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Research Paper

PROBLEMS AND PROSPECTUS OF MOBILE BANKING: A CASE STUDY IN TUMKUR, KARNATAKA STATE

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ABSTRACT

Mobile banking services is an approach to offering financial services that combines banking and mobile wireless network. Which enables for users to execute banking transaction? Mobile banking is a term popularity getting mouth to mouth. Most of people of in India are using mobile phones as an important device to provide financial services to them. After demonetization of old currency '1000 and '500 notes almost all banks trying to provide financial services to maximum account holders through mobile phone and it become familiar to mobile banking. Most of banks already implemented their mobile banking successfully. The study is conducted to know the problems and prospects mobile banking services provided by banks in Tumkur city of karnataka State.

KEYWORDS: Mobile Banking Financial Services, Mobile Apps, Wireless Network, Mobile Users

INTRODUCTION

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a mobile phone or tablet. It uses software, usually called an app, provided by the financial institution for the purpose. Mobile banking is usually available on a 24-hour basis. Some financial institutions have restrictions on which accounts may be accessed through mobile banking, as well as a limit on the amount that can be transacted.

Transactions through mobile banking may include obtaining account balances and lists of latest transactions, electronic bill payments, and funds transfers between a customer's or another's accounts. Some apps also enable copies of statements to be downloaded and sometimes printed at the customer's

premises; and some banks charge a fee for mailing hardcopies of bank statements.

Mobile banking differs from mobile payments, which involves 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 an EFTPOS payment.

The earliest mobile banking services used 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.

MOBILE BANKING IS DEFINED AS:

Mobile Banking refers to provision and availment 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 customised information.” mobile banking can be said to consist of three inter-related concepts:

- Mobile accounting
- Mobile brokerage
- Mobile financial information services

Most services in the categories designated *accounting* and *brokerage* are transaction-based. The non-transaction-based services of an informational nature are however essential for conducting transactions - for instance, balance inquiries might be needed before committing a money remittance.

ADVANTAGES OF MOBILE BANKING

Anytime Banking:-

Mobile Banking gives you the privilege of anytime and anywhere banking. One can do most of the banking transaction after banking hours from anywhere, irrespective of whether you are traveling in bus or auto.

Mobile Banking is Free:-

The service provided by bank is free of charge, there is no limit for number of times you can access your account. Various banking services provided include Account Balance Inquiry , Credit/Debit Alerts, Bill Payment Alerts, Transaction History, Fund Transfer Facilities, Minimum Balance Alerts etc. can be accessed from your mobile. You can transfer money instantly to another account in the same bank using mobile banking.

Secure Banking:-

Some banks assure that, by downloading the app directly from the server, the data wont be stored in your mobile as well as SIM card. The app comes with advanced encryption technologies making it safe and secure as Internet Banking.

DISADVANTAGES OF MOBILE BANKING

To make maximum benefit of mobile banking one should have smart phone. Some banks have specific software for specific mobile such as iphone and Blackberry people should download different apps based on the smart phone they own. Many experts believe that mobile banking is more secure then internet banking as very few virus or Trojans can exist in phone. However, that does not mean that they are immune to any kind of threats. As phishing exist for internet banking users, there is “Smishing” for mobile banking users. When a mobile banking user receives a fake text message asking for bank account details from a hacker. There are also very limited anti -virus software options for mobile

devices. People are less careful with their mobile compared to laptop. You must also update your anti-virus on the mobile if you are a frequent user of mobile banking. Risks associated with mobile banking Apart from this there are the usual risks associated with mobile banking that could include hacking.. So be careful when you share your mobile banking password. In fact, we strongly suggest that you have a screen lock for your mobile whereby nobody would be able to open the same.

Objectives of study

1. To Compare various payment apps of banking sector and private sector.
2. To study the awareness and satisfaction levels of customers before and after demonetisation.
3. To offer suggestions for banking and private apps.

METHODOLOGY

Data Collection Methods

The data collection methods include both the primary and secondary collection methods.

Primary collection methods:-

This method includes the data collection from the circulating the questionnaire to know the know the awareness levels

Secondary collection methods:

The secondary collection methods include the data collected from the news, magazines and various websites.

TO COMPARE VARIOUS PAYMENT APPS OF BANKING SECTOR AND PRIVATE SECTOR

Narendra Modi launched the Indian government backed payment wallet, BHIM (Bharat Interface for Money) last week and took the nation on a joyride. Payment wallets like **Paytm**, SBI Buddy, have been enjoying the increased customer base since demonetisation was announced on November 8. People in cities have easily switched to payment wallets with the help of their smartphones and everyone from vegetable vendors to beggars have also opted to these digital payment options. **ALSO** However, those without smartphones still faced a hard time trying to adjust to this cashless ride. This issue will finally be solved as **BHIM** App allows those without smartphones to carry out cashless transactions by simply dialing *99#. With so many options, choosing one option for digital payments can be difficult. Here is a complete analysis on which app to choose from the plethora offered on the App store.

PAYTM

Paytm has been the go to app since demonetisation stroke at midnight of November 9. This payment wallet added five million new users and made record transactions worth of Rs 120 crore every day. The app is available in different regional language, giving it a higher user base as there are no language barriers in using Paytm. The user interface is currently available in English and ten different regional languages including Hindi, Tamil, Telugu, Gujarati, Marathi, Bengali, Kannada, Malayalam, Oriya and Punjabi.

SBI Buddy

State Bank of India(SBI) launched its payment app, SBI Buddy, early last year. SBI Buddy is a semi-closed prepaid wallet which is used to transfer money to other payment wallets, bank accounts anywhere at any time. The app also allows you to make payments at shopping malls and recharge and pay bills. The biggest highlight for the Buddy App is that it is backed by the banking giant, government-owned, State Bank of India. This app is also available in 13 languages: Assamese, Bengali, English, Gujarati, Hindi, Kannada, Malayalam, Marathi, Oriya, Punjabi, Tamil, Telugu, and Urdu.

UPI

UPI (United Payments Interface) is the platform that major banks like ICICI and HDFC use to enable cashless transactions. UPI is a system that powers

multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. Any UPI app can be downloaded by Smartphone users who can choose their bank as the preferred UPI payment track.

BHIM

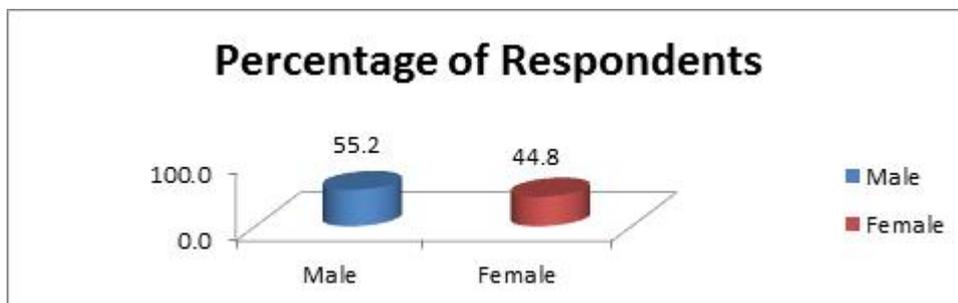
The latest in this race, BHIM has its sets of benefits which make it one of a kind. A unique part of BHIM is its availability to those who do not own a Smartphone as well. While the app is currently only available in Hindi and English, it will soon be available in other languages as well. Another important difference is the fact that BHIM is not a payment wallet which requires a prepaid payment, it essentially connects your bank accounts to make easier payments. BHIM can be accessed through various platforms, like UPI, IFSC and MMID and unique QR code. While each app has its set of positives and negatives, BHIM’s widespread offers and easy user interface makes it the payment wallet of the future. SBI Buddy has the brand name for its advantage, however, considering BHIM App is also government owned, it does not have an upper and. As for the UPI apps, the banking apps are much more complex than BHIM App and the user needs to have an account with the bank to use the app, thus limiting its user range. From this comparison, it is clear that BHIM App will be a favourite in the times to come.

DATA ANALYSIS

1. Gender

Table-1

Gender	No.of Respondents	Percentage of Respondents
Male	47	55.95
Female	37	44.05
Total	84	100



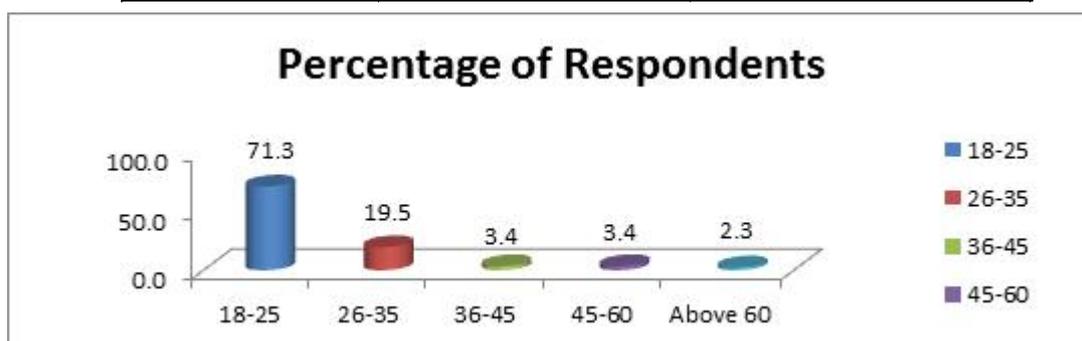
Interpretation: From the above table it is observed that the no of male users are 47 (55.2%) and the no of

female users are 44.8%.Hence, there should be more awareness created among females to use these apps

2.Age

Table-2

Age	No.of Respondents	Percentage of Respondents
18-25	62	71.3
26-35	17	19.5
36-45	3	3.4
45-60	3	3.4
Above 60	2	2.3
Total	87	100



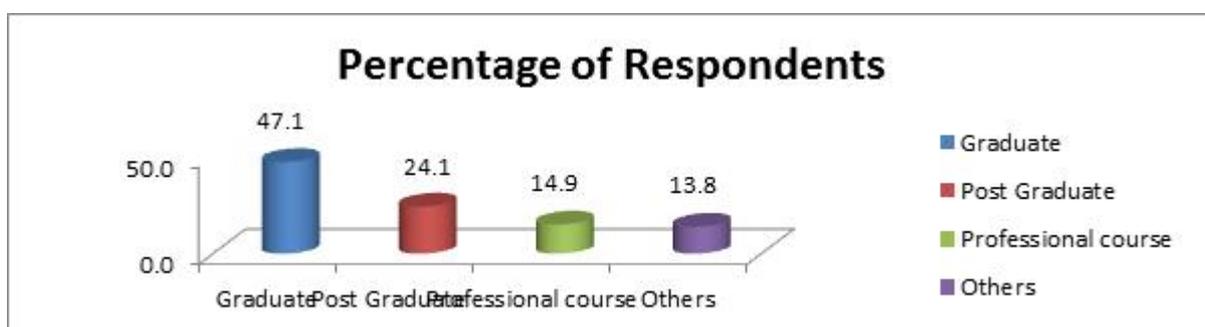
Interpretation: From the above table the number of respondents in the age group of 18-25 is 71.3%, the number of respondents in the age group of 26-35 is 19.5%, the number of respondents in the age group of 36-45 is 3.4%, the number of respondents in the age group of 45-60 is 3.4%, the number of respondents in the age

group of Above 60 is 2.3%. The maximum number of users are of the age group of 18-25 and the minimum number of users are of the age group are 36-45, 45-60 and who are above 60, so they should create more awareness to the age group of 36-45, 45-60 and who are above 60 so they can make maximum use of these apps.

3.Education Qualification

Table-3

Education Qualification	No.of respondents	Percentage of Respondents
Graduate	41	47.1
Post Graduate	21	24.1
Professional course	13	14.9
Others	12	13.8
Total	87	100



Interpretation

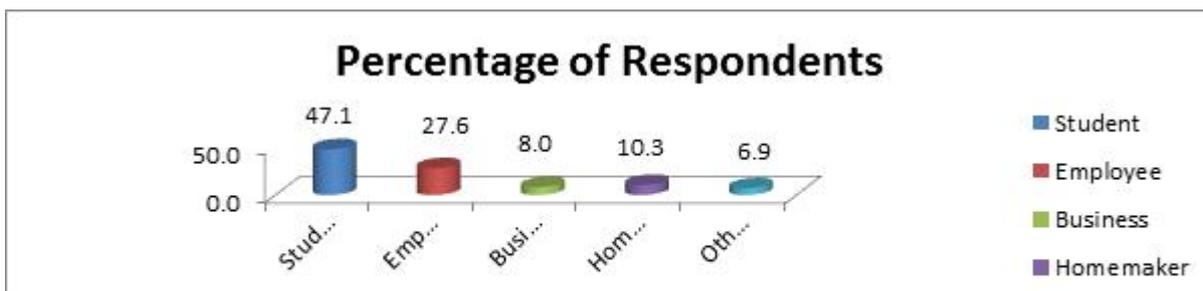
From the above table the Percentage of respondents who are graduates are 47.1%, the Percentage of respondents who are Post graduates are 24.1%, the Percentage of respondents who are Professional course are 14.9%, the Percentage of respondents who are doing other courses are 13.8%

The maximum number of users are graduates and the minimum number of respondents are who are doing other courses. They should create more awareness in respondents who did other courses and professional course.

4. Occupation

Table-4

Occupation	No.of Respondents	Percentage of Respondents
Student	41	47.1
Employee	24	27.6
Business	7	8.0
Homemaker	9	10.3
Others	6	6.9
Total	87	100



Interpretation: From the above table the number of respondents who are students are 47.1%, the number of respondents who are employees are 27.6%, the number of respondents who are doing business are 8%, the number of respondents who are homemakers are 10.3%, the number of respondents who are others are

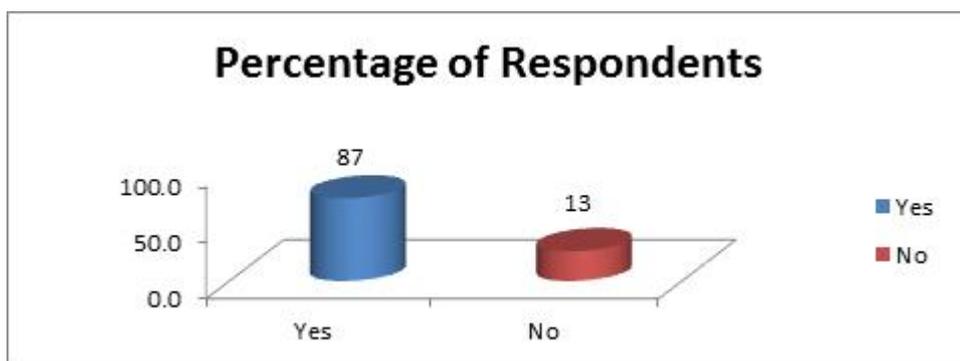
6.9%. The maximum number of respondents are students and the minimum number of respondents are others and business people. They should create more awareness among business people, homemakers and others as it will be very useful for them if they start using these apps.

II Awareness and satisfaction mobile banking/commerce apps

1 Are you using banking apps or private sector apps?

Table-5

Options	No.of Respondents	Percentage of Respondents
Yes	87	87
No	13	13
Total	100	100



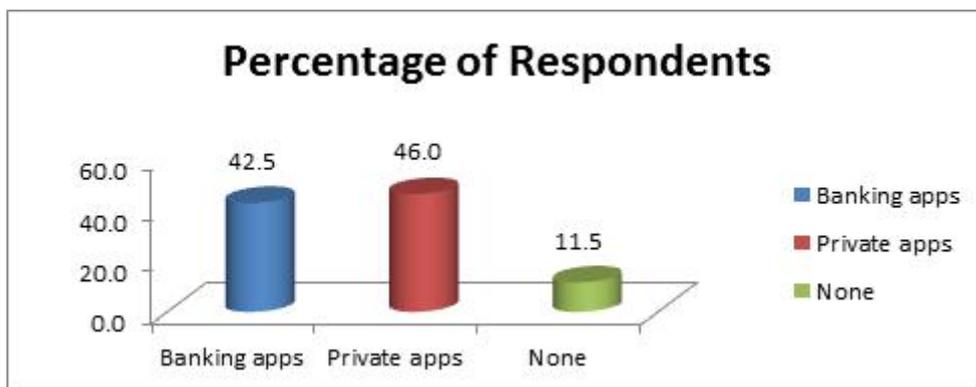
Interpretation: From the above table the number of people who use these apps are 87%, the number of people who do not use these apps are 13%.

More awareness should be created in the public to use these apps as 13% of total does not use these apps.

2) Do you prefer banking apps or private sector apps like paytm, Freecharge?

Table-6

Options	No.of Respondents	Percentage of Respondents
Banking apps	37	42.5
Private apps	40	46.0
None	10	11.5
Total	87	100



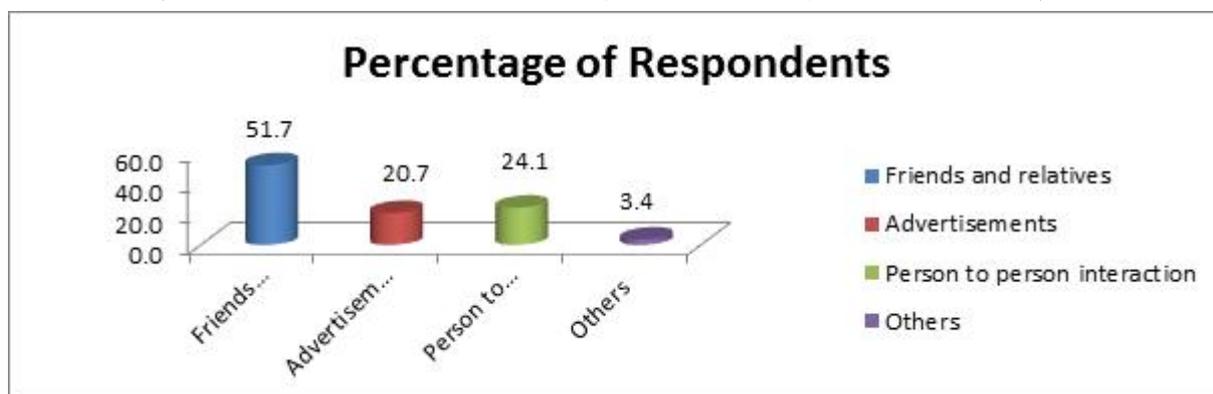
Interpretation: From the above table the number of respondents who use banking apps are 42.5%, the number of respondents who use private apps are 46%, the number of respondents who do not use any of these apps are 11.5%. The maximum number of people use

Private sector apps and minimum number of respondents use none of these apps. There should be more awareness created about the banking apps and private apps because 11.5% of total respondents do not use any of these apps which are safe and useful for money transactions.

3) How did you come to know about the app you use?

Table-7

Options	No.of Respondents	Percentage of Respondents
Friends and relatives	45	51.7
Advertisements	18	20.7
Person to person interaction	21	24.1
Others	3	3.4
Total	87	100



Interpretation: From the above table the number of respondents who came to know about these apps through friends and relatives are 51.7%, the number of

respondents who came to know about these apps through advertisements are 20.7%, the number of respondents who came to know about these apps

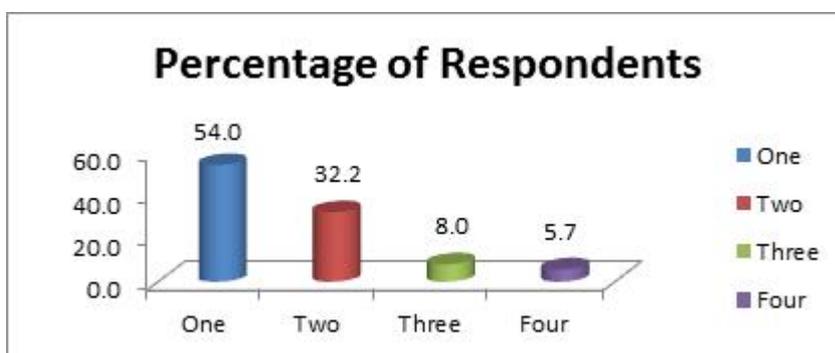
through person to person interaction are 24.1%, the number of respondents who came to know about these apps through other sources are 3.4%. The maximum number of respondents came to know from Friends and relatives and the minimum number of respondents who

came to know about these apps are from other sources and advertisements. These apps should concentrate more on advertisement activities as we can attract more people to use these apps by advertisements.

4) Number of banking apps in your mobile?

Table-8

Options	No.of Respondents	Percentage of Respondents
One	47	54.0
Two	28	32.2
Three	7	8.0
Four	5	5.7
Total	87	100



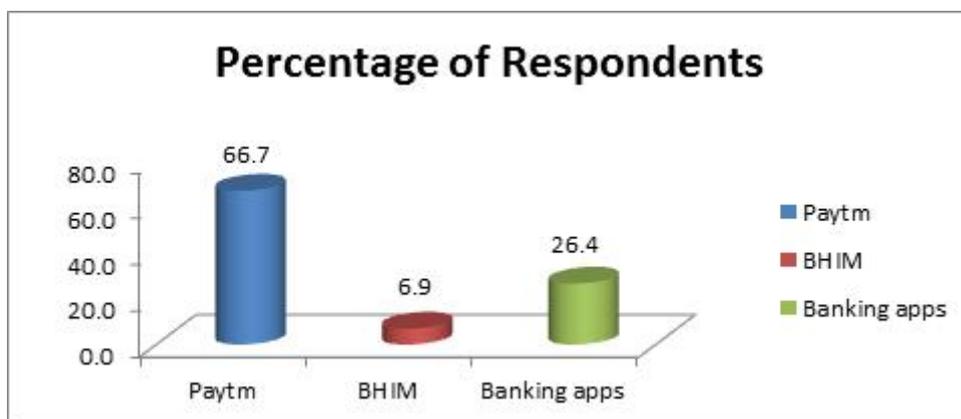
Interpretation: From the above table the number of respondents who use one app are 54% ,the number of respondents who use two apps are 32.2%,the number of respondents who use three apps are 8%,the number of respondents who use four apps are 5.7%,Maximum

number of respondents use only one app while minimum number of respondents use four apps .New innovations should be made in these apps so people try different apps for different uses.

5) State which apps do you use?

Table-9

Options	No.of Respondents	Percentage of Respondents
Paytm	58	66.7
BHIM	6	6.9
Banking apps	23	26.4
Total	87	100

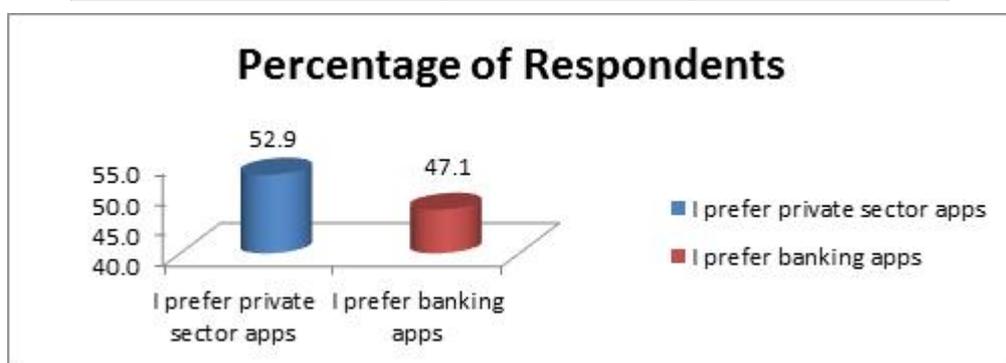


Interpretation: From the above table the number of respondents who use paytm are 66.7%,the number of respondents who use BHIM are 6.9%,the number of respondents who use Banking apps are 26.4%,Maximum number of respondents are using paytm while minimum number of respondents are using BHIM .More awareness should be created about BHIM app and banking apps as they are govt. apps and people will feel secured using them.

6) How easy is it to find the information you are looking for in Private sector apps compared to banking apps?

Table-10

Options	No.of Respondents	Percentage of Respondents
I prefer private sector apps	46	52.9
I prefer banking apps	41	47.1
Total	87	100



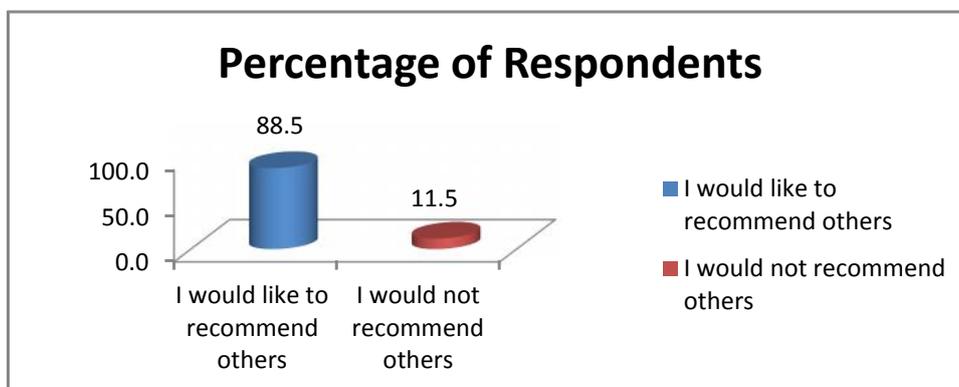
Interpretation:

From the above table the number of respondents who prefer private sector apps are 52.9%,the number of respondents who prefer banking apps are 47.1%. This shows people prefer private sector apps more than banking apps as they private sector apps provide various other options too.

7) How likely are you to recommend these apps to others?

Table-11

Options	No.of Respondents	Percentage of Respondents
I would like to recommend others	77	88.5
I would not recommend others	10	11.5
Total	87	100



Interpretation

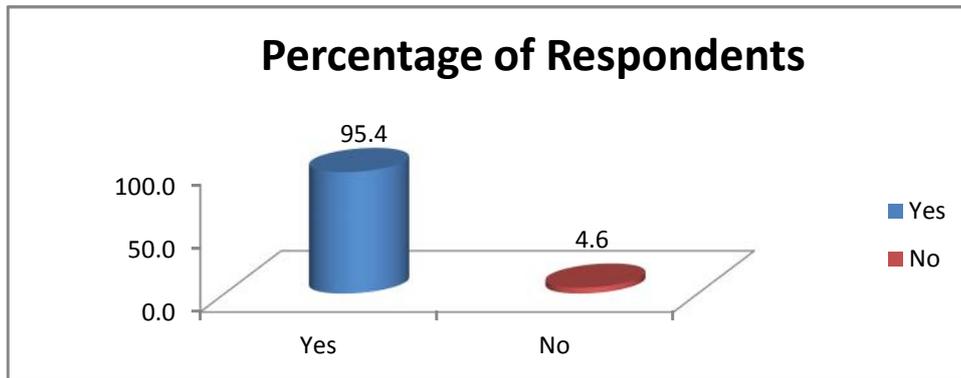
From the above table the number of respondents who would like to recommend these apps to others are 88.5%, the number of respondents who are not willing

to recommend these apps to others are 11.5%.The respondents who does not want to recommend to others might have faced bad experiences which should be solved so that they recommend to others.

8) Do you think these apps were really helpful at the time of demonetization?

Table-12

Options	No.of Respondents	Percentage of Respondents
Yes	83	95.4
No	4	4.6
Total	87	100



Interpretation

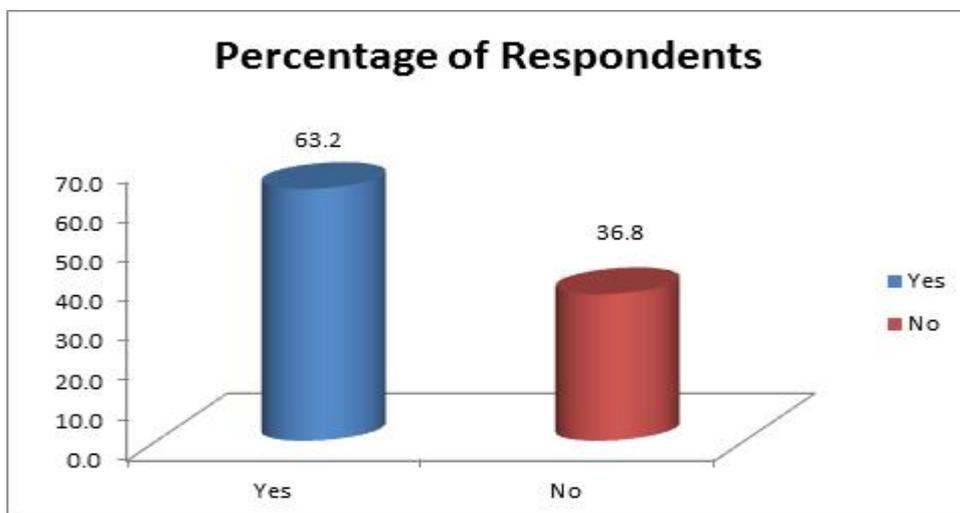
From the above table ,the number of respondents who told yes was 95.4%,the number of respondents who told No was 4.6%.Maximum number

of respondents told wise. This shows it was useful/ helpful for majority of people at the time of demonetization

9) Are you aware of the offers offered by the private sector apps?

Table-13

Options	No.of Respondents	Percentage of Respondents
Yes	55	63.2
No	32	36.8
Total	87	100



Interpretation

From the above table, the number of respondents who are aware of the offers are 63.2%, the number of respondents who are not aware of the offers are 36.8%. Maximum number of respondents are aware of these offers. More awareness should be created about the offers so that more number of people will start using the apps.

FINDINGS

1. It is found that the revenue of paytm has increased to 120 cr/day after demonetisation
2. Prior to demonetisation it saw losses for period of 2 years.
3. It is found that initially there are no charges for making transactions through BHIM app, but the banks are charging for the transaction made
4. It is found that BHIM app is more secured as it has its own app password which is an absent feature in paytm.
5. Through BHIM payment can be made to any person not having BHIM app also but Paytm users can transfer money only to Paytm users.
6. It is found that through paytm we can do recharges, book hotels, book movie tickets, where as BHIM is exclusively made to transfer money and request money.
7. It is observed that Paytm is offering so many offers and cash backs so people are preferring more of it.

SUGGESTIONS

1. As BHIM app is more secured than Paytm, it should also provide with such strong security, if not there are very much chances that users will shift to BHIM as it is government and more secured app.
2. As Paytm is offering more cash back offers and discounts on recharges and other bookings, BHIM app also should develop more features for other bookings so users will have to use only one app for all the uses.

3. As paytm is not directly linked with your bank account we cannot check our account balance for which we should use another app for it. Hence if Paytm is also linked with the bank account and made secured, users will prefer using more of Paytm.
4. More offers should be made aware so that people try to utilise the cash back offers which are beneficial.
5. As BHIM app is not giving any cash backs and offers, people are preferring other apps, so it is suggested to either waive bank charges when done through BHIM or Provide any cash backs.
6. More awareness should be created about the BHIM app as it is a government based app run by government which can be more trustworthy.

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