

## Mobile banking : Effect of innovative technology on users

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### ABSTRACT

The study is based on the comparison of m-banking with other banking services as phone banking, Mobile banking, Card Banking, Internet banking and Inter-branch banking. Firstly the focus of the study is to analyse the use pattern of m-banking with respect to other banking services. The use pattern is in terms of usage rate and usage period of m-banking and other banking services. Secondly to analyses the impact of various features mobile banking through factor analysis. This study also analyses the satisfaction level of the account holder while using the m-banking service in comparison with other-Innovative banking services on the basis of goodness. The focus of the study is also on the demographic characteristics of respondents as education level, age group and occupation.

**KEY WORDS :** Mobile banking, Factor analysis, Customer satisfaction, Usage rate, Usage period, Usage pattern, Innovative banking services, M-banking

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Banking services has become a technology intensive industry. Technology has created paradigm shift in the client servicing banks. Banking operations and processes were reengineered with the introduction of technology. Internet banking, card banking, mobile banking, phone banking and interbranch banking were some of the new arrivals in the last decade (Kamakodi and Khan, 2008). The technology also improve the financial performance and efficiency of private and partially private banks compared to the fully public sector banks (Sathye Milind, 2005). The latest banking service delivery mode is mobile banking through which customers access bank services remotely by using mobile devices with wireless connectivity (Sulaiman *et al.*, 2007). Customer can conveniently check their account balance and transaction histories, transfer funds, paybills, trade stocks and stock quotes, manage their investment portfolio and order insurance using mobile devices. Current mobile internet

applications enable consumers to access a variety of services as web information search, SMS (short message services), MMS (multimedia message service), banking payment, gaming, emailing, chat, GPS (global positioning services) etc. (Okazaki Shintaro, 2005). Mobile banking is the convergence of financial services and mobile technology which has emerged after the advent of wireless internet and smart chip embedded handsets (Chung and Kwin, 2009). Mobile banking services are valued by users because of the inherent time and place independence and the overall effort saving qualities. More generally security and convenience have been suggested as the key drivers for the growth (Mallat *et al.*, 2004). Mobile banking is providing the opportunity to financial organisations to build long lasting and mutually rewarding relationships with new and existing relationships with new and existing customers by offering them a choice of personalised mobile services. The future for mobile banking is not only bright, it is also very big (Rivari, 2005). The current state of wireless technology is facing many constraints as small screen display, limited bandwidth and the simplistic yet diverse functionality of wireless handheld devices affect usability (Chang and Frang, 2002). There is a need for developing a cost effective, technically supportive and reliable

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