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"Impact of Mobile Banking on Customer Satisfaction In Public vs Private Bank"

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ABSTRACT

Mobile banking has emerged as one of the most significant innovations in the modern banking sector, transforming the way customers access and utilize banking services. The increasing penetration of smartphones, internet connectivity, and digital payment systems has encouraged customers to perform financial transactions through mobile applications without visiting physical bank branches. Mobile banking offers various facilities such as fund transfers, balance inquiries, bill payments, account monitoring, and other banking services, thereby enhancing convenience and accessibility for users. The present study examines the impact of mobile banking on customer satisfaction in public and private sector banks. The primary objective of the study is to analyse customer perceptions regarding mobile banking services and to compare satisfaction levels among users of public and private sector banking applications. The study also investigates the influence of factors such as ease of use, security, transaction speed, service quality, accessibility, reliability, and customer trust on overall satisfaction. The research is based on both primary and secondary data. Primary data were collected through a structured questionnaire administered to customers who regularly use mobile banking services, while secondary data were obtained from books, journals, research articles, banking reports, and online sources. The collected data were analysed using descriptive statistical techniques. The findings reveal that mobile banking has positively influenced customer satisfaction by making banking services faster, more convenient, and easily accessible. Customers of private sector banks generally reported higher satisfaction levels due to better application performance, faster transaction processing, and user-friendly interfaces. In contrast, customers of public sector banks expressed greater trust and confidence in the security and reliability of their banking institutions. Despite the overall positive perception, certain challenges such as technical issues, security concerns, and occasional service interruptions continue to affect customer experiences. The study concludes that mobile banking significantly contributes to customer satisfaction in both public and private sector banks. Banks should focus on improving digital infrastructure, strengthening cybersecurity measures, enhancing customer support, and increasing awareness regarding digital banking services. Continuous innovation and service improvement will be essential for sustaining customer satisfaction and ensuring the long term success of mobile banking platforms.

Keywords: Mobile Banking, Customer Satisfaction, Public Sector Banks, Private Sector Banks, Digital Banking, Service Quality, Customer Trust, Banking Technology.

INTRODUCTION

The banking industry has undergone significant transformation over the last two decades due to rapid advancements in information and communication technology. Traditional banking methods, which required customers to visit bank branches for routine transactions, have gradually been replaced by digital banking services. Among these developments, mobile banking has emerged as one of the most important innovations, allowing customers to perform banking activities conveniently through smartphones and mobile applications. Services such as fund transfers, balance inquiries, bill payments, account monitoring, and digital payments can now be completed anytime and anywhere without the need to visit a physical branch. In India, the adoption of mobile banking has increased considerably due to the widespread availability of smartphones, affordable internet services, and supportive government initiatives promoting digital financial inclusion. Programs such as Pradhan Mantri Jan Dhan Yojana, Digital India, and the introduction of Unified Payments Interface (UPI) have accelerated the growth of digital banking services across the country. These initiatives have encouraged both urban and rural populations to adopt mobile banking as a convenient and efficient mode of conducting financial transactions. Mobile banking offers several benefits to customers. It reduces transaction time, increases accessibility, provides real-time account information, and enables users to manage their finances more effectively. Customers can access banking services twenty-four hours a day, eliminating the limitations associated with branch banking. As a result, mobile banking has become an essential component of modern banking operations and a key factor in improving customer experience. Customer satisfaction is one of the most important indicators of the success of mobile banking services. Satisfaction reflects the extent to which customer expectations are fulfilled by the services provided by banks. Factors such as ease of use, transaction speed, security, reliability, service quality, accessibility, and customer support significantly influence customer satisfaction in mobile banking. When customers perceive mobile banking applications as efficient, secure, and userfriendly, they are more likely to continue using these services and develop a positive relationship with their bank. In the Indian banking sector, both public and private sector banks have invested heavily in developing and improving their mobile banking platforms. Public sector banks such as State Bank of India, Punjab National Bank, and Bank of Baroda have introduced mobile applications to provide digital banking services to a broad customer base. These banks are generally known for their reliability, stability, and strong customer trust. On the other hand, private sector banks such as HDFC Bank, ICICI Bank, and Axis Bank have focused extensively on technological innovation, user-friendly interfaces, and advanced digital features to enhance customer experience. Although mobile banking services are widely available in both public and private sector banks, customer perceptions and satisfaction levels may vary due to differences in technology, service quality, application performance, and security features. Customers of private sector banks often appreciate faster transaction processing, modern application design, and enhanced digital functionality. In contrast, customers of public sector banks may place greater emphasis on institutional trust, security, and reliability. Understanding these differences is important for banks seeking to improve their digital services and strengthen customer relationships. The increasing competition in the banking industry has made it essential for banks to continuously improve their mobile banking services. Customers today expect seamless digital experiences similar to those provided by leading technology platforms. Therefore, banks must focus not only on providing basic banking facilities but also on delivering high levels of convenience, security, and service quality. The present study aims to examine the impact of mobile banking on customer satisfaction and to compare customer experiences between public and private sector banks. The study seeks to identify the key factors influencing customer satisfaction and evaluate how effectively mobile banking services meet customer expectations. The findings of the study will help banks understand customer needs more effectively and formulate strategies for enhancing the quality and efficiency of their mobile banking services.

LITERATURE REVIEW

1. **Parasuraman, Zeithaml, and Malhotra (2005)** developed the E-S-QUAL model to measure service quality in electronic environments. The study identified efficiency, system availability, fulfillment, and privacy as the major dimensions influencing customer satisfaction in digital services. The framework suggests that customers are more satisfied when digital platforms are reliable, easy to use, and secure. In the context of mobile banking, these dimensions play a significant role in shaping customer experiences and perceptions.

2. **Davis (1989)** introduced the Technology Acceptance Model (TAM), which explains technology adoption through two major factors: Perceived Usefulness and Perceived Ease of Use. According to the model, customers are more likely to adopt mobile banking services when they believe that the technology improves their performance and is simple

to operate. The model remains one of the most widely used frameworks for understanding customer acceptance of digital banking platforms.

3. **Oliver (1980)** proposed the Expectation Confirmation Theory (ECT), which states that customer satisfaction is determined by the comparison between expectations and actual performance. When a service performs better than expected, customers experience satisfaction; when performance falls below expectations, dissatisfaction occurs. This theory is highly relevant in mobile banking, where customer expectations regarding speed, convenience, and security strongly influence satisfaction levels.

4. **Bhattacherjee (2001)** developed the Information Systems Continuance Model, emphasizing that long-term usage of technology depends on user satisfaction and confirmation of expectations. The study found that customers continue using digital platforms when they consistently deliver value and meet user expectations. In mobile banking, sustained customer satisfaction is essential for long-term adoption and loyalty.

5. **Venkatesh et al. (2003)** introduced the Unified Theory of Acceptance and Use of Technology (UTAUT), which identifies performance expectancy, effort expectancy, social influence, and facilitating conditions as key determinants of technology adoption. The model suggests that customer acceptance of mobile banking is influenced not only by technological factors but also by social and environmental conditions.

6. **Suh and Han (2002)** highlighted the importance of trust and perceived risk in electronic banking environments. The study found that concerns regarding security, privacy, and financial risk negatively affect customer adoption and satisfaction. Trust was identified as a critical factor that reduces perceived risk and encourages customers to use digital banking services confidently.

7. **Rahi (2015)** examined the relationship between internet banking adoption, customer loyalty, and brand image. The findings revealed that strong institutional reputation and customer trust positively influence satisfaction and long-term usage. Customers tend to remain loyal to banks with strong brand credibility even when minor service disruptions occur.

8. **Zhou (2012)** investigated the role of information quality and system quality in mobile banking adoption. The study concluded that accurate information, system reliability, responsiveness, and ease of navigation significantly improve customer trust and satisfaction. Customers are more likely to continue using mobile banking applications when they perceive both technical quality and information quality to be high.

9. **Laukkanen (2016)** explored innovation resistance in digital banking and identified functional and psychological barriers affecting technology adoption. The study found that concerns regarding complexity, security, and disruption of established habits can reduce customer willingness to adopt digital banking services. Simpler interfaces and better customer education were suggested as ways to overcome resistance.

RESEARCH GAP

Mobile banking has become an important component of modern banking services, and several studies have examined customer satisfaction, technology adoption, service quality, and digital banking performance. Previous research has primarily focused on the general adoption of digital banking services, the role of technology in banking operations, and factors affecting customer acceptance of online and mobile banking platforms. Many studies have emphasized dimensions such as ease of use, perceived usefulness, trust, security, and service quality. Researchers have also explored customer perceptions regarding internet banking and digital payment systems in different regions and banking environments. However, most existing studies have either focused exclusively on public sector banks or private sector banks rather than conducting a direct comparison between the two sectors.

Furthermore, limited research has been conducted to examine how mobile banking influences customer satisfaction differently in public and private sector banks. Existing studies often evaluate technological performance or customer perception independently, without considering the combined effect of service quality, trust, security, convenience, and application performance on customer satisfaction. Another important gap is the rapidly changing nature of digital banking services. Continuous technological advancements, increasing smartphone penetration, and growing customer expectations have transformed the mobile banking landscape. Therefore, updated research is required to understand the current factors influencing customer satisfaction in mobile banking services.

The present study attempts to address these gaps by providing a comparative analysis of customer satisfaction in public and private sector banks and identifying the major factors that influence customer experiences with mobile banking services.

RESEARCH QUESTION

1. How does mobile banking influence customer satisfaction?
2. What factors affect customer satisfaction in mobile banking services?
3. Are customers satisfied with mobile banking services?

OBJECTIVES OF THE RESEARCH

1. To analyse the impact of mobile banking on customer satisfaction in banks.

2. To compare the level of customer satisfaction between public and private sector banks. 3.

To identify the main factors influencing customer satisfaction in mobile banking services.

HYPOTHESIS OF THIS STUDY

H0 (Null Hypothesis):

Mobile banking does not have a significant impact on consumer satisfaction.

H1 (Alternative Hypothesis):

Mobile banking has a significant impact on consumer satisfaction.

RESEARCH METHODOLOGY

This study has used both primary and secondary sources of information to examine the impact of mobile banking on customer satisfaction in public and private sector banks. The study focuses on understanding customer experiences, satisfaction levels, and the factors influencing the use of mobile banking services. Data were collected from active mobile banking users in Ranchi through a structured questionnaire.

1. Research Design

The study adopts a descriptive and comparative research design. A cross-sectional survey method was used to collect information from respondents at a single point in time. Both primary and secondary data were utilized for the purpose of the study. Primary data were collected through a structured questionnaire, while secondary data were gathered from books, journals, research articles, banking reports, RBI publications, and reliable online sources.

2. Data Collection

Data collection was conducted using both primary and secondary sources.

Primary Data Collection:

Primary data were collected from customers who actively use mobile banking services of public and private sector banks. A structured questionnaire was used to obtain information regarding ease of use, security, reliability, accessibility, transaction speed, convenience, and customer satisfaction.

Secondary Data Collection:

Secondary data were collected from books, journals, research papers, annual reports, RBI publications, websites, and other relevant sources related to mobile banking and customer satisfaction.

3. Sampling Technique

The study employed a non-probability purposive and convenience sampling technique. Respondents were selected based on their active usage of mobile banking services and their ability to provide informed responses regarding mobile banking experiences.

4. Sample Size

A total of 120 valid respondents were included in the study. Out of the total respondents, 53 respondents (44.17%) were users of public sector bank mobile applications, while 67 respondents (55.83%) were users of private sector bank mobile applications.

5. Study Area

The study was conducted in Ranchi, Jharkhand, where respondents from different age groups, occupations, educational backgrounds, and income categories were surveyed regarding their mobile banking experiences.

6. Tools and Techniques of Data Analysis

The collected data were organized, classified, tabulated, and analyzed using statistical techniques.

Percentage Analysis

Frequency Distribution

Descriptive Statistics

Regression Analysis

Tables and Graphical Representation

Regression analysis was used to examine the relationship between mobile banking services and customer satisfaction and to test the research hypothesis.

5. DATA ANALYSIS

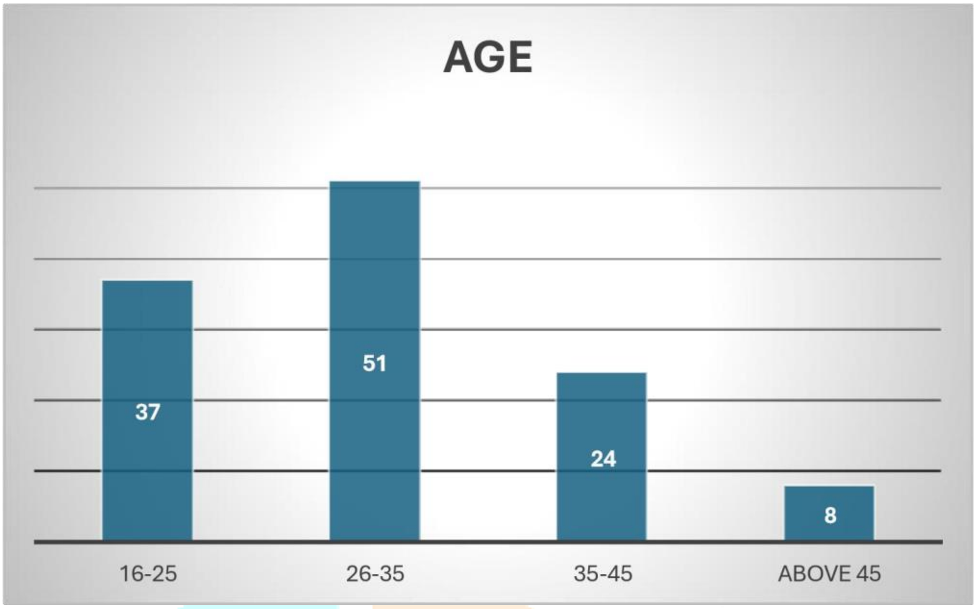
The collected data were analysed using frequency distribution, percentage analysis, and regression techniques. The objective of the analysis was to understand the demographic profile of respondents and examine the impact of mobile banking services on customer satisfaction in public and private sector banks.

5.1 AGE GROUP OF RESPONDENTS

TABLE-1

AGE GROUP	FREQUENCY	PERCENTAGE
16-25	37	30.83 %
26-35	51	42.50 %
36-45	24	20.00 %
Above 45	8	6.67 %
Total	120	100 %

The table shows that the largest group of respondents belongs to the 26–35 years age category, accounting for 42.50% of the sample. Respondents aged 16–25 years constitute 30.83% of the sample. Together, these two groups represent 73.33% of all respondents, indicating that younger individuals are the primary users of mobile banking services.

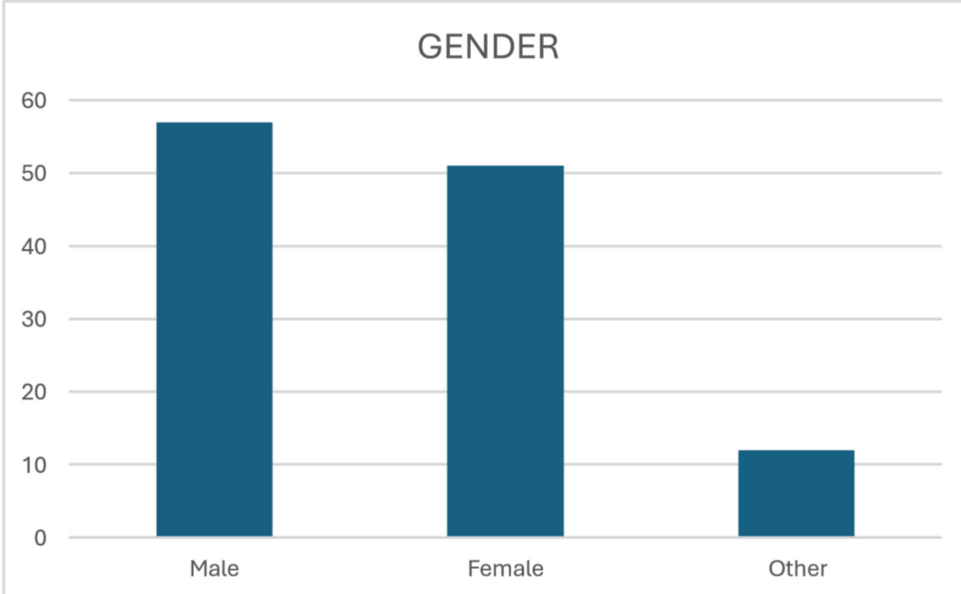


5.2 GENDER OF RESPONDENTS

TABLE-2

GENDER	FREQUENCY	PERCENTAGE
Male	57	47.50 %
Female	51	42.50 %
Others	12	10.00 %
Total	120	100 %

The findings indicate that male respondents account for 47.50% of the sample, while female respondents represent 42.50%. The difference between male and female respondents is relatively small, suggesting balanced participation from both groups. The inclusion of respondents in the "Other" category further enhances representation and diversity within the study.

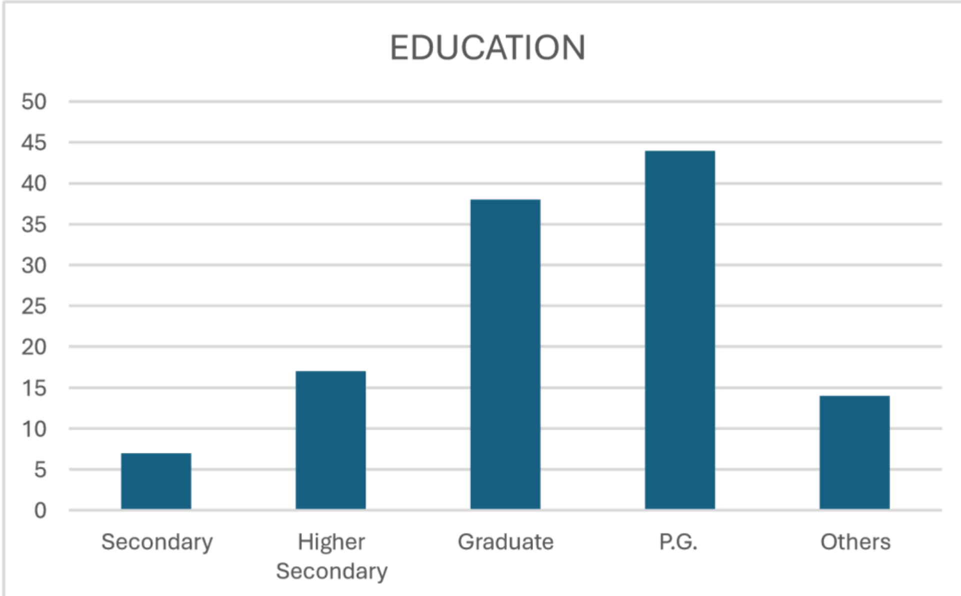


5.3 EDUCATION QUALIFICATION OF RESPONDENTS

TABLE -3

QUALIFICATION	FREQUENCY	PERCENTAGE
Secondary	7	5.83 %
Higher secondary	17	14.17 %
Graduate	38	31.67 %
Post graduate	44	36.67 %
Others	14	11.67 %
Total	120	100 %

The largest group of respondents consists of postgraduates (36.67%), followed by graduates (31.67%). Together, graduates and postgraduates account for more than two-thirds of the respondents. This indicates that the study largely reflects the views of individuals with higher educational qualifications and greater familiarity with digital technologies.

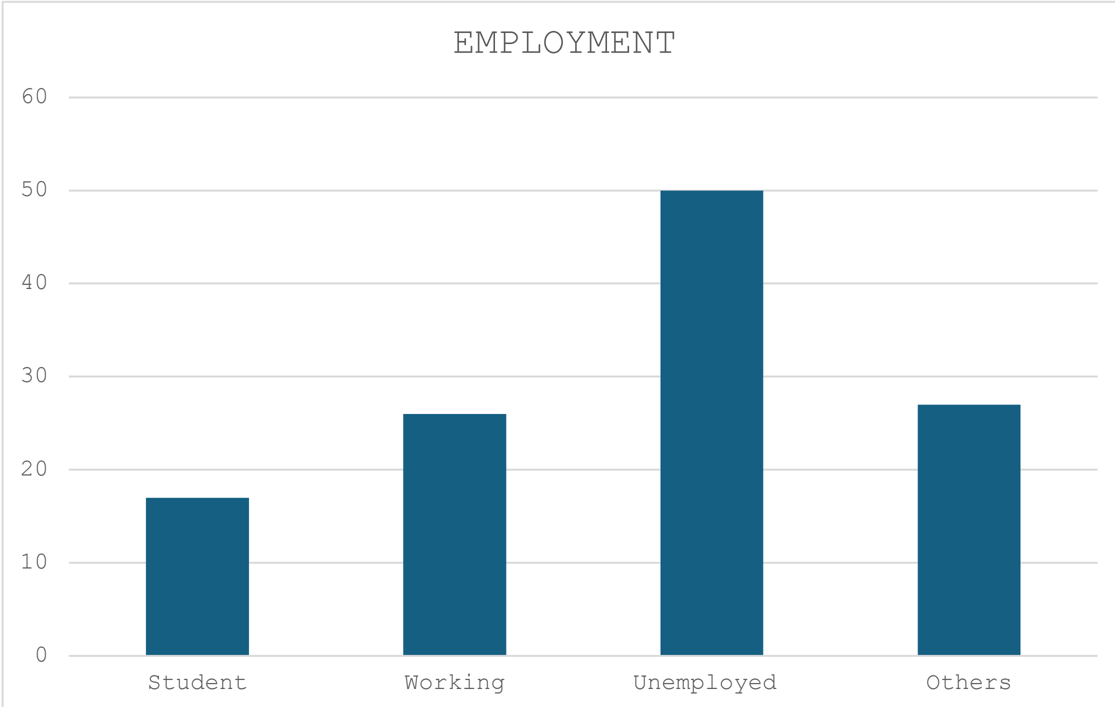


5.4 EMPLOYMENT STATUS OF RESPONDENTS

TABLE-4

EMPLOYMENT STATUS	FREQUENCY	PERCENTAGE
Student	17	14.17 %
Working professionals	26	21.67 %
Unemployed	50	41.67 %
Others	27	22.50 %
Total	120	100 %

The table shows that unemployed respondents constitute the largest group (41.67%). Working professionals account for 21.67%, while students represent 14.17% of the sample. The diverse occupational profile helps provide a broader understanding of customer perceptions regarding mobile banking services



HYPOTHESIS TESTING – REGRESSION

To examine the impact of mobile banking services on customer satisfaction, regression analysis was conducted using SPSS software. Customer satisfaction was treated as the dependent variable, while mobile banking features were treated as the independent variable.

TABLE-1 ANNOVA ANALYSIS

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.643	1	13.643	28.582	<.001[b]
	Residual	56.803	119	.477		
	Total	70.446	120			

The ANOVA results reveal an F-value of 28.582 with a significance level below 0.001. Since the p-value is less than 0.05, the regression model is statistically significant. This indicates that mobile banking services have a significant impact on customer satisfaction.

TABLE-2 COEFFICIENT TEST

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.208	.319		6.921	<.001
	VI	.445	.083	.440	5.346	<.001

Sources -Computed by researcher through SPSS

The regression coefficient for mobile banking features is 0.445, indicating that an improvement in mobile banking services leads to an increase in customer satisfaction. The significance value is below 0.001, confirming a statistically significant positive relationship between mobile banking services and customer satisfaction.

OBJECTIVE ACHIEVED

Since the significance value obtained through regression analysis is less than 0.05, the null hypothesis is rejected and the alternative hypothesis is accepted. Through the study, the objectives have been successfully achieved by analysing the impact of mobile banking on customer satisfaction in public and private sector banks. It was found that the majority of respondents are aware of mobile banking services and actively use them for various banking transactions such as fund transfers, bill payments, balance enquiries, and online purchases. The study revealed that mobile banking has positively influenced customer satisfaction by providing convenience, accessibility, time-saving benefits, and faster banking services. Customers expressed positive perceptions regarding mobile banking services and considered them reliable, secure, and easy to use. The comparative analysis further showed that private sector banks perform better in terms of technological innovation and service efficiency, whereas public sector banks maintain strong customer trust and reliability. Overall, the study confirms that mobile banking significantly contributes to customer satisfaction and enhances the overall banking experience.

FINDINGS OF THE STUDY

The majority of respondents belong to the younger age groups, indicating that mobile banking is more frequently used by young customers. Most respondents were aware of mobile banking services and regularly used them for day-to-day banking transactions. The findings indicate that convenience, ease of use, accessibility, transaction speed, security, and reliability are the major factors influencing customer satisfaction. Customers generally expressed satisfaction with mobile banking services and considered them useful for performing banking activities anytime and anywhere. The study also found that private sector banks provide better technological features, faster services, and more user-friendly applications compared to public sector banks. However, public sector banks enjoy greater customer confidence due to their trustworthiness and credibility. Some challenges identified by respondents include network issues, technical problems, security concerns, and occasional service interruptions. The results of hypothesis testing confirmed that mobile banking services have a significant positive impact on customer satisfaction.

CONCLUSION

The study concludes that mobile banking has become an essential component of modern banking services and plays a significant role in enhancing customer satisfaction. Mobile banking enables customers to perform banking transactions conveniently, quickly, and securely without visiting bank branches. The findings reveal that customer satisfaction is significantly influenced by factors such as ease of use, accessibility, security, reliability, and transaction efficiency. The comparative analysis indicates that both public and private sector banks have successfully adopted mobile banking services; however, private sector banks perform better in terms of innovation and service quality, while public sector banks continue to enjoy higher levels of customer trust. Therefore, banks should continue improving their mobile banking services to meet customer expectations and strengthen customer satisfaction in the increasingly digital banking environment.

SUGGESTION

The study suggests that banks should continuously upgrade their mobile banking applications to improve performance and user experience. Security measures should be strengthened to protect customers from cyber threats and fraudulent activities. Banks should provide regular awareness programmes to educate customers regarding safe mobile banking practices. Public sector banks should focus on technological innovation and application development to compete effectively with private sector banks. Customer support services should be improved to address customer grievances quickly and efficiently. Banks should also introduce multilingual features and simplify application interfaces to make mobile banking accessible to a wider range of customers. Regular feedback from customers should be collected and incorporated into service improvements to enhance customer satisfaction and loyalty.

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