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Impact of Mobile Banking Functionality on Customer Satisfaction: An Empirical Evidence

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Abstract: ***The banking industry has undergone a significant transformation with the advancement of digital technologies. Mobile banking has emerged as a convenient and efficient platform that allows customers to perform banking transactions anytime and anywhere. Due to the increasing adoption of mobile phones in India, it is easier to provide financial services via mobile phones rather than opening new offices. The increasing adoption of mobile banking in both developed and developing countries highlights its growing importance as a convenient and accessible financial services. Flexible banking is gaining popularity all around the world. The present study examines the impact of mobile banking functionality on customer satisfaction. Data has been collected from 200 mobile banking users through a structured questionnaire. The study employed descriptive statistics, reliability analysis, correlation analysis, and multiple regression analysis to examine the relationship between mobile banking functionalities and customer satisfaction. The findings reveal that ease of use, security, transaction speed, accessibility, and service quality positively influence customer satisfaction. Security and service quality emerged as the strongest determinants of customer satisfaction. The study concludes that banks should focus on improving mobile banking functionalities to enhance customer experiences and strengthen customer loyalty.***

Keywords: Mobile Banking, Customer Satisfaction, Security, Ease of Use, Service Quality, Digital Banking.

I. INTRODUCTION

The banking industry has experienced substantial transformation due to advancements in information and communication technology. The growing adoption of digital banking channels has led to a gradual decline in the reliance on traditional banking methods, owing to their superior convenience and efficiency and we can say mobile banking has become one of the most popular platforms for financial transactions among these channels, whereby a customer interacts with a bank via mobile phone. However, despite of various efforts by banks to expand the market and usage of mobile channels, there are very few consumers who are actively using the same leading to inefficiency on mobile banking. Some of the reasons contributing to this include the lack of adoption of mobile as a channel for banking despite the push, ineffective and inaccessible services on mobile banking has led to limitations of services on mobile banking, non-replication of mobile banking services in varied languages etc. However the following functionalities can be counted as a boon to the customers, that are available in the form of-:

1) Funds transfer (within and outside the bank)
2) Immediate Payment Services (IMPS)
3) Enquiry services (Balance enquiry/ Mini statement)
4) Cheque book request
5) Demat Enquiry Service
6) Bill Payment (Utility bills, credit cards, Insurance premium), Donations, Subscriptions
7) Mobile /DTH Top up
8) Commerce (Merchant payments, SBI life insurance premium).

A. Mobile Banking Service over SMS

The service is available on all phones. And Ordinary SMS charges are applicable. The following functionalities are available:

1) Enquiry Services (Balance Enquiry/Mini Statement)
2) Prepaid Mobile / MobiCash wallet Top up
3) DTH Recharge
4) IMPS Fund transfer – (Mobile number & MMID and Account Number & IFS Code)
5) Change MPIN
6) IMPS Merchant payments,

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The increasing adoption of smartphone and internet activity has accelerated the use of mobile banking. As competition among banks intensifies, customer satisfaction has become a crucial factor in retaining customer and achieving long term success. Therefore, understanding the influence of mobile banking functionality on customer satisfaction is crucial, as it provides valuable insights for enhancing service quality, improving user experience, and strengthening customer loyalty in an increasingly digital banking environment.

B. Meaning of Mobile Banking Functionality

Mobile banking functionality refers to the features and capabilities of mobile banking applications that enable customers to perform banking transactions conveniently, securely, and efficiently using their smartphones. In the present study, mobile banking functionality is measured through key dimensions such as ease of use, security, transaction speed, accessibility, and service quality to examine their influence on customer satisfaction.

1) Ease of Use -Ease of use refers to the simplicity and user-friendliness of the mobile banking application.
2) Security- Security involves protecting customer information and transactions from unauthorized access.
3) Transaction Speed -Transaction speed refers to the quick completion of banking activities.
4) Accessibility -Accessibility indicates the availability of services anytime and anywhere.
5) Service Quality -Service quality refers to reliability, responsiveness, and efficiency of banking services.

II. REVIEW OF LITERATURE

Davis (1989) found in his study that perceived ease of use significantly affects technology adoption and satisfaction.
Guru et al. (2000) investigated the electronic channels used by Malaysian banks, as well as the attitudes of consumers to various delivery methods. They came to the conclusion that internet banking was almost non-existent in the country due to a lack of sufficient legislative framework and security concerns. Despite the fact that over 60% of respondents had internet access at home, this was a promising sign for PC-based and internet banking in the future. Shaikh and Karjaluoto (2015) has observed in their study that mobile banking has become a critical delivery channel that enhances convenience and accessibility.
Kotler and Keller (2016),has observed in their research that customer satisfaction is a person's feeling of pleasure or disappointment resulting from comparing perceived performance with expectations. Tam and Oliveira (2016) found that there is a positive relationship between mobile banking quality and customer satisfaction. Laukkanen (2017) reported that security and convenience are major determinants of mobile banking satisfaction. Alalwan et al. (2017) concluded that functionality, trust, and perceived usefulness significantly influence customer satisfaction. The mobile banking service amongst the commercial banks in Muzaffarnagar and Saharanpur Districts provides a range of different services which include buying airtime, paying or buying electricity, sending money (e-wallet/blue wallet), checking your mini statement, etc., at a very low fee and this service is highly secured as you need to enter a password to access it. In this cashless society, the majority of people would not like to spend their valuable time at a bank branch for financial transactions. Customer satisfaction is a measure on how the services provided or supplied by an organization meets or exceeds the expectations of a consumer. Customer satisfaction is obtained through meeting the expectations that consumers have about the mobile banking service, if the expectations of the reliability, safety, ease of use, etc. is met by the service, customer satisfaction will be high (meaning more consumers will engage into mobile banking) and if not, it will be low (meaning more consumers will not engage in using mobile banking services).

A. Statement of the Problem

Despite the widespread adoption of mobile banking, customer satisfaction levels vary among users. Technical issues, security concerns, complicated interfaces, and service disruptions may negatively affect user experiences. Therefore, it is essential to identify the mobile banking functionalities that contribute most significantly to customer satisfaction.

B. Objectives of the Study

1) To examine the impact of ease of use of mobile banking on customer satisfaction.
2) To determine the influence of security of mobile banking on customer satisfaction.
3) To evaluate the effect of transaction speed of mobile banking on customer satisfaction.
4) To analyze the impact of accessibility of mobile banking on customer satisfaction.
5) To investigate the influence of service quality of mobile banking on customer satisfaction.

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C. Scope of the Study

The present study examines the relationship between mobile banking functionality and customer satisfaction among customers using mobile banking applications offered by commercial banks. The study focuses on key dimensions of mobile banking functionality, including security, reliability, ease of use, accessibility, transaction efficiency, convenience, and service quality, and their influence on customer satisfaction. The empirical analysis is based on primary data collected from mobile banking users in the districts of Saharanpur and Muzaffarnagar in Uttar Pradesh, thereby providing a regional perspective on digital banking adoption and customer experiences. The study is limited to customers of commercial banks using mobile banking applications and aims to provide empirical evidence that can assist banks and policymakers in enhancing digital banking services and improving customer satisfaction.

D. Research Hypotheses

1) H1 -Ease of use of Mobile Banking has a significant positive impact on customer satisfaction.
2) H2- Security of Mobile Banking has a significant positive impact on customer satisfaction.
3) H3 -Transaction speed of Mobile Banking has a significant positive impact on customer satisfaction.
4) H4 -Accessibility of Mobile Banking has a significant positive impact on customer satisfaction.
5) H5 -Service quality of Mobile Banking has a significant positive impact on customer satisfaction.

III. RESEARCH METHODOLOGY

A total of 200 mobile banking users participated in the study. Respondents were selected using the convenience sampling technique, whereby participants who were readily available and willing to provide information were included in the sample. This method was chosen due to its practicality, cost-effectiveness, and suitability for exploratory and descriptive studies.

1) Research Design -The study adopts a descriptive and quantitative research design and data has been collected through structured questionnaires from mobile banking users.
2) Sampling Technique. -Convenience sampling method was used. Secondary data will be obtained from journals, books, reports, and websites.
3) Data Collection Tool -The present study aims to examine customer satisfaction with mobile banking services. Primary sources of data have been utilized to ensure a comprehensive understanding of the research problem. Primary data has been collected through a structured questionnaire administered to mobile banking users. The questionnaire was designed to gather relevant information regarding respondents' demographic characteristics, usage patterns of mobile banking services, and their level of satisfaction with these services. The questionnaire consisted of three sections:

- Section A: Demographic Information – Included questions related to age, gender, educational qualification, occupation, income level, and duration of mobile banking usage.
- Section B: Mobile Banking Functionalities – Focused on the frequency of usage and awareness of various mobile banking services such as fund transfers, balance inquiries, bill payments, mobile recharges, account statements, and other digital banking facilities.
- Section C: Customer Satisfaction – Measured respondents' satisfaction levels regarding convenience, accessibility, security, reliability, transaction speed, ease of use, and overall experience with mobile banking services.

IV. DATA ANALYSIS AND INTERPRETION

A. Reliability Analysis

Cronbach's Alpha has been used to measure reliability and internal consistency.

TABLE -1 Reliability Statistics

Scale	Cronbach's Alpha	No. of Items
Mobile Banking Functionality Scale	.891	25
Customer Satisfaction Scale	.873	5

Cronbach's Alpha values exceed the recommended threshold of 0.70, indicating strong reliability and internal consistency.

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B. Demographic Profile of Respondents

Table 2 presents the gender-wise distribution of the respondents included in the study. Out of the total 200 respondents, 118 (59%) were male, while 82 (41%) were female. The distribution indicates that male respondents constituted a slightly higher proportion of the sample, ensuring representation of both genders for analyzing perceptions regarding mobile banking functionality and customer satisfaction.

Table -2 Gender Distribution

Gender	Frequency	Percentage
Male	118	59%
Female	82	41%
Total	200	100%

Table 3 presents the age-wise distribution of the respondents participating in the study. The findings reveal that the majority of respondents (47%) belonged to the 21–30 years age group, followed by 31–40 years (29%), 41–50 years (15%), and above 50 years (9%). This distribution indicates that younger adults constituted the largest proportion of mobile banking users, reflecting their higher adoption and usage of digital banking services.

Table-3 Age Distribution

Age Group	Frequency	Percentage
21–30 Years	94	47%
31–40 Years	58	29%
41–50 Years	30	15%
Above 50 Years	18	9%

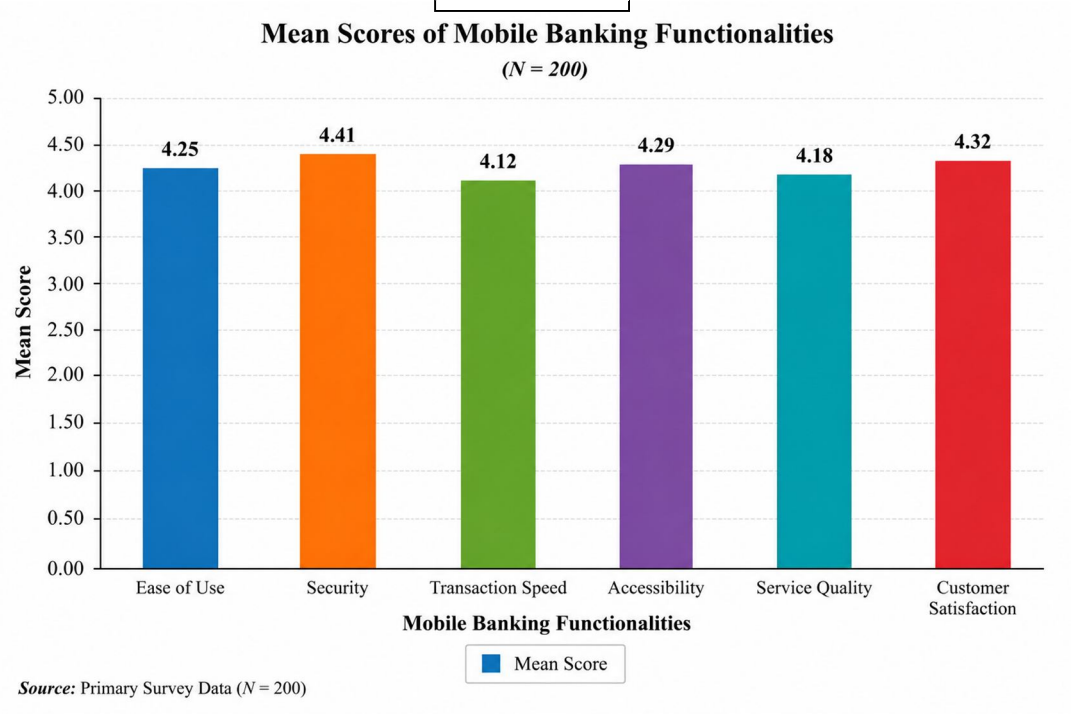
C. Descriptive Statistics

Table 4 presents the descriptive statistics of the key variables included in the study. The mean scores indicate that respondents generally expressed a high level of agreement with all dimensions of mobile banking functionality, with Security recording the highest mean score (4.41), followed by Customer Satisfaction (4.32), Accessibility (4.29), and Ease of Use (4.25). The relatively low standard deviation values (0.59–0.73) suggest a high degree of consistency in respondents' perceptions. Overall, the findings indicate that customers perceive mobile banking services offered by commercial banks positively, particularly with respect to security, accessibility, and overall satisfaction.

Table-4 Mean Scores of Mobile Banking Functionalities

Variable	Mean	Std. Deviation
Ease of Use	4.25	0.68
Security	4.41	0.59
Transaction Speed	4.12	0.71
Accessibility	4.29	0.65
Service Quality	4.18	0.73
Customer Satisfaction	4.32	0.61

Figure-1



The mean values indicate that respondents generally have positive perceptions of mobile banking services. The above Figure presents the mean scores of various mobile banking functionalities. Security recorded the highest mean score (M = 4.41, SD = 0.59), indicating that respondents perceive mobile banking services as secure and trustworthy. Customer Satisfaction (M = 4.32, SD = 0.61) and Accessibility (M = 4.29, SD = 0.65) also received high ratings. Transaction Speed obtained the lowest mean score (M = 4.12, SD = 0.71), suggesting comparatively lower satisfaction in this aspect. Overall, all dimensions achieved mean scores above 4.0, indicating a high level of positive perception among mobile banking users.

Table-5 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error
1	.852	.726	.719	.324

Predictors: (Constant), Ease of Use, Security, Transaction Speed, Accessibility, Service Quality

Table -6 Coefficients

Variable	B	Std. Error	Beta	t	Sig.
Constant	.512	.247	-	2.070	.040
Ease of Use	.214	.052	.248	4.120	.000
Security	.298	.046	.347	6.480	.000
Transaction Speed	.156	.049	.179	3.180	.002
Accessibility	.231	.055	.266	4.200	.000
Service Quality	.267	.051	.302	5.230	.000

Among the independent variables, Security had the strongest standardized effect (β = 0.347, p < 0.001), followed by Service Quality (β = 0.302, p < 0.001), Accessibility (β = 0.266, p < 0.001), Ease of Use (β = 0.248, p < 0.001), and Transaction Speed (β = 0.179, p = 0.002). Since all predictors were statistically significant, the results indicate that improvements in each mobile banking functionality contribute positively to customer satisfaction.

Table -7 Correlation Matrix (Pearson, Two-tailed)

	EU	Sec	TS	Acc	SQ	CS
Ease of Use	1	.562**	.498**	.544**	.528**	.694**
Security	.562**	1	.531**	.587**	.603**	.758**
Transaction Speed	.498**	.531**	1	.516**	.549**	.621**
Accessibility	.544**	.587**	.516**	1	.576**	.709**
Service Quality	.528**	.603**	.549**	.576**	1	.731**
Customer Satisfaction	.694**	.758**	.621**	.709**	.731**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation- The correlation analysis revealed that all mobile banking dimensions were positively and significantly correlated with customer satisfaction (p < 0.01). Security showed the strongest relationship with customer satisfaction (r = 0.758), followed by service quality (r = 0.731), accessibility (r = 0.709), ease of use (r = 0.694), and transaction speed (r = 0.621). These findings indicate that improvements in these mobile banking functionalities are associated with higher levels of customer satisfaction.

V. DISCUSSION AND KEY FINDINGS

This study examined the impact of mobile banking functionalities on customer satisfaction among 200 mobile banking users. The analysis included reliability testing, descriptive statistics, correlation analysis, and multiple regression analysis to assess the relationships between the selected mobile banking factors and customer satisfaction.

The reliability analysis demonstrated that the research instrument possessed high internal consistency. The Cronbach's Alpha value of 0.891 for the Mobile Banking Functionality Scale and 0.873 for the Customer Satisfaction Scale exceeded the recommended threshold of 0.70, confirming that the questionnaire items were reliable and appropriate for further statistical analysis.

The demographic profile revealed that male respondents constituted 59% of the sample, while female respondents represented 41%. The majority of participants (47%) belonged to the 21–30 years age group, indicating that younger customers are more inclined to adopt and actively use mobile banking services. This finding reflects the increasing dependence of digitally literate customers on technology-based banking channels for routine financial transactions.

1) H1: Ease of Use has a significant positive impact on customer satisfaction – Accepted.

The findings support H1, indicating that ease of use has a significant positive influence on customer satisfaction. The descriptive statistics showed that respondents rated ease of use favorably (Mean = 4.25), reflecting that customers appreciate mobile banking applications that are simple, intuitive, and user-friendly. Pearson correlation analysis revealed a significant positive relationship between ease of use and customer satisfaction (r = 0.694, p < 0.01). Furthermore, the multiple regression analysis confirmed that ease of use significantly predicts customer satisfaction (β = 0.248, p < 0.05). Therefore, H1 is accepted, demonstrating that customers are more satisfied when mobile banking applications are easy to understand and operate.

2) H2: Security has a significant positive impact on customer satisfaction – Accepted.

The findings strongly support H2, confirming that security has a significant positive impact on customer satisfaction. Security recorded the highest mean score among all variables (Mean = 4.41), indicating that customers consider the safety of financial transactions and personal information as the most important aspect of mobile banking. The correlation analysis revealed that security had the strongest positive association with customer satisfaction ($r = 0.758$, $p < 0.01$). Similarly, regression analysis identified security as the strongest predictor of customer satisfaction ($\beta = 0.347$, $p < 0.05$). Therefore, H2 is accepted, suggesting that stronger security measures significantly enhance customers' trust and satisfaction with mobile banking services.

3) H3: Transaction Speed has a significant positive impact on customer satisfaction – Accepted.

The results support H3 by demonstrating that transaction speed positively influences customer satisfaction. Respondents expressed favorable opinions regarding transaction speed (Mean = 4.12), indicating that efficient and timely banking services contribute to positive user experiences. Pearson correlation analysis showed a significant positive relationship between transaction speed and customer satisfaction ($r = 0.621$, $p < 0.01$). The regression analysis further confirmed its significant positive effect ($\beta = 0.179$, $p < 0.05$). Although transaction speed had the lowest standardized coefficient among the predictors, it remained a statistically significant factor. Therefore, H3 is accepted.

4) H4: Accessibility has a significant positive impact on customer satisfaction – Accepted.

The findings confirm H4, indicating that accessibility significantly improves customer satisfaction. The descriptive analysis showed that accessibility received a high mean score (Mean = 4.29), suggesting that customers value the convenience of accessing banking services anytime and anywhere. Pearson correlation analysis revealed a strong positive relationship between accessibility and customer satisfaction ($r = 0.709$, $p < 0.01$). Multiple regression analysis also confirmed that accessibility significantly predicts customer satisfaction ($\beta = 0.266$, $p < 0.05$). Therefore, H4 is accepted, highlighting that greater accessibility enhances the overall mobile banking experience.

5) H5: Service Quality has a significant positive impact on customer satisfaction – Accepted.

The findings support H5, demonstrating that service quality has a significant positive influence on customer satisfaction. Service quality received a favorable mean score (Mean = 4.18), indicating that customers appreciate reliable, responsive, and efficient banking services. Pearson correlation analysis revealed a strong positive relationship between service quality and customer satisfaction ($r = 0.731$, $p < 0.01$). The regression analysis further confirmed that service quality significantly affects customer satisfaction ($\beta = 0.302$, $p < 0.05$), making it the second strongest predictor after security. Therefore, H5 is accepted, indicating that high-quality service delivery plays a vital role in improving customer satisfaction with mobile banking services.

VI. CONCLUSION

The findings imply that customers value secure and dependable digital banking environments more than any other aspect of mobile banking. Although transaction speed remains important, customers appear to place greater emphasis on data privacy, system reliability, quality of service, and the convenience of accessing banking services anytime and anywhere. These results indicate that banks should continue investing in advanced security mechanisms, intuitive application design, reliable digital infrastructure, and responsive customer support to enhance customer satisfaction and strengthen long-term customer relationships.

Overall, the study confirms that mobile banking functionality plays a significant role in shaping customer satisfaction. The findings provide empirical evidence that improving the usability, security, accessibility, transaction efficiency, and service quality of mobile banking applications can substantially increase customer satisfaction and encourage continued adoption of digital banking services. These results offer valuable insights for commercial banks, policymakers, and technology developers seeking to improve digital banking experiences and promote sustainable growth in the banking sector.

Recommendations for banks-

- Enhance cybersecurity measures.
- Improve application user interface.
- Increase transaction processing speed.
- Ensure uninterrupted service availability.
- Provide efficient customer support.

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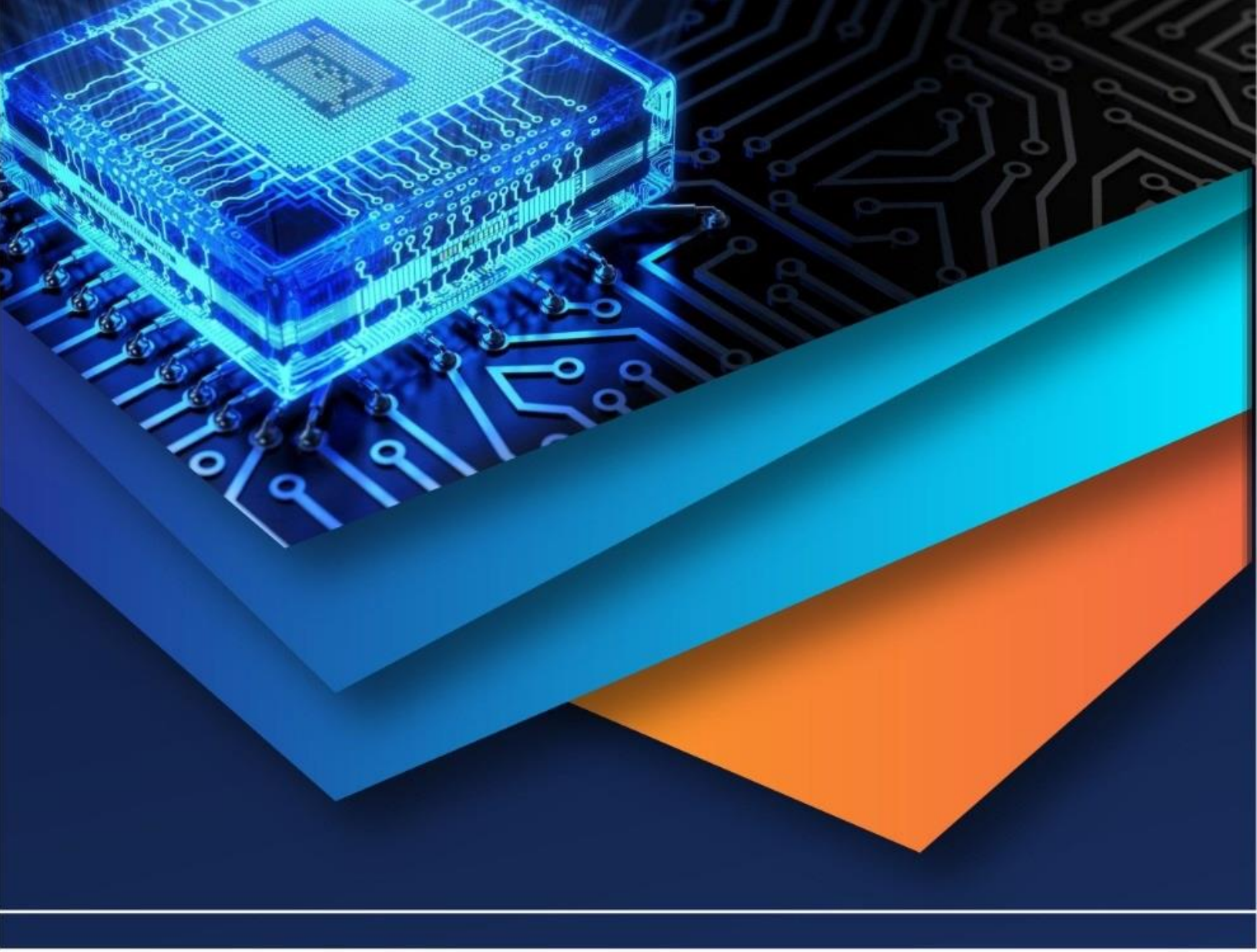

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