

## **A Study of Mobile Banking: Problems and Prospects in Aurangabad City**

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### **INTRODUCTION**

Mobile banking is a new tool to give all services to customer on their mobile. The earliest mobile banking services were offered over SMS. In 1999, the first European banks offer mobile banking to their customers with the use of WAP enabling mobile. Now, Banks use this service to attract the potential customers. Mobile banking is used for performing balance checks, account transactions, payments, credit applications and other banking transactions through a mobile device such as a mobile phone or Personal Digital Assistant (PDA). It is also known as M-Banking, SMS Banking. Mobile phones have become an essential communication tool for almost every individual. Advent of m Commerce has managed to take mobile VAS to next level, adding tremendous value to telecommunication industry. Mobile banking which is an integral part of M-Commerce has become very popular among mobile users. It creates new, convenient communication and fast financial transactional channel for mobile users which is accessible from anywhere, anytime. Checking account information, balance available, credit/debit card information, cheque status, setting alerts, payment reminders, locating ATMs and bank branches, accessing mini statement, accessing loan and equity statements, insurance policy management, placing orders for cheque books etc via mobile phones are some of the services offered in mobile banking. With multiple access channels such as SMS, downloadable client, mobile Internet (WAP) mobile banking is encouraging mobile users more to explore the service. Mobile Banking is very importance for time saving for the customer as well as Banking industries, mobiles banking is means communication devices are revolutionizing banking transaction over wireless networks and the internet. To attract and retain customer's banks need to extend their full range services across a wide range of mobile with wireless devices connecting internet services through mobile phone and personal digital assistance (PDA.) with the proliferation. And cost effectiveness of the mobile delivery channel, banks have a built - in delivery mechanism that can offer services and 24x7 accesses regardless of where the customer happens to be unlike pc- based e-banking, mobile banking provider banks with the unprecedented opportunity to reach their customer in an unrestricted environment the big benefit for banks?

Mobile banking is the to systematic way of using different types of services of banking i.e. e-payment translation forwarding the one Account to another, paperless transaction, balance enquiry Deposits & withdraw money or purchasing or online shopping through mobile recharge, mobile connecting with mobile banking, and booking Railway, bus, Air tickets also for mobile banking for better services throughout technology and security.

In mobile Banking some problems are facing for the customer for the all types of problems one understand for my study. I have selected above topic for understanding problems and prospects of mobile Banking in Aurangabad city.

Aurangabad city Historical city and rapidly increasing industrial for Domestic as well as international market are growing day to day, for using banking facility- In Aurangabad city total 120 Banks which is national provide, international, Banks for providing it mobile Banking services for the rural and urban customer with his own hand. In the mobile Banking there are some problems for using this technology in for handling and understanding and security problems. And for one prospects of mobile banking also very important for customer using mobile Banking.

### **Basic Concepts**

Mobile Banking refers to provision and a ailment of banking and financial services with the help of mobile telecommunication devices. The scope of offered services may include facilities to conduct bank and stock market transactions, to administer accounts and to access customized information. **Mobile banking** refers to the use of a Smartphone or other cellular device to perform online banking tasks while away from your home computer, such as monitoring account balances, transferring funds between accounts, bill payment and locating an ATM.

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Mobile banking is a way for the customer to perform banking actions on his or her cell phone or other mobile device. It is a quite popular method of banking that fits in well with a busy, technologically oriented lifestyle. It might also be referred to as M-banking or SMS banking.

**Objectives of the study:**

- 1.To study and analyze the mobile banking with process and practices.
2. To find out growth, mobility, process and actual practices of Mobile banking in Aurangabad city.
- 3.To study the delivery report channel of mobile banking and financial growth trend.
- 4.To find out the problems and prospects of security of mobile banking system.

**5.Hypotheses tested:**

- 1.Mobile banking process is easier to the rural as well as urban customer.
2. Mobile banking process and system is successful business tool for the entrepreneurs.

**Research Methodology:**

To complete this study primary as well as secondary data is used for the analysis purpose. The data so collected is analyzed, organized and finally used for the study purpose.

**2.1. Mobile Banking Consists Of Three Inter-Related Concepts:**

- Mobile Accounting
- Mobile Brokerage
- Mobile Financial Information

**2.2. MobileBanking Can Offer Services Such As The Following**



**2.2.1. Account Information**

- Mini-statements and checking of account history
- Alerts on account activity or passing of set thresholds
- Monitoring of term deposits
- Access to loan statements
- Access to card statements
- Mutual funds / equity statements
- Insurance policy management
- Pension plan management
- Status on cheque, stop payment on cheque
- ordering cheque books
- Balance checking in the account

### 2.2.2. Payments, Deposits, Withdrawals, and Transfers

- Domestic and international fund transfers
- Micro-payment handling
- Mobile recharging
- Commercial payment processing
- Bill payment processing
- Peer to Peer payments
- Withdrawal at banking agent
- Deposit at banking agent

### 2.2.3. Investments

- Portfolio management services
- Real-time stock quotes
- Personalized alerts and notifications on security prices

### 2.2.4. Support

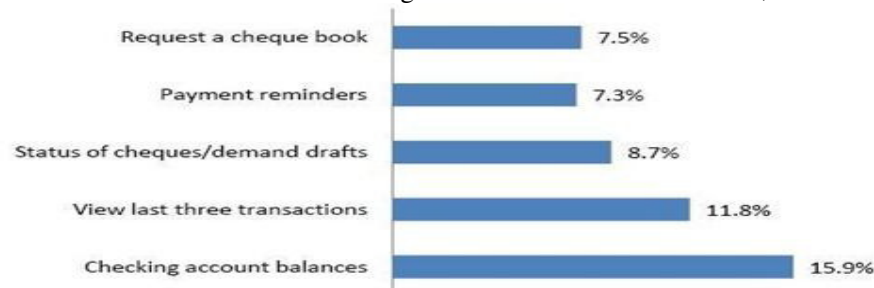
- Status of requests for credit, including mortgage approval, and insurance coverage
- Check (cheque) book and card requests
- Exchange of data messages and email, including complaint submission and tracking
- ATM Location

### 2.2.5. Content Services

- General information such as weather updates, news
- Loyalty-related offers
- Location-based service

## MOBILE BANKING SERVICES

Aurangabad city customer used their mobile phones to check their bank account balances followed by viewing last three transactions. ICICI bank continues to maintain its leadership extending in mobile space, 42% of all mobile banking users bank with ICICI, followed by HDFC



25.3%

( Fig. Statistics On Most Popular Mobile Banking Services)

4 .

## STATISTICS INDIAN TELECOM MARKET

Telecom Statistics - March 09, 2014

Total telephone subscriber base	429.72
Overall tele-density	36.98%
Fixed line user base	37.96%
Wireless user base(GSM-CDMA=WLL(F))	391.76
GSM subscribers	288.36
CDMA subscriber	103.4

: Monthly additional (wirline + wireless)	15.87
Monthly new additions (wireless)	15.64
Broadband subscribers	6.22

## PROBLEMS OF MOBILE BANKING

### 5.1. Handset Operability

There are a large number of different mobile phone devices and it is a big challenge for banks to offer mobile banking solution on any type of device. Some of these devices support Java ME and others support SIM Application Toolkit, a WAP browser, or only SMS.

### 5.2. Security

Security of financial transactions, being executed from some remote location and transmission of financial information over the air, are the most complicated challenges that need to be addressed jointly by mobile application developers, wireless network service providers and the banks' IT departments.

### 5.3. Application Distribution

Due to the nature of the connectivity between bank and its customers, it would be impractical to expect customers to regularly visit banks or connect to a web site for regular upgrade of their mobile banking application. It will be expected that the mobile application itself check the upgrades and updates and download necessary patches (so called "Over the Air" updates). However, there could be many issues to implement this approach such as upgrade / synchronization of other dependent components.

### 5.4. Personalization

It would be expected from the mobile application to support personalization such as:

- Preferred Language
- Date / Time format
- Amount format
- Default transactions
- Standard Beneficiary list
- Alerts

## Concluding Remarks

Mobile banking has become really popular owing to the convenience that it gives its customers. You can access your account, pay bills, and make cash transfers through cell phone banking. It offers many benefits over internet banking and banking in person. With the wide range of mobile connectivity, mobile banking through cell phone can be accessed by anyone. In Aurangabad city, all the banks should start to follow the concept of mobile banking besides, existing financial services which will help us in making our lives easier. They ought to convince its customers of their ability to disseminate value adding services that are guaranteed of security, their ability to provide services with ultimate honesty especially with regard to customer's expectations, and prove without reasonable doubt that they really have good intentions towards empowering its customers. Considering that consumer trust does impacts on their loyalty to a banking facility, Equity bank should make sure that they meet all the promises delivered to customers during marketing advertisements.

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