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The Impact of Mobile Banking on Customer Satisfaction

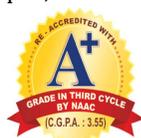
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ABSTRACT

Technology is a driving force in the global age and is taking over in every way; mobile and internet banking is just a few examples of the ever developing technology advancements. Mobile banking is a new way of banking, as it makes it easier for consumers to access their finances, even from rural/remote areas. Mobile banking technology which is the third era of technological innovation of banking sector after phone and net banking and comparatively its growth is phenomenal when compared to the first two eras. Currently in India the Mobile Banking is growing fast because demonetization of economy, the customers are opted for online banking and M- banking facilities provided by the bank and the world's second largest subscriber base in mobile sector therefore this leads to increases the mobile banking users in India. The purpose of the study was to investigate the effect of mobile banking on customer satisfaction in banks.

INTRODUCTION

The introduction of mobile banking within the banking sector has diversified. Customers are access their financial accounts remotely from their mobile devices. According to Jepleting, Oscar and Bureti. "The mobile units use solar power to run a computerized transaction processing system that is directly linked to the home branches via global positioning system (GPS) and satellite". This system opens multiple routes to the customer service (e.g., ATM machines, telephones, Internet and mobile phones). Mobile banking is a system that allows customers of mobile financial institution (MFI) to offering banking services of make deposits, withdraw, and to send or receive funds from a mobile account through a mobile device such as a mobile phone or personal digital assistant. Mobile banking offers services of banking such as, account information; payments, deposits, withdrawals, and transfers; investments. The Reserve Bank of India has made Mobile banking services available to all bank customers irrespective of the mobile network. All the banking activities of these customers such as conducting financial transactions with their financial institution and

allowing consumers" to transfer money and make credit card payments anywhere, obtaining financial account information etc. is made possible through the mobile banking. The customers in mobile banking services are increasing day by day due to the security measures taken by the banks. More and more numbers of customers are being drawn to the mobile banking as they have been satisfied due to the measures taken by banks to secure the mobile banking transactions. Through mobile banking customers can now add as many beneficiaries in the list as they want for fund transfer etc. and it saves huge of the amount of time for those kind of transactions .Therefore the customers to complete the financial transactions by sitting at home but the customers were having problems of carrying but mobile phones are free from these difficulties. Mobile phones can be carried everywhere and used by large number of people. In the age of globalization and digitalization mobile banking has shown a way to reach the top of the pyramid in the banking business through its variety of services. Mobile Banking Services provided by State Bank of India:

### 1. Mobile Banking Service over Application/ Wireless Application Protocol (WAP):

The service is available on java enabled /Android mobile phones (with or without GPRS) /i-phones where the user is required to download the application on to the mobile handset. The service can also be availed via WAP on all phones (java/non java) with GPRS connection. The following functionalities are available:

- A. Funds transfer (within and outside the bank)
- B. Immediate Payment Services (IMPS)
- C. Enquiry services (Balance enquiry/ Mini statement)
- D. Cheque book request
- E. Demat Enquiry Service
- F. Bill Payment (Utility bills, credit cards, Insurance premium), Donations, Subscriptions
- G. Mobile /DTH Top up
- H. M Commerce (Merchant payments, SBI life insurance premium).

### 2. Mobile Banking Service over SMS:

The service is available on all phones. The customer can send keywords as SMS to 9223440000. This number gives all the user menu of mobile banking services. Ordinary SMS charges are applicable. The following functionalities are available:

- A. Enquiry Services (Balance Enquiry/Mini Statement)
- B. Prepaid Mobile / MobiCash wallet Top up
- C. DTH Recharge
- D. IMPS Fund transfer - (Mobile number & MMID and Account Number & IFS Code)
- E. Change MPIN
- F. IMPS Merchant payments,

Recent innovations in telecommunications have enabled the launch of new access methods for banking services, one of these is mobile banking, whereby a customer interacts with a bank via mobile phone. However, despite efforts banks to expand the market and usage of mobile channels, there are very few consumers who are actively using the same leading to inefficiency on mobile banking. Some of the reasons contributing to this include the lack of adoption of mobile as a channel for banking despite the push, ineffective and inaccessible services on mobile banking has led to limitations of services on mobile banking, non-replication of mobile banking services in varied languages etc.

### The Current Scenario of Mobile Banking In India

The Few years back nobody knew about the mobile banking wallets in India. Of late, despite of being a new concept, mobile banking wallets have witnessed immense popularity. At the moment, people are facing currency crunch in India and this is where the mobile banking wallets are reducing the burden of the people. These M-banking wallets attract the users by offering discounts and cash back points at regular intervals. In India "Mobile Banking Study" despite the impetus provided by demonetization, digital banking is not yet a pervasive experience in India. Most banking relationships still begin and continue at the branch. However, there is great potential for banks to move more into the digital space. Only 51 per cent of retail banking customers have a reliable online and mobile banking experience with their main financial institution. These results was based on in-person interviews with 5,368 retail

banking customers conducted between February and April 2018 across 14 states and included both private and public banks customers are inevitable they were opted for mobile banking services and partially satisfied this mobile banking facilities(*Reserve Bank of India.*).

### Objectives:

The major objectives of the study are as follows:

1. To highlight the theoretical background and current scenario of mobile banking services in Indian context;
2. To highlight the advantages and disadvantages of mobile banking.

### Research Methodology

This research paper is based on Secondary data.

### Advantages of Mobile banking

**Decreased infrastructure costs-** Banks do not have to maintain many physical branches if more customer carry out banking via their mobile phone. For the financial institution, this means a reduction in overhead expenses.

**Efficient utilization of experts and human capital-** Financial institution can centralize their limited pool of banking and financial experts and use these experts to service customers no matter where customers are located. It is the maximum utilization of high cost human capital.

**Document sharing and assistance with other digital banking services-** mobile banking technology now enables mobile, document sharing and screen sharing of the customer's mobile device. This allows customers and bank representative to conduct real-time, document review and real time personalized support with the financial institutions mobile app.

**Enhanced security over telephone banking -** Mobile phone now often include ace-recognition technology, fingerprint scanners. This bio-metric data provides more security and protection for customers than simple telephone banking password. For both the financial institution and customer, this means fewer instances of compromised data and fraud.

**Increased in accessibility to understand customer segments-** Mobile banking allows those with difficulty in accessing branch location the ability to enjoy banking services. this includes people who live in rural locations , far from a physical branch.

### Disadvantages of Mobile Banking

**Inability to deal with cash-** one is unable to make to make cash withdrawals or a cash deposits with a mobile a phone. However, this disadvantage is mitigated by the fact that payment are shifting towards cashless, mobile based payment transactions.

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.

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.

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.

#### Impact of mobile banking on customer satisfaction-

Customer satisfaction is important because it provides business owners with a metric that they can use to manage and improve their business. Mobile banking menu is very easy and navigate. Mobile banking provide faster services. Customer satisfaction is influenced by usefulness, ease of use, etc. which is factors financial institutions should improve on, but again, it also lacked finding out the expectations and what the customers really wanted from the service. It brings out a positive relationship and highlights the factors which any bank or financial institution should focus on improving mobile banking services". It revealed that current needs of customers influenced customer satisfaction, but it did not go into detail to identify the needs/expectations of the customers.

#### Conclusion-

The current study focused on customer's satisfaction towards mobile banking services. Mobile banking menu is very easy to understand and navigate, mobile banking provides faster services, It is easy to make transfer funds, It is easy to make a balance inquiry and less degree of risk in usage of mobile banking category it results. The factors of

mobile banking that influence customer satisfaction the most, as well as least. It has brought services closer to the people hence making it easy to transact without delays and restrictions of time limits.

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