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# Customers Satisfaction towards Usage of Mobile Banking

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**ABSTRACT**

Mobile banking is defined as the "type of execution of financial services in the course of which within an electronic procedure – the customer uses mobile communication techniques in conjunction with mobile devices". Moreover, it is defined as "a channel whereby the customer interacts with a bank via a mobile device, such as a mobile phone or personal digital assistant" Today, mobile banking services enable consumers [e.g. to check the balance and transactions of their accounts, pay invoices and transfer funds between accounts, monitor the use of credit cards, check when invoices fall due, make buy and sell orders for the stock exchange and receive portfolio and price information]. It's always - on functionality and the option to bank virtually any time and anywhere characterise mobile banking services. However, mobile banking has not yet completely convinced bank customers of its usefulness and added value that it offers and its use is yet in an initial stage. Most of the users are highly satisfied with the recent developments in the banking services. There seems to be resistance to adopt these innovative banking services. Now a day's customers expect more facilities. So the banks have to update the mobile banking facilities which would satisfy the customers.

**KEY WORDS**: Mobile Banking, internet, B2B,C2C

## 1. INTRODUCTION

The mobile banking defined as "the provision of banking services to customers on their Mobile devices". This finding provides the financial services industry with a better understanding of customer satisfaction of mobile banking services and helps them plan their marketing strategies and promotion approaches for mobile banking services in the future.The results of our study will help banks and financial institutions to implement successful distribution strategies and consumer educators to guide consumers on how better to use banking services. It's specifically the operation of bank current and deposit /savings account in mobile banking. There is a great scope of mobile banking in India as the number of mobile users is increasing. There are some banks that provide SMS based mobile banking services. There are various types of their activities that can be done through the mobile banking services. In this adoption rates are very low even in the case of educated customers. The paper looks at various factors in which terms explain why consumers are not using mobile banking and other technologies in banking .Many people see this as acceptable or fair as they associate the withdrawal fee with the transport fee they would otherwise have to pay.

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## 2. OBJECTIVES OF THE STUDY

- To know the benefits and features of mobile banking services.
- To measure the various advantages of mobile banking.
- To identify various mobile banking services in India.
- To ascertain the model of m-banking service model.

## 3. STATEMENT OF THE PROBLEM

Customer Satisfaction is very essential for every banking sector. In order to satisfy the customers and improving the service quality, knowing about the customer perception towards online banking & finding out the factors which influencing Customer perception towards online banking is a primary thing. This is found to be a statement of the problem.

## FEATURES AND BENEFITS & CHARACTERISTICS OF MOBILE BANKING

A mobile payment service in order to become acceptable in the market as a mode of payment the following conditions have to be met

## SIMPLICITY AND USABILITY

The m-payment application must be user friendly with little or no learning curve to the customer. The customer must also be able to personalize the application to suit his or her convenience.

## UNIVERSALITY

M-payments service must provide for transactions between one customer to another customer (C2C), or from a business to a customer (B2C) or between businesses (B2B). The coverage should include domestic, regional and global environments. Payments must be possible in terms of both low value micro-payments and high value macro- payments.

## INTEROPERABILITY

Development should be based on standards and open technologies that allow one implemented system to interact with other systems.

## SECURITY, PRIVACY AND TRUST

A customer must be able to trust a mobile payment application provider that his or her credit or debit card information may not be misused. Secondly, when these transactions become recorded customer privacy should not be lost in the sense that the credit histories and spending patterns of the customer should not be openly available for public scrutiny. Mobile payments have to be as anonymous as cash transactions. Third, the system should be foolproof, resistant to attacks from hackers and terrorists. This may be provided using public key infrastructure security, biometrics and passwords integrated into the mobile payment solution architectures.

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**COST**

The m-payments should not be costlier than existing payment mechanisms to the extent possible. A m-payment solution should compete with other modes of payment in terms of cost and convenience.

**SPEED**

The speed at which m-payments are executed must be acceptable to customers and merchants.

**CROSS BORDER PAYMENTS**

To become widely accepted the m-payment application must be available globally, word-wide.

## ADVANTAGES OF MOBILE BANKING

A very effective way of improving customer service could be to inform customers better. Credit card fraud is one such area. A bank could, through the use of mobile technology, inform owners each time purchases above a certain value have been made on their card. This way the owner is always informed when their card is used, and how much money was taken for each transaction. Similarly, the bank could remind customers of outstanding loan repayment dates, dates for the payment of monthly installments or simply tell them that a bill has been presented and is up for payment. The customers can then check their balance on the phone and authorize the required amounts for payment. The customers can also request for additional information. They can automatically view deposits and withdrawals as they occur and also pre-schedule payments to be made or cheques to be issued. Similarly, one could also request for services like stop cheque or issue of a cheque book over one's mobile phone. There are number of reasons that should persuade banks in favor of mobile phones. They are set to become a crucial part of the total banking services experience for the customers. Also, they have the potential to bring down costs for the bank itself. Through mobile messaging and other such interfaces, banks provide value added services to the customer at marginal costs. Such messages also bear the virtue of being targeted and personal making the services offered more effective. They will also carry better results on account of better customer profiling.

Yet another benefit is the anywhere/anytime characteristics of mobile services. A mobile is almost always with the customer. As such it can be used over a vast geographical area. The customer does not have to visit the bank ATM or a branch to avail of the bank's services. Research indicates that the number of footfalls at a bank's branch has fallen down drastically after the installation of ATMs. As such with mobile services, a bank will need to hire even less employees as people will no longer need to visit bank branches apart from certain occasions. With Indian telecom operators working on offering services like money transaction over a mobile, it may soon be possible for a bank to offer phone based credit systems. This will make credit cards redundant and also aid in checking credit card fraud apart from

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offering enhanced customer convenience. The use of mobile technologies is thus a win-win proposition for both the banks and the bank's customers.

**MOBILE BANKING SERVICES**

- Account Balance Enquiry
- Account Statement Enquiries.
- Cheque Status Enquiry.
- Cheque Book Requests.
- Fund Transfer between Accounts.
- Credit/Debit Alerts.
- Minimum Balance Alerts.
- Bill Payment Alerts.
- Bill Payment.
- Recent Transaction History Requests.
- Information Requests like Interest Rates/Exchange Rates.

One way to classify these services depending on the originator of a service session is the 'Push/Pull' nature. 'Push' is when the bank sends out information based upon an agreed set of rules, for example your banks sends out an alert when your account balance goes below a threshold level. 'Pull' is when the customer explicitly requests a service or information from the bank, so a request for your last five transactions statement is a Pull based offering. .

The other way to categorize the mobile banking services, by the nature of the service, gives us two kind of services – Transaction based and Enquiry Based. So a request for your bank statement is an enquiry based service and a request for your fund's transfer to some other account is a transaction-based service. Transaction based services are also differentiated from enquiry based services in the sense that they require additional security across the channel from the mobile phone to the banks data servers.

**4. CONCLUSION**

The Mobile Payment Forum of India (MPFI) has been formed with Institute for Development and Research in Banking Technology (IDRBT) and Rural Technology Business Incubator (RTBI), IIT Madras taking the lead role. It has members and representatives from the telecommunications industry, financial institutions (banks and microfinance institutions) as well members from the Reserve Bank of India. Three sub- committees have been formed on technology, on business models and on regulatory issues. The first meeting of MPFI was held in Hyderabad on the 15$^{th}$ of September 2007. The sub-committees are expected to go over their particular concerns in depth and submit a report shortly. Lots of challenges are to be overcome for a successful implementation of mobile payments to be widely accepted as a mode of payment. Businesses, merchants and consumers have to come forward and make value-producing investments. A regulatory framework and widely accepted standards will be the pillars on which mobile payment applications will be built. Research so far has outlined a diversity of thinking and innovation that exists in the m-

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payments arena. Numerous solutions have been tried and failed but the future is promising with potential new technology innovations.

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