

THE ROLE OF MOBILE BANKING IS TRANSFORMING THE BANKING INDUSTRY IN INDIA- A QUANTITATIVE STUDY

Harikumar Pallathadka, Laxmi Kirana Pallathadka*, Shoraisam Kiran Singh

Manipur International University, Imphal, Manipur, India

*laxmikirana@miu.edu.in

ABSTRACT

India's rapid growth of flexible customers has elevated this medium to a critical stage for extending financial administrations to banking and unbanked segments through expanded mobile phone organizations. Banks are permitted to provide a range of financial services upon receiving relevant authorization. Diverse factors contribute to the growth of flexible banking in India. Among them is the growing number of telecom endorsers. Clients may now conduct financial transactions more conveniently using electronic banking. This convenience, however, is not possible if the client does not approach the web; hence, the customer cannot conduct a financial transaction while waiting for transportation. M-banking enables convenience 24 hours a day. This is because a customer is constantly interacting with his mobile phone throughout the day. Thus, to successfully implement a beneficial financial mode, a portable banking technique must be researched, followed by the demand for form-banking. In a broader sense, flexible banking is a mode of financial administration performance in which the customer utilizes portable communication methods associated with mobile phones while using an electronic way. The purpose of this literature is to examine the importance of mobile banking. A survey of 196 respondents was conducted to ascertain the role and relevance of mobile banking in reshaping the Indian banking sector. The report suggests that mobile banking has a substantial impact on the Indian banking industry's transformation.

KEYWORDS- MOBILE BANKING, BANKING INDUSTRY, INDIA, ROLE

INTRODUCTION

The terms mobile phone banking and flexible banking (M-Banking) are used interchangeably. M-Banking uses a mobile phone to access banking administrations and offices provided by financial establishments, such as account-based investment funds, installment exchanges, and other items. Flexible banking has had a different impact on the number of options available to customers (Minjoon and Sergio, 2016). This remains the case despite a more efficient international climate and a high replacement of financial points. In a broader sense, versatile banking is the execution of financial administrations. The consumer utilizes portable correspondence processes electronically linked to mobile phones. Versatile Banking comprises three related concepts: Versatile Accounting, Mobile Brokerage, and Mobile Financial Information. Versatile Accounting is generally referred to as exchange-based financial administrations that revolve around a ledger and are profited through cell phones. However, not all Mobile Accounting administration is truly exchange-driven. Though Mobile Brokerage, in the context of banking administrations, refers to mediation administrations associated with the bourse, such as stock selling and purchasing (Bharti, 2016)

Thus, portable brokerage can be defined as non-enlightening exchange-based flexible financial administrations centered around a protections account. Non-exchange-based banking and educational financial administrations are examples of portable financial data. It combines elements from both banking and financial benefits. It is designed to give clients access to data at any time and from any location. Indian financial climate has become more viable in contrast with the principles of the global monetary framework by the positive effect of this load of endeavors. The findings indicate that all SCBs demonstrated a significant and evolving pattern in their presentation due to its reception. This reception is required obligatory to bring the country into the 21st century (Jeffrey, 2016).

"The Institute for Development and Research in Banking Technology" has been designated as a Computerised Marks Certification Authority by the Government of India. The security of electronic subsidy transfers is being

strengthened through computerized markings performed by the affirmation authority's offices. Recognizing the need for innovative installment products, the Government of India's Ministry of Communications and Information Technology has launched a pilot project for multi-application brilliant cards in partnership with a few banks. This one-of-a-kind breakthrough has transformed the fundamentals of the Indian banking system(Goyal, 2016)

As clarified over, various mechanically progressed measures are given to every client of present-day banks. Banks utilize versatile banking as an advanced methodology to beat in this aggressive market. It likewise assists managers in working on their presentation and keeping up with their effectiveness among the clients. Banks can get a serious advantage and create a prevalent return by successfully using mechanical developments (Ashoka and Ramaprabha, 2018).

Portable BANKING IN INDIA

In India, traditional branch-based financial institutions are the most commonly used approach for conducting banking transactions; nevertheless, business banks are undergoing a rapid transformation influenced by data and telecommunications (ITC) innovation. In India, ICICI bank pioneered mobile banking administrations. "Union Bank of India" was the first public bank to provide mobile banking services (2010). Today, several commercial banks have introduced mobile financial apps that use ICT innovation, enabling them to communicate with consumers and give general information about their services, as well as execute intelligent retail banking transactions whenever and wherever they like." Some Indian banks, including as State Bank of India (SBI), Union Bank of India (UBI), Punjab National Bank (PNB), HDFC, ICICI, Axis Bank, and others, have begun to provide their customers flexible banking administrations (Kumar, 2019).

Its Impact on Customers

Portable Banking is acquiring notoriety in India with time. The primary explanation for this can be improved use of versatility by the clients. Versatile banking has arisen fundamentally in the most recent ten years, representing advancement in financial where both help and conveyance mode is innovation-based. Subsequently, the development and utilization of innovation affect the uniqueness of portable banking administrations. In agricultural nations like India, there are more cell phone clients than ledger proprietors (Parker, 2016)

India ranks second in economically excluded households globally, implying that more than half of the population is economically disadvantaged. According to the World Bank's study on monetary considerations, 35% of the Indian populace has a financial balance, whereas 65% of the population needs various monetary administrations and access to monetary establishments offices (K Nidhi, 2018). While advancement in versatile banking is beneficial for banks, there are numerous difficulties that Indian banks encounter. As a result of a massive expansion in the mobile financial client data set, including versatile set adequacy, significant security issues, exchange achievability and fit, application similarity, and customer mindfulness and information. Indian banks are combating challenges such as innovation acceptance into their frameworks, which is mind-boggling, and banks should make these advancements easily accessible to customers (Ranjan J, 2014).

CHANGING FACE OF BANKING SERVICES

Advancement carried a few changes to the Indian help industry. Most likely Indian financial industry took in an enormous illustration. Pre-progression, everything we did at a bank was a store and pulled out cash. Administration norms were terrible, yet all we could do was smile and bear it. Post-advancement, the tables have turned. It is a situated purchaser market there. Innovation is upsetting each field of the human undertaking, furthermore, movement. One of them is the presentation of data innovation into the capital market (Reeta, 2016). Web banking is changing the banking industry and has significant consequences for a banking relationship. The web is more significant for retail monetary administrations than for some different ventures. Loan fees are descending, and the market has seen some creative items also. Other retail banking items are close-to-home advance, training advance,

and vehicles advance. Pretty much every bank and monetary organization is advertising these items. However, it is fundamental to comprehend the various parts of these advanced items, which are not referenced in their shaded commercials (Agarwal, Poddar & Karnavat, 2020).

Interbank Mobile Payment Service (IPMC)

IPMC is a cellphone-based instant web electronic asset transfer management system. Customers can use cell phone devices to access their ledgers, send assets, and make payments at stores and company foundations. This is intended to be a safe, secure, and valuable payment instrument for Indians for domestic trades available 24 hours a day, seven days a week. "The client, who is a remitter, should select Mobile Banking administration with the bank with which he or she has an account. The bank issues the client a Mobile Money Identifier (MMID) and a Mobile Banking Personal Identification Number (MPIN) (Kaur, 2016). The consumer must download and activate the flexible financial application in their cell phone, or utilize the bank's SMS or Unstructured Supplementary Service Data (USSD)-based application". MMID is a seven-digit arbitrary number assigned by the bank and assigned to each record of cell phone banking clients (Cajetan, 2018). Both the remitter and the beneficiary must have an MMID to make a subsidized transfer. To link to the record, the beneficiary of the exchange must enroll a mobile number with the bank.

Change in Consumer Experience in the wake of utilizing Portable Banking Services.

Before the financial crisis, the banking industry built client trust by straightforward financing. Following the emergency, regulations regarding numerous banking offices have been stringent, requiring banks to recognize various wellsprings of significant worth development. One of the models is advanced banking (Behera et al., 2015). "The use of technology drives banks to strengthen client relationships and build trust. Nonetheless, the presentation of innovation in banking remains a continuing concern since banks have been reluctant to implement innovations due to various administrative compliances. Banks must focus even more on these concerns in order to attract clients. However, according to the most recent information, client certainty and trust in their financial specialist firms grow. In the most recent 12 years, 33 percent of clients have gained trust, and clients' certainty disaster has decreased by 40 percent when compared to last year" (Kimble, 2015).

ISSUES AND CHALLENGES IN MOBILE BANKING

"The rapid advancement of mobile innovation, such as 2G, 3G, and 4G, has created substantial challenges for banks. It is clear that the bank that began Mobile Banking as SMS banking and then transitioned to an application (programming)-based model for traditional flexible handsets, the evaluation of Smart telephones, portable working frameworks, and Mobile Apps demonstrated the bank's readiness to embrace current innovation." Customers are primarily utilizing ATM and internet banking administrations. A substantial number of customers are satisfied with their banking options. They also believe that there is a risk of abuse in mobile banking as a result of mobile handset robbery (Trivedi, 2014)

VERSATILE BANKING FUTURE FUNCTIONALITIES

According to the World Business Institute's 'Global Review of Business Research Papers,' the following are the primary practical directions imaginable in the universe of Mobile Banking. With the advancement of technology and the increasing use of PDA and tablet-based gadgets, the utilization of Mobile Banking usefulness will empower client associates across the entire client life cycle considerably more entirely than previously. With this condition, current varied financial aims, such as building connections, decreasing expenses, and achieving new income streams, will alter to enable new targets focusing on higher-level objectives, such as the banking organization's structure brand (Manivannan, 2017).

OPPORTUNITIES

The different chances that the recent fads bring for the improvement of banking area are referenced underneath: Internet Banking: Because of information warehousing and information mining innovations, it is evident that web-based money will pick up, and there will be a growing combination in terms of item contributions financial administrations, share exchange, security, and credits (Vinayaga Moorthy, 2012). Retail Lending: Recently, banks have taken on customer division, which has greatly aided in modifying their item folios. As a result, retail lending has become a focal point, particularly in financing shopper durables, lodging, vehicles. Retail lending has aided in risk distribution and increased managers' revenue, an account with higher recuperation rates. Clients from the country region: With 70 percent of the total population, India is a largely untapped market for the banking sector. Banking administrations have infiltrated all metropolitan areas, although only a few large towns have entered banks to enter the local market in the following years (Sundar, 2020).

OBJECTIVE

1. Find the role of mobile banking in transforming the banking industry in India.
2. To know the significance of mobile banking in the banking industry.

RESEARCH METHODOLOGY

The study was conducted with the help of a survey method. A sample of 196 people was surveyed through a structured questionnaire to know the role and significance of mobile banking is transforming the banking industry in India. The study is quantitative, and the primary data collection method was random sampling. "Mean and t-test" was applied to reach to results.

FINDINGS

Table 1 Role of mobile banking

SI. No.	Role of mobile banking	Mean score	t value	Sig
1.	Electronic banking is helping the consumers and service providers to do banking exchanges easily	3.19	2.89	0.00
2.	Mobile banking is providing comfort 24hrs every day	3.63	7.95	0.00
3.	Digital banking is allowing to contact clients and give them their service details	3.71	10.11	0.00
4.	Mobile banking helps conduct intelligent retail banking transactions	3.59	8.00	0.00
5.	Digital banking is providing their customers a flexible banking administrations	3.17	2.09	0.02
6.	Due to digital banking, loan fees are decreased, and the market can see some creative items	3.90	13.70	0.00
7.	Customers are using their cell phones to access their ledgers, send assets, and make payments at stores and company foundations through mobile banking	3.88	11.10	0.00
8.	Mobile banking is safe, secure, and valuable payment instrument as compared to traditional banking	3.50	7.12	0.00
9.	Mobile has reduced the operational costs of the banking sector	3.73	9.90	0.00
10	Mobile banking is providing a platform for service providers to advertise their products	3.87	10.68	0.00

The following table illustrates the importance and relevance of mobile banking is revolutionizing India's banking sector. According to the table, loan fees decreased due to digital banking, and the market has seen some innovative items with a mean score of 3.90. Additionally, customers use their cell phones to access their ledgers, send assets, and make payments at stores and company foundations via mobile banking, with a mean score of 3.88. With a mean score of 3.87, mobile banking enables service providers to market their offerings while also lowering the banking sector's operating expenses (3.73). Digital banking enables service providers to contact consumers and provide them with service data (3.71). Mobile banking provides convenience 24 hours a day and assists in executing intelligent retail banking transactions, with a mean score of 3.63 and 3.59, respectively. Additionally, it is determined that mobile banking is a safe, secure, and valuable payment instrument when compared to traditional banking, with a mean score of 3.50; electronic banking enables consumers and service providers to conduct banking transactions more efficiently, with a mean score of 3.19; and digital banking enables customers to access flexible banking administrations, with a mean score of 3.17. The table indicates that the significant column value for all assertions is less than 0.05, indicating that mobile banking significantly impacts India's banking sector transformation.

CONCLUSION

These days, every one of the banks gives computerized banking administrations, which builds consumer loyalty. The computerized banking administrations assist clients with getting to their records at whatever point they need from any place on the planet. Banks ought to offer types of assistance to the clients by a few dispersion channels through on the web. At last, the bank needs to give safer and dependable administrations to the client through mechanically arranged conveyance channels to expand bank development (Shetty, 2017). Since everybody has been presented more comfortably and open with all innovation gadgets like advanced cell webs, it is better freedom for the bank to build their administration with income by fulfilling the client's needs. Innovation empowered financial administrations are a critical factor of severe business climate; hence future financial administrations are innovation empowered framework. Item separation is another area where problems can arise. Aside from traditional financial administrations, Indian banks should adopt some product development to compete in a wide range of rivalry. Up leveling one's level of innovation is an unavoidable approach to dealing with problems.

The study concludes that there are several roles. Electronic banking is helping consumers and service providers to do banking exchanges easily. Mobile banking provides comfort 24hrs a day, Due to digital banking, loan fees are decreased, and the market can see some creative items. Customers are using their cell phones to access their ledgers, send assets, and make payments at stores and company foundations through mobile banking, which plays a significant role in transforming the banking industry in India.

REFERENCES

1. Bharti.M. (2016). Impact of Dimensions of Mobile Banking on User Satisfaction. *Journal of Internet Banking and Commerce*. Vol. 21, No.1.
2. Jeffrey E. Jarrett (2016). Internet Banking and E-commerce: A Consumer Perspective. *Journal of Internet Banking and Commerce*. Vol. 21. No. S2.
3. Goyal. N (2016). A study on opportunities and challenges towards e-banking system in India. *Sai Om Journal of Commerce and Management*. Volume 3. Issue 6.
4. Kumar. S., (2019). "IoT Applications in Finance and Banking". *IJRAR*, Vol 6. pp. 951-954.
5. Parker, G., (2016). "Getting Used to the Mobile Wallet." *Business in Calgary*, Vol. 26, pp. 34-40.
6. Kumari Nidhi, "E-banking in India: Challenges and Opportunities", *International Journal of Science Technology and Management*, Volume No.5, Issue No. 08; August 2018.

7. Dr. Ranjan J Sabhaya, Ms. Ankita Bhalala, Ms.Parul Chovatiya, "Study on Pre and Post Impact of E-Banking on Banking Operation", *GALAXY International Interdisciplinary Research Journal*, Vol.2 (3), March (2014).
8. Reeta and Manju Asht, "E-Banking in India: Current and Future Prospectus", *I J A B E R*, Vol. 14, No. 7, (2016)
9. Kaur. S. (2016). A Study on New Innovations in Banking Sector. *International Journal of Science and Research*. Volume 5 Issue 11. pp. 2319
10. Cajetan (2018). Digital banking, customer experience, and bank financial performance: UK customers' perceptions. *International Journal of Bank Marketing*, Vol.36 (2). pp. 230-255.
11. Behera, A. K., Nayak, N. C., Das, H. C., & Mohapatra, R. N. (2015). An empirical study of the impact of IT on performance in Indian service industries. *Global Business and Organizational Excellence*, 34(3), 67–78.
12. Kimble, C., & Milolidakis, G. (2015). Big data and business intelligence: Debunking the myths. *Global Business and Organizational Excellence*, 35(1), 23–34.
13. Trivedi. G. Remedios. R. (2014). Internet Banking and Customer Retention-A Study on the Impact of Internet Banking on Customer Retention of Hdfc Bank. *Galaxy International Interdisciplinary Research Journal*. Vol.2 (2). ISSN 2347-6915
14. Manivannan. P. (March 2017). Usage of Digital banking. *Asia Pacific Journal of Research in Business Management*. Vol. 8.Issue 3, ISSN: (2229-4104).
15. Vinayagamoorthy A, Sankar C. Mobile Banking –An Overview. *Advances In Management*. 2012; 5(10):24–9
16. Agarwal, V., Poddar, S., Karnavat, J. S. (2020), A Study on Growth of Mobile Banking in India During COVID-19 -- *Palarch's Journal Of Archaeology Of Egypt/Egyptology*, 17(6), ISSN 1567-214x
17. Sundar, I. S. (2020). Digital technology in banking post demonetization. *International Journal of Engineering Technologies and Management Research*, 8- 14
18. Ashoka, M. L, and Ramaprabha, D. (2018). A study of tam model in the usage of mobile banking services. *International Journal of Advanced Research and Development*, Vol. 3(1), 109-113.
19. Minjoon, J. & Sergio, P. (2016) Examining the Key Dimensions of Mobile Banking Service Quality: An Exploratory Study. *International Journal of Bank Marketing*, Vol. 34(3), 307 – 326.
20. Shetty, S. (2017). Gartner Says The Transition of The Indian Banking Sector To Cashless Society is Driving Increased Technology Investments, available at: <https://www.gartner.com/newsroom/id/3827164> (accessed 10 January 2018).
21. Pallathadka, H., & Pallathadka, L. K. (2022). Adaptation of digital banking channels by Indian consumers – an empirical study. *International Journal of Psychosocial Rehabilitation*, 26(01), 83–92.
22. Pallathadka, H., & Pallathadka, L. K. (2021). An empirical study on application, features, and challenges of M-Banking Services in India. *International Journal of Psychosocial Rehabilitation*, 25(03), 808–817.
23. Pallathadka, A., & Pallathadka, H. (2021). Human and Environment Relationship in Geographical Research. *PalArch's Journal of Archaeology of Egypt/ Egyptology*, 18(4), 6666–6679.
24. Pallathadka, H., Pallathadka, L.K. (2022). Critical Analysis of Fintech as a Change Agent in the Financial Markets: A Quantitative Investigation. *Journal of Applied Science And Research*, 10 (1), 72-81.
25. Pallathadka, H., & Pallathadka, L. K. (2022). Review Consensus Effects on E-Wom and Consumer Goods E-purchase Satisfaction: A Quantitative Investigation. *Journal of Contemporary Issues in Business and Government*, 28(3), 342–350.

- 26.** Pallathadka, H., & Pallathadka, L. K. (2022). Impact of Covid Adoption of Cashless Methods among General Public in India. *Journal of Applied Science and Research*, 10(2), 56-64.
- 27.** Pallathadka, H., Pallathadka, L. K., & Singh, S. K. (2022). Role of Disruptive Technology in Making Financial Services Effective: A Quantitative Investigation of Expert's Opinion. *Journal of Contemporary Issues in Business and Government*, 28(3), 332-341.