

## Mobile Banking in India: A Review

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**Abstract:** 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.

**Introduction:** Mobile banking is a system which facilitate to the customer to make the financial activity by remote area by using mobile devices. It is the system works for 24\*7 and anywhere customer can pay bills, buy product, transfer money etc. basically mobile banking provides these services by making mobile application which is suitable to use in the mobile devices like mobile phone, tablet etc. Indian Banking system launched

The earliest mobile banking services used SMS and it is known as SMS banking. The smart phones are the basic device for the new age mobile banking therefore in 1999 the smart phones was introduced with WAP support enabling the use of the mobile web. The first European banks started to offer mobile banking on this platform to their customers.

In the USA, mobile banking was introduced in 2006 by Wachovia bank. And in 2007 it was predicted by the AITE group that the mobile users are reached to 1.6 millions in end of the 2007.

Mobile banking before 2010 was most often performed via SMS or the mobile web. Apple's initial success with i-Phone and the rapid growth of phones based on Google's Android (operating system) have led to increasing use of special mobile apps, downloaded to the mobile device. With that said, advancements in web technologies such as HTML5, CSS3 and JavaScript have seen more banks launching mobile web based services to

complement native applications. These applications are consisted of a web application module in JSP such as J2EE and functions of another module J2ME.

A study Conducted in May 2012 by Mapa Research suggests that over a third of banks have mobile device detection upon visiting the banks' main website. A number of things can happen on mobile detection such as redirecting to an app store, redirection to a mobile banking specific website or providing a menu of mobile banking options for the user to choose

In 2014 RBI allowed mobile banking in the to the 10 to 14 year age group child. now is became essential part of banking facility and society. All the banks are now moving toward the mobile banking because of the convenient use.

**Research Methodology:** The paper is based on observation and secondary Data which are available on the website of RBI Ks and KPMG report and other reports relegated to the research topic.

**Objectives:** The research is made to know the progress and the factors which influences to the mobile banking in India.

**Benefits of Mobile Banking:**

1. The GSM mobiles Works across the entire world there is no application installation is required on the mobile handset; the service also has an interactive menu.
2. Round-the-clock availability even functional and holidays
3. Provides a variety of banking and value-added service
4. In Mobile banking there is not GPRS required; works only on voice connectivity
5. Additional channel for banking and a key catalyst for spreading financial-inclusion reach
6. Customer don't need to pay additional charges while roaming

**Adaption Factors:**

Following are the observable Factor Influencing the Mobile banking in India:

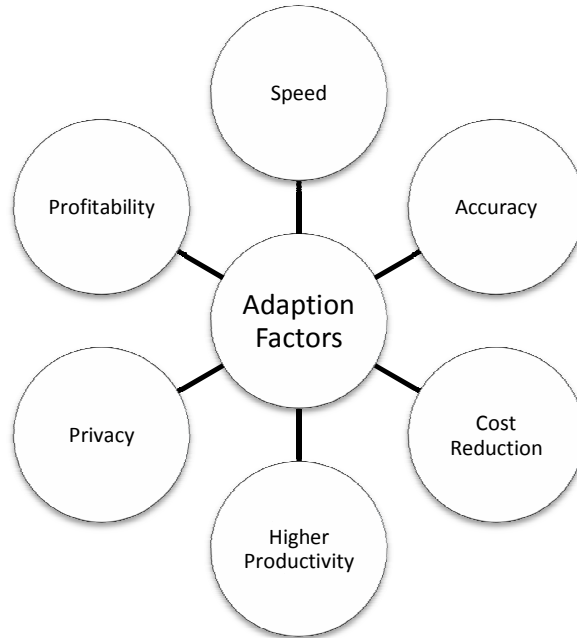


Fig. 1

Mobile banking is now becoming very famous and increases in the use for making payment. It is observed that the mobile banking is easy to user due to its accuracy and simplicity. It is also observed that the mobile banking is very fast accurate and don't need higher charges to perform the transactions. In above figure No 1. It is shown that the many of the mobile banking users adapted the services due to accuracy and the cost effectiveness.

**Observable factors that to avoid the Mobile banking:** The following barriers or non use of Mobile banking are founded on the observation.

1. The first barrier is to avoid the mobile banking is the literacy of the people toward digitalization.
2. It is also found that the mobile devices (smart phone) are very costly.
3. The female mobile banking users are less than male users due to our social ethics.
4. The security reason is also important part to avoid the use mobile banking.
5. The problems regarding mobile banking is that the people still believe that the traditional banking is safe in compare to the internet and mobile banking.
6. Other reason is that in the area of the rural main reason is the non availability of the network.

**Use of Mobile Phones – Worldwide**

Continent	2013 Amount in Million	2017 Amount in Million
Asia- Pacific	2423	2944
Africa	526	671
Europe	672	728

North America	270	287
Latin America	415	472

Fig.2 Source <https://www.statista.com>

If we think world wide use of the mobile internet it is observed that Asia is the first Continent. It is important reason that the use of mobile banking to have the mobile. It is important requirement to perform the mobile banking. In world mobile banking is becoming famous due to hug use of mobile phones and smart phones.

**Numbers of Mobile phones use In India**

Year	Use of Mobile Phones Millions
2013	524.9
2014	581.1
2015	638.4
2016	684.1
2017	730.7
2018	775.7
2019	813.2 ( expected)

Fig. 3 Source <https://www.statista.com>

The use of Mobile phones in India is showing increasing trends because of in 2013 there was only 524.9 million users but after 5 years only the population of user has been reached to the 775.7 million and it is expected that the it will reached to 813.2 in the year of 2019.

The use of Mobile banking first important factor is mobile devices and therefore is important to know the mobile phone users in India.

**Use of Mobile Banking- Volume and Value**

(Amount in billions)

Mobile Banking 2016					Mobile Banking 2018			
Months	Credit		Debit		Credit		Debit	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Jan	49.5	572.8	49.5	572.8	215.5	1114.1	215.5	1114.1
Feb	48.7	524.8	48.7	524.8	223.3	1136.6	223.3	1136.6
march	42.8	465.2	42.8	465.2	239.9	1415.0	239.9	1415.0

April	61.7	618.3	61.7	618.3	250.6	1348.4	250.6	1348.4
may	63.2	673.5	63.2	673.5	267.8	1781.3	267.8	1781.3
June	71.8	1039.0	71.8	1039.0	322.8	1958.4	322.8	1958.4
July	67.5	809.6	67.5	809.6	355.6	2047.4	355.6	2047.4
Aug	72.6	1042.6	72.6	1042.6	390.9	2064.4	390.9	2064.4
Sept	78.1	1139.4	78.1	1139.4	486.5	2135.2	486.5	2135.2
Oct	87.5	1365.7	87.5	1365.7	501.7	2276.3	501.7	2276.3
Nov	110.6	1498.2	110.6	1498.2	509.6	2356.6	509.6	2356.6
Dec	112.1	1522.1	112.1	1522.1	524.3	2423.3	524.3	2423.3
total	866.0	11271.2	866.0	11271.2	4288.5	22056.9	4288.5	22056.9

Fig.4 Source RBI

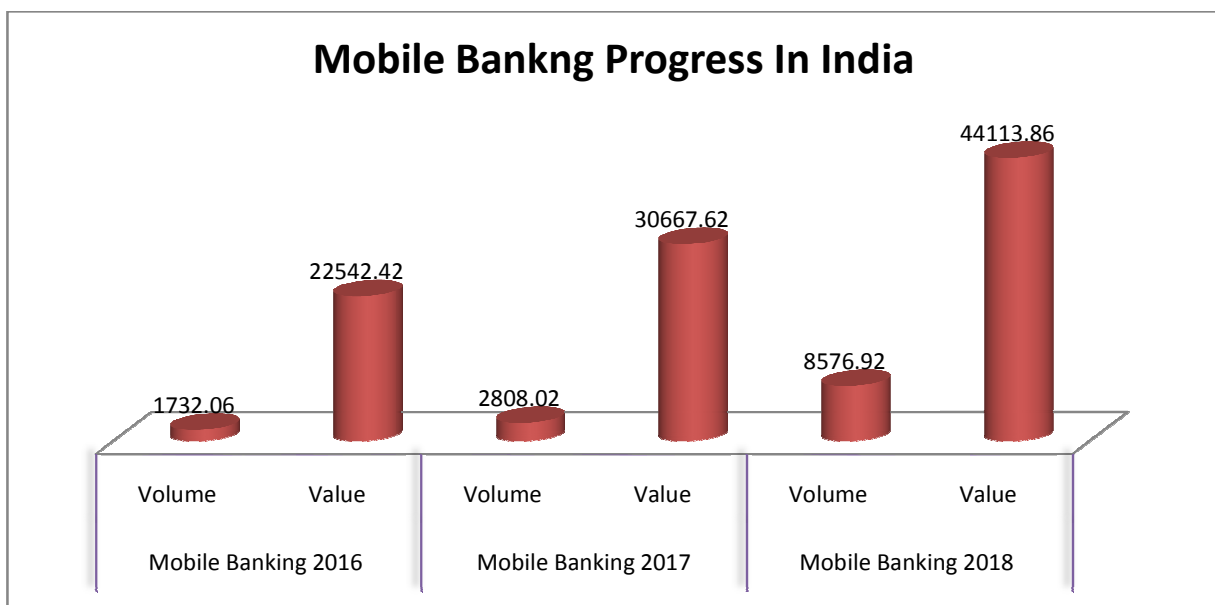


Fig 5.

Above Figures and chart shows the use of mobile banking India. Every day, month mobile banking is becoming necessary part of the payment system. Fig5 indicates that the number of transaction are increased in comer to 2016 by 395 % and in the value of transaction increased by 95.69%. the hug changes are appeared in the use of mobile banking in India.

Mobile banking generally use for the various bills payment like electricity payment recharge and other , fund transferred but there are less used for the purpose of merchant payment like payment to glossaries and shop payment.

Suggestion:

1. The bank should create awareness among the people about mobile banking and its usages.
2. Indian people also have to know the various usages of mobile devices to improve the digital literacy.

3. There should be some training activity organized by the bank to improve the experience about mobile banking.
4. Bank should provide more security toward the mobile banking.
5. Other structure should also support to mobile banking, it will be more effective for mobile banking.

**Conclusion:** Mobile Banking is easy to use and can be used any time anywhere due to its mobility. The mobile banking in India is becoming very famous because of the digital payment system. But still some account holders are not aware about the mobile banking and avoid using it. In India people still believe that traditional banking is safe and best to handle. There are young and professional persons who have more use of mobile banking.

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