CHAPTER - 3
SERVICES PROVIDED BY MOBILE BANKING

After having discussed review of work done by various researchers and research methodology in the previous chapter, this chapter attempts to describe the services provided by mobile banking. The chapter is presented under the following heads:-

3.1 Mobile Banking: The Road Ahead
3.2 Process of Registering For the Mobile Services
3.3 Mobile Banking Services
3.4 Future Functionalities in Mobile Banking

3.1 MOBILE BANKING: A NEW AGE IDEA

Mobile phones have become an integral part of the 21st century landscape with an expected penetration of 4.5 billion by 2011. While North America and Europe have the highest penetration rates, reaching 100% in many Western countries, South America and Asia represent the fastest growing mobile markets. In developing countries, the role of the mobile phone is more extensive than in developed countries, as it helps bridge the digital divide. The mobile phone is the one device that people already carry at all times, and services beyond voice and text messaging are booming all over the globe. Users want the same kind of services for their mobile phone that they can get through an Internet-connected PC. But cost is an important factor, as new services will be widely adopted, but pricing must be carefully considered, since Internet users have come to view the service as free. People living in emerging markets or remote regions of Africa, South America and Asia who don’t have a bank account or a computer still often own a mobile phone, which can provide them with access to basic financial services.¹

Mobile phones represent a cost-effective solution for users, financial institutions and operators, allowing them to bridge the digital divide in places where traditional banking and Internet services are too expensive or simply
nonexistent. Easy access to financial services is widely accepted as a good thing: users have access to credit and can securely manage their money, financial institutions expand their user base and process more transactions, and governments benefit from the effect credit has on lower-income sectors of the population and can better track funds distribution within their country. Ubiquitous and versatile, wireless devices can give users easy, 24/7, access to financial services bringing the next market revolution - mobile banking, mobile payment, mobile wallet, mobile money transfer and other financial services - to users everywhere. Indeed, while the rate of Internet banking user growth has stabilized, mobile banking is spiking and market analysts say that more than 800 million people will use the service by 2011. The dramatic increase in mobile phone usage has been followed by an increase in mobile fraud, and although eager to use mobile financial services, many subscribers are concerned about the security aspect when carrying out financial transactions over the mobile network. In fact, lack of security is seen as the biggest deterrent to the widespread adoption of mobile financial services. Internet transactions suffer from the same problem, as do traditional payment transactions… fraud prevention has become a pressing need across all modes of financial transactions.

The last time that technology had a major impact in helping banks service their customers was with the introduction of the Internet banking. Internet Banking helped give the customer's anytime access to their banks. Customer's could check out their account details, get their bank statements, perform transactions like transferring money to other accounts and pay their bills sitting in the comfort of their homes and offices. However the biggest limitation of Internet banking is the requirement of a PC with an Internet connection, not a big obstacle if we look at the US and the European countries, but definitely a big barrier if we consider most of the developing countries of Asia like China and India. Mobile banking addresses this fundamental limitation of Internet Banking, as it reduces the customer requirement to just a mobile phone. Mobile usage has seen an explosive growth in most of the Asian economies like India, China and Korea. In fact Korea boasts about a 70% mobile penetration rate and with its tech-savvy populace has seen one of the most aggressive rollouts of mobile banking services.
Still, the main reason that Mobile Banking scores over Internet Banking is that it enables ‘Anywhere Banking’. Customers now don't need access to a computer terminal to access their banks, they can now do so on the go – when they are waiting for their bus to work, when they are traveling or when they are waiting for their orders to come through in a restaurant. The scale at which Mobile banking has the potential to grow can be gauged by looking at the pace users are getting mobile in these big Asian economies. According to the Cellular Operators' Association of India (COAI) the mobile subscriber base in India hit 40.6 million in the August 2004. In September 2004 it added about 1.85 million more. The explosion as most analysts say, is yet to come as India has about one of the biggest untapped markets. China, which already witnessed the mobile boom, is expected to have about 300 million mobile users by the end of 2004. South Korea is targeted to reach about 42 million mobile users by the end of 2005. All three of these countries have seen gradual roll-out of mobile banking services, the most aggressive being Korea which is now witnessing the roll-out of some of the most advanced services like using mobile phones to pay bills in shops and restaurants.²

3.2 PROCESS OF REGISTERING FOR THE MOBILE SERVICES

Register for getting User ID

- Send SMS <MBSREG> to 9223440000 or 567676
- You will get a User ID and default MPIN and also a WAP link to download the mobile banking application (if you have a GPRS connection)

Downloading the mobile banking application onto your mobile handset

- Your handset should be java enabled
- If you have GPRS connection, you can download the application using the WAP link that you received along with the User ID.
• Else, go to our website, www.sbi.co.in and click on Services – Mobile Banking. You can download the appropriate mobile banking application using data-cable or Bluetooth.

• Based on the mobile phone it may be installed under applications / games / installations.

Login

• After downloading the mobile banking application, click on Icon State Bank Freedom.

• Enter your User ID.

• Click on the Option

• Choose Login

• You will be prompted to Accept Terms and Conditions of the service. After accepting the Terms and Conditions, the screen change MPIN will appear.

• If not prompted, Go to Settings – Change MPIN.

Change MPIN

• Under Old MPIN – enter the MPIN received over SMS

• Using scroll button go to the next field New MPIN

• Under New MPIN – enter a MPIN of your choice. (6 characters/ digits)

• Scroll down to the next field Confirm new MPIN

• Click Option. Choose Change.

• Accept the Terms and Conditions.

• SMS – “Your MPIN is changed” is received

Activation over online SBI

• After logging into “OnlineSBI”, select ‘eServices’ and click on ‘State Bank Freedom’ from the list on the left side. Ensure that the MPIN is
changed before this step and you receive a message that handset validation completed. Select ‘Registration’ from the options available on top. The list of accounts enabled for the onlineSBI user will be displayed. Select the account (only SB/CA) to be enabled for Mobile Banking Service and submit. This will be the primary account for the Service. Only one account can be registered through OnlineSBI.

- If any other accounts are to be enabled for Mobile Banking, please visit your branch. In such cases, all the enabled accounts (maximum 5) have to be linked for you to use them. This is explained under Manage Self Accounts.

**Business Rules**

- The daily ceiling is Rs. 50,000 per transaction per customer for fund transfer / purchase of services/goods and for Bill payments with a calendar month limit of Rs. 2,50,000 per customer

3.3 **MOBILE BANKING SERVICES**

Banks offering mobile access are mostly supporting some or all of the following services:

1. Account Balance Enquiry
3. Cheque Status Enquiry.
5. Fund Transfer between Accounts.
6. Credit/Debit Alerts.
8. Bill Payment Alerts.
10. Recent Transaction History Requests.
11. Information Requests like Interest Rates/Exchange Rates.

One way to classify these services depending on the originator of a service session is the ‘Push/Pull' nature. ‘Push' is when the bank sends out information based upon an agreed set of rules, for example your bank sends out an alert when your account balance goes below a threshold level. ‘Pull' is when the customer explicitly requests a service or information from the bank, so a request for your last five transactions statement is a Pull based offering. The other way to categorize the mobile banking services, by the nature of the service, gives us two kinds of services – Transaction based and Enquiry Based. So a request for your bank statement is an enquiry based service and a request for your fund’s transfer to some other account is a transaction-based service. Transaction based services are also differentiated from enquiry based services in the sense that they require additional security across the channel from the mobile phone to the banks data servers.

Table 3.1: Classification of Mobile Services

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<td>Transaction Based</td>
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<td>• Bill Payment</td>
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<td>• Other financial services like share trading.</td>
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<td>Enquiry Based</td>
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<td>• Minimum Balance Alerts</td>
<td>• Account Statement Enquiry.</td>
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<td>• Bill Payment Alerts</td>
<td>• Cheque Status Enquiry.</td>
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<td>• Cheque Book Requests.</td>
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<td>• Recent Transaction History.</td>
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The mobile banking services are discussed hereby with taking State bank of India Mobile banking services as an example.
3.3.1 Balance Enquiry

All the customers who have registered their mobile numbers for SMS Banking can get their account balance by dialing specified numbers from their registered mobile number. This service is known as account balance service. The process flow is as follows:

- Select Enquiry Services from the Main Menu
- Select Balance enquiry.
- List of accounts enabled for the service will be displayed. (The process for linking of accounts is explained under Manage Self accounts)
- Select the account for which you want to enquire the balance.
- Enter your MPIN
- Press Menu button and select Confirm. You will get a message that shows the balance, un cleared balance and the hold value for the account selected by you.

Figure 3.1: Process of Balance Enquiry

Source: http://www.technologynavigator.in/
3.3.2 Mini Statement

With the mini-statement tool, you can view the last few transactions on your account. It lists all the transactions you've made since your last paper statement cycle. The process flow is as follows:

- Select Enquiry Services from the Main Menu
- Select Mini Statement enquiry
- List of accounts enabled for the services will be displayed
- Select the account for which you want to get the mini statement.
- Enter your MPIN
- Press on Menu button and select Confirm. You will get a message showing the last five transactions of the account selected by you

3.3.3 Fund Transfer

Fund Transfer is transferring money from your own enrolled accounts (Savings and Current Accounts) to any Savings and Current Accounts. However, transferring to Another Person’s account requires an enrollment. Time deposit and Consumer Loan accounts cannot be used as a source or destination accounts for fund transfers. MBS offer following Fund Transfer facilities: Fund transfer from your account enabled for mobile banking to a registered payee, having account with SBI or other banks.

- Register Payee
- Select Funds Transfer.
- Select Register Payee (one time exercise for each payee).
- Select type of payee - My Bank payee / Other Bank payee

In case of My Bank (SBI) payee

- Enter the Payee’s account No.
Give a Nickname (To be of minimum two characters. This nickname will appear over the screen in future and account number will not be displayed)

Maximum amount limit (Rs. 50,000)

Go to Menu select Register

Verify the correctness and select ‘yes’. To make any corrections select “No’ after corrections you select “yes’.

Enter your MPIN

Select menu and choose Confirm

You will get a message advising you the status of the request.

In case of Other Bank payee, enter

Payee Name as it appears in the Bank’s records

Payees Account number

IFSC Code of the Payee Branch (The alpha characters should be entered in block letters.)

Give a Nickname (To be of minimum two characters. This nickname will appear on screen in future and account number will not be displayed)

Maximum amount limit (Rs. 50,000)

Go to menu choose Register

Details of input appear on the screen. Verify again and select yes if correct and No, in case incorrect.

In case of No, the previous screen will appear and necessary corrections need to be made.

Enter MPIN

Select menu and choose Confirm

You will get a message advising you the status of the request
Transfer Funds

- Select Funds Transfer
- Select Transfer funds
- Select Payee’s type (Self Account/My Bank account/ Other Bank account)
- Select Payee Nickname from the drop down
- Enter amount to be transferred (up to the assigned max. limit)
- Select account to be debited
- Press OK
- Enter MPIN
- press Menu and select Confirm
- You will get a message advising you the status of the request

3.3.4 Imps-Interbank Mobile Payment Service

This facilitates fund transfer to accounts based on the Mobile number and an identifying number called MMID (Mobile Money ID). No registration of payee is required. The account may be with State Bank of India or other Banks. You should know the beneficiary’s mobile number and MMID for transferring Funds through this option. The funds transfer, including transfer to accounts with other Banks happens instantaneously.

IMPS Funds Transfer to Mobile Number

- Enter the Mobile number of the payee
- Enter the MMID of payee
- Purpose (Optional)
- Enter the Amount (Max Rs50000/-)
- Select the account to be debited
- Press OK
• Enter the MPIN and CONFIRM.
• You will get a message that your IMPS transaction is successful.

**IMPS Funds transfer to Account Number**

- Enter Payee Account Number
- Payee Branch IFS Code
- Amount to be transferred
- Remark (optional )
- Select the account to be debited
- Press OK
- Enter MPIN and confirm
- You will get a message that your IMPS transaction is successful.

**IMPS Merchant Payment**

- Enter the merchant Mobile No
- Enter the Merchant MMID
- Enter amount transferred
- Enter Payment Reference (optional)
- Enter the MPIN and complete the request
- Press OK
- Enter the MPIN and CONFIRM.
- You will get a message that your IMPS transaction is successful.
3.3.5 DEMAT Account Services

A demat is to your shares what a bank account is to your money. Simply put, it is the account that holds all your shares in electronic or dematerialized form. Like the bank account, a demat account holds the certificates of your financial instruments like shares, bonds, government securities, mutual funds and exchange traded funds (ETFs). You cannot trade in the stock market without a demat account. There are two depositories in India – the CDSL and NSDL. They hold all the demat accounts. The central depository holds details of your shareholding on your behalf like banks. Each demat account has a unique number for identification purposes. This is the number you need to provide for transactions. The number will help the exchange and companies identify you and credit the shares in your account.

Process Flow of DEMAT account service:

- To use the facility, your Demat account has to be linked to the account(s) that are enabled for mobile banking service.
- Select Demat Account Services from Main Menu

Source: http://www.technologynavigator.in/
• Click on Options – Select Add Demat Account
• Enter the Demat account number and choose the account that is linked with the Demat account. The Saving Bank/Current Account that has been linked to DEMAT account has to be the primary account enabled for Mobile Banking.
• Select ADD and send the request with your MPIN
• You will get confirmation regarding registration of your Demat account.
• Now you can use the facilities under Demat Account Services

The facilities are:

• Portfolio Value. (The value of your holdings as on the previous day of trading)
• DIS Booklet Request
• Bill Statement (Statement of charges on the Demat account)
• Last Five Transactions (In the Demat account)
• Transaction Status Enquiry
• Choose the facility you want to use from the Option under Demat Account Services and send the request with your MPIN.

3.3.6 Cheque Book Request

A cheque is a document that orders a bank to pay a specific amount of money from a person's account to the person in whose name the cheque has been issued. A cheque is a payment instrument that is issued by a bank account holder for making payments to an individual or company and cash withdrawals from the bank. Apart from that, it also facilitates funds transfer to another bank account. For instance, you can make cash payment for a utility bill or you can do it by writing a cheque. The biggest benefit of a cheque is that it allows high value transactions which may become a bit cumbersome if hard cash was used instead. The process flow of issuing a cheque book is as follows:

• Select Requests from Main Menu
• Select Cheque Book Request
• Select the account for which cheque book is needed.
• Enter MPIN
• Press Confirm
• You will get a message that your request has been accepted for processing. Your account should be with cheque book facility and should continue to be operative, otherwise the request will be rejected.
• The cheque book will be sent to the address recorded at the Bank if the branch is linked to LCPC.
• Enter a nick name for this biller for your own identification (Min two characters)
• Enter the consumer details as per the format required, i.e. CARD No in the above example for payment of SBI card dues.
• Choose Add from Options
• Enter your MPIN
• You will get a response regarding the outcome of the request.

3.3.7 Bill Pay

You can pay your utility bills using Mobile Banking Service. The facilities under this are Get Help, Add Billers, View Bill, Pay Bill, View Scheduled Bills, Cancel Scheduled Bill etc. For utilising the Bill pay services, you have to know the biller’s ID and the format required for registering the billers for the services as the same vary from centre to centre. You can get the biller ID and format as under:

Biller ID
• Select Bill Pay from Main Menu
• Select Get Help
• Type the city name (Mumbai, Kolkata, Chennai, Delhi for the metros: Type the name of the state for others)

• Category (Insurance/charity/utility/card etc)

• If you want only a certain biller then enter the biller name, else all the billers for the category for the city will be listed.

• Choose Get List from Options. You will get the list of billers with the Biller IDs which you will need to use for getting the format for registration

Get Format: Each biller requires the input to be given in a certain format for registration of the same. To get the format for each biller:

• Enter the city and Biller ID in the biller name and choose Get format from Options.

• You will get a SMS with the format e.g. format for aviva is Policy No, Client ID.

Add Billers

• Select Bill Pay from Main Menu

• Choose Add Billers

• You will get a display that ‘No biller registered’

• From Options choose Add.

• Enter the Company ID that you got from Get List in the Company ID (e.g. Company ID for SBICards is SBICARD, for Airtel Mumbai it is airtmu)

View Bill

• Select Bill Pay from Main Menu

• Select View Bill

• List of registered billers will be displayed.

• Choose the biller nickname.
• Enter MPIN
• You will receive SMS giving you the details of the latest bill with Bill ID
• For payment of the bill please follow the steps under Pay Bill

Pay Bill
• Select Bill Pay from Main Menu
• Select Pay Bill
• Select the biller nickname from the list of registered billers
• Enter the Bill ID that you got in SMS when you viewed the bill
• Enter the bill amount that you got in the SMS
• Select the account to debit
• Choose whether you want to pay now or schedule this payment at a later date. If you select “Pay Later” option, enter the date. You will receive a message that the bill is scheduled for ddmmyyyy along with the transaction ID. After the transaction is processed on the scheduled date, you will get a message “Rs nnn received for BILL DESK”.

3.3.8 Mobile Top Up

Customers with pre-pay mobile phone need to purchase credit before they can make calls or text from their phones. This credit is called a top-up. The purchased credit is used to pay or mobile phone service at the point the service is accessed or consumed. If there is no available credit, then access to the requested service is denied by the mobile phone network. Users are able to top up their credit at any time using a variety of payment mechanisms. The process of mobile top up through mobile banking is as follows:
• Select Mobile Top Up from Main Menu
• Enter the name of the Service Provider i.e. Vodafone, Idea.
• Please Note: For top up of Tata Mobile connections, indicate the name of the service provider as Tata Indicom or Tata Docomo as the case may be.
For top up of Reliance Mobile connections pl indicate the name of the service provider as Reliance

- CDMA or Reliance GSM as the case may be.
- Enter 10 digit mobile number (DO NOT prefix 0 / +91 etc.)
- Enter the exact amount of Top Up for the scheme
- Select account to be debited
- Press Submit and after checking the information displayed, Press Accept.
- Enter MPIN
- If the transaction is successful, the mobile that has been recharged will get a message that the account has been recharged.
- You will get SMS that Rs nnn received for Top up.
- If the transaction fails for any reason, you will get a SMS that the entry has been reversed. The amount debited from your account for the top up will be credited back.

Figure 3.3: Mobile Top-Up Process

Source: http://www.technologynavigator.in/
3.3.9 DTH Recharge

DTH is a digital satellite service that provides television viewing services directly to subscribers through satellite transmission anywhere in the country. In this a dish is placed outside a home which helps in receiving the signals and broadcasting the transmission onto a television. The process flow is as follows:

- Enter merchant name as: (Tata Sky/ Big TV/ Dish TV/ Sun TV/Digital TV / Videocon d2h as the case may be) Merchant data: Please enter the DTH account no.
- Enter the amount of top up in the amount field. For Tata Sky and Dish TV minimum top up is Rs 200/- For Sun Direct top up can be done for Rs 25/100/110/133/200/300/328/400/500/1000.
- For Big TV minimum top up value is Rs 10/-.
- Select the account to be debited
- Enter the MPIN and submit.

3.3.10 M-Commerce

M-commerce (mobile commerce) is the buying and selling of goods and services through wireless handheld devices such as cellular telephone and personal digital assistants (PDAs). Known as next-generation e-commerce, m-commerce enables users to access the Internet without needing to find a place to plug in. The steady shift of consumer behavior to online shopping from retail stores hasn't been lost on wireless electronic device manufacturers. Mobile electronic commerce is yet another way to purchase online items from electronic storefronts or online services from automated service providers. Computer-mediated networks enable these transaction processes through electronic store searches and electronic point-of-sale capabilities. Other mobile devices include dash-top mobile devices, personal digital assistants or smart phones. From purchasing clothes from online retailers to paying premium on insurance policies are included in the M commerce.
You can make payment of the premium on SBI Life policies. (Up to Rs50,000. Available for Non-Pension policies only)

- Select M Commerce from Main Menu
- Select SBI Life
- Enter policy No if you are entering the policy number for the first time.
- Otherwise, choose the policy number from the dropdown.
- Enter date of birth of the policy holder
- Enter the exact amount of the premium
- Select the account to be debited and SUBMIT.
- Check the information displayed and “Accept”
- Enter MPIN
- You will receive a response regarding the outcome of the request. If the premium amount is wrong you will get a message that “Your premium amount is xxxx”. If the policy no. or Date of birth entered is wrong, you will get a message “Invalid policy number or DOB”. If the particulars are correct, you will get a message Rs xxxx/ received for SBILIFE.
- The receipt will be sent to the policy holder’s address registered with SBILife.

3.3.11 Making Payments for Goods/ Services Purchased Online Over Internet

SBI has presently tied up with PAYMATE for payment through Mobile Banking for purchase of goods/services over 3000 or more websites. When you purchase goods/services over these sites, you will find an option ‘PAY BY PAYMATE’. Use this option to get the Transaction ID and the amount. Payment for good/services after the online purchase is completed:

- Select M Commerce from Main Menu
- Select Merchant Payment
• Merchant name – PAYMATE
• Merchant data- The particulars received on completion of the purchase
• Amount- Enter the amount.
• Select the account to be debited.
• Enter MPIN and submit.
• You will get a message regarding the outcome of the request.

3.4 FUTURE FUNCTIONALITIES IN MOBILE BANKING

Banking is becoming increasingly less personal, and customers seem to like it that way. At a time when bank branches are disappearing by the hundreds, many folks don’t seem to care. In fact, an expansive survey shows that when it comes to the banking experience, institutions are far better off concentrating on creating great mobile experiences than on upgrading their physical locations. The preferences show up in a variety of ways: Customers are one-third more likely to enjoy a mobile transaction than a bank visit; those who use branches are three times more likely to switch banks than those who are infrequent visitors; a branch visit is 2.3 times more likely to end up with an annoyed customer than using an app. Those results came from a Bain financial services practice survey of 114,696 consumers in banks across the world. More than half the Millennials are already using non-traditional payment methods such as PayPal. The major driver for this increased usage is convenience and ease. Less than 30% consumers of advanced age, however, use non-traditional payments. Gen Y is therefore more likely to use mobile wallets than their predecessors are. With better penetration, better transaction support is required. With the advent of technology and increasing use of smartphone and tablet based devices, the use of Mobile Banking functionality would enable customer connect across entire customer life cycle much comprehensively than before. With this scenario, current mobile banking objectives of say building relationships, reducing cost, achieving new revenue stream will transform to enable new objectives targeting higher level goals such as building brand of the banking organization. Emerging technology and functionalities would enable to create new ways of lead generation, prospecting
as well as developing deep customer relationship and mobile banking world would achieve superior customer experience with bi-directional communications. Among digital channels, mobile banking is a clear IT investment priority in 2013 as retail banks attempt to capitalise on the features unique to mobile, such as location-based services.

**The Social Scenario**

Peer-to-peer transfers, loans and other transactions are likely to increase and the finance industry is perking up to make the best of it. Person to person lending yields lucrative Return on Investment and the industry is poised to take full advantage. P2P affords efficient transfers and once regulations are in place, traditional banks will have to reconsider.

**New Opportunities for Cross Selling**

Mobile devices facilitate cross selling of products and services. Banks have begun to offer property searches, ready beckoners, instant EMI calculations and much more using the mobile banking channel. A classic example is the Chase My New Home launched in 2012. Other services such as e-coupons, coupon reminders when visiting malls, and discounts for mobile wallet users are on the increase to promote cashless transactions using mobile money.

**Something more than Knowledge**

Knowing does not endear the consumer to mobile banking. Trust and confidence that are achieved through experience will endear the consumer. Banks need to invest more in this area by familiarizing them with the benefits and ease of mobile banking. Today’s consumer is aware of the dangers of the internet. Reassurance that their money is safe will go a long way to increase mobile wallet use.

**The Free Mobile Wallet**

A free gift is always attractive. Banks should collaborate with mobile service providers to devise new plans for mobile money transfers. Payment with plastic cards is a familiar and easier option to the mobile wallet. Most customers prefer to be safe using a procedure with which they are familiar. New plans with
no additional costs will encourage customers to use the cheaper option of mobile wallets.

**Separate the Tablet and the Mobile**

While both the tablet and the mobile phone are considered mobile devices, they differ in usage and the type of customers who use them. Tablet users are generally older and more mature than mobile users. They share a longer lasting relationship with their banks. They are generally affluent and well-placed individuals. Recognizing the difference and understanding it can provide better opportunities to both the banks and their customers.

**Changing Approach**

The approach to retail selling is changing as stores strive to meet the diverse demands of the mobile customer. The consumer now demands rather than accepts the features of the mobile banking apps of the retailers. Demands vary from simplicity to complex all-inclusive apps that provide entertainment, save time, and yet are simple to use.

**New Shop Windows**

Mobile apps are becoming the new shop windows. These windows showcase products and services right inside the customers’ homes. According to Forrester Research, banks indulge in very little marketing and product research. Even so popular belief has it that customers will now search for financial products just as they do other products on smart phones and tabs. Mobile play stores are becoming the single window for every product and service. Applications via mobile stores will increase and the Gen Y consumer who seeks advice and not advertisement will shape the future of mobile money according to Gina Bleedorn of Adrenaline.

**Mobile Wallet Acceptance**

Although the mobile wallet is yet to catch on, Capgemini says that m-payments will grow in future. Apple Pay and similar services are the payment method of choice for the Gen Y set. What is required is proper back-end to support the m-pay process. Says David Brear of Gartner, banks and other
financial institutions have to establish new channels of communication with the consumers. Domnic Venturo of U.S. Bank seconds this by saying that although wearable device solutions for meeting the consumer demands will be basic to begin with, the move to contact fewer terminals is a given outcome of mobile banking.5

As mobile banking gives firms the ability to fully engage in conversations with customers through their mobile devices, coordination of a "business workflow" across different banking systems is required. In order to accomplish this, mobile banking providers must establish open ways to access these different sources of information. This "connectivity" is crucial to delivering fully mobile banking. By opening up the mobile channel to multiple back-end and third-party systems or networks such as VisaNet, mobile payments hubs such as CashEdge or PayPal, remote check-deposit capture technologies such as those offered by Mitek, or contextual marketing systems capable of determining when to present offers, banks can capitalize on the full capabilities of the mobile phone as a consolidation point of all other existing bank channels -- e-mail, online, customer service, and mobile-specific SMS or push notification alerts. In order to provide authoritative value to customers and produce strong adoption (and with it, definitive ROI), third-generation mobile banking solutions must empower institutions to use the mobile channel as an extension of and integrative point for existing technologies. This will instantly resolve consumer issues and complete tasks faster and more economically -- making alerts fully actionable. Many financial institutions and mobile vendors today, however, still are tied to basic core functionality, either because they developed a non-scalable, non-adaptable elementary mobile solution, or because they signed binding contracts with core financial technology providers in order to rush a baseline mobile solution to market. The smart mobile banking solutions of tomorrow must anticipate the future expectations of consumers and recognize the potential that the mobile channel represents -- a technology set to increase customer loyalty and satisfaction via conversation creation.
REFERENCES


