick-and mortar model of customers queuing for services in the banks to modern day banking where banks can be reached at any point for their services. In today's business, technology has been the largest indicators of growth and competitiveness. The banking industry today is in the industry of its revolution. Information technology has basically been used under two different avenues in banking. One is communication and connectivity and other is business process. Today, banks have adopted wireless and mobile technology in their classroom to give their customers the freedom to pay off debts, arrange payments while stuck in traffic, get updates on various marketing efforts while at a party to provide more personal and intimate relationships. This paper examines consumer acceptance of a new electronic payment service as a mobile banking and positive and negative factors influencing the acceptance of mobile banks in India.

Key Words: Mobile Banking, Mobile Banking Application, Challenges in Mobile Banking

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INTRODUCTION

Mobile Banking is a service provided by financial institution or a bank which enables the customers to conduct financial transactions by using a mobile phone or a tablet. It allows the customers to virtually access all the services which a bank provides. By downloading the mobile banking application provided by your bank, you can perform all banking transactions.

India has the third largest smartphone user base. The smartphones and tablets have become an integral part of the daily life of upper class and middle class sections of the society. Recognizing the trend, different service providers now offer their services which the customers can use on their smartphones. These days, every bank provides mobile banking services so that the customers can avail the services of bank through an application on the phone. Therefore, mobile banking is a smart way of banking for customers who use smartphones frequently.

Mobile banking is usually available on a 24-hour basis. Transactions using mobile banking may include obtaining account balance and recent transaction lists, electronic bill payments, wallet transfers between customer or other accounts. Some applications enable copies of statements to be downloaded and printed at the customer's location while other banks charge a fee for sending hard copies of bank statements. For

withdrawal and deposits of cash, the customer has to visit a bank or ATM.

MOBILE BANKING APPLICATION

Mobile Banking application is an instrument which enables us to carry a number of banking transactions and avail banking services on a Smartphone. Checking account statements, transferring funds or making payments can be performed on a mobile screen.

The facilities available on mobile banking are:

- Checking account balance
- Fund transfer
- Bill payment
- Balance enquiry
- Cheque book request
- Shopping on mobile

In addition, if a customer opts for SMS alerts, he will be updated instantly about his balance, upcoming bill payments and any other transaction so that he is constantly aware of what is happening in his account.

IMPORTANCE OF MOBILE BANKING

- **Less Cost:** Mobile Banking is less expensive as compared to other modes of banking. There are various types of charges imposed by banks when we use other modes like ATM facility, but through mobile banking there are very less or no charges levied by the banks.
- **Easy Accessibility:** Mobile Banking provides the customers anytime and anywhere banking with the help of mobile telecommunication services. This facility is easy accessible by the internet users. It also saves a lot of time.
- **Security:** Mobile banking is very safe and secure with the help of mobile pin. The users of mobile banking are secured by pin number which was firstly issued by bank but it can be changed many numbers of times as per the needs of customers. The transactions through mobile banking can be easily operated by the customers and the records are safe in the account details.
- **Speed:** The customers can perform their banking transactions in fractions of seconds by using 3G and 4G services. The mobile banking is done at a very high speed as compared to the other modes of banking.
- **Universally Accepted:** Mobile Banking is universally accepted by each bank. The customers can operate their bank account anywhere in the country with mobile internet.
- **Account statement:** To get the account details immediately, we use online and mobile banking. Mobile banking provides us immediate effect of banking transactions on our mobiles with SMS and mini statements.
- **Increasing customers:** Mobile banking helps the banks to increase their customers. The frequency of mobile users is increasing day by day but the frequency of bank account holders is very less. So, mobile banking is a new technological platform to the banks to increase the accountholders.
- **Economic Development:** The mobile banking brings awareness among the people to perform banking transactions at a very high speed. So, the people open their accounts in banks to avail these services, which leads to economic development of the country.

TYPES OF MOBILE BANKING

- **Mobile Banking Over WAP:** Mobile banking over Wireless Application Protocol is a service which allows us to access our bank account

details and transact over the internet through a mobile banking application.

- **Mobile Banking Over SMS:** With mobile banking via SMS we do not require to download any application. SMS services are available on all phones whether java or non-java, with or without GPRS connectivity. To get updates on our account we are required to send a text message to a specified number and receive instant replies as per request.
- **Mobile Banking over USSD:** Mobile Banking via USSD: Since most mobile operators in rural India do not have the same access to banking facilities as their counterparts in urban pockets, a simple mobile banking system was introduced based unstructured supplementary service data (USSD) targeting rural areas. Mobile banking services with USSD can be enjoyed by anyone with any mobile phone. Mobile banking over USSD is based on real time interaction between customer and the bank.

ARE THE MOBILE BANKING SERVICE FREE OF COST?

Mobile Banking services are generally provided free of cost to the customers. While the app itself does not cost you anything, but the respective telecom partners may charge for the data services. There are attractive low monthly plans to choose from the different telecom mobile service providers. SMS alerts on our mobile may also be chargeable.

FEATURES OF MOBILE BANKING

- Access your bank accounts and the associated services anytime anywhere around the globe.
- Transfer funds between multiple accounts via mobile banking easily. Authenticate a transaction and transfer funds with no time.
- Pay your utility bills using your mobile banking app. You need not wait in queues to pay your bills.
- Purchase goods over the mobile phones and pay with simple electronic payments via mobile banking application.
- View your accounts and credit/debit card details and statements via the mobile banking application
- Request for loans, Cheque books, demand drafts using mobile banking

- Get instant SMS alert on every transaction made via your bank account.

CHALLENGES IN MOBILE BANKING

- **Customer Awareness:** Due to lack of knowledge and awareness about mobile banking, there leads to distrust in mobile banking services and further leads to risk and security problems.
- **Security issues and privacy:** The security of mobile banking services is a big challenge. For security purpose PIN or PASSWORD is used which may be stolen by the attacker or unauthorized user if the mobile is lost or stolen.
- **Authentication issues:** In mobile banking, there is authentication risk at the login time or when we access our account through mobile system because in mobile banking for the authentication PINS numbers are used but this is an old method and have many security issues such as passwords and id theft.

CONCLUSION:

As mobile phone technology is a growing technology in banking, finance and commerce sector by which we can save our time and can access our account and information of our account anywhere and anytime and it also keeps us alert with our account transactions and other necessary information. The security issues are being solved by providing OTP (one time password) method by the service providers to the customers.

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