



REVIEW OF MOBILE BANKING AND ITS EVOLVING TREND IN INDIA

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Abstract

Considering the ability to manage financial matters conveniently and easily, apps for mobile banking have become an essential part of the modern banking experience. This study examines the use of mobile banking and looks into how it affects customer behaviour, financial practices, and the entire banking experience. The study explores the advantages that users of mobile banking applications experience, taking into account factors like accessibility, convenience, security, and financial empowerment. The banking sector has changed as technology has advanced. The sector has been using technology sensibly. Technology has made it easier for the banking sector to provide services. The introduction of new product lines by many businesses has been facilitated by the internet, which has also shown to be beneficial for the banking sector.. Mobile devices are the main way that people access the internet in the modern digital age. Widespread internet usage is a result of smart phones becoming more accessible and affordable, as well as the introduction of fusion feature phones. Banks provide effective customer service through a variety of branches and channels, including automated teller machines online, phone, and mobile banking. Short Message Service banking gave rise to mobile applications, which in turn led to secured biometric applications in mobile banking. Users can access financial services around-the-clock with M-financial. In the process of progressing, it has shown to be useful for both users and the financial sector. Even However, there remain obstacles, particularly with regard to security, which the banking industry must overcome in order to progress. However, as the number of people using mobile banking rises, banks are also enhancing their mobile banking offerings. This article covers many features of mobile banking that present challenges to the banking industry while also being advantageous. This essay discusses the fundamentals of mobile banking, as well as its potential for the future and how secondary data might be used to enhance mobile banking. Consulted are research articles, research papers, journals, news items, and research reports about the banking sector, with a focus on mobile banking. Customers use mobile banking as a pocket bank, and banks are working to modernize it.



Keywords:

Mobile banking, Smartphone, SMS banking, management, Biometric Mobile banking applications, consumer adoption, convenience, accessibility, security, financial empowerment.

Introduction

The modern era is typified by the digital age, in which people can readily purchase technology and the internet. Internet is available at everyone's doorway. With the rise of internet and technology especially smart phone, it gave rise to ease of accessibility of service. Mobile devices are main source for accessing internet, though other electronic devices are also used. For more than ten years, mobile internet usage has been steadily increasing in comparison to desktop and laptop usage.

Objectives:

- 1. To study types or forms of M-Banking.**
- 2. To highlight the advantages of mobile banking.**
- 3. To highlight the obstacles preventing clients from utilizing mobile banking. .**
- 4. To emphasize the latest developments in mobile banking technology and draw attention to its innovative trends.**

Methodology :

The study paper is a narrative overview of previous studies on the banking industry's emerging technological inclination and the rapidly evolving field of mobile banking. The study only uses secondary data as its foundation. Research articles from esteemed journals in the fields of banking, technology, and particularly mobile banking have been consulted. Mobile banking is a rapidly emerging field.

Types of Mobile Banking –

The term "mobile banking" describes the process of managing banking activities and carrying out financial transactions via a mobile device, such as a tablet or smartphone. Mobile banking services come in a variety of forms, with each having unique features and capabilities. Here's a brief overview:

1. SMS Banking:

- Description: Basic form of mobile banking using Short Message Service (SMS).



- Features: Balance inquiries, transaction alerts, and basic account management through text messages.

2. Mobile Banking Apps:

- Description: Dedicated applications provided by banks for smartphones.

- Features: Comprehensive banking services, including fund transfers, bill payments, account management, and mobile deposit.

3. Mobile Web Banking:*

- Description: Accessing banking services through a mobile browser.

- Features: Similar to mobile apps, but accessed through a web browser. Offers flexibility for users without app installations.

4. USSD (Unstructured Supplementary Service Data) Banking:*

- Description: Menu-based system for mobile banking using USSD codes.

- Features: Basic transactions without internet access, suitable for feature phones. Typically involves dialing short codes and navigating through menus.

5. NFC (Near Field Communication) Banking:

- Description: Contactless technology for payments using NFC-enabled devices.

- Features: Tap-and-go payments, enabling quick and secure transactions.

6. Biometric Mobile Banking:

- Description: Authentication using biometric features like fingerprints or facial recognition.

- Features: Enhanced security for mobile banking transactions, replacing traditional PINs or passwords.

7. Peer-to-Peer (P2P) Payment Apps:

- Description: Apps facilitating direct fund transfers between individuals.

- Features: Quick and convenient money transfers using phone numbers or email addresses.



8. Mobile Wallets:

- Description: Digital wallets that store payment information on a mobile device.
- Features: Allows users to make purchases, store loyalty cards, and conduct transactions using the stored financial information.

9. QR Code Payments:

- Description: Scanning QR codes for transactions.
- Features: Simplifies payments by scanning QR codes at merchants or for peer-to-peer transactions.

10. Augmented Reality (AR) Banking:

- Description: Integration of augmented reality for interactive banking experiences.
- Features: Virtual displays, branch locators, and immersive banking experiences using AR technology.

Mobile banking has evolved to become an integral part of the modern banking experience, offering convenience, accessibility, and a wide range of services to users.

Benefits and of mobile Banking:

Mobile banking offers numerous benefits to users, making it a popular choice for managing financial activities. Here are some key advantages:

1. Convenience:

- Users can access their bank accounts and perform transactions anytime, anywhere, eliminating the need to visit a physical branch.

2. 24/7 Availability: - Mobile banking services are available 24 hours a day, seven days a week, providing flexibility for users with busy schedules or in different time zones.

3. Transaction Speed:

- Transactions, such as fund transfers or bill payments, can be completed quickly and in real-time, enhancing the overall speed of financial activities.

4. Account Management:



- Users can check account balances, view transaction history, and manage various aspects of their accounts directly from their mobile devices.

5. Security Features:

- Many mobile banking apps employ advanced security measures, including biometric authentication (fingerprint or facial recognition) and secure encryption, to protect user information and transactions.

6. Alerts and Notifications:

- Users receive real-time alerts and notifications for account activities, helping them stay informed about deposits, withdrawals, and other transactions.

7. Cost Savings:

- Mobile banking reduces the need for physical paperwork, postage, and in-person visits, resulting in cost savings for both banks and users.

8. Bill Payments:

- Mobile banking allows users to conveniently pay bills, set up recurring payments, and manage their financial commitments with just a few taps on their mobile devices.

9. Fund Transfers:*

- Instant fund transfers between accounts, both within the same bank and to other banks, make it easy for users to manage their finances and support friends and family.

10. Financial Planning:

- Some mobile banking apps provide tools for budgeting, expense tracking, and financial planning, empowering users to make informed decisions about their money.

11. Mobile Deposits:

- Users can deposit checks by taking pictures of them using their mobile devices, eliminating the need to visit a physical branch or ATM.

12. Accessibility for the Unbanked:

- Mobile banking has expanded financial inclusion, allowing individuals in remote or underserved areas to access basic banking services through their mobile phones.



13. Integration with Other Services:

- Mobile banking often integrates with other financial services and third-party apps, providing a seamless experience for users to manage multiple aspects of their financial lives.

14. Environmental Impact:

- The shift to digital transactions through mobile banking reduces the consumption of paper and other resources, contributing to environmental sustainability.

Overall, the benefits of mobile banking revolve around convenience, efficiency, security, and enhanced control over personal finances.

Challenges and issues in mobile banking.

While mobile banking offers numerous benefits, there are also several challenges and issues associated with its implementation and usage. Here's a brief overview of some common challenges:

1. Security Concerns:

- Mobile banking is susceptible to security threats such as malware, phishing, and data breaches. Users may be at risk if their devices are not adequately protected or if they fall victim to social engineering attacks.

2. Fraudulent Activities:

- Fraudsters may exploit vulnerabilities in mobile banking apps to conduct unauthorized transactions or gain access to sensitive information, posing a threat to both users and financial institutions.

3. Network Connectivity Issues:

- In regions with poor or unreliable network connectivity, users may face difficulties accessing mobile banking services, leading to transaction delays or failures.

4. Device Compatibility:

- Different mobile devices and operating systems may have varying levels of compatibility with mobile banking apps, potentially causing functionality issues for certain users.

5. User Education and Awareness:



- Many users may not be fully aware of security best practices or the potential risks associated with mobile banking, leading to vulnerabilities due to user actions.

6. Regulatory Compliance:

- Adhering to ever-evolving regulatory requirements and ensuring compliance with data protection laws can be challenging for financial institutions offering mobile banking services.

7. Technology Obsolescence:

- Rapid technological advancements may lead to the obsolescence of older mobile devices, making it difficult for some users to access or use the latest mobile banking features.

8. Transaction Limits:

- Some mobile banking transactions may be subject to limits imposed by financial institutions, which can pose challenges for users requiring higher transaction amounts.

9. Customer Support Challenges:

- Providing effective customer support for mobile banking issues, such as transaction disputes or technical glitches, can be challenging due to the remote nature of mobile transactions.

10. Data Privacy Concerns:

- Users may be concerned about the collection and use of their personal information by mobile banking apps, raising privacy issues that financial institutions must address.

11. Infrastructure and Integration:

- Developing and maintaining a robust infrastructure for mobile banking, as well as ensuring seamless integration with other banking systems, can be complex and resource-intensive.

12. Dependency on Mobile Devices:

- Mobile banking assumes that users have access to and are comfortable using smartphones or other mobile devices. This dependency may exclude individuals who do not own such devices.

13. Phishing and Social Engineering:

- Users may be vulnerable to phishing attacks or social engineering scams that attempt to trick them into revealing sensitive information, posing a risk to their financial security.



Addressing these challenges requires ongoing efforts from both financial institutions and users to enhance security measures, improve technology infrastructure, and promote awareness and education about safe mobile banking practices.

What stops customer to adopt it?

Several drawbacks that prevent customers from using mobile banking include:

Security:

Apps for mobile banking are breaking down, the hypertext transfer protocol's secured layer is missing in unencrypted format, and there are no security checks in place, which results in security failure and is a major problem for mobile banking. Applications are vulnerable to virus infiltration via phones. A growing trend involves hackers posing as SMS providers and requesting bank account information from victims. Bank apps are typically supplied to banks by outside parties, who frequently turn to information sales to further exacerbate data exploitation. Users can set up their devices to save passwords and mobile pins, making information easier to access and understand. Less banks have embraced fingerprint scanning and biometric app updates, which aim to address this problem.

Customer awareness:

Even though the idea of mobile banking is not new—it was introduced in the 1990s—customers still refuse to use it. Although there are many services available on mobile bank apps, not all bank account holders take advantage of them since they are unaware of them. With this in mind, the Reserve Bank of India is actively arranging awareness campaigns to inform the public—including students, bank workers, and customers—about the advantages of the electronic payment system. In order to raise public awareness of digital safety, the RBI has distributed written and audiovisual materials as part of the electronic Banking Awareness and Training (EBAAT) initiative.

Compatibility issue:

Not all banks offer services for mobile banking applications. In order for mobile banking applications to be loaded on a device, the device itself must be compatible with mobile operating systems, such as Android and iPhone. Furthermore, in order to use the mobile banking application option, a smartphone is required.



Conclusion:

A person's life will always involve change. The banking sector has undergone a transformation. By enabling clients to access banking services at any time and from any location, mobile banking has revolutionized the banking industry. Beginning with SMS banking, mobile banking offers fewer restricted services and is gradually increasing its offerings to put the complete bank in the hands of its clients. User customization is offered, starting with SMS services and progressing to bank apps and spin-off applications. The banking industry has been driven to modernize technology and provide consumers with fully proof safe biometric services due to security concerns. The use of mobile banking is an essential component of banking operations; any bugs or technological issues are quickly fixed. It has shown to be economical, which has reduced banks' operating expenses. When using mobile banking to do banking operations, banking is watchful. Without the participation of key players, such as telecom service providers, government agencies, regulators, and mobile device manufacturers who provide devices that facilitate the installation and use of bank apps, it would not have been feasible. Technology is always evolving, thus banks have created their own incubation cells where new ideas are developed and products are introduced to the market in order to stay ahead of the curve. Rapid changes have occurred in mobile banking. There are new services and goods available, all of which may be accessed through a mobile app. Customers can use tiny icons to modify other services, access utility services, conduct non-financial transactions, and complete all banking tasks. App interfaces are evolving with time and becoming more user-focused. These days, mobile banking is so sophisticated that services are offered in accordance with consumers' wants and are tailored. It manages wealth and makes investment recommendations using these tiny icons. The banking industry has faced difficulties with transaction security and data breaches. Mobile banking has been disrupted by technological advancements such as face recognition, password hardening, and biometric identification. It has reduced fraud and improved security. Although mobile banking is now a part of the banking industry and serves as the backbone of both company and the general public, technology advancements, service improvement, and advancements will keep mobile banking forward-thinking. The introduction of 5G services will enhance mobile banking even more, and on top of that, an RBI awareness campaign will encourage users to choose mobile banking.



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