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Exploring the Advantages and Disadvantages of Mobile Banking Adoption

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Abstract:

In the Indian banking industry, automation has continuously been a major force behind change, especially in the areas of operations, procedures, services, and structure. The awareness, use, and salient characteristics of mobile banking among people in the Davanagere District are the main subjects of this study. It provides a thorough analysis of the benefits and drawbacks of mobile banking in order to determine which characteristics are most important in differentiating users from non-users. The study also intends to investigate the significance of mobile banking services and assess their advantages and disadvantages. Books, research papers, articles, and online platforms are the primary sources of secondary data used in this study.

Keywords: Mobile Banking, Financial Services, ATM's, Digital Banking, Telecommunication, Devices

Introduction:

The evolution of the Indian banking sector has always been largely driven by automation, particularly in terms of how it functions, its processes, and the goods and services it provides. Automated service channels that meet the rising needs of contemporary consumers for accessibility, speed, and convenience have progressively supplanted traditional branch banking. For example, when ATM's were first introduced, more people came in for basic



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Issue No: 01

Article No:01

Page No:43-49

Date: May 2025

services like checking their balance, which increased the cost of maintaining a lot of ATM's. Mobile phones have drastically altered how people do business and handle their finances, and they are now an indispensable part of people's daily lives, especially for younger generations. Acknowledging this change, the government and financial institutions—banks in particular—have used mobile devices as a platform to support financial inclusion and encourage digitalization, particularly in the wake of demonetization. The adoption of mobile banking in Karnataka has been the subject of numerous studies, but few have concentrated on unique districts like Davanagere, which makes this study especially pertinent.

Scope of the Study:

With an emphasis on the characteristics that set mobile banking users apart from non-users, this study examines the knowledge, usage, and perceptions of mobile banking among Davanagere District residents. Banks may better meet the needs of their target customer base by aligning their strategies with the data collected, which gives them valuable insights to improve and promote their mobile banking services. The results also seek to support the more general objectives of digital growth and financial inclusion.

Concept of Mobile Banking:

Using mobile communication devices to provide banking and financial services is known as mobile banking. Personalized information access, account management, and bank transactions are a few examples of the tasks that may fall under this category. Mobile banking transactions are defined by the Reserve Bank of India (RBI) as banking operations carried out using mobile phones, including accessing account information and transferring funds.

Mobile Banking in India:

ICICI Bank became the first bank in India to provide its customers with full mobile banking services on January 11, 2008. In India, mobile banking has grown significantly since then. Compared to just 21 banks in 2010, 445 banks were authorized to provide mobile banking services by 2018. According to RBI reports, the number of mobile banking transactions has



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Article No:01
Page No:43-49
Date: May 2025

also increased significantly, rising from 19.75 million in April 2015 to 106.27 million in April 2017.

Mobile Banking in Davanagere:

Using mobile devices to quickly access financial services from anywhere at any time is the concept behind Davanagere mobile banking. Consumers can use it to check accounts, send money, pay bills, and use UPI without visiting a bank. Financial institutions including SBI, DDCC Bank, and Karnataka Gramin Bank have been instrumental in driving the adoption boom in Davanagere's urban and semi-urban areas. The primary objectives are to improve financial inclusion, save time, and offer secure digital alternatives to traditional banking methods.

Literature Review:

- ❖ P.S Aithal and K.V.M Varambally (July 2015): This Study Investigated Evaluated Factors That Are Significant in Determining the Satisfaction of Customers Using Mobile Banking.
- ❖ Studies By Nidhi Singh & Neena Sinha (2016): And Others Have Explored the Demographic Factors Influencing the Adoption of Mobile Banking, With Age Being a Significant Determinant.
- ❖ Several Other Studies, Including Those by Krishna Kishore and Aloysius Henry Sequeira (2016): Discuss the Potential of Mobile Phones to Drive Financial Transactions, Particularly in Rural Areas.
- ❖ Research By Richa Priya and Aradhana Vikas Gandhi (2018): Identified Key Factors Such as Perceived Usefulness and Ease of Use as Critical to User Satisfaction.
- ❖ Additionally, Research by Ashish Kumar Et Al. (2020): Highlighted the Importance of Building Trust and Raising Awareness Among Users to Promote Financial Inclusion Through Mobile Banking.

Objectives of The Study:



ISSN:
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Article No:01
Page No:43-49
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- To Assess the Significance and Importance of Mobile Banking Services.
- To Explore the Advantages and Disadvantages of The Mobile Banking System.

Research Methodology:

The secondary data used in this study was gathered from a range of sources, including books, scholarly articles, papers, and internet resources. Understanding the cost-effectiveness, accessibility, and security aspects of mobile banking services is the main goal of the analysis.

Significance of Mobile Banking Services:

Numerous Benefits of Mobile Banking,

- **Accessibility:** With mobile internet access, clients can do banking operations at any time and from any location.
- **Security:** Mobile pins are used to secure transactions, and users have the ability to modify their pin as needed.
- **Cost-Effectiveness:** When compared to other banking methods, mobile banking frequently incurs fewer fees.
- **Speed:** With the introduction of 3G services, mobile banking has become faster, allowing transactions to be finished in a matter of seconds.
- **Universal Acceptance:** It offers widespread availability and convenience and can be used anywhere in the nation.
- **Users get instant updates:** on their banking activities with real-time account updates.
- **Customer Growth:** With the rise in mobile phone users, mobile banking helps banks grow their customer base.

Advantages of Mobile Banking:

1. **Convenience:** Users can manage their finances without physically visiting the bank by doing so from any location.
2. **Enhanced Security:** Security is improved by features including biometric security, two-factor authentication, and transaction alerts.



ISSN:
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Article No:01
Page No:43-49
Date: May 2025

3. Simplified Account Management: Eligibility checks and document submission are made easier with mobile banking.
4. Personalization: Customers can set objectives, keep tabs on their spending, and track their financial progress.
5. Digital Inclusion: It improves financial access for a larger population by extending banking services to underserved areas.

Disadvantages of Mobile Banking:

1. Dependency on Internet Connectivity: In rural or remote areas, mobile banking may not have reliable internet access.
2. Security Risks: Phishing and app vulnerabilities continue to be possible security issues that call for users and service providers to exercise caution.

Findings:

- Online banking services are simple to use and comprehend.
- There is no discernible relationship between annual income and educational attainment when it comes to online banking service usage.
- Compared to other online banking services provided by the Bank of India, internet banking services are more popular.

Suggestions:

- Concentrate on Strengthening Mobile Banking Security Measures.
- To guarantee seamless and effective digital banking experiences, resolve technical issues.
- Increase knowledge about cyber security and fraud prevention.
- Encourage clients to conduct transactions using mobile banking.

Conclusion:

Unquestionably, mobile banking has improved financial technology and provided a great deal of convenience and security. But it's important to understand its drawbacks, like security



ISSN:
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Issue No: 01

Article No:01
Page No:43-49
Date: May 2025

threats and reliance on internet connectivity. By resolving these issues, we can minimize the risks associated with mobile banking while optimizing its advantages.

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