

Impact of Mobile Banking on Expansion of Banking Services

A.Bharathi Reddy

Assistant Professor, G.Pula Reddy Degree and P.G College

Abstract-The introduction of *Internet Banking* is the most recent technological advancement that has had a significant effect on developing banking services. It has aided users' connections to their bank's accounts at any point. Owners are in a position to conduct financial transfers, review account information, obtain a bank statement, and pay their bill from wherever. However, the most significant impediment to the advancement of online banking is the need for a particular computer with a wired internet link. It is not a problem in many developed countries, but it is still a major issue for most emerging countries, such as India. *M-banking* is basically a workaround for internet banking's limitations. In today's world, the term '*mobile banking*' has become extremely common. It simply refers to financial and non-financial activities that are carried out by logging into a bank's website via a cell phone, such as payments between accounts, reviewing account balances, and potentially paying bills. Mobile banking is mostly carried out via the internet on cell phones or through SMS, although it can also be carried out through the use of special services known as clients downloaded on mobile phones.

In this analysis, the research approach used was the questionnaire method. It's used to gather data from SBI employees in Hyderabad who serve in specific divisions. A sample is a subset of the population that reflects the whole. The analyst gathered information at his leisure. A total of 100 people were included in the study. The aim of this study was to learn about the perceptions and the knowledge of customers (from different SBI branches) about mobile banking. The suggested investigation would recommend an effect to find out how mobile banking affects profitability.

Through this research, we will learn about the advantages of mobile banking as well as whether or not mobile banking is truly beneficial.

Early Mobile Banking

- Before smartphones, mobile banking used text messages (SMS).
- European banks offered early web-based mobile banking.

Modern Mobile Banking:

- Smartphone apps became popular after 2010.
- Banks use both SMS and apps for account info and alerts.

Indian Bank History:

- British East India Company established banks in the 1800s.
- These merged to form the Imperial Bank of India in 1921.

State Bank of India (SBI):

- Large public sector bank: SBI is a major bank owned by the Indian government.
- Rich history: Founded in 1806, it has a long history of serving India.
- Focus on customers: SBI has a large network of branches and serves millions of customers.
- Security reminder: SBI warns customers about phone scams and never to share personal information.

MOBILE BANKING: AN INTRODUCTION

Mobile banking has transformed how people access financial services. It began with SMS banking in 1999 and evolved into user-friendly apps on smartphones. This convenience allows customers to bank from anywhere, while businesses benefit from faster payments and receiving funds directly. Mobile banking also reduces costs for banks and offers a wider range of transactions, including account opening and payments. It's important to distinguish mobile banking from mobile payments, which focus on paying for goods and services. Overall, mobile banking leverages wireless networks and the internet to revolutionize banking transactions. Mobile Banking services can be categorized into the following;

1. Accounting formation access
2. Transactions
3. Investment
4. Support Services
5. Content and News.

According to the Reserve Bank of India's annual report for 2017 to 18, the volume and value of mobile banking services increased by 92% at the end of March 2018. The number of registered customers had increased by 54% to 251 million! From 163 million at the end of March 2017, Mobile Banking's most basic feature is the ability to transfer money from one account to another and make online payment. Customers can transfer funds to any one by adding them as beneficiaries via UPI [United Payment Interface] which also includes bank to bank transfer, self-transfer payment of rent and other bills. The majority of banks offer services via mobile apps as well as SMS, banking services. This service is beneficial to those who do not have access to a smart phone or the internet. To use SMS banking customers must first register their mobile number with their bank.

FEATURES OF MOBILE BANKING

M-banking has features that ensure customers can access their accounts and carry out financial transactions on the go. Some key features of M-Banking are:

1. *Accessibility* - M-banking offers 24-hour access to all customers. Customers can log into their app and view and track their account balances anytime. Besides, they can engage in fund transfers even during bank holidays.
2. *Security* - The banks recognize the importance of providing a secure environment to customers for transactions on the banking app. Hence, M-Banking asks for SMS access, location access, biometric access, and application password from the customers to ensure their privacy and security.
3. *Transferability* - Transferring funds from one bank account to another is the most basic mobile banking activity. All the banking app-based transfers are now secured using two-step verification via app password and OTP-based transactions. The two-step verification is applicable in fund transfers, utility bill payments, and online shopping for the safety and convenience of customers.

MOBILE BANKING – ADVANTAGES

1. *TIME SAVING*: Mobile banking offers quick and instant banking services, eliminating your dependence on banks for basic transactions. To check the account, balance the detail of your recent

transactions or simply transfer funds, just load your bank's Mobile banking app on your phone.

2. *MONITORING TRANSACTIONS*: You can monitor your bank accounts and conveniently dispute fraud transactions simply by logging in to your mobile banking app.
3. *REMOTE BANKING*: While travelling to a different city or going abroad, you need a stable internet connection and a robust mobile and internet network and you can conduct various kinds of transactions.
4. *EASY ACCESS*: Whether you want to transfer funds (or check account balances and statements (or) apply for loans, you can do it all with mobile banking. You can order your check book and apply for credit and debit cards, open fixed and recurring deposits and more.
5. *ROUND THE CLOCK AVAILABILITY*: Mobile banking is like carrying your bank in your pockets all day. You can initiate fund transfer at any hour, reach out to customer care helpline and get banking information within minutes through the mobile banking app.

MOBILE BANKING – DISADVANTAGES

1. *INTERNET RELIANT*: A major disadvantage of mobile banking is that it functions only if you have an internet-enabled smart phone. You can also enjoy the services on regular mobile phones but they are not as extensive as those you can get through mobile apps.
2. *TECH KNOWLEDGE*: You need to be well-versed with the constantly evolving banking technologies to enjoy mobile banking advantages. This can prove to be quite a challenge for older people or people from rural areas.
3. *RESTRICTED PLANS*: Though there were many plans to enhance mobile banking offerings and services, in reality, the initiatives were very restricted. Most applications are informative such as bank balances or credit card or bank amounts rather than interactive services like buying or trading.
4. *TECHNICAL PROBLEMS*: There are problems of technical issues security concerns and cost constraints. WAP are to prove to satisfy the customer. People think about security. But their concerns are not adequately fulfilled by purveyors of M-banking.

OBJECTIVES OF MOBILE BANKING

- ❖ To promote technology in banking business.
- ❖ To encourage the customers to use mobile banking.
- ❖ To create awareness among public so that their banking work will become easy for them.
- ❖ To suggest strategies to enhance M-banking services provided by SBI.
- ❖ To study and analyze the growth trends and emerging issues in the mobile banking started by SBI.

REVIEW OF LITERATURE:

IMPACT OF MOBILE BANKING ON EXPANSION OF BANKING SERVICES

1. Ravieta (2006): Surveyed to know the summary or outline of internet banking users and non-users with the help of intelligent techniques. This research examined and recognized latent client on the basis of outline received during the survey. This study links these four prognostic replicas or models for its precision and utilization. The flexible variables are graded based on meaning or aim, conviction, individual's standard, belief about the banks, approach or outlook, recognized value and safety.
2. Shroff (2007): He showed how the banking in India has progressed over the past decades. He also compares similar banking systems existing in other nations and changes administered to overcome a problem and the various possibilities to modify and improve our net banking through this knowledge. Invention of manufactured goods and implementation of skills bring about transformation of configuration in India's net banking system.
3. Gupta Sumeet & Vemarenu (2008): Concluded that management of non-performing assets and risk emanating from adverse event is the key to higher profitability of the Indian banking. Transparency and good governance would work as principal guiding force in present scenario.
4. Ghoshaibal (2009): Concluded that with international standards, Indian banks would need to improve their technological orientation and expand the possibilities for augmenting their financial activities in order to improve their profit

efficiency in the near future.

5. Alameul and Devamohan (2010): In their study titled, "Efficiency of Commercial Banks in India", they calculated the business ratios, such as income interest to average working funds, operating profit to average working funds, return on asset, business per employee and profit per employer and profit per employee for public sector banks and foreign banks and new generation private banks have superior business ratios.
6. Jha D. K. and D. S. Sarangi (2011): Calculated the financial performance of seven public sector and private sector banks during the period 2009-10. They used three sets of ratio operating performance ratio, financial ratio and efficiency ratio. The study revealed that AXIS Bank was on the top of these banks followed by ICICI, BOT, PNB, SBI, IDBI and HDFC.
7. Commencing Dhartibahen (2012): In this research paper, it is noted that mobile phones play a major role in guiding money transactions, favoring e-banking with much ease and less time for comprehensive development, the news, merits and awareness about the advantage about banking through phone should be spread far and wide even the scheduled parts of the nation.
8. Vasant Desai (2013): The performance of a bank can be assessed in their broad dimensions via business development, customers' services and housekeeping, the resources that a branch as manpower, premises, planning, system produce, organizational structure and general administration. The efficiency of a branch would be measured by the extent which it has balanced between three parameters.

RESEARCH METHODOLOGY

The research methodology used in the present study is the questionnaire method. It is used for data collection from customers. The existing literature related to this study was reviewed to gain knowledge of the subject before making the questionnaire. Sample of 50 customers were considered for the study. For the purpose of the study, the main process includes: The universe of the study, Selection of sample, Selection of study area, Data collection, Sample techniques, Analysis techniques

PRIMARY DATA: The primary data is collected by the researcher directly through questionnaire method, and will be filled by the consumers. This study is dealt with the opinion of customers about impact of mobile banking, an expansion of banking services in Hyderabad, Telangana.

SECONDARY DATA: The secondary data will be collected from magazines, textbook, newspaper, the internet and various websites.

ANALYSIS TECHNIQUES: Statistical tools like measure of central tendency, i.e. mean, standard deviation, and percentage, were used to analyze the data and test the hypothesis.

➤ **Percentage method:** This method is used in questionnaire to convert the responses into percentages. Using percentage, the data are reduced to their standard form with a base equal to 100, which facilitates relative comparisons.

➤ **Mean:** It is the simplest method of calculating central tendency and is a widely used measure. To calculate the mean, take the sum of all the values and divide it by the total number of values. The calculation of the mean in corporations all values in the data.

SCOPE OF STUDY

1. The bank staff to making such policies that creates positive opinion about mobile banking so the adoption of mobile banking will increase.
2. To promote technology in banking business.
3. To encourage the customers to use mobile banking
4. To create awareness among public, so that banking work will become easy for them.
5. To give idea to the financial institutions, commercial banks.
6. To help RBI in making policies to promote technology.
7. The research can be used a base for post-doctoral research work.

HYPOTHESIS OF STUDY

H₁: Mobile banking is not popular among public/customers are less aware from mobile banking

services.

H₂: Customer’s attitude towards uses of mobile banking.

DATA ANALYSIS AND INTERPRETATION

Q1: What type of services do you prefer the most?

Table 4.1: Services preferred based on people’s interest

S. No	Services preferred	No. of Responses	Percentage
1	Internet Banking	40	67.8%
2	Banking in Bank	9	15.3%
3	ATM	6	10.2%
4	Others	4	6.8%

Interpretation: As per people’s interest about 67.8% out of 100% people preferred Internet banking, 15 out of 100 preferred Banking in bank, 10% preferred ATM services and 6% used other means (cash).

Q2: How far are you satisfied with current services of the bank?

Table 4.2: Customer satisfied with current services of the bank

S.No	Customer Satisfaction	No. of Responses	Percentage
1	Very satisfied	14	23.7%
2	Satisfied	39	66.1%
3	Neither satisfied nor dissatisfied	6	10.2%
4	Dissatisfied	0	0%

Interpretation: As per customers, 23% of people are Very satisfied by current services of the Bank, 66% of people assume the bank services are ‘Satisfactory’ and 10% of customers are ‘Neither satisfied nor dissatisfied’.

Q3: Do you think that your bank caters all your banking needs?

Table 4.3: Your bank caters all your banking needs

S. No	Catering banking needs of individual	No. of Responses	Percentage
1.	Yes	40	67.8%
2.	No	19	32.2%

Interpretation: As per the Bank Caters all bank needs responses of individuals 67.8% are satisfied and 32.2% are not satisfied.

Q4: How you are motivated to open an account in mobile banking?

Table 4.4: Reasons to open account in Mobile banking

S. No	Reasons to open Account	No. of responses	Percentage
1	Self-motivated	29	50%
2	Advertisement	2	3.4%
3	Friends	19	34.5%
4	Internet or Websites	8	12.1%

Interpretation: As per the responses 50% of customers are self-motivated to open in mobile banking accounts, while 19% use mobile banking accounts based on their friends' suggestions, 8% by internet or websites and 2% are motivated to use mobile banking by advertisements.

Q5: Which is the most preferred product or services you look forward to avail from bank?

Table 4.5: Most preferred product you look forward to avail from bank

S. No	Most preferred services	No. of Responses	Percentage
1.	Insurance	13	12.1%
2.	Home loan	15	27.6%
3.	Term deposit	12	12.1%
4.	Investment	10	17.2%
5.	others	19	31.0%

Interpretation: As per the responses, 31.0% of customers preferred other loans from bank, whereas 27.6% preferred home loan, 17.2% preferred investments and 12.1% preferred term deposits.

Q6: Did your amount debited from the account but the opposite person does not receive the amount?

Table 4.6: Amount debited from the account but not received

S. No	Amount debited but not received	No. of Responses	Percentage
1	Yes, I faced it.	29	49.2%
2.	So far, no.	30	50.8%

Interpretation: As per customers 49.2% people are facing problems and 50.8% found no problem so far.

Q7: In which bank did you have an account?

Table 4.7: Bank accounts

S. No	Bank accounts	No. of Responses	Percentage
1	SBI bank	25	44.1%

2	ICICI bank	4	6.8%
3	Canara bank	4	5.1%
4	HDFC bank	8	13.6 %
5	Others	18	30.5%

Interpretation: As per the customer response most of the people had opened their account in SBI bank (44.1%), 6.8% people have account in ICICI bank whereas 13.6% had account in HDFC bank, 5.1% in Canara bank and 30.5% had accounts in another bank.

Q8: When you think of SBI what comes to your mind first?

Table 4.8: Review on SBI bank

S. No	SBI Review	No. of Response	Percentage
1	Customer service	10	17.2%
2	Wide branch network	24	41.4%
3	Complete bank	8	13.8%
4	Personalized service	7	12.1%
5	Others	9	15.5%

Interpretation: As per the review most of the SBI customers i.e., about 41.4% are satisfied with their Wide branch network, 17.2% satisfied with customer service where as 13.8% satisfied with complete bank while 12.1% with personalized services and 15.5% with other services.

Q9: Tell us about your average weekly banking activity.

Table 4.9: Average weekly Banking activity

S. No	Weekly banking activity	No. of Response	Percentage
1	0-1 times a week	17	29.3%
2	1-2 times a week	16	27.6%
3	3-4 times a week	11	19%
4	5 or more times a week	12	20.7%
5	50 times a week	1	1.7%
6	None	1	1.7%

Interpretation: As per Customers 29.3% shows banking activity 0-1 times a week, 27.9% shows banking activity 1-2 times a week, 19% shows 3-4 times a week where as 20.7% shows 5 or more times, while 1.7% shows by 50 times a week and 1.7% shown by None.

Q10: Where do you hear about mobile banking services?

Table 4.10: Sources people hear about Mobile

Banking services

S. No	Mobile Banking Services	No. of Response	Percentage
1	Mass media	19	32.8%
2	Bank directly	14	22.4%
3	Friends or Family	24	41.4%
4	By my Sis	1	1.7%

Interpretation: As per customers review about 41.4% people heard about mobile banking by their Friends or family, 32.8% heard about mobile banking through Mass media, about 22.4% heard through Bank directly while 1.7% via their Sis and 1.7% by Agent.

CONCLUSION

Wireless infrastructure and widespread use of mobile devices have generated enormous market opportunities and banks have begun to capitalize on this trend by selling their goods and services by mobile phone, which could produce significant sales and give them a competitive edge. The latest mobile banking adoption analysis has shown the need to identify the primary determinants of mobile banking adoption, according to this research report.

Customer’s intention to use mobile banking is linked to six constructs: perceived ease of use, social impact, machine self-efficacy, protection, confidence and perceived financial cost according to this report. The research centred on six frameworks in order to better explain consumer expectations of mobile banking, which has just recently become possible in India. It described an inter-connected model that depicted the relationships between each of these six structures and the likelihood of customers using mobile banking. The measurements on which internet banking service quality can be measured were responsiveness, reliability and perceived reputation.

Banks will enable consumers to use mobile banking by putting in place appropriate protection measures and providing timely customer support. To secure transaction details and user information, periodic reviews of sound managerial and technological processes are needed. Implementing processes for consumer recognition and providing professional assistance to these services would be a best practice guideline for attracting new consumers to these services. To increase the use of mobile banking in India. Banks should develop an easy-to use mobile

banking framework with a straight-forward description of banking services. Banks can raise knowledge of mobile banking by placing demos on the internet banking platform or offering guidance to use in different mass media to improve consumer trust in utilizing mobile banking. Which is described as self-efficacy beliefs?

By viewing the charges on the bank’s page, the detrimental effects of financial costs generated by utilizing mobile banking may be minimized. Since mobile banking is still relatively new to Indian banking customers, banks can use different advertising tactics to raise consumer knowledge. According to findings, there is no substantial difference in the intention to use mobile banking across different groups. Banks will take advantage of this by marketing to people of all ages and enabling.

REFERNCE

[1] A. Samsunisa (2015) - “A Study on Customers’ Perception Towards Internet Banking Services at Chennai”, Research Journal of Commerce and Behavioral Science [Volume: 04, Number 12, October-2015, ISSN: 2251 1547]

[2] Ahmed Dhermish, Christoph Kneading, Paul Leishman, and Ignacio Mas (2012) - “Branchless and Mobile Banking Solutions for the poor: A Survey of the Literature” [Volume 6, Number 481]

[3] Aiswarya Sivarajan, Juby Rachel Philip, Abymon A (2018) - “A Study on The Consumer Perception Towards Mobile Banking Services of State Bank of India” - with special reference to Kollam Districts’ International Journal of Pure and Applied Mathematics [Volume 119 No.15 2018, 1483-1489.]

[4] Akturan Ulun, T. N (2012) - “Mobile Banking Adoption of the Youth Market Perception and Intention”. Marketing Intelligence and Planning, 30, 4.

[5] Amin H., Baba R., and Muhammad M. (2007) - “An Analysis of Mobile Banking acceptance by Malaysian customers” Sunway Academic Journal 4.

[6] Angamuthu B. (2016) - “Effectiveness of Mobile Banking technology– enabled financial services in private sector banks” BVIMSR’s Journal of Management research. [Volume 8, Issue - 2, pp 115-127]

[7] Anselmsson J. (2011) - “Customer-perceived

service quality and technology-based self-service”
Lund: Lund Business Press, Lund University.

[8] Archana S. (2011) - “Mobile Banking as Technology Adoption and Challenges” International Journal of Multidisciplinary Research 1.

[9] Bansal L.K. (2014) - “Marketing of Bank Services at Gross root Level”. Inbidhi C. (1994) – “Marketing of Services” (Ed.) Rawat Publications, New Delhi. [pp.73]

[10] Curran J.M., M.L. Meuter and C.F Surprenant (2013) - “Intentions to use self-service technologies: A Confluence of Multiple Attitudes”. Journal of Service Research [Vol. 5, No. 3, Feb, pp. 209-224]

[11] Anyasi F.I, and Otubu P.A., (2009) - “Mobile Phone Technology in Banking System: Its Economic Effect”. Research Journal Information Technology.

[12] Berry L.L. and S. K. Lampo (2010) – “Teaching an Old Service New Tricks: The Promise of Service Redesign”. Journal of Service Research. [Vol. 2, No. 3, pp. 265-275]

[13] Bharathi B. Y., (2017) – “Indian Banks Banking on Growth”. Chartered Financial Analyst. [Dec, pp. 100-101]