

# Next Generation e-Banking through Mobile Messengers

Sainath Malisetty<sup>1</sup>, Archana R.V<sup>2</sup>

<sup>1</sup>Research Scholar, Department of Management, <sup>2</sup>Asst.Professor & Research Scholar, Department of BBA, VELS University, Pallavaram, Chennai

## ABSTRACT

“By taking on instant mobile messaging, Banking and Financial Institutions can lessen operating costs and deliver more timely, satisfying and authentic customer experiences”. Business is progressively more mobile, whether meeting at a corner coffee shop or on a construction site. Whether it’s small business owners or CFOs of larger organizations, everyone is spending less time behind a desk. The mobile Messenger platform will change the banking industry significantly because most banking services are tasks that can be automated, and instructions can be provided in simple human language.

**Keywords:** Mobile Messaging, Messenger

## INTRODUCTION

WhatsApp, Hike, WeChat messengers and similar instant mobile messaging apps are not any longer exclusively supposed for sending text messages and selfies. Rather, all mobile messaging app is far quite the total of this mechanism. Used effectively, these messengers may be the tools of new-age division, digital banking, and payments service and customer support<sup>[1]</sup>.

In fact, initially entrepreneurs recognised them as an affordable method for businesses to remain connected with their customers, has become a medium of substitute for several huge players, cutting across industries. For example, Axis and ICICI Banks in India have partnered with WhatsApp and Facebook messengers for Funds transfer and immediate payments; Kaspi, Kazkom, Kassa Nova banks in Kazakhstan are using WhatsApp for customer management; China based Insurance firms Wing Lung and CPIC Life have launched travel insurance products on WeChat Messenger; and vehicle traffic management is being motor-assisted by WhatsApp in India<sup>[2]</sup>.

Meanwhile, these messengers have the potential to reshape the Banking and Finance industry. This white paper examines the options of mobile messaging apps and their significance across the Banking and Finance industry.

**The rise of mobile messengers:** The esteemed prominence of mobile messaging apps is evident by the accompanying statistics. By the mid of 2016,

about 2.4 billion individuals can possess and utilises the smart phones. There are as of now 7.6 billion mobile subscriptions worldwide. WhatsApp, the popularly used messenger on the market, counts 850 million monthly active users. Facebook Messenger counts 689 million monthly active users and WeChat counts 559 million. \$721.4 billion valued Mobile payment transaction values are expected by the end of 2017<sup>[3]</sup>.

The immense growth of instant mobile messengers can be ascribed to the accompanying factors. Outstanding thrust of smart phones, access to fastest Internet and lowest data prices, Capability to make personalization through direct association and customized customer interchanges, Capability to proficiently address especially appointed/ customized customer administration requests<sup>[4][5]</sup>.

Immensely low cost, nevertheless the size and frequency of messages, and relative freedom from governing laws<sup>[6]</sup>. This has enabled Banking and Finance industry to use these messengers for:

- Customer Communication
- Marketing & Promotions
- Secured Funds Transfer
- Immediate Payments
- Proactive Customer Service
- Bill and Receipts Downloads

Mobile Messaging apps have marked its footprint in various industries as follows:

- **Banking and Financial services (BFS),** Kazakhstan based banks Kazkom, Bank Kassa Nova and Kaspi are utilising WhatsApp for customer engagement.
- **Insurance,** China based Insurance firms Wing Lung and CPIC Life have launched travel insurance products on WeChat Messenger.
- **Media and Entertainment,** China based organisation Buzz Feed is utilizing WeChat for content marketing.
- **Retail,** brands such as Diesel, Harrods, and Cartier are using messengers for pre-sales and after-sales service and engagement.
- **Hospitality,** China based organisations Marriott and Trip Advisor are connecting with customers by means of WeChat messenger.
- **Shipping and Logistics,** China based organisations SF express is utilising the mobile messengers for shipment tracking.

#### **Why Banks Should Embrace Mobile Messengers:**

Mobile messengers facilitate banks to open new channels of correspondence, decreasing operational costs and turnaround time, and realize new touch focuses to boost their core banking, payments and customer service. Thus, messengers facilitate Banks to overcome challenges that have prevailing since decades.

**Expanding the customer base:** Mobile messaging apps accessed via smart phones can help banks infiltrate topographies in which they have yet to build up a physical nearness. By utilizing mobile messengers, banks can reach unbanked customers by giving them general banking services such as immediate payments, e-account openings, peer to peer fund transfer, and so forth. In addition, mobile messaging apps contain history with respect to customer queries and suggestions. This helps the banks to understand the customer response driving focused offerings and the best techniques to embrace in building consumer loyalty and get new customers. Besides, through more profound examination of helpful information, banks can better understand the moves they can make to change over fans or aficionados into advocates for their products.

**Transforming “Customer Service” to “Customer Engagement”:** Traditional banks have utilized “push” technique to reach out to customers, through promoting, electronic mail, purpose of-offer displays or up close and face-to-face communications. Notwithstanding, the industry centre has moved from “Customer Service” to “Customer engagement,” which requires a two-path method of correspondence. To hone their engagement capacities, banks need to better understand customers by utilizing mobile messaging apps to increase profound bits of knowledge into customer behaviour, sentiments and needs.

**Educating the customer:** Regulatory prerequisites and operational changes at times require modifications in the traditional methods to operate business. Mobile messengers can be a viable channel to interact with and educate customers on these progressions. Customers can likewise find out about new product launches through mobile messengers and rapidly bring up concerns and questions about them.

**Gaining customer insight:** Monitoring inquiries on mobile messengers can furnish banks with a general thought of customer perception in regards to their products. Utilizing analytics to dismember that information can give priceless data with respect to customer behaviour and sentiment, consequently permitting banks to plan more customized products and services.

**Resolving issues through crowd sourcing:** Many times, customers can give the best answer for issues confronted by associations. Additionally, captivating customers to discover answers for business issues will make the customer feel more drew in with the bank and spread its goodwill further.

**Facilitating internal collaboration:** Notwithstanding giving worth to customers, mobile messengers can be utilized by internal employees to share data. These issues could be determined by adopting mobile messengers as an instrument of circulation. First off, the wide reach of mobile messengers will guarantee the appropriation channel serves the dominant part of individuals in any geology, as most versatile delivery people take a shot at both cell phones, which are quickly multiplying in created and developing economies, and conventional element telephones.

Moreover, the minimal effort, non-nosy nature of instant mobile messaging improves cost savings for banks, as well as enables customer engagement. With WeChat's API, for instance, organizations can fabricate applications that keep running on its texting stage, permitting them to alter capacities as indicated by their requirements and perform particular exchanges, for example, payment, image verification, and so forth. Bank could likewise present features, for example, push notice with the assistance of stickers, symbols and one-touch payment (as of now been presented by Snap Chat).

**For Customer Representatives:** Instant mobile messengers can help banks to take care for better customer demand, more customized service. On account of their involvement in the digitised world, customers of banking and financial services are progressively pulled in to providers that offer the best services and products as well as the most advantageous, modified and fulfilling knowledge. With the approach of digitised correspondence channels, customers now have various boulevards of contact and support; in any case, a large portion of these still include the need to physically record complaints or surveys. Further, on the grounds that the information that is produced is regularly unstructured, banks can't dig it adequately for noteworthy bits of knowledge. Mobile Messengers, then again, can be utilized by banks as an exceptionally powerful apparatus of individual, organized customers support. The inalienable non-voice, brief and synchronous nature of correspondence can help banks quickly and adequately address and change inquiries and dissensions.

**Business Use Cases:** One of the numerous points of interest of mobile messengers is their capacity to stretch out crosswise over all connections of the managing an account esteem chain. Their quick advancing features, consolidated with accessible functionalities, for example, video-calling, location sharing, offline chats and file transfers, expand their potential for getting to be key instruments for customers, banks and merchants.

**Product Announcements and Marketing:** Banks spend a great deal of money, time and effort yearly on products marketing and promotion. Conventional strategies and channels, for example, TV and radio, have not been excessively compelling for carriers trying to be heard over the clamour. (For more understanding, read our white paper "Marketing Analytics, a Smarter Way for

Banking and Financial Institutions to Gain Competitive Advantage"). With the appearance of mobile telephony and SMS, and the transient ascent of online networking, the Internet is currently a very compelling and cheap approach to get messages out in regards to product innovations, while making the whole practice more fun and intelligent. In any case, advanced media additionally accompanies a large group of restrictions. New-age mobile messengers are a flawless fit in these situations, as item declarations and promoting can be taken care of by banks.

**Accounts and Funds Management:** Funds Management and Account openings have much of the time been referred to as a standout amongst the most troublesome procedures for banks. Customers fear the funds transfer process, which includes filling out various archives on Web portals or applications. History following is another range loaded with delayed subsequent meet-ups and correspondence between the client and banks. Credit Transfer, instalment and receipt downloads include manual effort, complex work processes and cross-departmental association, bringing about high turnaround time. The absence of effortlessly open data on crisis services keeps customers from getting the help they require in specific situations.

Easier account opening through fastest document transfer and filling out of forms. Status tracking and further correspondence between the banks and customers can be interceded by mobile messengers that transfer and download claims archives, (for example, forms and photos) and empower group calls between the customer representatives, customer and so on. Relaying discoveries by banks (particularly as photographs and videos) from the website or application, which will compress turnaround time. Customer asks for roadside emergency help and hunt down close-by service branches or agreeable repair shops. Utilizing GPS positioning directions can be produced and shared through mobile messengers to help the customer consequently.

**Indian Banks embrace Mobile Messaging:** Banks throughout India and elsewhere are adopting mobile messengers for peer to peer funds transfer, immediate payments including the following examples:

>Axis Bank's Ping Pay launched with dedicated lines for money transfer through WhatsApp and Facebook's messengers

>ICICI bank's Pockets launched with dedicated lines for money transfer through Facebook's messengers

>HDFC bank's Chillar launched with dedicated lines for money transfer through Facebook's messengers

**Imminent Challenges:** Coordinating operations and channels is a standout amongst the most critical difficulties to overcome. Appropriate perusing, evaluation, prioritization and change administration activities ought to be embraced to guarantee effective reception. In light of late prominent information spills, and additionally the business' inborn need to consent to cross-outskirt directions, texting will probably welcome investigation from controllers that cover certain exchanges —, for example, the trading of approach and individual subtle elements, and also access to classified and basic records over decoded channels — as a wellspring of unsuitable business hazard.

**User Adoption:** With the plenty of online networking channels officially accessible to banks, it is obscure whether moment detachments will drive extra customer and prospect activity. Essentially, in light of the fact that this is an immediate channel without any motivators for deals work force, deals power reception may likewise be a test.

The accomplishment of mobile messengers as a compelling and effective innovation over the banking value esteem chain will rely on upon whether these difficulties are overcome. While determining information security issues is as much an innovation and procedure challenge as an administrative concern, promoting, product building and dispersion challenges are pretty much as vital.

## CONCLUSION

On a worldwide scale, the banking industry is buffeted by a variety of business and innovation powers, making it ready for texting appropriation. **For funds and immediate money transfer**, this new channel meets the difficulties that bring about under-and non-managing an account, including an absence of money related comprehension and product multifaceted nature. **Demand for prompt, 24x7, bother free customer service** can be fulfilled by these "dependably on" applications. **Increased innovation reception by customers over all demographics**, and the progressive movement toward

paperless, virtual encounters, makes ready for the selection of IM channels. With the unfaltering ascent in significance and utilization of mobile messengers, banks of all sizes, geologies and lines of business should adopt messengers as a noticeable channel for correspondence, service, payments and engagement. We prescribe carriers consider the accompanying strides to guarantee effective execution and reception.

**Ethical Clearance:** Nil

**Source of Funding:** Self

**Conflict of Interest:** Nil

## REFERENCES

1. Hsieh, C.H., Jeng, S.F., Chen, C.Y., Yin, J.W., Yang, J.C., Tsai, H.H., Yeh, M.C. Teleconsultation with the mobile camera-phone in remote evaluation of replantation potential. *J. Trauma*. 2005;58:1208–1212
2. Davis, F.D., Bagozzi, R.P. and Warshaw, P.R. (1989), "User acceptance of computer technology: a comparison of two theoretical models", *Management Science*, Vol. 35 No. 8, p. 982-1003
3. Skog, B. (2002), "Mobiles and the Norwegian teen: identity, gender and class". In Katz J.E. and Aakhus, M. (eds.), *Perpetual contact*, Cambridge University Press, New York.
4. Ankar, B & D'Incau, D (2002), *Value-Added Services in Mobile Commerce: An Analytical Framework and Empirical Findings from a National Consumer Survey*, proceedings of the 35th Hawaii International Conference on Systems Sciences. Viewed November 2013, <http://is2.lse.ac.uk/asp/aspec/20030149.pdf>
5. Berger, C., (2001). *Wireless: Changing Teaching and Learning "Everywhere, Everytime"*, EDUCASE review, January/February, 2001, pp.58-59.
6. Smith (2014), "Mobile App Usage Exploded In 2013, Led By Messaging and Social". <http://www.businessinsider.com.au/usage-of-mobile-messaging-and-social-apps-increased-more-than-200-last-year-2014-1>