

# Features That Can Make Mobile Banking App Experience Exceptional

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**Abstract:** This paper presents features that can improve experience in the use of mobile banking app.

**Keywords:** Mobile banking app experience.

## 1. Rise of Mobile Banking

As an alternative channel, the mobile phone is playing a significant role in the remote interaction between consumers and financial institutions. In India, the increased penetration of mobile banking is also coupled with the ever-increasing competition between private and public sector banks promoting a gamut of digital banking products, aggressively. The reason is, apart from a functional mobile app, consumers are demanding a multifunctional financial tool that is convenient to manage financial decisions.

As per the report jointly released by Deloitte and CII, titled "Banking on the Future – VISION 2020", concerning "technology-based banking", the electronic fund transfer system and the limitless ability of information technology are the primary reasons for the development of modern banking in India. Owing to technology-based innovation, banks across sectors have made a move beyond conventional banking and have innovated with digital products integrated with any-time and anywhere accessibility features.

India presently has 600 million plus smartphone users, and as more basic phone users are migrating to smartphones number is expected to grow. Even though 5G smartphones have been making news in the market, they accounted for just one-third of the market in 2022. As per counterpoint Research many consumers would like to upgrade to 5G network from their existing 4G network. Increased penetration of mobile phones can help banks in their financial inclusion plans. Digital channels will not only help banks in retaining existing customers but also in attracting new generation tech savvy customers.

## 2. Mobile Banking – Types and Facilities Available

Almost all banks in India and across the world have adopted the mobile banking approach to reach and engage customers. Customers can utilize the mobile banking features to access a range of value-based services such as viewing account balances, and bill payments and utilizing the instant fund transfer facility. Broadly, mobile banking is represented by

SMS, USSD, and Mobile Apps.

- i. Mobile Applications: Apps like SBI YONO. Facilities include Balance inquiry, insurance, payments, loans, cards, investments.
- ii. SMS: Offered by all Banks. Facilities include Balance inquiry, payment, and blocking of cards.
- iii. USSD (Unstructured Supplementary Service Data): Available with all the leading 51 banks. (Format \*99#). For this internet connection and smartphones are not required.

## 3. Mobile Banking via the App

The primary way to communicate with consumers has been mobile apps. The digital platform in which consumers participate work, and play is via mobile apps. As a result, the mobile app's strategic value extends far beyond the gaming, e-commerce, and media sectors. Today, irrespective of their mobile strategy, the banking industry wants to engage customers via mobile apps. According to the State of Mobile 2022 report data, finance app downloads in India surpassed 1 billion in 2002 a 28% increase in YoY. Global finance app download touched 5.9 bn. Another report of Forrester in Feb 2022 says that 8 out of 10 Indian metro population have a bank account using their mobile banking app at least once a month.

## 4. Requisite Features of Mobile Banking App

Banking in India is undergoing a transformation and people are also now moving from traditional banking to a more technology-driven banking system. The tech-savvy younger generation do not want to stand in a queue at any bank branch to perform any day-to-day transaction or any simple task. The Indian government is also promoting several measures and incentives for a total digitalization of the Banking system. For example, the introduction of UPI payment system and IMPS for real-time money transfer, an online update of address, ATM PIN generation, cheque book or ATM Card request, etc. and all customers can do them on the go, i.e., through their smartphones.

Therefore, accomplishing banking tasks on a mobile is a convenient option for everyone. Mobile Banking app also helps in reducing the work burden on banks. Indian private sector bank, ICICI was the first bank to introduce Mobile banking app

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in 2008. Later on, Public Sector Banks also came up with some good mobile banking apps to go digital and for retention of their customers. Technology is changing very rapidly and Mobile banking apps are also coming along keeping pace with technology. There are many mobile banking apps that various banks have designed. We are listing below some of the essential features of a good Mobile Banking app.

(a) *Security*: Why the mobile banking adoption rate has not yet reached its highest potential? One of the reasons is the lack of trust from consumers. In the world of digital frauds, IP infringement, and malware so prevalent in our technology, the thought of having all their banking information right on a mobile app simply scares them, rather than intrigues them. Here banks can add multi-factor authentication features such as one-time passwords or fingerprints which cannot be easily deceived. Banks can also use end-to-end encryption technology. It conducts penetration tests and security audits which takes the security measures to an extra mile. The development of Fingerprinting devices has added one-more dimension to banking mobile apps. It gets various sets of signals such as device type, location, IP address, browser, screen size, time of the day, etc. Sending a real-time e-mail or text alert to notify a customer of account activity can also prevent fraud. There is specialized software in the market that will monitor and analyze the login location and online account activity of consumers. Safe Digitalized Documentation is another technique by which banks can enhance their security of mobile banking apps. Introduction of an electronic signature has helped in several verticals like retail branches, call centers and e-commerce, etc.

(b) *Traditional banking facilities*: A good mobile banking app must integrate all the normal banking facilities like balance inquiry, fund transfer, ATM card issues, cheque book issues, linking multiple accounts etc. Apart from cash, all the traditional banking facilities must be provided in mobile banking. It will help the customer in a way that he must not visit the branch for every service request and it will also help in decongestion of the branches. SBI's YONO has unique a SBI cash option also where customers can generate transaction numbers and cardless withdrawals can be done from the ATM.

(c) *Bill payment features*: The banking app should integrate bill register and payment features in the app. Mobile banking should allow you to register bills like Insurance premiums, Mutual fund SIP, Credit card bills, etc. Axis Bank in home page of their banking app has provided pay bills and recharge options. In ICICI bank's iMobile pay there is Bill pay & Recharge option wherein bills related to Credit Card, Electricity, Water, Landline/Broadband, DTH, Fastag, etc. can be paid hassle free.

(d) *Payment System and Beneficiary Management*: Mobile banking app must integrate all payment systems available as of date. For example, the app must include BHIM-UPI Payment systems, IMPS, NEFT/RTGS, QR code payment, etc. This is an essential feature of today's banking system. The app must also allow adding beneficiaries for these payment systems comprising UPI payments, IMPS payments, and NEFT/RTGS payments so that the customer doesn't have to create the same payee for repeated transactions. In YONO, under the YONO

Pay option, there are two options one is quick transfer where the amount can be transferred without any beneficiary. Another option is transfer to a bank account; money can be transferred to any bank's account after adding the beneficiary.

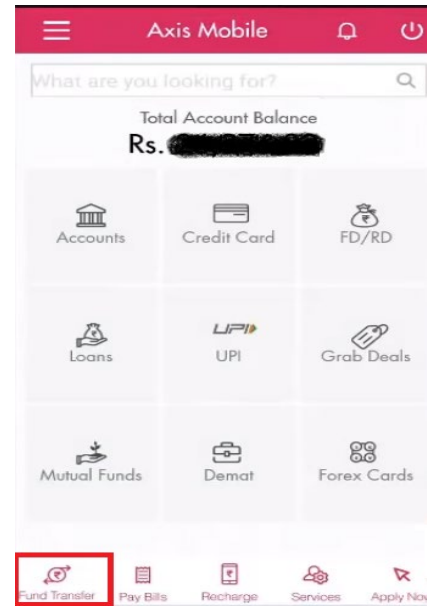


Fig. 1.

(e) *Investment*: Good mobile banking facility must provide the customer with investment and insurance options. Mobile banking must have provisions for investing in mutual funds, securities, Public Provident Fund (PPF), Sukanya Samridhhi Yojana (SSY), etc. It must allow the creation of Folio, the opening of Demat and Trading accounts, and fund transfer to these investment options. In SBI's YONO there is one complete option of 'Invest' where customers can quick buy Mutual Funds, Open Demat Accounts, Contribute in PPF and even learn about Investing.

(f) *Insurance*: Good mobile banking must provide a bouquet of Insurance products in both Life Insurance and General Insurance. The app must help in advising customers about investing in insurance products. It must have all the information documents and all the facilities where in customer can upload the documents for purchasing insurance. The app must also provide help in getting maturity benefits and insurance claims. ICICI Bank app (iMobile pay) offers Life Insurance and General Insurance products. It helps customers in choosing the best life insurance products. The customer has to enter their income details, personal details, Nominee etc. and ICICI will offer a suitable life insurance product. ICICI also offers Health, Auto and Travel Insurance to customers via iMobile pay.

(g) *Life-style Management Features*: Mobile banking must provide some more facilities which are over and above traditional banking facilities. This includes Budget tracking service, IRCTC rail ticketing, Hotels or flight booking facility, movie ticket purchase, shopping, etc. YONO has Shop and Order menu, which is divided into 18 categories, almost all the facilities are covered in this segment. Shop and Order menu include flight and bus, fashion and lifestyle, brand store,

Table 1

Key difference	Mobile Wallet	Mobile Banking
Account Linking	With any bank's account or debit/credit cards	With the same bank's digital banking app
Access to Banking Services	Limited access (online payments and receipts)	Most banking services and products
Offer	More offers, promo codes, and cashback deals	Fewer offers and deals

hospitality & hotels, automobiles, gifting, baby world, jewellery, home & furnishing, entertainment, food, pharmacy & diagnostics, health & fitness, grocery & general merchandise, holidays, cabs & car rentals, read/study and book deals.

(h) *AI-based Chatbots*: Mobile banking apps must have an in-app Chatbot option for user-specific problem-solving. An example of a popular AI chatbot is HDFC Bank's EVA (Electronic Virtual Assistant). It is India's first and largest AI powered banking chatbot. EVA was launched in 2017 and till date has responded to more than 5 million queries of customers, with more than 85% accuracy. EVA is capable of handling more than 20,000 conversations per day with customers from all over the world. Eva makes use of Natural Language Processing (NLP) and AI to acknowledge the user query and take the appropriate information from many possible sources, and all in a matter of milliseconds.



Fig. 2.

### 5. Mobile Wallet vs. Mobile Banking

A mobile wallet is electronic wallet that stores cash in a digital wallet in an app on mobile phone. Customer can transfer money to a mobile wallet online or by linking mobile device with credit or debit card details. Customer can pay with smartphone, tablet, or smartwatch instead of a traditional credit card while making transactions. Therefore, those who prefer not to carry a real wallet while shopping or making transactions use these wallets. With a mobile wallet app like PhonePe, GooglePay, Paytm, customers can easily do anything from grocery shopping, making travel arrangements, transferring money, and much more.

There are some key differences between Mobile Wallets and Mobile Banking. This can be understood in table 1.

### 6. Challenges

Despite the numerous benefits, mobile banking in India faces certain challenges. Connectivity issues, particularly in remote areas, can hinder access to banking services. Furthermore, digital literacy remains a barrier, as a significant portion of the population is unfamiliar with technology and mobile banking processes. To overcome these challenges, efforts are underway to improve digital infrastructure, enhance connectivity, and provide financial education to users.

Apart from that there are few security risks with Mobile Banking:

- *Data Vulnerability*: Data can be very vulnerable, and its security depends on controls, strong authentication procedure and secure storage. Unfortunately, these detectors and controls can also be bypassed, leading to identity and data theft.
- *Malware Risks*: Malicious software or Malware is scammers' favorite weapon to disrupt user systems and without the user's knowledge can take information. Malware remains hidden enough to steal credentials and data quietly, whether in as a hidden app or the background of apps.
- *Poor app Security*: Generally mobile banking apps are considered to be more secure than browsers for

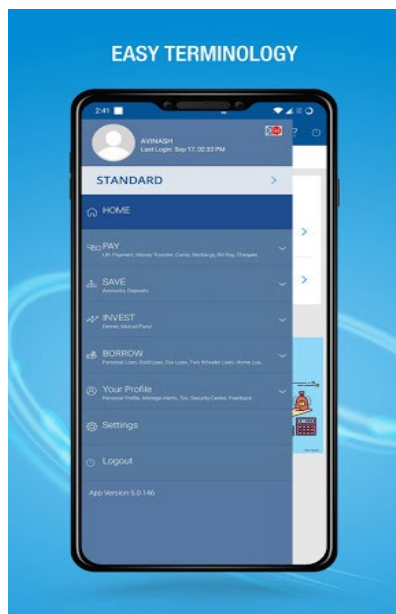


Fig. 3.

banking services but still apps are susceptible to fraud, cyberattacks, and money laundering attempts. Insufficient technological tripwires and poor security measures could result in unauthorized transactions and stolen credentials.

### 7. Conclusion

Looking ahead, mobile banking in India holds immense potential. With the advent of technologies like artificial intelligence and blockchain, mobile banking apps can offer personalized financial advice, advanced security features, and seamless integration with other services. Moreover, collaborations between banks, telecom operators, and fintech companies are likely to drive innovation and create a robust mobile banking ecosystem.

Banking apps have come a long way but still have a long way

to go for realizing their full potential. Migration of routine transactions and services to the app platform is the need of the hour. It can help the bank to market its products to the younger generation, who do not like to visit branches, thereby instilling confidence of the banking system. It will also help in minimizing customer complains. It will also help branches in decongestion and staff can focus on other important activities

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