

## **A STUDY ON ADOPTION AND CHALLENGES IN USAGE OF MOBILE BANKING.**

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### **Abstract**

Due to the global nature of the Covid epidemic, mobile banking has assumed a pivotal role in the financial industry. According to the RBI, the total value of mobile payments recorded in March 2020 was 520199 crore, while in March 2021, the figure was 1246220 crore. The popularity of mobile banking in India has skyrocketed in recent years..

**Keywords:** Conventional Banking, COVID-19, Epidemic Condition, Mobile Banking, E-Wallet, Adopting, Challenges

### **Introduction**

Many different kinds of technical progress are being made in different parts of the globe. Smart phones, in particular, have become a widely used kind of technology. Cell phones are more than simply a convenience; they're an integral element of the modern way of life. Not only do people use their mobile devices to make phone conversations, but also to check score, weather, news, latest viral videos, and more. Devices like this not only save data for later use but also aid in solving the day-to-day problems we all encounter. In 1973, Motorola was the first to market with a commercially available mobile phone, but it was also the most expensive. The first generation (1G) of mobile phone service was released commercially in India in 1995. There were several modifications to the spectrum itself during the 2G period, when technologies like GSM, GPRS, & EDGE were developed. In second generation of mobile communication, digital signals were used instead of analogue ones. The advent of 3G was a monumental leap forward in network and data transmission technologies. Three-dimensional technology came up with the idea of packet switching as an alternative to secure switching for data transfer. Up to 2 MB per second in speed is possible with it. The fourth generation of technology, which includes cutting-edge innovations such as WiMAX & LTE technology, was unveiled in the year 2000. The worldwide rollout of the 5G wireless network is scheduled for 2019. In September of 2022, 5G will debut with much more data transfer capability.

### **India towards Digitalization :**

Government officials announced the ban on 500 & 1000 rupee notes in Nov-8<sup>th</sup>-2016.

Many people's daily lives have been altered by the demonetization. Many individuals, particularly farmers and those working in the informal economy in rural areas, still lack exposure to digital money and cashless transactions. The vast majority of people who live in rural areas can't function without the use of currency. Demonetization has the greatest impact on this demographic. But on the plus side, it promotes digitization across industries. Many financial experts have concluded that now is an ideal moment to fully embrace digitization. Startups in the retail sector, led by the likes of Amazon, Flipkart, Jabong, etc., have been encouraging customers to make cashless purchases online. Digital transactions are growing in popularity, not just in India also globally.

### **Mobile wallet & UPI payment Application in India:**

A mobile wallet is digital wallet that allows users to save money via credit/debit card & then make payments using the wallet's associated smartphone. That's because it's a prepaid account that may be used for any financial transaction online.

The National Payment Corporation of India introduced Unified Payment Interface (UPI), which simplified mobile banking. Because a customer's mobile payment app may be connected to their bank account, they can avoid carrying cash around with them.

**Google pay :**In India, Google Pay (formerly known as Tez) is quite popular. Google Pay allows users to send and receive money, pay bills, top up mobile phones, buy online, and more. No need to worry about carrying around large amounts of cash or carrying around a physical wallet since it is connected directly to a bank account. Google Pay has more than 100 million users..

**Phone pay :**While internet payment applications have been around for a while, in India phone pay just became available in 2015. Customers may earn and redeem a wide range of points for discounts and freebies. And over 100 million people worldwide utilise phone pay, which allows them to send and receive money, pay bills, get mobile recharges, and more.

**BHIM Axis pay :**It's a banking app that makes sending money to other people simple. There are more than a million people making use of it.

**Dhani App :**Dhani app is an electronic wallet that enables users to make purchases and payments online. It belongs to a group called "India Bulls." The Dhani Supersaver rupay card is compatible with this app. Enjoy 5% cash back upon every purchase using this app for the first month at no cost to you. In India, this app has a user base of around 20 million.

**PayTM :**One of the most popular methods of making online purchases in India is via the use of the PayTM app, which first appeared on the scene in 2010. It was designed to function as a digital wallet in which users could save their money and use their phones to make purchases and other payments. There has been a rise in the number of people using it. UPI via payment has now been enabled, so users can now connect their bank account & conduct financial transactions without leaving the app. The paytm app has more than 100 million users in India.

### **Litrature review**

A larger percentage of people know about mobile banking apps, but just a fraction of them actively use them. Of India's 900 million mobile phone users, only around 40 million clients utilise mobile banking. This is due to a number of factors, including high price tag, difficulty of using service, need of an active partnership with a telecom company, and a general lack of user friendliness. The banking industry must educate its clientele upon that benefits of mobile banking. They should spread word about how great mobile banking is.

As per Mp, Divya & Hebbar, C. Kusumakara. (2021). mobile banking involves use of smart phone or tablet to carry out banking transaction using bank app. E bill payment, money transfer, recharge, balance checking etc. Mobile banking usage is increasing steadily. This article also surveyed some advantages of mobile banking like less banking charges, 24/7 availability and anytime anywhere service, prompt service, security than PC, easy to gather customer analytics and also help in retaining user without human intervention.

As per Haralayya, Dr & Aithal, Sreeramana. (2021). Banking has becoming technology savvy industry mostly due to mobile technologies. The smartphone users are growing and are expected to cross more than 3 billion by 2020. Since 2017 customers' visit to banks physically is down by 33%.

Sharma and Singh (2009) found that Indian mobile banking users are especially concerned about security problems including financial fraud, account abuse, and user-unfriendly features like needing to remember different codes for different sorts of transactions & having difficulties downloading and upgrading application software.

Mobile banking users have become more valuable customers among the financial institutions, The study stated that more returns on the mobile investment related to use of product, frequency in transaction, and income generated. Mobile banking helps to increase usage by customer and ROI.

### **Objectives**

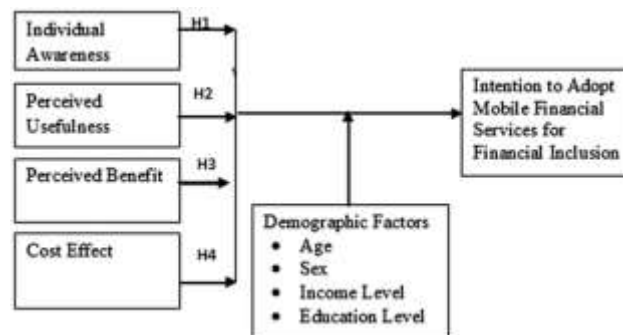
- 1.The goal of this study is to better understand critical elements that drive consumers to choose mobile banking.
- 2.Discovering what problems customers have when using mobile banking.
3. Understanding benefits of adopting Mobile Banking.

### **Research methodology**

Research study includes the secondary sources like Journals, Publications, books and portals.

### **Factors affecting adoption of mobile banking**

This study developed model to explain how factors including familiarity, opinion of utility, opinion of benefit, & cost influence people's propensity to utilise mobile banking.



### **Benefits of adopting a Mobile Banking Applications.**

Get access to your bank 24×7- Bank Account holders get the access to the bank on all days and 24/7  
Avail of a host of banking functions- Bank Account holders get maximum functions availed which are provided in the bank.

Review your account history- One can get easy access to the account history through mobile banking application.

Track your spending- Mobile Banking helps the individuals in tracking the expenses based on the category of expenses spent.

Locate the nearest ATM- Mobile banking helps in locating the nearest ATM.

### **Challenges**

Not Secure- Mobile Banking Applications some times are not secure due unavailability of cyber security.

Mobile Handset Operating- Since Mobile Banking application requires the smart phones most of the Rural Based Bank account holders do not possess the smart phones.

Instant Money Transaction Limit- In mobile banking applications there exist the Money Transaction limit

Can't understand the Language- Few of the Mobile applications do not support the regional languages.

### **Conclusion**

It was discovered via this research that if Mobile Banking in India seemed more trustworthy and reputable, more Indian consumers would utilise it. Consumers would be less compelled to use these technologies if they did not have a reasonable amount of confidence in them. Trust's importance has been shown in numerous studies, and it's been shown to increase users' motivation to adopt new technologies. Despite this, mobile banking does have a promising future in India thanks to the country's large population, inexpensive internet providers, and government initiative toward digitalization. The recent COVID-19 pandemic situation has also pushed customers' interest toward mobile banking. The best way for banks to increase clients' familiarity with mobile banking is to

show them how it works via demonstrations. The use of mobile banking is simplified for more people when detailed instructions are provided.

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