

Effectiveness of Indian Mobile Banking Apps – An Empirical Analysis in the State of Telangana

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Abstract

Continuing the progress the electronic commerce laid the foundation for many innovations and to provide many facilities to the banking customers. The different aspects such as electronic clearing, centralized funds management, structured financial messaging solutions and the Indian Financial Network (INFINET). Facilities under Electronic Funds Transfer (EFT) have been upgraded and their reach expanded with multiple settlements in a day. The current research paper explains the various mobile banking applications and their activities.

Keywords: Banking, Mobile Banking Applications, E – Wallets, E - Banking

Introduction

There are various ways for cashless transactions. It can be done through cards like mobile apps, credit cards or various other payment means. Various applications like Paytm, Mobikwik etc. applications can be used for cashless transactions on smart phones. Mobile applications are becoming easier for people for making payments due to the availability of internet. There are different banking methods which are used in various sector of our society. Different banking methods have different procedures depends on a method which people uses, that can be credit cards, mobile apps, or ACH (automated clearing house) network for making transactions. It is an electronic payment method. Electronic payment can be done using credit card, mobile apps or electronic checks (e-checks). This method is called one-time customer to vendor payment. Another method is automatic bank-to-vendor payment, to use this method users bank should offer services called online bill payment. For this user have to login into bank's web site, if they wish to make a bill payment, they have to enter a vendor's

information to whom user want to pay and that information will be authorized with bank for electronic transaction (Sagar Brid et al., 2017).

This is a manual process for bill payment. Users can also pay bills automatically, for that user has to enter detail of bill, so every month on a same date that bill will get paid from the user's account automatically. There are various mobile applications which provide services of mobile banking. As Mobile banking applications is also a one method of banking like Paytm, Mobikwik, Ewallet etc. To use these mobile banking applications users, have to enter their bank account details for transaction. It is not mandatory that users have to use same account every time for making payments by using these applications. But this facility is not available in net banking application. Users have to pay from same account for which net banking services is been activated from bank. Net banking is also method of online banking applications. This study is done due to the increasing usage of mobile banking applications in various sectors of society. As mobile banking provides various facilities to the customer, they can

easily make online payments and it eliminates the usage of paper cash (Shirisha&Sivakoti Reddy, 2019).

Demonetization is also a reason behind for fast increasing usage of mobile banking application. Demonetization has switched the people from using paper cash to mobile banking. Initially, another method is automatic bank to vendor payment, to that with the time of when there was no such online mobile banking facilities people use to visit to a bank for transferring money, depositing money, withdrawing money. And for transaction they used paper cash everywhere. Gradually with a time banking system started changing. After enhancement of technology bank started providing facilities for mobile apps, credit cards, online banking etc. which came into existence.

But its facilities limit to some extent. People started using bank websites for doing online banking. Where customer have to login to use various services offered by bank on their website, like payment of insurance, bills, etc. and after developing technology bank offered a service of net banking which user can use on their smartphones. From net banking user would be able to do transactions like depositing money into account, online payment for bills, booking online tickets, checking account status etc. Mobile apps, credit cards were started using for making payment for online payments or making electronically payments while swapping cards in a swap machine. After this, advancement of technology leads to various mobile banking applications like Paytm, Mobikwik, Freecharge, Ewallet, etc. Our research focuses on the study of various mobile banking applications which is used by different sectors of society. These various mobile banking applications have different features. In this paper this study is done to know which applications are used more in a society and what are the variations in usage of these applications. For the study, we have done a survey to collect the information related to the usage of various mobile applications.

Review of Literature

Different research study on cashless payments which creates impact on demonetization,

country's economic development is already going on. There are various alternative research paper and studies done on mobile banking application in different aspects. In the Mobile banking application in different aspects (Puschel et al., 2013). In the Mobile banking proposition of an integrated adoption intention framework is the research done in Brazil to know the adoption intention of mobile banking technology in Brazil. Proposed solution for an individual how they do their utilities payment using online application and also why people found that particular application saves their time than other method for making payments is identified. Cashless payments survey is an online form having some questions related to cashless payment on which individual's response is collected for survey Popa et al., (2012). Implications and positioning of mobile banking services in different market is examined. This examined the future of mobile banking in market.

Because technology mobile phones and internet usage has increased in last decade and mobile banking is the first commercial transaction application on wireless devices. A study done to analyse the customer needs and expectations from mobile applications and banking views so that requirements can be identified of a customer is described. This study had identified the reasons for the failure of application and the opportunities for the upcoming mobile banking applications. In our paper we study the usage and expectations of different sectors of application users using a survey.

MOBILE BANKING APPLICATIONS IN INDIA

We have identified some of the cashless payment methods done using debit/credit card, Ewallet etc and their requirements for using such modes for payment and the details are given below:

1) DEBIT / CREDIT CARD: Suitable for: Online/offline merchant sale. Transaction limit: Set by card issuer Details required: Card number CVV Expiry date Cost: Mobile apps: Up to 0.75% for transactions up to Rs. 2,000; up to 1% for transactions above Rs.

2,000. Credit cards: around 2.5% per transaction.

2) E-WALLET: Suitable for: Small-ticket transactions. Transaction limit: Rs. 20,000 per month (Rs. 1 lakh for KYC compliant wallet holders) Details required: Login ID Cost: Only if you transfer money from your wallet into your bank account. Below we have described features of various features of available banking applications in our society.

3) BHIM: A mobile banking application. This application is developed for making retail payments. This application is supported by only android phones or android users can only use this app. This app supports Aadhar card for making payments which require fingerprint impression but yet it is not started working. As every BHIM user needs to be linked with their bank account for making payment. Another app like Paytm and Mobikwik does not require to link with bank account for making payment. In those apps, you have a limited amount of money in their wallet, which you can send only to someone who is using the same wallet.

4) PAYTM: Paytm can be retrieved through its website and is also obtainable on all the phone platforms as an application. Paytm is the most extensively used way of offline digital transaction, which means it's easy to find local stores where Paytm payment is accepted. Paytm offers the widest range of options where it can be used. The money stored in Paytm Wallet can be used for sending money, purchases, cab rides and much more. Paytm has a disable transfer to bank feature on its app and website, which means you can't send the money in your wallet back to your bank account.

5) MOBIKWIK: Mobikwik is another option available to Indians when it comes to cashless transaction. It also started as a prepaid recharge website; it works closely similar to Paytm. However, the places and the services where you can use Mobikwik are fewer. Mobikwik allows bus and train bookings but not flights. Mobikwik Lite offers smooth functioning even on slow internet. It doesn't require a smart phone. Mobikwik has limited reach compared to Paytm.

6) FREECHARGE: Freecharge also works and offers services more or less similar to Paytm and Mobikwik. The app is available on Android OS and Windows mobile platforms. While the Freecharge payment is not accepted on major services like Uber and Ola, it offers some interesting features like "split bill", which allows you to split the amount to be paid among your friends. Freecharge also offers for prepaid, postpaid, DTH, metro recharge and utility bill payment for various services. It also offers redemption.

Research Methodology:

The required data for this study is collected from 120 respondents who have been using mobile banking apps such as, e-wallets, paytm, BHIM, Mobikwik and free charge. The researcher followed cluster sampling technique and collected the samples from the twin cities of Hyderabad and Secunderabad of Telangana state. Cross-tabulation analysis is used to analyse the collected data.

The Cross-tabulation analysis between occupation and the usage of mobile apps:

The cross-tabulation results between the occupation of the respondents and the usage of mobile apps is presented in the following table- 1. The results disclosed that among the total housewife segment, there is only one respondent who intimated that never used the mobile apps. Another one respondent disclosed that will use the mobile apps rarely and 4 respondents reveal that they use occasionally. Majority of the respondents in this division i.e 5 members stated that they use the mobile apps frequently and one respondent use most frequently.

Within the employees segment, 9 respondents expressed that they use the mobile apps rarely and 11 members opined that they use the mobile apps occasionally. Major chunk in this segment i.e 33 respondents stated that they used the mobile apps frequently and only one employee use the mobile apps most frequently. Among the respondents of business people, 7 respondents expressed that they use the mobile apps rarely and 6 members disclosed that they used the mobile apps occasionally. Majority of these segment i.e 12 respondents opined that they used the mobile apps frequently and 5 members revealed that they use the mobile apps most frequently.

Among the retired segment, 5 respondents stated that they use the mobile apps rarely and 2 members expressed that they use the mobile apps occasionally. 4 members of this group revealed that they use the mobile apps frequently and only one respondent expressed

to use the mobile apps most frequently. Within the student respondents, 3 members disclosed that they use the mobile apps occasionally, 9 respondents opinioned that they used the mobile apps frequently.

Table – 5.15: Cross-tabulation results between Occupation and Usage of Mobile apps

Occupation * Usage of Mobile apps Crosstabulation							
		Usage of Mobile apps					Total
		Never	Rarely	Occasionally	Frequently	Most Frequently	
Occupation	Housewife	1	1	4	5	1	12
	Employee	0	9	11	33	1	54
	Business	0	7	6	12	5	30
	Retired	0	5	2	4	1	12
	Student	0	0	3	9	0	12
Total		1	18	26	63	8	120

Conclusion:

The globalization and the liberalization practices brought revolutionary changes in the different sectors. As like the others sectors, banking sector is not an exceptional one. Since the early 90s the banks started to adopt the technology. This phenomenon raised the excessive completion among the players in this segment. This technological scenario made the banks to increase the automation in the Indian banking sector. With respect to adoption of technology, the private sector and the foreign banks are far ahead when compared to the public sector banks. The private and foreign banks attained the competitive advantage over the other banks by using the technology in all the aspects in banking. In order to survive and sustain in the competitive scenario, now every bank has been started using the technology. The statistical results of the analysis revealed that the customers are frequently using the mobile banking apps. However, the Indian banks are extensively offering their services through various web services.

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