A Study of Mobile Banking System with Reference to Selected Banks

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Abstract: **This paper presents the basic concepts, services offered, market survey and technology which enables Mobile Banking. Over the last few years, the mobile and wireless market has been one of the fastest growing markets in the world. It is still growing at a rapid pace.**

Mobile Banking is considered to be one of the most value-added and important mobile services available. This concept opens up huge markets for financial institutions interested in offering value added services. Using mobile technology banks can offer a wide range of services to their customers such as funds transfer while traveling, receiving online updates of stock price or even performing stock trading while being stuck in traffic.

After implementation of this concept in the banks customers will be able to view their account statements, transfer of funds between accounts be notified of large payments or get notified of transactions above a pre-defined threshold and will have immediate and full control over their finances. Mobile devices especially smart-phones are the most promising way to reach the masses and to create "stickiness" among current customers. This ability provides services anytime, anywhere, with high rate of penetration and potential to grow in benefit of banks and customers.

Keywords: **Mobile Banking, Smart phones, Threshold, Online updates, Mobile devices**

1. INTRODUCTION

It is also known as M-Banking, SMS Banking. Mobile banking is a term 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). The earliest mobile banking services were offered over SMS. With the introduction of the first primitive smart phones with Wireless Application Protocol (WAP) support enabling the use of the mobile web in 1999, the first European banks started to offer mobile banking on this platform to their customers.

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Mobile banking has until recently (2010) most often been performed via SMS or the Mobile Web.

Mobile Banking is a service that allows you to do banking transactions on your mobile phone without making a call, using the SMS facility.

The world of mobile banking is in focus owing to the spread of mobile phone use

Across the globe. Mobile banking is used in many parts of the world with little or no infrastructure, especially remote and rural areas. This aspect of M-Commerce is also popular in countries where most of their population is unbaked in most of these places, banks can only be found in big cities, and customers have to travel hundreds of miles to the nearest bank.

In many developing countries transferring prepaid mobile phone (cell phone) credits are being used as a way to move money more swiftly and securely than the antiquated and inconvenient banking, postal and transportations systems in these countries would otherwise allow. These prepaid mobile phone credits thus represent an alternative currency that underlies an alternative banking system. Over the last few years, the mobile and wireless market has been one of the fastest growing markets in the world and it is still growing at a rapid pace.

A more involved type of mobile banking allows the user to log into his or her account from a cell phone, and then use the phone to make payments, check balances, transfer money between accounts, notify the bank of a lost or stolen credit card, stop payment on a check, receive a new PIN, or view a ,monthly statement among other transactions. This type of banking is meant to be more convenient for the consumer than having to physically go into a bank, log on from their home computer, or make a phone call. While all of this is true, some are concerned about the security of mobile banking.

2. OBJECTIVES

Following are the objectives of the research paper:
To study the present scenario of IT implementation in the selected banks. To determine the utilization of mobile banking in the selected banks. To suggest the measures for further improvement.

3. RESEARCH METHODOLOGY

Present study is the empirical type of research work. Researchers have selected Nationalized, Co-operative and

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Private Banks in the Satara, Sangli and Kolhapur districts. Out of total talukas in each district, researchers have selected 50% talukas. Researchers have selected 20% banks from the selected talukas.

Data analysis and interpretation

Sr. No	Type of banks	Districts	Fully computerization	Partially computerization	Manually	No. of respondents
1	Nationalized	Satara	01	02	01(25)	04
		Sangli	01	02	-	03
		Kolha	01	02	-	03
		Total	**03**	**06**	**01(08)**	**10**
2	Co-operative	Satara	01(20	02	02 (40)	05
		Sangli	01	02	02 (40)	05
		Kolha	02	04	01 (14)	07
		Total	**04**	**08**	**05 (31)**	**17**
3	Private	Satara	01	01(50)	-	02
		Sangli	02		-	02
		Kolha	03	-	-	03
		Total	**06(83**	**01(17)**	**-**	**07(10**
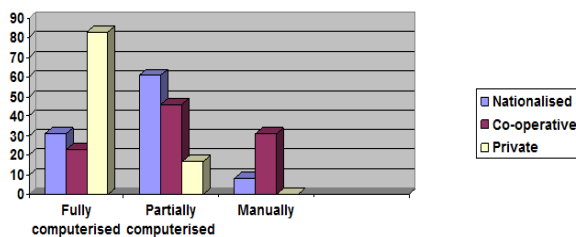
Graph No: 1: Computerization Status

Table No. 1 and graph furnishes the information about the computerization status of the selected banks under study area.

In nationalized banks 31% respondents have responded that fully computerization is done, whereas 61% respondents responded as partially computerization and 8% banks works manually.

In co-operative banks 23% respondents have replied fully computerization is done, whereas 46% respondents have replied partially computerization is done and 31% banks works manually.

Majority of private banks (i.e., 83%) respondents have responded fully computerization is done, whereas only 17% respondents have responded partially computerization is done.

It is found from above table that positive responses regarding status of computerization of private banks are more than the nationalized and co-operative

banks. It means that there is a better computerization in private banks than the nationalized and co-operative banks. There is a scope for IT implementation in nationalized and co-operative banks.

Table No.2: Nature of Computerization

Sr. No	Type of banks	Districts	Branch level computerization (Back office)	Core banking	No. of respondents
1	Nationalized	Satara	02 (67)	01 (33)	03
		Sangli	02 (67)	01 (33)	03
		Kolhapur	02 (67)	01 (33)	03
		Total (%)	**06 (67)**	**03 (33)**	**09 (100)**
2	Co-operative	Satara	02 (67)	01(33)	03
		Sangli	03 (100)	-	03
		Kolhapur	04 (83)	02 (17)	06
		Total (%)	**09 (83)**	**03 (17)**	**12 (100)**
3	Private	Satara	01(50)	01 (50)	02
		Sangli		02 (100)	02
		Kolhapur	-	03 (100)	03
		Total (%)	**01 (17)**	**06 (83)**	**07 (100)**

*figures in the brackets are percentages
Source: Primary data
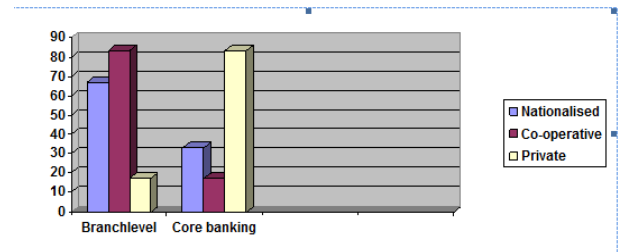
Graph 2: Nature of Computerization

The above table and graph gives information about computerization of selected banks under study area.

In nationalized banks 67% respondents have responded branch level computerization is done, whereas 33% respondents have responded that core banking is done.

Majority of co-operative banks (83%) have replied that branch level computerization is done, whereas only 17% banks replied core banking is done.

It is observed that in private banks 83% respondents are of the opinion that core banking is implemented, whereas only 17% respondents have replied that branch level computerization has done.

Thus it infers that the banks coming under the three different sectors have either fully implemented or partially gone for branch level computerization or core

banking. It means that the private sector banks have successfully implemented core banking concept as compared with nationalized banks and co-operative banks. It also indicates that the private banks provide good quality services to customers as technology is concern. There is still scope for core banking in selected co-operative and nationalized banks in rural area.

Table No. 3 Use of mobile banking

Sr. No	Type of banks	Districts	No	Yes	No. of respondents
1	Nationalized	Satara	02 (67)	01 (33)	03
		Sangli	03 (100)	--	03
		Kolhapur	02 (67)	01 (33)	03
		Total (%)	**06 (78)**	**03 (23)**	**09 (100)**
2	Co-operative	Satara	03 (100)	-	03
		Sangli	03 (100)	-	03
		Kolhapur	05 (83)	02 (17)	06
		Total (%)	**20 (94)**	**06 (06)**	**12 (100)**
3	Private	Satara	-	02 (100)	02
		Sangli		02 (100)	02
		Kolhapur	01 (33)	03 (66)	03
		Total (%)	**01 (09)**	**07 (91)**	**07 (100)**

Above table shows the information about the utilization of mobile banking in selected banks.

Majority of nationalized banks are of opinion that mobile banking is not used whereas 33% respondents opted for 'Yes' option.

Majority of co-operative banks have responded as 'No' and 28% responded as 'Yes'.

Majority of private banks are using mobile banking concept, whereas very rare (17%) are not using mobile banking concept.

It is interpreted that the use of mobile banking is more in private banks than co-operative and nationalized banks.
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4. CONCLUSIONS

1) It is concluded that private banks (83%) are fully computerized than nationalized (31%) and co-operative banks (23%).

2) The use of core banking technology is more in private banks (83%) as compared to nationalized (33%) and co-operative banks (17%).

3) The use of mobile banking is more in private banks (91%) than nationalized banks (23%) and co-operative banks (06%).

4) It is seen that customers from selected rural area are not aware about the utilization of mobile technology.

5) It is observed that in co-operative banks of selected rural area that their online transactions are not secured (encryption).

5. SUGGESTIONS

1) The suggested to co-operative and nationalized banks that they should improve their computerization status.

2) The use of core banking in nationalized and co-operative bank should be increased.

3) The utilization of mobile banking in nationalized and co-operative banks should be improved, so as to provide better services to the customers of banks.

4) It is suggested to banks and customers that they should organize IT related services provided by banks.

5) It is suggested to co-operative banks in selected rural area that they should use secured platform (encrypted communication) for secure transactions of banks.

6. REFERENCES

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