



# Journal of Internet Banking and Commerce

*An open access Internet journal (<http://www.arraydev.com/commerce/jibc/>)*

*Journal of Internet Banking and Commerce, April 2013, vol. 18, no.1  
(<http://www.arraydev.com/commerce/jibc/>)*

## Mobile Banking Operation in Bangladesh: Prediction of Future

---

**Afroza Parvin, MBA**

**Assistant Professor of Finance, Department of Business Administration, Northern University Bangladesh**

*Postal Address: 41-42, Dr. Shahjahan Akunjee Tower, Shibbari More, Khulna, Bangladesh.*

**E-mail: [afrozaparvinruma@yahoo.com](mailto:afrozaparvinruma@yahoo.com)**

Afroza Parvin is an Assistant Professor of Finance, Department of Business Administration, Northern University Bangladesh. Her areas of interest are banking business and its innovations for the customers and the economy.

---

### Abstract

Banks are playing very vital role for the economic development of a country. In this paper the picture of existing operation of mobile banking service as well as the future of this has been depicted. This is almost a descriptive study that has used both primary and secondary data. The result is showing that almost all the banks are trying to adopt mobile banking to make their customers satisfied and be advance in their world where the common services are account opening, account balance query, fund transfer and PIN related service. All the operators of mobile phone in Bangladesh have started to be involved at a greater extent in this regard. And from the viewpoint of the customers the study has inferred they are satisfied with the very few services that new banking system is giving and as a consequence the future of banking business will be brighter day by day. This paper will contribute a lot to the banks of Bangladesh for better service giving and make customers more concern to avail mobile banking service.

**Key words: Mobile Banking, Customer satisfaction, Financial service, Banking business, Future of banking business.**

© Afroza Parvin, 2013

---

## **INTRODUCTION**

Financial institutions are now redefining banks and as such mobile banking has come in handy in the market (Santus et.al). Bank helps industrialization by making most of the monetary transactions for it and also provides safety of money to the people. From the beginning of bank, the banking systems are changing day by day. In the world of banking, the development of information technology has a enormous effect on development of more flexible payments methods and more-user friendly banking services (Dixit and Datta, 2010). Mobile Banking is one of the very latest services of banking business. This system has brought some very important operations of banking in the pockets of people. People can now know their balance, transaction history, products of the bank, transfer fund through their mobile at anytime from anywhere. Mobile banking also prevents fraudulent activities of banking. Unmet needs lead to new inventions and innovations and these create new economic relationship. New mutations and new fusions take place with apparently dissimilar partners creating a need for other institutional adoptions. Such a fusion is now occurring between the banking industry and the telecommunication industry, creating a concept called Mobile Banking (Astha, 2010). Mobile banking is a part of new banking dimension i.e. branchless banking to make any bank digital. This branchless banking has great potential to extend the distribution of financial services to poor people who are not reached by traditional bank branch network; it lowers the cost of delivery, including cost of both to the banks of building and maintaining a delivery channel and to customers of accessing services (Ivatuary and Mas, 2008).

Today the banking industry is the industry of revolution (Anyasi and Otubu, 2009).The people who are outside of the banking world is large. To capture and serve them mobile banking will work a lot. It has become a fusion to create financial security and more efficient infrastructure that reduces corruption and ensures economic development (Camner and Sjoblon, 2009). Banking business is very sensitive as it deals in money and service. That is why to make a strong bond between bank and its customers are a must. Mobile banking is a tool to make customers satisfied because banking is a both way game. It must be ensured that the bank is in cost advantageous position and getting the service easily satisfies the customer. Mobile banking is the way out for that. Mobile banking is providing unparallel services. People can do banking anytime with mobile phone. And this has made mobile banking a blessing both for the bank and the customer. The first wave of mobile banking hit world markets around the year 2001 with banks and financial institutions offering mobile banking services via SMS and the browser (Vats and Mohan).

Since the turn of the century, the growth of mobile cellular subscribers has been impressive, with year-on-year growth averaging 24% between 2000 and 2008. While in 2000, mobile penetration stood at only 12%, it surpassed the 50% mark by early 2008. It is estimated to reach about 61% by the end of 2008(itu).This paper will show the prevailing mobile banking operation in Bangladesh, i.e. what are the mobile banking services banks are providing and how clients are evaluating it as well as it will try to predict the future of mobile banking in Bangladesh. This paper will create an appeal to the banker and the bank customers.

## **OBJECTIVES OF THE STUDY**

Main objective is to know the current operations of Mobile Banking in Bangladesh provided by different private commercial banks and predict the future of mobile banking as well as banking business in Bangladesh.

The specific objectives of this research are as follows:

1. To show how the banks and the customers are evaluating mobile banking operation.
2. To show the relationship between the problems faced by the customers, need of adding new service, quality of mobile banking and satisfaction of the mobile banking customers.
3. To find out the possible problems and prospects of Mobile Banking operation in Bangladesh.

## **RATIONALE OF THE STUDY**

It's the time to implement mobile and IT solution system for better financial inclusion. Mobile banking is one of the key components in this respect (bankinfbd.com). As every business is changing, banking business is also and it has become technology based. To drive the wheel of banking it needs to be updated always by inventing new products and services. Mobile Banking is the product that can change the fate of the banking business. Very recently, on 23<sup>rd</sup> December 2010, the Governor of Bangladesh Bank, Dr. Atiur Rahman has issued order to every commercial bank for starting mobile banking that shows the utmost importance of this concept. So, this paper will help the banks in Bangladesh to find way for opening its new door of business and be successful in the competition. The bank customers will be able to bank comfortably.

## **LITERATURE REVIEW**

Anaysi and Otubu (2009) have shown the economic effect of mobile banking and found out that it is offering different services to its customers. It helps to manage money without handling cash. They have also got the great scope of extending mobile banking business to contribute to the economic development.

Astha and Arvind (2010) in the paper "Evaluation of Mobile Banking Regulation" have described that mobile banking is a new invention for unmet demand of the customers especially for the poor. They have emphasized for mobile banking regulation to avoid some risks banks and telecommunications face such as liquidity risk, credit risk, privacy risk, inoperability risk etc. They think regulation will help reduce the risk level and the institutions reach the top of the industry, but regulation should not minimize the benefits of mobile banking.

Ivatuary and Mas (2008) have shown in their article, "The Early Experience with Branchless Banking" the experiences of branchless banking at the very beginning. Such as branchless banking can dramatically reduce the cost of delivering financial services to the poor. It is used mainly for payments. Most mobile banking projects to extend market reach have been led by mobile operators. With some future hopes they have indicated some uncertainties also such as it may not be fully substitute for human touch, it may not be possible to inaugurate practical risk based Know Your Customer (KYC).

Renima Malhotra (2011) in her Masters Thesis paper on “Affecting the Adoption of Mobile Banking in New Zealand” has identified some factors that influence the adoption of mobile banking such as technology, security, usability, cost etc.

Santus et.al (2011) in their study “The Dimensions Affecting the Adoption of Mobile Banking in Bangladesh” have shown that some factors make the adoption of mobile banking service easy for the customers and those are convenience, cost, security, confidentiality, handset operability, procedure and knowledge, network.

Scornavacca and Hoehle (2006) in their work” Mobile Banking in Germany” have portrayed the picture of mobile banking offered in Germany especially the services offered by Post bank, Hamburg’s Savings bank, and the DZ bank. They have got the future of mobile banking in Germany as good.

## RESEARCH METHODOLOGY

Every research is completed after applying few methods to fulfill the objectives of the research (Parvin and Hossain, 2010).

Following two methods completes this research work: 1. Data Collection and 2. Data Analysis. These are described below.

### Data Collection

This research is done by using both primary and secondary data.

- i. **Primary Data Source:** Primary data have been collected by using a questionnaire with relevant questions to know the services of mobile banking those banks are offering at present. Here both the mobile banking customers and the employees of the banks are interviewed. Among the banks that provide mobile banking services, 12 banks have been taken as sample of the research. On the other hand, using convenient sampling method sixty customers are selected from those customers who get mobile banking service directly or indirectly (who can know account balance in their mobile phone through SMS after debit card transaction) from the selected banks.
- ii. **Secondary Data Source:** Data from secondary sources have also been collected to complete the research. Different journals, books, internet and reports of the banks have been used as the important sources of secondary data.

### Data Analysis Method

This research is almost descriptive one as this concept is very new in Bangladesh and still there is no work available about this. However, different methods have been used for the analysis of collected data such as percentages, charts, graphs etc. SPSS 16.0 version has been used to analyze the data. There is an effort always to get the picture of mobile banking from the viewpoint of banker and customers. To achieve the specific objective no. 01, some hypotheses have been developed:

**H<sub>10</sub>**= There is no relation between problem facing during mobile banking use and satisfaction of the customers.

**H<sub>1a</sub>**= There is relation between problem facing during mobile banking use and satisfaction of the customers.

**H<sub>2</sub>0** =There is no relation between adding of new services in mobile banking and satisfaction of the customers.

**H<sub>2</sub>a**=There is relation between adding of new services in mobile banking and satisfaction of the customers.

**H<sub>3</sub>0**= There is no relation between quality of mobile banking and satisfaction of the customers.

**H<sub>3</sub>a**=There is relation between quality of mobile banking and satisfaction of the customers.

## **THEORETICAL FRAMEWORK**

What is mobile banking?

Mobile Banking also known as M-Banking, mbanking, SMS Banking etc. is a financial transaction conducted by logging on to a bank's website using a cell phone or personal digital assistant (PDA), such as viewing account balances, making transfers between accounts, or paying bills. This can be conducted through the internet browser on the phone, through a program downloaded from the bank, or by short-messaging service (SMS). Customers if they have mobile phone & are registered for this can avail banking service through using it. Mobile Banking has increased mobility in the banking business and it saves time & cost of the clients & bank. The earliest mobile banking services were offered via SMS. With the introduction of the first primitive smart phones with WAP support enabling the use of the mobile web in 1999, the first European banks started to offer mobile banking on this platform to their customers (wikipedia). Mobile Banking refers to provision and availment of banking and financial services with the help of mobile telecommunication devices(Tiwari et. al.).

### *Background and Need of Mobile Banking*

For 30 years, financial institutions have been on a quest to satisfy their customers' need more conveniently. At first came the automated teller machine (ATM), and then internet banking in the mid-1990s, which enabled consumers to access their financial accounts using a home computer with an internet connection but these two devices have been facing some problems of carrying any where or lack of internet connection but mobile phones are free from these obstacles. They can be carried anywhere and are used by an enormous number of people. If mobile phones only delivered voice data, then their use as a vehicle to deliver banking services would be limited. Most phones, however, also provide text-messaging capabilities, and a growing number are Web-enabled. That makes the mobile phone an ideal medium through which banks can deliver a wide variety of services (money.howstuffworks). Mobile banking is the key component in this respect (bankinfobd.com). In the age of globalization and digitalization mobile banking has shown a way to reach the top of the pyramid in the banking business through its diversified services. Mobile Banking helps to manage money without handling cash. And we know money is the lifeblood of an organization. So, if it is managed properly & smartly it will bring great prospect for that bank. It is told that if money is managed properly it helps to maximize wealth of the shareholders/owners of the organization. So, mobile banking is the ultimate tool for achieving this ultimate objective. Mobile banking helps to bring the unbanked in the banking world. The internet has only a penetration rate of 6% in a population of 140 million but mobile technology is close to >50% penetration with prospect to growth (Analysis & Otubu, 2009).

*Services and Benefits of Mobile Banking*

To know account balances, transfer fund, transaction status, alter PIN, password information, lock out for the respective bank account, minimum balance alerts, get strategic benefit, cheque book request, insurance policy management, minimum balance alerts, bill payment alerts, portfolio management services, loyalty related offers, location based services. Mobile banking supports always on-demand banking (Vats and Mohan); serves as a mobile wallet; convenient, fast, simple and secure; and addresses the problem of internet banking. Despite huge prospects, only a few banks adopted mobile banking in Bangladesh during the last year.

*How to Avail Mobile Banking?*

To get the mobile banking the customer has to fill up a form in which he/she has to put his/her mobile number and bank account number. Then the responsible bank officer will install the mobile banking software in his/her mobile.

**MOBILE BANKING OPERATIONS IN BANGLADESH: ANALYSIS AND FINDINGS**

Mobile Banking is a completely new banking system in Bangladesh. Mobile Banking idea at first came to Bangladesh in October, 2009. The City Bank Ltd. is the first bank that gave idea by their mobile banking software named as 'City Wallet'. But Dutch Bangla Bank Limited started mobile banking in full swing and widely in Bangladesh on 31<sup>st</sup> March, 2011. At present all banks are trying to start mobile banking for their customers.

**Table 01: Comparison between Mobile Banking & Traditional Banking:**

Point of Difference	Mobile Banking	Traditional Banking
Time needed	Less	More
Nature of service	Mobile	Depends on bank
Cost	Less	More
Satisfaction of the customer	More	Less
Pattern	More sophisticated	Less sophisticated

**ANALYSIS AND FINDINGS**

*Analysis and Findings of Banker-Specific Factors*

The Banker respondents were taken from twelve private commercial banks and their lower designation is junior officer and higher designation was senior executive officer. Actually these banks registrar and provide mobile banking to the clients. The depiction of hierarchy of the bankers is as follows:

**Table 2: Profile of the Banker**

Name of the bank	PBL	DBBL	SIBL, ABBL, CBL	BA	DBL	TBL	BBL, BBL
Designation of the banker	Junior Officer	Executive Officer	Senior Officer	Senior Executive Officer	Trainee Officer	Management Trainee Officer	Officer
Service year	<2 years	5-10 years	2-5 years	2-5 years	<2 years	<2 years	2-5 years

Source: Questionnaire Survey, November 2011

**Table 3: Services Provided by the Selected Banks**

Name of the bank	Services								
	A/c balance	A/c status	Taka deposit	Taka withdrawal	Know password	Fund transfer	Ater PIN & lock out a/c	Bill payment alert	Other
DBBL	-	-	yes	yes	-	yes	-	-	-
PBL	yes	yes	yes	yes	-	yes		yes	
SIBL	-	-	yes	yes	-	yes			
BA	yes	-	-	-	yes	yes	yes		yes
DBL	-		yes	yes	yes	yes		yes	
TBL	-	-	yes	yes	-	yes	yes		
BBL	-	yes	yes	yes	-	yes	-		
ABBL	yes	yes	-	-	yes	yes	yes		yes
CBL	yes	yes	-	-	yes	-	yes		yes
IBBL	yes		yes	-	yes	yes	-	yes	

Source: Questionnaire Survey, November 2011

From the table it can be inferred that maximum banks are providing account balance service, account status, minimum balance alert, bill payment etc. But maximum banks have started to provide this service very recently; 50% banks are providing for last 6 months to 1 year.

#### *Reasons for Providing Mobile Banking Service*

Every people is very busy at present world and so the clients of banks. For this reason banks are always to introduce such services that can save the valuable time of their clients, can reply instantly, can make customers happy or satisfied. The selected banks have replied that these three are the reasons of introducing mobile banking service. Some other factors also are responsible to introduce mobile banking.

#### *Impact on Operating Expense, Service Charge and Customer Number*

Each and every bank and customer wants to reduce his cost. During the questionnaire survey, it has been found that operating expense of the banks has been increased so they are taking come fee to cover the cost but the fee structure is very much reasonable. 83.33% banks are charging less than 1,000 taka. Only Trust Bank could not tell its fee because it depends on some factors. Simultaneously the research has found the customer number of the selected banks has been increased due to inauguration of mobile banking service although the service is very new in the market and they still cannot provide all types of services.

#### *Mobile Phone Operator That Can Be Used for Mobile Banking*

In Bangladesh there are six mobile phone operators, they are: Grameen Phone, Robi, Banglalink, Citycell, Airtel, Teletalk. Different banks use different operators but PBL, BBL and TBL use all operators for this service.

**Table 4: Mobile Phone Operator Used for Mobile Banking**

Name of the bank	Grameenphone	Banglalink	Citycell	Airtel	Teletalk	Robi
DBBL		yes	yes			
PBL	yes	yes	yes	yes	yes	
SIBL	yes					
BA	yes	yes	yes	yes	yes	yes
DBL	yes	yes		yes	yes	
TBL	yes	yes	yes	yes	yes	yes
BBL						yes
ABBL	yes	yes	yes	yes	yes	yes
CBL	yes	yes	yes	yes	yes	yes
IBBL	yes	yes	yes	yes	yes	yes

Source: Questionnaire Survey, November 2011

**Table 5: Analysis and Findings of Customer-Specific Factors:**

<b>Factor</b>	<b>Percentage (%)</b>
<i>Educational level:</i>	
SSC	0
HSC	17
Graduate	34
Post Graduate	42
Other	8
<i>Accounts used for mobile banking:</i>	
Current	17
Savings	83
Fixed	0
<i>How long with the bank?</i>	
less than 2 years	20
2-5 years	60
More than 5 years	20
<i>Source of mobile banking information:</i>	
Employees of the bank	40
Friends	26.6
Website	6.7
Other	26.7
<i>Time of registration for mobile banking:</i>	
1 year ago	31.7
6 months ago	43.3
3 months ago	8.3
Very recently	16.7
<i>Pattern of using mobile banking service:</i>	
Regular	20
Sometimes	67
Hardly	13
<i>Problem faced during use</i>	
Yes	13.3
No	86.7

Source: Questionnaire Survey, November 2011

The data in the Bar Diagram indicates that 0% of the total respondents are S.S.C. passed, 17% respondents are H.S.C. passed, 34% respondents are graduate and rest 42% are post graduate, whereas 8% respondents belong to other qualification level



(M.Phil/PhD). So overall it is seen all the respondents are educated. And it can be mentioned here that mobile banking is very sophisticated service, without education it is tough to operate. When asked about the accounts customers use for mobile banking it was found 83% use savings account as it is well known that this account is mostly used by general people whereas 17% respondents use current account which is mainly for business person and no client use fixed account for this service. The data in the table indicates that the duration of customer ship of 20% respondents are less than 2 years, 60 % are between 2-5 years, and rest of them belong to above 5 years. So the customers are aware familiar with the banks. Most of the clients have registered for mobile banking only six months ago because the service is very new in Bangladesh and still people are not informed enough about it. When asked about their pattern of mobile banking use they answered that they use sometimes. The customers are not still so frequent in use. And it is amatter of great hope that 83% customers did not face any difficulty during availing mobile banking operation through their mobile phones that hints very clearly that mobile banking will make the banking service paperless in the upcoming days.

If people find something good when they use, they usually want more. But if people find the same thing nothing special or bad then they ignore it. It is well known that people have unlimited demand and the current research is also showing 83% customers think and want new service from existing mobile banking operation. Banks' performance is good when the customers are saying so and vice-versa and employees' co-operation and knowledge are very important issue in this respect. The data in the table below (no. 6) indicates 80% customers said that the employees of the banks are co-operative while 20% found the employees as non co-operative. Regarding the knowledge most of the customers found them as less knowledgeable.

**Table 6: Assessment of Bank by the Customers:**

Factor	<i>Employees are cooperative:</i>	<i>Employees are knowledgeable</i>	<i>Bank should add more service in mobile banking</i>
Yes	80%	25%	83%
No	20%	58.3%	17%
Neutral	0	16.67%	0%

Source: Questionnaire Survey, November 2011

**Quality of Mobile Banking Facilities**

Every new technology or system has some facilities. Mobile Banking has also some facilities. The following table shows that how the Mobile Banking facilities of the banks are-

**Table 7: Quality of Mobile Banking Facilities**

Opinion	Frequency	Percentage (%)
Very Good	10	17
Good	25	41
Moderate	7	12
Poor	12	20
very poor	6	10
Total	60	100%(N=60)

Source: Questionnaire Survey, November 2011

Above table is showing 41% customers think that mobile banking service is good whereas only 10% think that as very poor. So, the field of Mobile Banking is being created gradually.

**Satisfaction from Using Mobile Banking**

Satisfaction of using anything depends on many factors, such as- service, quality, knowledge of employees, delivery channel etc. Satisfaction of the customers from using mobile banking of the selected banks is portrayed in the following SPSS table:

**Table 8: Satisfaction Level of the Customers About Mobile Banking**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid very dissatisfied	5	8.3	8.3	8.3
dissatisfied	12	20.0	20.0	28.3
neutral	10	16.7	16.7	45.0
satisfied	26	43.3	43.3	88.3
very satisfied	7	11.7	11.7	100.0
Total	60	100.0	100.0	

Source: Questionnaire Survey, November 2011

**Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Satisfaction	60	1	5	3.30	1.169
Valid N (list wise)	60				

**Interpretation**

On the basis of the analysis of collected data from the primary source through questionnaire for this aspect this research wants to say that whatever the opinion of the customers regarding different aspects, they are overall satisfied from using mobile banking service. 43.3% customers are satisfied, 11.7% are very satisfied, the dissatisfaction rate is low that indicates mobile banking will bring the banking service of Bangladesh in the peak level and the future of mobile banking business will be brighter than previous days.

**Relationship between Problem Facing by The Customers, Need of Adding New Service, Quality of Mobile Banking and Satisfaction of The Mobile Banking Customers:**

**Table 9: Regression Analysis Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.339 <sup>a</sup>	.115	.088	1.333

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.339 <sup>a</sup>	.115	.088	1.333

a. Predictors: (Constant), need of adding new service, whether faced any problem or not, quality of mobile banking service

Source: Questionnaire Survey, November 2011

**Interpretation**

The above calculation indicates that there remains a significant correlation between the independent variables (problem facing by the customers, need of adding new service, quality of mobile banking) and dependent variable (satisfaction of the mobile banking customers). And at 5% significance level the correlation is 33.9%. The value of adjusted R Square is .088 that means 8.8% of the dependent variable can be explained by independent variables.

**Table 10: ANOVA Test ANOVA<sup>b</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	22.427	3	7.476	4.204	.008 <sup>a</sup>
	Residual	172.484	97	1.778		
	Total	194.911	100			

a. Predictors: (Constant), need of adding new service, whether faced any problem or not, quality of mobile banking service

b. Dependent Variable: satisfaction level

Source: Questionnaire Survey, November 2011

**Table 11: Results of Multivariate Analysis**

**Coefficients**

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.168	.838		3.781	.000
whether faced any problem or not	-.860	.346	-.242	-2.485	.015
quality of mobile banking service	.096	.118	.082	.812	.419
need of adding new service	.274	.104	.262	2.639	.010

a. Dependent Variable: satisfaction level

Source: Questionnaire Survey, November 2011

**Interpretation**

From ANOVA test it can be remarked that there is significant influence of problem facing and need of adding new service on satisfaction level of the mobile banking customers (as calculated significance value  $.008 < \text{table value } .05$ ). But the influence of quality of mobile banking is not so significant in this regard (as  $.419 > .05$ ).

**Findings from Bank-Specific Factors:**

1. Mostly officer level employees of the selected banks provide mobile banking service.
2. Dutch Bangla bank and Brac bank limited serve wider than other banks.
3. Overall services of those banks are account balance knowing, account status for a particular time, fund transfer, PIN alternation etc. The statistics of provided service is given in findings number four and five.
4. 90% banks provide fund transfer service, 40% provide account status or mini statement service and 30% banks provide different bill payment and miscellaneous service.
5. 70% banks provide taka deposit service, 60% provide withdrawal service, 50% provide PIN related service, account balance inquiry, and password related information.
6. Banks provide mobile banking service as it saves time, provides instant service. and the customers become very happy.
7. Maximum banks are very new in this service arena which means very explicitly that mobile banking is very new in the banking business of Bangladesh.
8. All the clients of banks want to decrease cost of getting service. It has been found in the research that almost all banks' service charge is less than 1,000 taka which is convenient for the customers. The selected banks have replied positively that customer number has increased after introducing of mobile banking service.
9. Regarding operator most banks have no barrier, being flexible they have decided to provide mobile banking service from any mobile operator but specifically Dutch Bangla Bank limited are using Banglalink and Citycell, Islami Bank Bangladesh Limited and Brac Bank Ltd. are going for mobile phone operator Robi.
10. Most of the mobile banking users of the banks think that the employees of the banks have adequate knowledge about Mobile Banking operations and they are cooperative.

**Findings from Customer-Specific Factors:**

1. Almost all the customers of Mobile Banking operations are well educated (postgraduate).
2. Savings account is mostly used for this operation.
3. Most of the customers have got information about mobile banking operations from the employees of the banks who are cooperative in the eye of the customers.
4. Maximum users of Mobile Banking operations of the banks have registered very recently, only 6 months ago and they use it sometimes.
5. Very little users (only 8%) of Mobile Banking operations of the banks found any problem in mobile banking.
6. 10% concluded the service quality as very poor. So, as a new banking facility mobile banking operation is doing very well and will do well.

7. 83% of the users of Mobile Banking operations think that banks needs to add more operations in current service line.
8. 43.3% customers are very satisfied from using Mobile Banking and very dissatisfaction rate is very poor (8.3%).

## **PROSPECTS OF MOBILE BANKING IN BANGLADESH**

1. Banks investing in the mobile banking can tap into a market that is colossal and to fit the model of m-commerce (Vats and Mohan).
2. It will provide the banks to take services where the customers and their needs lie (Vats and Mohan).
3. Many bank customers are willing to pay extra fee for the utilization of mobile banking.
4. Mobile banking will close the gap between the banking haves & have nots ([www.guardian.co.uk](http://www.guardian.co.uk)).

## **CONCLUSION**

In Bangladesh banking business is the prominent and worthy business than others. The research has shown the services that banks have started offering to their customers as banks believe in changing. It is told that only change is the constant in the business world. To comply with this banking situation the selected banks are mostly offering account opening, balance inquiry, fund transfer and taka withdrawal services. Besides this some banks are trying to give minimum balance alert, bill payment etc. services. But it must be confessed that as mobile banking is very much new, the selected banks still have not got the true and specific shape of mobile banking. That's why some customers want the banks to add more and more services for this banking system. However it is a matter of great hope that maximum of the customers are satisfied. That is creating better future for mobile banking as well as overall banking business in Bangladesh.

## **RECOMMENDATIONS**

The recommendations those can popularize the Mobile Banking with people on the basis of observation and analysis of data are given below:

- The employees of the banks should be well trained.
- More operations should be included in the Mobile Banking that is also expected by the respondents.
- Promotional activities can be taken to make Mobile Banking operations more popular.
- Banks should make some arrangements to make adequate information about Mobile Banking available in every branch.
- Banks should take steps to create knowledge among the Mobile Banking users.

## **LIMITATIONS AND SCOPE OF FUTURE RESEARCH**

Mobile banking is very new concept in Bangladesh. For this reason this research has got and taken very few customers as sample who get banking services directly or directly through mobile phone. Besides this, the employees and customers are not so much literate in this regard that has produced barrier in getting true picture of existing operation of Mobile Banking. In Bangladesh almost very few (1-2) works has been done

on mobile banking. To do the work some assumptions have been taken. So, there is a huge scope to do research on this topic taking a large sample through which the bankers, customers and the business world will be benefited.

## REFERENCES

- Asthha, A. (2010). Evaluation of Mobile Banking regulations. Paper presented at the journee de recherche CEREN-CERMI on 18th March 2010, available at [www.ssrnpapers.com](http://www.ssrnpapers.com) accessed on 22/01/2010 at 12.20pm.
- Anayasi, F.I. and Otubu P.A. (2009). Mobile Phone Technology in Banking System: Its Economic Effect. *Research Journal of Information Technology*, 1(1), 1-5.
- Bangladesh Bank order for mobile banking operations at commercial banks. [www.bangladeshbank.org](http://www.bangladeshbank.org) accessed on 26/04/2012.
- Camner, G. and Sjoblom, E. (2009). Mobile Banking in Tanzania. Project Proposal, Royal Institute of Technology.
- Dixit, N. and Datta, S.K. (August, 2010). Acceptance of E-banking among Adult Customers: An Empirical Investigation in India. *Journal of Internet Banking and Commerce*, 15(2).
- Deb, S. K., Harun, A. and Bhuiyan, R. (2011). The Dimensions Affecting the Adoption of Mobile Banking in Bangladesh. *Research Journal of Banking and Financial Services*, Department of Banking, Faculty of Business Studies, University of Dhaka, 5(1).
- Definition of Mobile banking. [www.wikipedia.com](http://www.wikipedia.com) accessed on 25/01/2011 at 12.00pm.
- Ivatury, G. and Mas, I. (2010). The Early Experience with Branchless Banking. Focus note no. 46. [www.ssrnpapers.com](http://www.ssrnpapers.com) accessed on 22/01/2010 at 12.20pm.
- Malhotra, R. (2011). Factors Affecting the Adoption of Mobile Banking in New Zealand. Thesis Paper presented for Masters in Information Technology. Massey University, Albany Campus, New Zealand.
- Mobile Banking in Bangladesh available at <http://bankinfo.bd.com/blog/term/bangladesh-bank/page:6> accessed on 25/01/2011 at 12.20pm.
- Parvin A. and Hossain S. (2011). Satisfaction of Debit Card Users in Bangladesh: A Study on Some Private Commercial Banks. *Journal of Business and Technology (Dhaka)*, 5(2), 89.
- Sultana, R. (2011). Mobile Banking: Overview of Regulatory Framework in Emerging Markets. [www.ssrn.com](http://www.ssrn.com) accessed on 25/01/2011 at 12.00pm.
- Scornavacca, E., Hoehle, H. (2006). Mobile Banking in Germany. *Sprouts: Working Papers on Information Systems*, 6(28). <http://sprouts.aisnet.org/6-28>.
- Tiwari, R., Buse, S. and Herstatt, C. (2007). Mobile Services in the Banking Sector: The Role of Innovative Business Solutions in Generating Competitive Advantage. Working paper, presented at the 8th International Research conference on Quality, Innovation and Knowledge Management: 12-14 February, 2007, New Delhi.
- Vats, A. and Mohan, K. (2011). Mobile Banking: Possibilities Unwired: accessed on [www.google.com](http://www.google.com) on 25/01/2011 at 12.00pm.