
A Study on Importance of Mobile Banking and Internet Banking

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Abstract

Ever since the nationalization of banks in India, this sector has been growing without Leaps and bounces and catering to the needs of various segments of the society. In recent times, the Banking Sector has been making rapid straights by using information technology as a platform and endeavoring to scale higher heights. . Technology includes all maters concerned with the furtherance of computer science and technology and with the design, development, installation and implementation of information system and applications. Information technology architecture is an integrated framework for acquiring and evolving IT to achieve strategic goals. Information and communication technology cover 13 facilities but mobile and internet banking covers more area in compare to other facilities. An attempt has been made in this paper to explore importance of Mobile Banking and Internet Banking.

Keywords: *Mobile Banking, Internet Banking*

INTRODUCTION

Technology is a body of knowledge devoted to creating tools, processing actions and extracting of materials. The term ‘Technology’ is wide and everyone has their own way of understanding the meaning of technology. We use technology to

accomplish various tasks in our daily lives, in brief; we can describe technology as products and processes. We use technology to extend our abilities, in a simpler and time efficient way and that makes people as the most important part of any technological system.

Introduction of Mobile Banking

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 a mobile phone or tablet.

Mobile banking differs from mobile payments, which involve the use of a mobile device to pay for goods or services either at the point of sale or remotely, analogously to the use of a debit or credit card to effect payment.

The earliest mobile banking services were offered over SMS, a service known as SMS banking. With the introduction of smart phones with 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.

Introduction of Internet Banking

Online banking (OLB) is an electronic payment system that enables customers of a financial institution to conduct financial transactions on a website operated by the institution, such as a retail bank, virtual bank, credit union or building society. Online banking is also referred as **Internet banking, e-banking, virtual banking** and by other terms.

Electronic banking is generally an extension of traditional banking, using the internet as an electric delivery channel for banking products and services. E-banking is a range of banking services that utilizes electronic equipment and includes Telephone banking, Net Banking, ATM, Debit/Credit Card, EFT, AFT etc. Many banks have modernized their services with the facilities of computer and electronic equipments. The electronics revolution has made it possible to provide ease and flexibility in banking operations to the benefit of the customer. The e-banking has made the customer say good-bye to huge account registers and large paper bank accounts.

LITERATURE REVIEW

The mobile banking is defined as “the provision of banking services to customers on their mobile devices” (Sharma & Kansal, 2012). According to them Mobile Banking refers to provision and usage of banking and financial services with the help of mobile telecommunication devices. (ARCHNA SHARMA, 2011) According to her there is also need to generate awareness about the mobile banking so that more and more people get benefits out of it. .(Mani A. Nandhi 2012)Al-Weshah, Ghazi A (2013) identified the challenges of using e-banking

in different aspects of continuous improvement. The study concluded that in the use of ICT banking, process development is the most important area of continuous improvement.

OBJECTIVE OF THE STUDY

The basic objective of paper is to highlight importance of Internet Banking and Mobile Banking and also highlight changing dimension of internet & mobile banking. The paper also helps to understand how easy to use of mobile banking and internet banking in present era.

IMPORTANCE OF USING MOBILE BANKING

- **Improve Customer Self-Service:** Mobile banking enables customers to make transfers between accounts, handle bill payments, or even perform currency exchanges whether they're on a couch or in an airplane. **Self-service** pleases online customers, and it also lessens the traffic that your team contends with in a physical location. So for customers that do come into the bank, this even improves their experience by shortening lines and waiting times.

- **Paperless Statements:** With the use of mobile banking, some customers opt for paperless statements. For the customer, they get the convenience of their updates appearing right in their email. You get to save money on physical printing and mailing. And the environment gets to smile also with less wasted paper. This encourages your customers to stay green.
- **Location-based Services:** Mobile devices have the ability to detect a user's location, and this is data that your mobile banking solution has access to. You may choose to use this information for added security.
- **Economic Development:** Today, still there is large portion of our population which has no bank account but with the help of mobile banking awareness especially young account holders will open the bank account and helps in economic development.

- **More ways to access accounts:** Banks typically let you access accounts via texting, mobile browsers or downloadable applications. Texting is the simplest method for everyone. “It’s best for alerts, especially when your account is low.” Using your Web browser accesses your online account. It’s the way most people do their mobile banking. But downloadable applications are expanding quickly.
- **No fees:** For now, banks aren’t charging fees for mobile banking services. However, your phone provider may tack on extra charges. “Depending on your data plan, you may be paying for each message or download,” says Gillen. So, it pays to check what your plan pays for.
- **Easy Accessibility:** Mobile Banking provides the customers to anytime and anywhere banking with the help of mobile telecommunication services. This facility is very easy accessible by each mobile internet users. It also saves a lot of time.
- **Security:** Mobile Banking is very safe and secure with the help of mobile pin (m-pin). Each user of mobile banking is secured by pin number which was firstly issued by the bank but we can change it many times as per the needs of the customers. All the transactions through mobile banking can be easily operated by the customers and all records will be safe in the account details.
- **Speed:** With the help of new technology like 3G services, the customers make their banking transactions in the fraction of seconds. Mobile Banking is done by the mobile internet users in a very fast speed as compare to another mode of banking. For Example: If we want to deposit the money in branch, firstly we have to wait for our turn in a big queue to reach the counter but these hurdles can be easily removed by the usage of mobile banking.
- **Universally Accepted:** Mobile Banking is universally accepted by the each bank. The customer operate their bank account at anywhere in the

country with the usage of mobile internet. It is widely accepted by the banks at anywhere and anytime.

- **Increasing Customers:** Mobile Banking helps the banks to increase their customers. We know that the frequency of mobile users is increasing at very high speed but the frequency of banks account holder is very less. So, mobile banking is a new technological platform to the banks to increase their customers.

IMPORTANCE OF USING INTERNET BANKING

- **Security Assured:** Since online banking is one of the major services offered by banks, it is also a highly secure platform. Banks generally use encryption devices to ensure that all client information is protected and there is no security breach. It ultimately provides you security from online frauds and account hacking.
- **No Hidden Fees:** Despite the convenience being provided, there are no hidden fees associated with making online transactions. All you

are charged is a nominal transaction convenience and the rest is managed by your bank.

- **Monitor Your Accounts Closely:** Lastly, budgeting and managing your account is made simpler when you have access to e-banking and a good budgeting application at your fingertips. Real time expenses can be monitored while making purchases or estimating your monthly savings and expenses. It provides some security and privacy to customers, by using state-of-the-art encryption and security technologies.
- Online account is simple to open and easy to operate.
- It is quite **convenient** as you can easily pay your bills, can transfer funds between accounts, etc. Now you do not have to stand in a queue to pay off your bills; also you do not have to keep receipts of all the bills as you can now easily view your transactions.

- It provides some security and privacy to customers, by using state-of-the-art encryption and security technologies.

With a survey result we know that two services of Information and Communication Technology cover the maximum portion of private banking sector in jodhpur city. Those are two services Internet Banking and Mobile Banking.

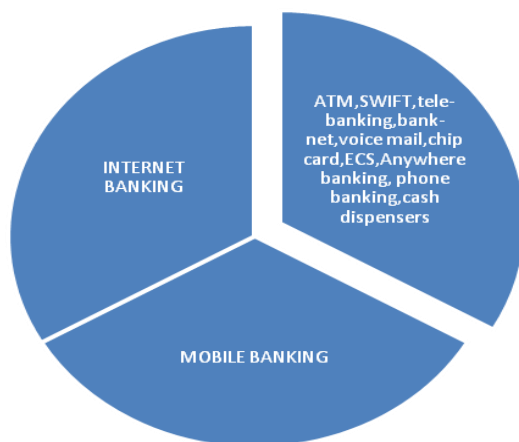


Figure: 1

The above graphical diagram shows that more than 67% of the clients of private banks are registered and using Internet and Phone banking services for transacting, wherein the only 33 % of the bank client base is still using other modes of transacting. Due to important factors of mobile banking

and internet banking customers are ready to use these facilities. With a survey we find that there are sarcastic changes in the user of internet and mobile banking from 2011 to 2017. The customers of private banks are increasing day by day to use these services.

CONCLUSION

In nut cell we can say that the role of technology is increasing day by day. The different sectors of India banks are growing at much faster rate with the help of technology. Mobile banking is also a big mobile telecommunication platform of new technology, which promotes the banking functions in India. Mobile banking also helps the banks to increase their customers. Internet Banking also plays vital role in modern era. Internet banking also helps for easy access, no extra fees. Today, everyone has a mobile phone in his hands. The number of mobile users in India got second position in the world. The increasing frequency of mobile internet users gives the boost energy to the mobile banking. This paper explores the importance of mobile banking and Internet Banking in the new era of technology which helps the banking industry to grow at higher speed.

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