

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. 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

I. 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. 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. 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

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.

II. REVIEW OF LITERATURE

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.

Dilip Joshi- "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.

Lalita Malsuri - The banking system in India is becoming more and more digital and there are several changes have been taken placed in the Indian banking sector. Indian banking system has the large structure and Powerful base and using this it can be possible to make fully digitalization in the finance sector. There are some factors which influence to the technology and also have some threads to avoid the changes. Therefore it is important to know the present and future aspect of the technological changes in the banking sector and also to know the problems of the technological changes to suggest the measures for overcome the problems. The Mobile banking system is became important to the India therefore the study is concern with the mobile banking and its present and future status and problems and prospects.

Alaa Mahdi Sahi - Digital payments provide financial inclusion masses a significant potential to change the lives of millions of underdeveloped countries. However, despite their digital payment methods' potential, these developing countries have not widely adopted these payment methods. This study went through previously published research on

digital payment adoption and assessed the various drivers and inhibitors. Through the study of this literature, most research papers had either used TAM or UTAUT theories. According to research, the most significant factor influencing consumers' behavioral intention to use digital payments is their expectation of how well their digital payment transactions will perform. In addition, ease of use was found to be a notable factor towards digital payment adoption. Furthermore, given the driver and inhibitor of digital payment adoption, perceived risk and trust are considered the hinder of digital payments adoption.

Pushp.p. Patil - Digital payments (mainly enabled by mobile devices) have huge potential to change lives of millions of people in developing countries by offering financial services to the unbanked masses. Despite its potential digital payment methods have not been widely and successfully adopted in the developing countries. In order to ascertain the various drivers and inhibitors behind digital payment adoption, this study did a review of research on digital and mobile payment adoption and use. Results of this literature analysis revealed performance expectancy/perceived usefulness as most significant determinant of consumer's behavioral intention to use mobile payments followed by perceived ease of use (PEOU). Perceived risk was found as major inhibitor to the adoption of mobile payment.

2.1 OBJECTIVE OF RESEARCH

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.

III. RESEARCH METHODOLOGY

Research methodology is a collective term for the structured process of conducting research. There are many different method to use in various types of research and the term is usually considered to include research design, data gathering and data analysis. This is secondary data collected by various collection of study from internet, newspaper, social media and books.

3.1 SCOPE OF THE STUDY

The outlook for new digital payment system, including mobile banking, in India is a relevant and promising topic for study. Here's a scope of study you can consider:

1. Introduction: Provide an overview of the current state of digital payments in India and its significance in the financial landscape.
2. Technology and Infrastructure: Examine the regulatory framework governing digital payments in India, including the role of the Reserve Bank of India (RBI) and other authorities.
3. Market Players: Study the key players in the mobile banking and digital payments space, such as banks, fintech companies, and payment services providers.
4. Consumer Adoption: Investigate the adoption rates and trends among Indian consumers, considering factors like demographics, education, and trust in digital payment systems.

IV. FINDINGS

The study of adoption of digital payments in small retail stores has attempted to understand impact of new age digital payment in businesses of retail stores. It was found that digital payment method does have a greater impact on increasing the business and more convenient for customers for the transaction. From the analysis we came to know that the tenure of usage and years of business does play a vital role in making decision and is the reason to adopt the digital payment method. There is high correlation between behavioural intention and facilitating condition. Hence convenience and customer demand are the primary reason to adopt digital payment in retail stores, yet there is a very low concern about fear of being cheated and security of transaction in digital platform by retailers in Chennai. It seems that it will take enough time to become completely cashless economy. It requires a complete cooperation from people and more awareness and knowledge among retailers and common men. The problem of lack of education and digital literacy needs to be solved first to have a greater number of digital transactions. The efforts are going well by the

government as well as the private sector company having their e-wallets apps such as Paytm, PhonePe etc. It is the government that needs to address these challenges and solve them in order to have a complete cashless economy and to provide sustainable economic development to the country in the mere future.

V. 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.

VI. 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 individuals will prefer mobile banking.

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