

# A Study on Customer Perception Toward Mobile Banking Service

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## Abstract:

Mobile banking has transformed the way customers interact with financial institutions by enabling quick, convenient, and secure banking through smartphones. This study examines customer perception toward mobile banking services, focusing on awareness, usage patterns, satisfaction levels, and trust among users. The research adopts a descriptive design with data collected from 123 respondents using a structured questionnaire. Analytical tools such as percentage analysis, correlation, regression, and chi-square tests were used to interpret the data.

Findings reveal that most customers perceive mobile banking as convenient and time-saving, yet concerns remain regarding security, technical errors, and fear of fraud. The results also indicate a significant relationship between factors like convenience, reliability, and security and overall customer satisfaction. However, perceptions differ across demographic groups, reflecting the need for personalized service improvements.

The study concludes that while mobile banking adoption is increasing, continuous efforts are required to enhance security, usability, and trust to sustain customer confidence. The insights from this research will help banks and fintech companies develop more customer-centric mobile banking applications and promote financial inclusion in the digital era.

**Keywords:** Mobile Banking, Customer Perception, Customer Satisfaction, Convenience, Security, Reliability, Trust, Digital Banking, Fintech, Financial Inclusion.

## INTRODUCTION

In recent years, the banking industry has witnessed a rapid evolution from traditional branch-based services toward digital channels, and among these, mobile banking has emerged as one of the most convenient and accessible platforms. With the widespread adoption of smartphones and improved mobile internet connectivity, customers are increasingly able to carry out financial transactions anywhere and anytime. This has significant implications for banks' service delivery models, operational efficiency, and customer experience.

Despite these opportunities, the success of mobile banking depends critically on customers' perceptions — including their perceived usefulness, ease of use, security, trust in the service provider, and cultural influences on adoption. Research has shown that factors such as performance expectancy, effort expectancy, social influence, facilitating conditions (as in the UTAUT

model), and trust are strong predictors of technology adoption in banking contexts. Furthermore, as the study by Hassane and Wood (2020) demonstrates, national culture plays a moderating role in how consumers perceive and adopt mobile banking services.

In the Indian context (or specify your country/region if different), mobile banking presents both an opportunity and a challenge. On one hand, the increasing smartphone penetration, growth of digital payment infrastructure, and regulatory support for financial inclusion pave the way for mobile-based banking to reach underserved segments. On the other hand, concerns about digital literacy, perceived risk of fraud, data security, trust in banks and apps, as well as cultural attitudes toward technology may hinder adoption and continued use.

Given this backdrop, this study aims to investigate customer perceptions toward mobile banking

services. Specifically, the study seeks to understand how customers perceive the benefits and limitations of mobile banking, how factors such as perceived ease of use, perceived usefulness, trust, and security influence their attitudes and intentions, and whether aspects like demographic variables or cultural values moderate these relationships. Understanding these perceptions can help banks and service providers design more user-centric mobile banking services, enhance customer satisfaction, trust and ultimately usage.

## **OBJECTIVES**

### **PRIMARY**

To study the awareness and usage level of mobile banking among customers.

### **SECONDARY**

- To understand customer perception about convenience, security, and reliability of mobile banking services.

## **REVIEW OF LITERATURE**

**Kelly & Palaniappan (2019)**, in their study on customer satisfaction and adoption of mobile banking, conducted a survey to examine how customers perceive mobile banking in terms of satisfaction, behavior, adoption, and security. Their findings highlighted the factors that encourage or discourage customers from using mobile banking services, providing insights into user engagement and trust in digital banking platforms.

**Bidar (2018)**, in the study “Customer Value Perception of Mobile Banking Applications,” explored how customers perceive the value of mobile banking apps. The research emphasized the importance of convenience, usefulness, and entertainment value in influencing users’ intention to adopt mobile banking.

**Hassan & Wood (2020)**, in their research on cultural influences on mobile banking adoption,

By focusing on customer perception (rather than mere adoption), the study contributes to a deeper understanding of the underlying attitudinal and cognitive factors that shape mobile banking behavior, thereby bridging the gap between technology provision and customer acceptance. The findings can offer actionable insights for banks, fintech companies and regulators in designing strategies for wider adoption and sustained usage of mobile banking services.

- To measure the satisfaction level of customers regarding mobile banking services.
- To identify the problems and challenges faced by customers while using mobile banking apps
- To suggest improvements that can make mobile banking more customer-friendly

analyzed how cultural differences across countries affect customers’ perceptions and willingness to use mobile banking. The study found that cultural factors significantly shape trust, risk perception, and adoption rates among users.

**Lavanya, Vannala & Sankaran (2021)**, in the study “Factors Influencing Mobile Banking Adoption in India,” investigated key factors affecting mobile banking adoption, including ease of use, trust, awareness, and perceived risk. Their findings underscored the growing acceptance of digital banking services among Indian consumers.

**Mittal (2021)**, in the bibliometric review “Mobile Banking Adoption: A Literature Analysis,” summarized trends and common theories in mobile banking adoption research. The study also highlighted gaps in the literature, providing guidance for future research directions in the field of digital financial services.

### Methodology

This study uses a descriptive research design to examine customer perceptions of mobile banking. The target population includes bank customers in the selected area, and **convenience** sampling was used to collect data from 123 respondents. A structured questionnaire measured demographics, awareness, usage, and perceptions (Perceived Usefulness, Ease of Use, Trust, Security, Convenience, Satisfaction, Continued Intention) on a 5-point Likert scale. Data were analysed using SPSS and Excel with descriptive statistics, chi-square, correlation, and regression tests. Ethical considerations included consent, confidentiality, and voluntary participation, while limitations include sample size and regional scope.

**Primary data** was collected directly from bank customers using structured questionnaires and interviews. These tools captured detailed insights into customers' awareness, usage patterns, satisfaction levels, and engagement with mobile banking services, providing rich first-hand information essential for understanding user behaviour.

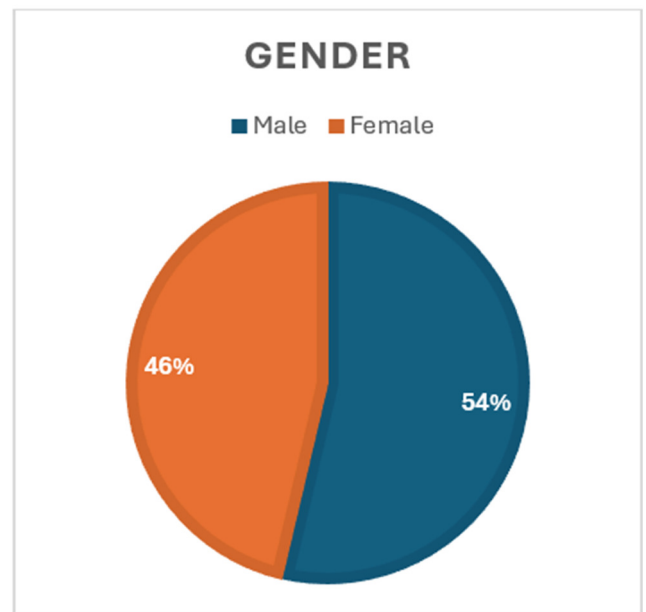
**Secondary data** was gathered from books, journals, online publications, bank reports, and previous research studies. This information offered valuable context, supported the primary data, and facilitated comparisons between current findings and existing literature, ensuring a comprehensive understanding of mobile banking trends and customer preferences. To analyse the collected data, various statistical tools such as Percentage Analysis, Correlation Analysis, Regression Analysis, and Chi-square Test were employed. These techniques helped identify relationships between demographic factors and mobile banking usage, measure associations between perceived convenience, security, reliability, and customer satisfaction, and compare variations across different user groups.

The study aims to examine customer awareness and usage of mobile banking, assess perceptions regarding convenience, security, and reliability, identify challenges faced by users, and provide actionable recommendations to improve services. By bridging the gap between customer expectations and service delivery, the research guides banks and policymakers in creating more effective, user-friendly mobile banking solutions.

### Data Analysis

Percentage analysis is used to describe the demographic characteristics of respondents and to understand the distribution of responses regarding awareness, usage, and satisfaction with mobile banking services. It helps in identifying the proportion of customers in different occupational groups and their preferences for various mobile banking features.

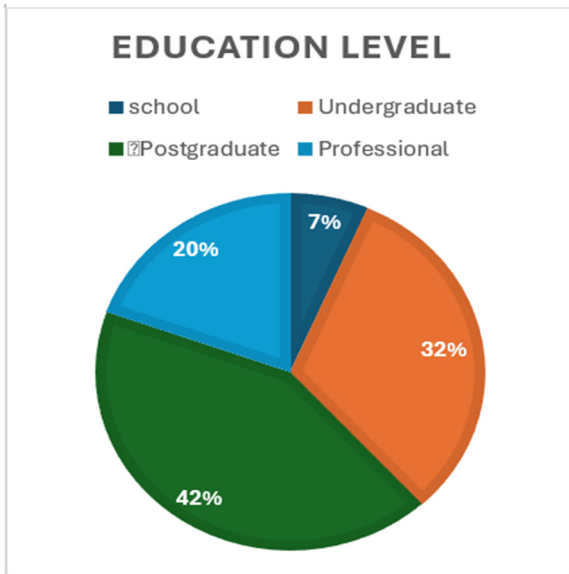
### Percentage Analysis of Respondents Based on Gender



### Inference:

From the table, 66 respondents (53.66%) are male and 57 respondents (46.34%) are female. This shows that the majority of respondents are male, but females also form a substantial portion, ensuring that the study reflects perceptions from both genders.

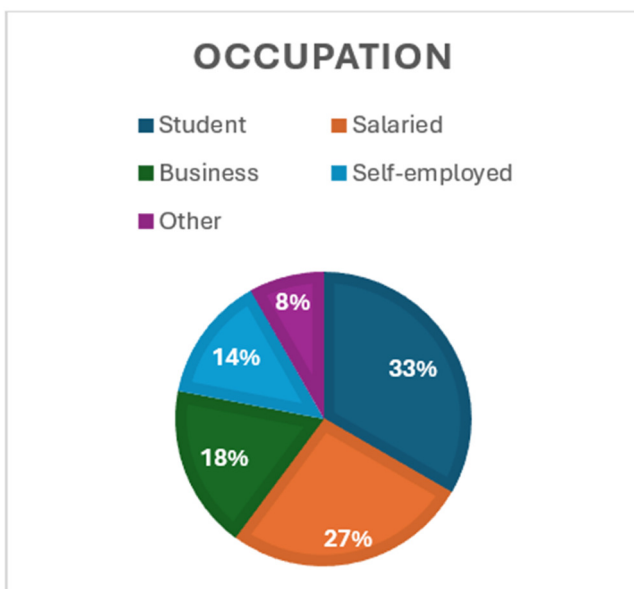
### Percentage Analysis of Respondents Based on Education



**Inference:**

The majority of respondents are postgraduate (42.28%), followed by undergraduate (31.71%), professional (19.51%), and school-level (6.5%). This shows that the study reflects perceptions from respondents with diverse educational backgrounds, with a higher proportion having higher education.

**Percentage Analysis for Occupation of the Respondents**



**Inference:**

Most respondents are students (33.33%), followed by salaried employees (26.83%), business owners (17.89%), self-employed individuals (13.82%), and others (8.13%). The survey includes

participants from various occupational groups, making the study diverse and well-balanced, and providing a comprehensive understanding of mobile banking usage across different user segments.

**Correlation Analysis**

Correlation analysis is a statistical technique used to measure the strength and direction of the relationship between two variables. In this study, correlation analysis is applied to examine the relationship between Occupation and Which features of mobile banking satisfy you the most. This analysis helps to identify whether individuals' occupations influence their satisfaction with specific mobile banking features. By assessing this relationship, the study aims to understand if professional background affects preferences for factors such as convenience, security, reliability, or speed in mobile banking services. The results indicate how occupation impacts customer satisfaction levels in mobile banking usage.

**Hypotheses:**

- **H<sub>0</sub>:** There is no significant relationship between occupation and satisfaction with mobile banking features.
- **H<sub>1</sub>:** There is a significant relationship between occupation and satisfaction with mobile banking feature

		Occupation	Which features of mobile
Occupation?	Pearson Correlation	1	0.088
	Sig. (2-tailed)		0.332
	N	123	123
Which features of mobile banking satisfy you the most?	Pearson Correlation	0.088	1
	Sig. (2-tailed)	0.332	
	N	123	123

**Interpretation:**

The Pearson correlation coefficient between Occupation and Satisfaction with mobile banking features is 0.088, with a significance value of 0.332. Since the p-value is greater than 0.05, the correlation is not statistically significant. This indicates that occupation does not have a significant relationship with satisfaction towards mobile banking features.

**Inference:**

0.332 > 0.05, so the null hypothesis is accepted. There is no significant relationship between occupation and satisfaction with mobile banking

**Regression Analysis**

Regression analysis is a statistical method used to examine the influence of multiple independent variables on a dependent variable. In this study, regression analysis is conducted to identify the factors that significantly impact customer satisfaction with mobile banking. The dependent variable is “How satisfied are you with mobile banking?”, while the independent variables include mobile banking is more convenient than branch/ATM, I feel secure while making transactions mobile banking services are reliable.

**Hypotheses:**

- **H<sub>0</sub>:** There is no significant relationship between convenience, security, and reliability of mobile banking and customer satisfaction.
- **H<sub>1</sub>:** There is a significant relationship between convenience, security, and reliability of mobile banking and customer satisfaction.

**Chi-Square Test:**

Chi-Square Test is a statistical method used to examine the relationship between categorical variables. In this study, it is applied to determine whether there is a significant association between challenges faced by users and their mobile banking experience. It identifies if issues like technical errors, network problems, or security concerns influence customer satisfaction, trust, and the regular use of mobile banking services.

**Hypothesis:**

- **(H<sub>0</sub>):** There is no significant association between the problems faced while using mobile banking and the major challenges experienced by users.

features. This indicates that respondents’ occupation does not influence their satisfaction, and other factors like convenience, security, or reliability likely determine satisfaction levels.

Coefficients (How satisfied are you with mobile banking)						
		Unstandardized Coefficients		Standardized Coefficient	t	Sig.
		B	Std. Error	Beta		
(constant)	Mobile banking is more convenient than branch/ATM	0.46	0.22	0	2.1	0.041
	I feel secure while making transactions mobile banking	0.33	0.1	0.29	3.4	0.001
	services are reliable	0.22	0.09	0.23	2.5	0.014
		0.19	0.09	0.19	2	0.049

**Interpretation:**

The regression results show that all three independent variables have a positive impact on customer satisfaction with mobile banking. Among them, convenience (β = 0.29, p = 0.001) has the strongest influence, followed by security (β = 0.23, p = 0.014) and reliability (β = 0.19, p = 0.049). Since all p-values are less than 0.05, these factors significantly affect user satisfaction.

**Inference:**

The p-value (0.041) is less than 0.05, so the null hypothesis is rejected. This indicates that convenience, security, and reliability have a significant influence on consumer satisfaction with mobile banking, highlighting that these factors strongly determine overall user satisfaction.

- **Hypothesis (H<sub>1</sub>):** There is a significant association between the problems faced while using mobile banking and the major challenges experienced by users.

Test Statistics			
	Chi-square	df	Asymp.Sig.
Have you faced any problems while using mobile banking	50.74	1	0.00
What is the major challenge that discourages you from using mobile banking regularly	22.33	3	0.00

**Interpretation:**

The results show a significant relationship between the problems users face while using mobile banking and their overall experience. Both tests—whether users faced problems (Chi-square = 50.74, df = 1, p = 0.00) and the major challenges discouraging regular use (Chi-square = 22.33, df = 3, p = 0.00)—have p-values below 0.05. This means issues like technical errors, network

problems, security concerns, or app usability significantly influence user satisfaction, perception, and frequency of using mobile banking.

**Inference:**

The Chi-Square test results confirm a significant association between the problems faced by users

**Findings**

**1. Influence of Demographics on Mobile Banking Usage**

Correlation analysis indicates a significant relationship between age, education, and occupation and users' awareness, perception, and frequency of mobile banking usage. Younger, educated respondents adopt mobile banking faster, while occupation also affects usage patterns, highlighting targeted engagement needs.

**2. Awareness and Sources of Information**

Most respondents are aware of mobile banking services through bank staff, advertisements, or friends and family. Correlation analysis indicates that higher awareness is positively associated with more frequent usage, highlighting the importance of effective information dissemination and user education to boost adoption.

**3. User Perception and Experience**

Regression analysis shows that perceptions of convenience, security, reliability, and app usability significantly affect satisfaction and continued usage intention. Positive experiences enhance engagement and trust, while negative experiences reduce usage, emphasizing the importance of a seamless, secure mobile banking experience.

**4. Challenges Affect Satisfaction and Usage**

Chi-Square test results confirm that technical issues (app crashes, login failures), network problems, security concerns, and complicated processes significantly impact user satisfaction and regular usage. Users who encounter these challenges frequently are less likely to use mobile banking consistently.

and the major challenges in mobile banking. This implies that technical issues, network problems, security concerns, and app usability significantly influence user experience, satisfaction, and the frequency of mobile banking usage. Effectively addressing these challenges can enhance customer trust, satisfaction, and encourage consistent use of mobile banking services.

**5. Preference for Secure and User-Friendly Apps**

Regression results highlight that app usability, security, and successful transaction completion are strong predictors of user satisfaction and continued use. Users prefer apps that are intuitive, easy to navigate, reliable, and secure, emphasizing the need for banks to focus on user-centric design and robust security measures.

**Suggestions**

**1. Tailor Services to Demographics**

Banks should customize mobile banking features and communication strategies based on age, education, and occupation to increase adoption and engagement, particularly among less tech-savvy or older users.

**2. Enhance Awareness and Education**

Use multiple channels—including bank staff, social media, advertisements, and word-of-mouth—to improve awareness. Banks can also provide tutorials or awareness campaigns to educate users on app features and security measures

**3. Improve Security and Reliability**

Strengthening app security, transaction success rates, and technical stability will enhance user trust and encourage frequent use. Implementing multi-factor authentication and secure encryption protocols can further reassure users.

**4. Simplify App Design and Processes**

Banks should focus on creating intuitive, user-friendly interfaces and minimizing complicated processes to make mobile banking accessible to all user groups, including beginners

## **5. Responsive Customer Support and Feedback Mechanisms**

Providing prompt customer support and actively collecting user feedback can help resolve issues quickly, improve satisfaction, and enhance user confidence in mobile banking services.

**Conclusion:** The study concludes that mobile banking has become a vital component of modern banking, offering customers greater convenience, accessibility, and efficiency. Most respondents perceive mobile banking as time-saving and easy to use, with convenience, security, and reliability emerging as key factors influencing satisfaction. Among these, convenience has the strongest impact on user satisfaction and continued usage. However, challenges such as technical errors, network issues, and security concerns still affect user confidence and trust. Demographic factors like age, education, and occupation also influence awareness and adoption levels, emphasizing the

need for targeted strategies to reach different user segments. Overall, the findings suggest that while mobile banking usage is increasing, continuous efforts are required to enhance **security, usability, and customer support**. By adopting user-friendly designs and robust security measures, banks can improve customer satisfaction, foster trust, and promote sustained adoption of mobile banking in the evolving digital era.

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