CHAPTER 2

INTRODUCTION OF STUDY

2.1 Introduction

The phrase Mobile Commerce was originally invented or developed in 1997 by Kevin Duffey to mean "the delivery of electronic commerce capabilities directly into the consumer's hand, anywhere, via wireless technology." Many choose to think of Mobile Commerce as meaning "a retail outlet in your customer's pocket." The M-Commerce consists of following services:-

➤ **Mobile Money Transfer**

Money transfer is mainly done through the use of mobile phones. The initiative of such service can be done by private sector banks in order to provide better services to the customers

➤ **Mobile ATM**

With the introduction of mobile money services, the operators are now looking for efficient ways to roll out and manage distribution networks that can support cash-in and cash-out. Unlike traditional ATM, Mobile ATM has been specially engineered to connect to mobile money platforms and provide bank grade ATM quality.

➤ **Mobile ticketing**

Tickets can be sent to mobile phones using a variety of technologies. Users are then able to use their tickets immediately, by presenting their mobile phone at the ticket check. Most number of users are now moving towards this technology. Best example would be IRCTC where ticket comes as SMS to users.
Mobile vouchers, coupons and loyalty cards

Mobile ticketing technology can also be used for the distribution of vouchers, coupons, and loyalty cards. These items are represented by a virtual token that is sent to the mobile phone. A customer presenting a mobile phone with one of these tokens at the point of sale receives the same benefits as if they had the traditional token. Stores may send coupons to customers using location-based services to determine when the customer is nearby.

Content purchase and delivery

Currently, mobile content purchase and delivery mainly consists of the sale of ring-tones, wallpapers, and games for mobile phones. The convergence of mobile phones, portable audio players, and video players into a single device is increasing the purchase and delivery of full-length music tracks and video. The download speeds available with 4G networks make it possible to buy a movie on a mobile device in a couple of seconds.

Location-based services

The location of the mobile phone user is an important piece of information used during Mobile Commerce or M-Commerce transactions. Knowing the location of the user allows for location-based services such as:

- Local discount offers
- Local weather
- Tracking and monitoring of people

Mobile Banking
Banks and other financial institutions use Mobile Commerce to allow their customers to access account information and make transactions, such as purchasing stocks, remitting money. This service is often referred to as Mobile Banking, or M-Banking.

- **Mobile brokerage**

  Stock market services offered via mobile devices have also become more popular and are known as Mobile Brokerage. They allow the subscriber to react to market developments in a timely fashion and irrespective of their physical location.

- **Auctions**

  Over the past three years mobile reverse auction solutions have grown in popularity. Unlike traditional auctions, the reverse auction (or low-bid auction) bills the consumer's phone each time they place a bid. Many mobile SMS commerce solutions rely on a one-time purchase or one-time subscription; however, reverse auctions offer a high return for the mobile vendor as they require the consumer to make multiple transactions over a long period of time.

- **Mobile browsing**

  Using a mobile browser a World Wide Web browser on mobile device customers can shop online without having to be at their personal computer.

- **Mobile purchase**

  Catalog merchants can accept orders from customers electronically, via the customer's mobile device. In some cases, the merchant may even deliver the catalog electronically, rather than mailing a paper catalog to the customer. Some
merchants provide mobile websites that are customized for the smaller screen and limited user interface of a mobile device.

- **In-application mobile phone payments**

  Payments can be made directly inside of an application running on a popular Smartphone operating system, such as Google Android. Analyst firm Gartner expects in-application purchases to drive 41 percent of app store (also referred to as mobile software distribution platforms) revenue in 2016. In-app purchases can be used to buy virtual goods, new and other mobile content and is ultimately billed by mobile carriers rather than the app stores themselves. Ericsson’s IPX Mobile Commerce system is used by 120 mobile carriers to offer payment options such as try-before-you-buy, rentals and subscription.

- **Mobile marketing and advertising**

  In the context of Mobile Commerce, mobile marketing refers to marketing sent to mobile devices. Companies have reported that they see better response from mobile marketing campaigns than from traditional campaigns. The primary reason for this is the instant nature of customer decision-making that mobile apps and websites enable. The consumer can receive a marketing message or discount coupon and, within a few seconds, make a decision to buy and go.

  Research demonstrates that consumers of mobile and wire line markets represent two distinct groups who are driven by different values and behaviors, and who exhibit dissimilar psychographic and demographic profiles. What aspects truly distinguish between a traditional online shopper from home and a mobile on-the-go shopper? Research shows that how individuals relate to four situational dimensions—place, time, social context and control determine to what extent they are ubiquitous or situated as consumers These factors are important in triggering M-Commerce from e-commerce. As a result, successful Mobile Commerce
requires the development of marketing campaigns targeted to these particular dimensions and according user segments.

2.2 Statement of Objective

It is clear that the 21-st century is the age of technology and for comfort ability and time saving these technologies are very useful. The same concept also involve in the banking sectors. As the Nationalization banks has vast customer base due to high trustworthiness as compare to any private or cooperative banks. With such situations it is difficult for any private sector banks to settle down in India. In order to settle in India and attract the customer they start to provide the services with technology. This is the factor which makes these private sector banks to struggle and win with any other nationalization or cooperative banks in India.

The main objective of the study or research is to examine and identify the mobile banking services. The mobile banking is one of the innovative ways to serve the customer as well as to enhance the customer base. There are so many new generations bank in India such as HDFC, ICICI, AXIS BANK, CITI BANK etc. In this research I have try to explore the mobile banking services of new generation banks and to identify the impacts on banks as well as customer. In the study I have consider **HDFC and ICICI** bank.

The overall research project examines chances and scope for Mobile Commerce in various business fields in India. There as so many services comes under the Mobile Commerce such as:-

1. Mobile Banking
2. Mobile Entertainment
3. Mobile Information Services
4. Mobile Marketing
5. Mobile Ticketing
Out of the above mentioned services I have considered mobile banking and try to explore the impacts of M-Banking services over the new generation banks. The mobile banking facilitates so many services which help customers to save money and time and on the other hand work load of the banks reduces a lot which help them to increase the working efficiency. M-Banking services are as follows:-

- SMS Alerts
- Requisition of New Cheque Books
- Account Statements
- Cash Transfer
- Mobile Accounting
- Payment of Utility Bills
- Online Stock Transaction

2.3 Structure of the Study

This section helps to demonstrate the way of my study or research. The study starts from the scratch of the M-Banking, its technology and finishes with the impact and suggestions regarding the mobile banking.

The overall study is divided into ten chapters. The details of each chapter are as follows:-

**Chapter 1** includes my objectives, hypothesis and limitation of my study. This chapter summarizes my overall study which I had planned before starting my research work.

**Chapter 2** consists of introduction of Mobile Commerce M-Banking and its related services.
Chapter 3 comprises of the actual concept of M-Commerce. This section includes the conceptual background and perspective of M-Commerce. It also helps to identify the features M-Commerce and its various advantages.

Chapter 4 includes the framework and regulations of M-Commerce. It is clear that M-Commerce (M-Banking) is the global technique which can be applied uniformly. So, organizations who wish to adapt such techniques must follow the rules and regulations. These regulations were defined and decided by RBI. Also the ICT model is discussed in this chapter.

Chapter 5 gives a brief idea of mobile applications and various payment methodologies in case of M-Banking services.

Chapter 6 provide introduction of one of the major and important service of M-Commerce known as M-Banking. This chapter gives a brief idea about M-Banking and the various services offered by banks through mobile devices.

Chapter 7 is the analysis section which helps to identify the customer and bank perception about M-Banking.

Chapter 8 helps to identify the scope and limitation of M-Banking. This scope is identified from the above chapter.

Chapter 9 consists of various challenges for adopting M-Banking.

Chapter 10 is the last chapter of my study which helps to conclude the all the above mentioned chapters along with hypothesis testing considered by me. It also provides the impact of M-Banking in the current scenario.

2.4 About Organizations

The research is based on the "Study of M-Commerce In New Generation Private Banks". In other words researcher tries to study the M-Banking in private
generation banks. In order to accomplish the research I have consider two new generation private bank :-

- HDFC
- ICICI

### 2.4.1 Introduction to ICICI Bank

ICICI Bank is India's second-largest bank with total assets of Rs. 3,634.00 billion (US$ 81 billion) at March 31, 2010 and profit after tax Rs. 40.25 billion (US$ 896 million) for the year ended March 31, 2010. The Bank has a network of 2,529 branches and 6,102 ATMs in India, and has a presence in 19 countries, including India.

ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management.

ICICI Bank’s Mobile Banking allows you to bank anytime anywhere through your mobile phone. You can access your banking information and make transactions on your Savings Account, Demat Accounts, Loan Accounts and Credit Cards at absolutely no cost.

ICICI Bank's equity shares are listed in India on Bombay Stock Exchange and the National Stock Exchange of India Limited and its American Depositary Receipts (ADRs) are listed on the New York Stock Exchange (NYSE).

ICICI Bank's mobile banking service has revolutionized the way in which you can bank. It is not only a convenient mode of banking but also offers you various benefits like:

- **Anytime anywhere direct access** to your bank accounts
- Information at your fingertips
• **Personalized and secure** transactions

• Ability to do transactions up to Rs.50,000, pay your credit card bills, order cheque books, get provisional IT certificate, locate ATM and branch, mobile recharge and many other commerce activities.

• **Easy to use** menus and keywords

• **Get alerts** from ICICI Bank on banking transactions.

Over the last few years, the mobile and wireless market has been one of the fastest growing markets in the world and it is still growing at a rapid pace. Mobile phones have become an essential communication tool for almost every individual. Advent of M-Commerce has managed to take mobile VAS to next level, adding tremendous value to telecommunication industry. Mobile banking which is an integral part of M-Commerce has become very popular among mobile users ever since its existence in 2007. It creates new, convenient communication and fast financial transactional channel for mobile users which is accessible from anywhere anytime.

Checking account information, balance available, credit/debit card information, cheque status, setting alerts, payment reminders, locating ATMs and bank branches, accessing mini statement, accessing loan and equity statements, insurance policy management, placing orders for cheque books etc via mobile phones are some of the services offered in mobile banking.

### 2.4.2 Introduction to HDFC Bank

The Housing Development Finance Corporation Limited (HDFC) was amongst the first to receive an 'in principle' approval from the Reserve Bank of India (RBI) to set up a bank in the private sector, as part of the RBI's liberalization of the Indian Banking Industry in 1994. The bank was incorporated in August 1994 in the name of 'HDFC Bank Limited', with its registered office in Mumbai, India.
HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995.

Now access your bank account and conduct a host of banking transactions through your mobile, with our unique Mobile Banking service. You can check your account level information such as balance details, mini statement, cheque status as well as carry out financial transactions such as Funds Transfer using HDFC Bank Mobile Banking service.

Features Mobile Banking

- Perform funds transfers
- Get your balance details
- Obtain your last 3 transaction details
- Request a cheque book
- Stop a cheque payment
- Enquire cheque status
- Request an account statement
- Get Fixed Deposit details
- Request for I-PIN generation
- Request a cheque book

We can access HDFC Bank Mobile Banking service using SMS on your mobile phone. You can access your account balance, mini statement, account statement etc using based SMS service. HDFC Bank Mobile Banking is also available on ngpay wherein besides the above mentioned non financial transactions, you can also perform funds transfers and shop for select merchants and make payments using your HDFC Bank account.