# M-COMMERCE------IN RESPECT OF M-BANKING

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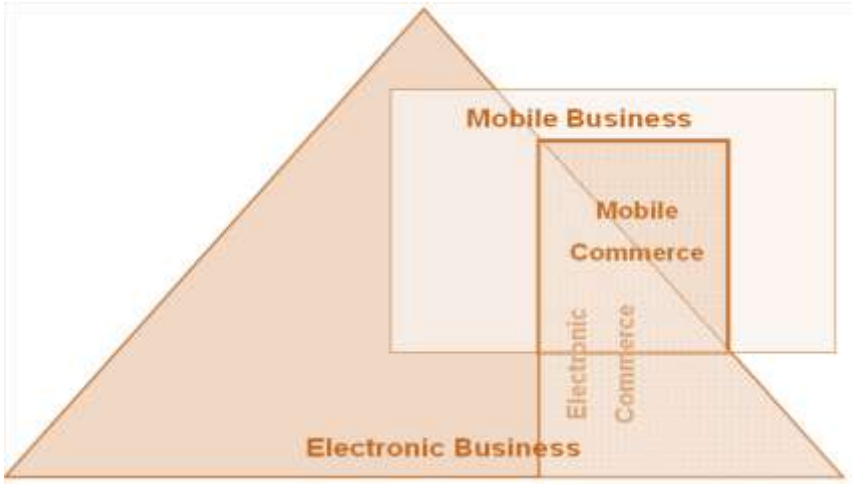
**ABSTRACT:**

M-Commerce is the subset of e-commerce, which includes all e-commerce transactions carried out using a mobile device. There has been tremendous growth in wireless technology in the last decade. This advancement has changed people do business in mobile environment. In today era's m-commerce has entered in all the aspects of business organization like finance, retail, services, telecommunication an information technology services. M-banking build a cornerstone of M-commerce. M-banking is also the result of technology development. M-banking means performing banking transaction via mobile. This paper discusses the concept of m-commerce and m-banking. This paper attempts at figuring out the relevance of m-banking in Indian business environment. This paper discusses the present and future development of m-banking in Indian scenario. In last finally it throws light on the challenges that are faced by M-banking.

**KEY WORDS:** M-commerce, M-banking, Advantages and challenges of M-banking, Present and future of M-banking

**E-COMMERCE:-**

It is purchasing, selling and exchanging of goods & services over computer networks (such s internet). Through which transactions or terms of sale are performed electronically.



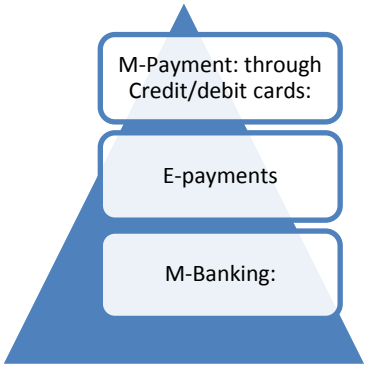

**M-COMMERCE:-**

Birth of M-commerce was in 1997. M-Commerce also known as mobile commerce is the ability of buying & selling goods and services through the use of mobile devices like cellular telephone, tab and PDA's M-Commerce is the process of paying for services using a mobile phone or personal organizer. The mobile internet is accessible from anywhere. It is the use of mobile devices to communicate, informs transact and entertain using text and data via-a-connection to public and private networks.

M-Commerce is an extension of traditional E-commerce. E-commerce has been facilitated by ATMs & electronic payment systems. M-payment are a natural evolution e-payment and that will facilitate m-commerce.

The scope of m-Commerce therefore goes beyond the initial one time commercial transaction. The main areas of m-Commerce use are in text messaging or SMS, mobile payment, financial & banking services, logistics, goods/services buy/sell, information services and wireless customer relationship management etc.

Types of M-commerce:




## M-bANKING:-

M-banking is the recent topic in the financial industries and a top priority for banks. M-banking gives facilities to bank customers to m-payment and open new account and information about transactions etc. M-banking, M-payments and M-finance refers to m-commerce applications which enable people to use their mobile phones (handset) to bank accounts. On the other point of view, mobile phone providers have identified m-banking/m-payments systems as a potential service to offer customers, increasing loyalty while generating fees and text-message charges. (infoDEV, 2006)

| | |
|---|---|
| 1. M-banking – | — Access bank account(s)<br>— Receive debit/credit alerts<br>— Check balance, receive statements<br>— Conduct bank transactions |
| 2. M-commerce – | — Remote payments (web site)<br>— Proximity payments (NFC)<br>— Physical/digital goods and services |
| 3. Mobile money transfer- | — Airtime top-up<br>— Person-to-person remittances<br>— Cash-in/cash-out |

In modern era the new financial services are:

- M-Insurance
- M-lending
- M-social transfer
- M-remittances

## REVIEW OF LITERATURE:

1. Vishal Goyal, Dr. U.S.Pandey, Sanjay Batra (2012) found that there is bright future of m-banking but still its performance is not so good due to lack of educated and aware customers. They suggested that banks must co-ordinate with mobile handsets manufacturers & aware their customers about m-banking.
2. Vyas, Rao (2009) suggest that banks will need to expand their thinking about mobile banking beyond online banking and should start to view mobility as its own powerful and compelling delivery channel that can help them deliver to end users new value such as immediate access and additional control of personal finances. According to Vyas (2009) Banks will target non-online banking users who may lack regular access to desktop Internet but are very likely to own a mobile device.
3. Tiwari, Buse & Herstatt(2006) in his studies found that M-banking is a application of m-commerce and m-banking is a instrument of differentiation. It provides challenges as well as opportunities to banks at present. It also facilitate to banks to generate additional revenues from value added services.

## MOBILE BANKING:

- m.hadfc.bank.com
- m.icicibank.com
- m.onlinesbi.com
- m.axisbank.com

Some example of M-banking:

1. In Kenya a popular mobile payment service is called M-Pesa. In this service one does not need any bank account, there is no joining fee, no monthly charges and no minimum balance to be maintained. In this system the e-money is transferred from one person to other by SMS. M-Pesa is a fast, safe and easy of use mechanism.

2. In Philippines, SMART Money is the Mobile Banking product offered by SMART Communications which allows customers to transfer funds from their bank accounts to their SMART mobile service account including prepaid recharging and facilitates to customer to deposit cash, withdraw cash, top up the mobile phone prepaid credit levels from that account or other bank accounts, without going near a bank or a SMART office.

3. In South Africa, companies like Wizzit, Fundamo, and MTN Banking are using M-Commerce Services. Wizzit has positioned itself as a virtual bank and has no branches of its own mobile phone subscription.

4. Mobile payment services have been fairly successful in Asia especially in South Korea, Japan, Philippines and other Asian countries (e.g., Mobile Suica, Edy, Moneta, Octopus, G-Cash). The M-payment in these countries has been penetrated in almost all sectors. South Korea is moving towards NFC based contactless technology.

5. In India, though the M-Commerce is still in its nascent stage with about 5-10 million transactions per day, however, it is picking up fast. The main mobile payment platforms are mChek, ngpay, Obopay, PayMate, ATOM, Oxicash, etc.

**ADVANTAGES OF M-BANKING:**

| | |
|---|---|
| 1. Time saving | 2. Quick feedback |
| 3. Easy to use | 4. Customer loyalty |
| 5. Help banks to make good relation with their customers | 6. It facilitates to develop global services |
| 7. Cost effective for bankers and customers | 8. Help in improving services |
| 9. Anytime, anywhere banking (24*7)hrs banking | 10. Provide real time information to customers and employees |

## CHALLENGES:

1. Lack of customer awareness: due to lack of knowledge & awareness of m-banking is also a reason for distrust in m-banking services.
2. There is security & privacy of m-banking is big issue & challenge
3. Risk with virus and malware attack
4. Risk in SMS mobile banking
5. Authentication risk at the login time or when access account through the mobile system
6. There are some other issues which includes technical, regulatory,and legal issues
7. No offline capability
8. Increase competition from Non bank
9. Lack of network security and internet
10. Adaption rate is low
11. Big challenge for banks to offer m-banking solution on any type of device

## PRESENT AND FUTURE OF M-BANKING:

M-banking has crossed the introduction stage. Now it is enjoying the growth stage. M-banking is used to promote the financial inclusion across the country. In present markets m-banking offering new services to the unbanked customers. Banks, MNOs (mobile network operators), NGOs, and profit firms build new services to take out the benefit of opportunities to reach the unbanked customers. There is wide scope for growth in m-banking industry. RBI has given approval to 80 banks for m-banking services of which 64 have commenced. 67 million mobiles are linked to their bank accounts. If m-banking is implemented effectively then it can do wonders. Then will be able to carry out all financial transaction from using your mobile phones & there will be no need to carry out plastic money. The banking software vendors will have big job. It will give facility to customers to transaction through a m-PIN systems. The future of m-banking in India is depending on banking sector, software and mobile vendors, customers and regulatory system.

## CONCLUSION:

In modern era banks can't avoid m-banking because it is top priority in present environment. Now m-commerce in India is done through the banks only International success of as G-Cash (Globe Telecom) in Philippines and Mpesa (Safaricom) in Kenya proved that mobile phones successfully contributing to financial inclusion to the disadvantaged and weak section of the society which may not have bank account. There is bright future of m-commerce in banking sector. Banks are advised to educate customer and trained their employees to raise awareness of m-banking. And invest in this area for better service so that every banking transaction will be done through mobile.

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