

MOBILE BANKING; OPPORTUNITIES AND CHALLENGES

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Abstract

Banking is one of the biggest monetary establishments always investigates the chance of innovation empowered administrations to give better client experience and comfort. Mobile Phone is a typical Technology gadget that turned out to be a piece of each person in the data period. Mobile banking is a rising Alternate channel for giving banking services. India is the second biggest telecom market on the planet which is having high potential for growing banking services utilizing mobile phone technology. The study identified opportunities pertaining Mobile Banking viz., Money transfer, Payment Services etc. This study suggests that from consumers' perspective Mobile handset operability, Security, Scalability. Reliability, Application distribution and Personalization are the critical issue or challenges of Mobile Banking.

Keywords: WAP, PDA, IMPS.

INTRODUCTION

The liberalized economy make changes the Indian banking system since 1991. Technological changes entered into banking sector helps to become a market driven competitive system. The changes have taken place in all respects of in mode of operation in banking sector. The liberalization and economic reforms make rigid competition among banks. The financial sector become intensively competitively. It flourished not just in numbers but also their Product and Services like ATM, Advisory consultancy services, Mobile banking, Electronic Fund Transfer etc.

Mobile banking is relatively a new form of electronic banking and it is gaining ready Acceptance from the customers. After the success of online banking, Mobile Banking is next revolutionary step which has attracted huge customers from all over the world. The earliest mobile banking services were offered over SMS, that service known as SMS banking. With the introduction of smart phone with Wireless Application Protocol (WAP) support enabling the use of the mobile web in 1999. The first European bank started to offer Mobile banking on this platform to their customers.

In India Mobile subscribers far exceed. It causes the enhancement in popularity of Mobile banking. Easy accessibility and cost consideration were accelerating the usage of Mobile banking services even in remote area. Mobile banking would enable the customers to connect all over the world.

MOBILE BANKING OPPORTUNITIES AND CHALLENGES

Mobile banking is a system that allows customers of a financial institution to conduct a number of financial transactions through a Mobile device such as Mobile phone or Personal Digital Assistant (PDA). Mobile banking differs from Mobile payment which involves the use of a Mobile device to pay for goods or services either at the point sale or remotely analogously use of a debit or credit card to effect of Immediate Payment Services (IMPS).

In academic model defined as “Mobile banking refers to provision and avilment of banking and financial services with the help of Mobile telecommunication devices. The scope of offered services may include facilities to conduct bank and stoke market transactions to administer accounts and to access customized information”

Mobile Banking Services

Mobile banking services include the following;

Account information

1. Mini statement and checking of accounts history.
2. Alerts on accounts activity.
3. Monitoring of term deposit.
4. Access to loan statement.
5. Access to card statement.
6. Mutual fund or equity statement.
7. Insurance policy management.

Payment, Deposits, Withdrawals and Transfers

1. Cash in; cash out transactions on an ATM.
2. Domestic and International fund transfer.
3. Micro payment handling.
4. Mobile and direct to home package recharging.
5. Purchasing tickets for travel and entertainment.
6. Commercial payment processing.
7. Bill payment processing.

8. Peer to peer payment.
9. Withdrawal at banking agent.
10. Deposit at banking agent.

Investment

1. Portfolio Management services.
2. Real time stock quotes.
3. Personalised alerts and notification on securing prices.

Support services

1. Status of request for credit including mortgage approval and insurance coverage.
2. Verify Cheque book and Card request.
3. Exchange of data messages and e-mail including complaint submission and tracking.
- 4 ATM locations.

CHALLENGES FOR MOBILE BANKING SOLUTION

Following are the challenges to mobile banking.

Handset Operability

There is 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.

Security

Security of financial transaction 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 banks IT departments.

Scalability and reliability

Another challenges is to scale- up the Mobile banking infrastructure to handle exponential growth of the customer base with Mobile banking, the customer may be sitting any part of the world and hence banks need to ensure that the system are up and running in a true 24x7 fashion. As customers will find Mobile banking more and more useful, their expectation from the solution will increase. Banks unable to meet the performance and reliability expectations may loss customer

confidence. There are systems such as Mobile transactions, flat form which allows quick and secure Mobile enabling of various banking services.

Application Distribution

Due to the nature of the connectivity between bank and its customers, it would be in practical to expect customers to regularly visit banks or connect to website for regular upgrade of their Mobile banking application.

Personalization

It would be expected from the Mobile application to support personalization such as;

1. Preferred language.
2. Date or time format.
3. Amount format.
4. Default transaction.
5. Standard beneficiary list.
6. Alerts.

FUTURE FUNCTIONALITY IN MOBILE BANKING

In Modern world Mobile banking functions would enable customers to connect across the entire world, because accelerating the advent technology and increasing the use of Smart phone and Tablet based device. With the scenario, current Mobile banking objectives consist of Building relationship, Reducing cost, Achieving new revenue stream and also building brand of the banking organization. Emerging technology and functionalities would enable to create new ways of lead generation, developing deep customer relationship and Mobile banking world would achieve superior customer experience with bi-directional communication.

CONCLUSION

Mobile banking allows customers to conduct financial transaction through a Mobile device. This system will provide various services to the customers like Money transfer, Account update, Bill Payables etc. A revolution take place in Mobile technology like 2G, 3G, and 4G leads to various opportunities in Mobile banking. Mobile operability, Security, Reliability are the major challenges of Mobile banking Services.

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