



A Study on Importance of Mobile Banking

KEYWORDS

Mobile Devices, Banking, Technology

Manav Aggarwal

Assistant Professor in Commerce, D.A.V College, Jalandhar City, Punjab.

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. In today's business, technology has been the largest indicators of growth and competitiveness. The banking industry today is in the era of its revolution. The increased dominance of mobile phones provides exciting opportunities for the growth of mobile banking. Mobile banking is a system that helps the customers to conduct a number of financial transactions with the help of their mobile devices. Mobile banking is a revolution that is driven by the world's one of the fastest growing sector, mobile communication technology. This paper examines the need and importance of mobile banking in modernize era of technology.*

Introduction

The mobile banking is defined as "the provision of banking services to customers on their mobile devices" (Sharma & Kansal, 2012). Mobile Banking refers to provision and usage of banking and financial services with the help of mobile telecommunication devices. Mobile banking is a system that helps the customers to conduct a number of financial transactions with the help of their mobile devices. Mobile commerce is a natural successor to electronic commerce. Where a mobile device is used to initiate, authorize and confirm an exchange of financial value in return for goods and services. Mobile devices may include mobile phones, PDAs, wireless tablets and any other device that connect to mobile telecommunication network and make it possible for payments to be made. The bank provides mobile banking services to their customers, wishing to increase their customer share by removing all the hurdles in the way of adoption of mobile banking services

The role of banking is very important in operating the business as well as industry functions. As the Internet banking is still in its growing stage, mobile banking has emerged as the next advance way of doing banking. The scope of offered services may include facilities to conduct bank transactions, to administer accounts and to access customized information (Tiwari & Buse, 2007). In the broader sense mobile banking as that type of execution of financial services in the course of which, within an electronic procedure the customer uses mobile communication techniques in conjunction with mobile devices (Pousttchi & Schurig, 2004).

Mobile phones have become an essential communication tool for almost every individual worldwide. In India, where mobile subscribers far exceed fixed line subscribers because of better mobile infrastructure in comparison to fixed line infrastructure has made mobile banking much more appealing in India. Technology plays an important role in banking sector. Mobile phone is a common technology device that became part of every individual in the information era. Mobile Banking is an emerging alternate channel for providing banking services. India is the second largest telecom market in the world, which is having high potential for expanding mobile banking services.

Literature Review

Mobile Banking builds a cornerstone for mobile commerce (Tiwari et al., 2006). This paper studies the concept of mobile banking and mobile payment which helps the country to develop (Donner Jonathan, 2007). In today's business, technol-

ogy has been on the prime indicators of growth and competitiveness. The banking industry today is in the industry of its revolution (Sharma Archana, 2011). This paper explores the various challenges in the mobile banking and finds that there is a need of awareness among the mobile banking users so that more and more users will be connected (Chauhan, 2012). Mobile banking needs understanding of mobile functions properly for successful transaction in banking (Son-Yu Chian, 2012). Mobile banking has emerged as new alternative way of banking which is more convenient and user-friendly than traditional form of banking. It is covering the concept of anytime, anywhere banking into reality (Kaur & Madan, 2013). Mobile banking is one of the alternative channels available to customer for quick and efficient service or anytime and anywhere. It also studies the various incentives and gain by the customers with the usage of mobile banking (Mishra & Sahoo, 2013). This paper analyzes the security issues and challenges in mobile banking among Indian banking users (Devadevan, 2013).

Need of Mobile Banking in India

The position of banking industry is not excellent in India. In 2011, sixty-five percent of India's population did not have access to a bank account (Global Findex 2011). The lots of Indian population till date have not their personal bank accounts. Reserve Bank of India also requested to the members of the country, each person has minimum one saving account in any bank of India. But still there is a lack of awareness in the people. So, mobile banking is a good option for the banking industry to increase their customers. With the help of mobile telecommunication technology the customers make numerous transactions in the bank at any time. There are many researches which show that India is moving fast towards mobile users as well as mobile internet users which is also a bigger strength to the banking industry to promote the mobile banking. This paper shows that there is a big need of adoption of new technology especially in banking industry which promotes the bank account holders in our country.

Importance of Mobile Banking

- **Easy Accessibility:** Mobile Banking provides the customers to anytime and anywhere banking with the help of mobile telecommunication services. This facility is very easy accessible by each mobile internet users. It also saves a lot of time.
- **Security:** Mobile Banking is very safe and secure with the help of mobile pin (m-pin). Each user of mobile banking is secured by pin number which was firstly issued by the bank but we can change it many times as per the needs

of the customers. All the transactions through mobile banking can be easily operated by the customers and all records will be safe in the account details.

- **Less Cost:** Mobile Banking is less expensive comparative to other modes of banking. There are various types of charges imposed by the banks when we use other modes of banking like ATM facility, but through mobile banking there are very less or no charges will be charged by the banks.
- **Speed:** With the help of new technology like 3G services, the customers make their banking transactions in the fraction of seconds. Mobile Banking is done by the mobile internet users in a very fast speed as compare to another mode of banking. For Example: If we want to deposit the money in branch, firstly we have to wait for our turn in a big queue to reach the counter but these hurdles can be easily removed by the usage of mobile banking.
- **Universally Accepted:** Mobile Banking is universally accepted by the each bank. The customer operate their bank account at anywhere in the country with the usage of mobile internet. It is widely accepted by the banks at anywhere and anytime.
- **Account Statement:** If we need our account details immediately, it is only possible with the online and mobile banking. Mobile Banking provides us immediate effect of banking transaction on our mobiles with SMS and Mini statements on our mobiles.
- **Increasing Customers:** Mobile Banking helps the banks to increase their customers. We know that the frequency of mobile users is increasing at very high speed but the frequency of banks account holder is very less. So, mobile banking is a new technological platform to the banks to increase their customers.
- **Always Connected:** Mobile Banking gives us an option to always connect with their bank accounts for getting the updation of every minute. Some account holders have large transaction per day. With the help of downloading the mobile banking application and software of their banks, they can get the update of their account by every minute or second.
- **Economic Development:** Today, still there is large portion of our population which has no bank account but with the help of mobile banking awareness especially young account holders will open the bank account and helps in economic development.

Conclusion

The role of technology is increasing day by day. The various sectors of India are growing at much faster rate with the help of technology. Mobile banking is also a big mobile telecommunication platform of new technology, which promotes the banking functions in India. Mobile banking also helps the banks to increase their customers. Today, everyone has a mobile phone in his hands. The number of mobile users in India got second position in the world. The increasing frequency of mobile internet users gives the boost energy to the mobile banking. This paper explores the importance of mobile banking in the new era of technology which helps the banking industry to grow at higher speed.

REFERENCE

- Chauhan, D. M. (2012). A Study on Customer Perception Towards Mobile Banking: Technology Adoption and Challenges. *Indian Streams Research Journal*, Vol. 2, No. 10, pp. 1-4. | | Devadevan, V. (2013). Mobile Banking in India: Issues&Challenges. *International Journal of Emerging Technology and Advanced Engineering*, Vol. 3, No. 6, pp. 516-520. | | Donner, J. (2007). M-Banking and M-Payments Services in the Developing World: Complements or Substitutes for Trust and Social Capital? *International Communication Association*, (pp. 1-16). San Francisco, California. | | Donner, Jonathan and Tellez, Camilo. (2008). "Mobile banking and economic development: Linking adoption, impact, and use", *Asian Journal of Communication*, Vol. 18, No. 4, pp. 318-322. | | Kaur, J., & Madan, P. (2013). Mobile Banking. *Global Research Analysis*, Vol. 2, No. 11, pp.153-154. | | Mishra, S. K., & Sahoo, D. P. (2013). Mobile Banking Adoption and Benefits Towards Customers Service. *International Journal on Advanced Computer Theory and Engineering*, Vol. 2, No. 1, pp. 78-83. | | Sharma, A. (2011). Mobile Banking as Technology Adoption and Challenges. *Zenith International Journal of Multidisciplinary Research*, Vol.1, No. 6, pp. 147-157. | | Son Yu, C. (2013). Factors Affecting Individuals to Adopt Mobile Banking: Empirical Evidence from the Utat Model. *Journal of Electronic Commerce Research*, Vol. 13, No. 2, pp. 104-121. | | Tiwari, R., Buse, S., & Herstatt, C. (2006). Mobile Banking As Business Strategy:Impact Of Mobile Technologies On Customer Behaviour And Its Implications For Banks. *Portland International Conference on Management of Engineering and Technology*, (pp. 1-26). Istanbul (Turkey). |