The Impact of Mobile Banking Applications on Customer Engagement and Satisfaction

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Abstract

Digital tech advancements have changed the global money scene, with phone banking now key to financial access, ease, and better service. In India more people use phone banking because of increased smartphone ownership, government digital programs, and changing customer needs. Though widely used, we still need to study how different phone banking features affect customer involvement and happiness in government-owned banks like Bank of Baroda.

This research looks at how phone banking apps affect customer involvement and happiness. It aims to find which features most improve user experience and to assess how ease of use, functions, safety, and speed shape customer views and loyalty. The study uses Bank of Baroda's 'bob World' app as an example to put findings in context.

We used a descriptive research plan with a number-based approach. We gathered new data through set questions from a group of young adults aged 18–34. The survey checked things like how often people use the app how easy it is to use how safe it seems, its speed, functions, and overall user happiness. We then used math tools to analyze the data to find patterns and links between user involvement and app features.

The research showed that app functionality has the biggest impact on customer satisfaction. This includes how easy the app is to use, what services it offers, and how well it works. While some users worry about security, it's not the main thing that makes younger, tech-savvy users happy. People liked features such as moving money, paying bills, and topping up their phones. They also wanted better security faster speeds, and a nicer-looking app. Bank of Baroda's work to add new features like AI helpers, support for many languages, and tools for investing has boosted user engagement. But the study also points out areas that need work, like how fast customer support responds and how well people know about security measures. In the end, these findings show how important it is to design banking apps with users in mind and to keep coming up with new digital ideas to build customer loyalty over time in the banking world.

Keywords :

Mobile banking, customer satisfaction, digital banking, service functionality, usability, Bank of Baroda, bob World, mobile app performance, financial technology, user engagement.

1.Introduction

Digital tech has changed banking worldwide, with mobile banking now at the heart of financial services. Mobile banking means using phones and tablets to do bank tasks. This marks a big change from old-style branch banking to a faster more user-friendly approach. This fits with wider digital trends where people expect things to be easy, quick, and tailored to them. In India more people have started using mobile banking . This is because more people have smartphones better internet, and the government wants more people to use digital money services. As a result, banks are putting more money into mobile platforms. They see these as key tools to make customers

happier, work better, and stay ahead of rivals. But this move to digital also brings new problems. Banks need to make sure their apps are easy to use keep user data safe, and keep customers interested and satisfied.

Even if mobile banking is becoming more and more popular, it is still necessary to critically assess the elements that affect its efficient use and the degree to which these elements affect consumer perceptions. User experience and pleasure are said to be significantly shaped by important factors like usability, security, performance, and customisation. The purpose of this study is to look into how customer happiness and engagement in the Indian banking industry relate to the features of mobile banking applications.

This study uses an empirical, data-driven methodology to offer detailed insights on consumer behavior in the mobile banking space. In an increasingly competitive and technologically advanced world, the results could help banking institutions and policymakers develop strategies for improving digital service delivery, resolving user issues, and boosting customer loyalty.

2. Literature Review

Understanding the elements that influence consumer satisfaction, confidence, and continuous use has become rather academically relevant given the development of mobile banking. Many studies have investigated mobile banking from several viewpoints, spanning usability and performance to psychological behavior and socio-demographic effects, each giving insights for the current work

Asfour and Haddad (2014) studied mobile banking services in Jordan and identified seven essential dimensions: reliability, flexibility, privacy, accessibility, ease of navigation, efficiency, and safety. Empirical results indicated privacy and accessibility as principal drivers of e-satisfaction and prompted banks to develop service capabilities to address customer needs more effectively.

Bag (2022) examined the behavioral dynamics of rural Indian users of mobile banking. The research demonstrated convenience and safety to be important drivers of adoption, yet easily eroded by technical mistakes such as debits in the wrong amount. Interestingly, customer education influenced perceptions of usability and safety positively, reflecting the critical role played by digital literacy in adoption and usage.

Garzaro, Varotto, and Carvalho Pedro (2020) investigated the contributions of interactivity and social presence in online banking. Their study established that both factors dramatically improve brand engagement and satisfaction. Surprisingly, brand experience completely mediated the relationship between engagement and loyalty, particularly when it comes to mobile app, indicating that accessible app interfaces and interactive features play a crucial role in fueling customer loyalty.

Govindan (2022) provided a wider context, referring to Indian trust in mobile banking being developed on the basis of convenience and accessibility. He cautioned, however, that usability gaps in the system or lack of uniformity in service delivery will chip away at customer confidence and delay adoption.

Kamboj, Sharma, and Sarmah (2022) proposed the Mobile Banking Failure Model (MBFM) to research the impact of service failures—functional, system, information, and service-related—on customer engagement. Based on their results, failures negatively affect usage, satisfaction, and engagement directly, and user satisfaction mediates this relationship partially. This indicates that even technologically resilient platforms need to provide reliability and user-friendly ease of use in order to maintain users.

Khot (2019), with a focus on Indian banks in the period after demonetization, stressed the convenience and accessibility provided by mobile banking, particularly in rural areas. The research established that mobile banking noticeably improves customer satisfaction as it facilitates easy digital transactions, in turn, filling service delivery loopholes in conventional banking.

Metlo, Hussain, Saqib, Phulpoto, and Abro (2021) investigates the effect of mobile banking on client happiness in the banking sector of Pakistan. Through self-administered questionnaires of 111 respondents, the study identified perceived utility, usability, credibility, and customer attitude as determinants of customer happiness. The results indicate that bank management needs to pay attention to user-friendliness and provision of value-added facilities.

Panthi (2024) examined service dimensions in Nepal and established that reliability, responsiveness, accessibility, and security all made a significant contribution to satisfaction. This concurs with Metlo et al. (2021), whose Pakistan study validated that ease of use, credibility, and usefulness are key predictors of satisfaction.

Sankaran and Chakraborty (2021) added social, emotional, monetary, and quality value dimensions to the UTAUT2 model. Their findings indicated that monetary and emotional value, and trust, had a significant impact on mobile banking behavior intention—emphasizing the importance of perceived value and psychological reassurance in technology adoption.

Sharma, Sharma, and Singh (2024) added a generational lens through their comparison of Gen Y and Gen Z consumers. Their research indicated that Gen Z prioritizes pragmatic and affective experiences whereas Gen Y emphasizes usability. These results highlight the value of personalized UI/UX design and service customization for specific customer groups.

Research Gap

Most research either generalize across several banks or do not go into great detail about generational or app-specific experiences, although past literature notes that security, usability, reliability, personalization, and emotional value are all essential for mobile banking pleasure. Using primary data, the current study answers this gap by presenting a focused examination of a single institution—Bank of Baroda—and capturing thorough user attitude, especially from the youth demographic. Particularly in the Indian public sector banking scenario, it helps by bridging the gap between user expectations and app performance.

Objective of the Study

The primary objective of this study is to examine how mobile banking applications influence customer engagement and satisfaction within the banking sector. Specifically, the study aims to:
- Assess the features of mobile banking applications that contribute most significantly to customer engagement.
- Evaluate the relationship between mobile banking usage and overall customer satisfaction.
- Identify key factors such as usability, security, speed, and personalization that impact user experience.
- Analyze customer perceptions and expectations regarding mobile banking services.
- Provide actionable insights for banks to enhance mobile banking strategies and improve customer loyalty.

3. Research Methodology

Research Design

To investigate how mobile banking application capabilities affect client happiness and involvement, this study employs a descriptive and quantitative research methodology. Descriptive study was suited for methodically recording user attitudes and usage patterns free from variable manipulation.

Sampling Technique

Participants who regularly utilize mobile banking applications were chosen using a non-probability purposive sampling technique. The study sought to target users of Bank of Baroda's mobile app, hence guaranteeing that subjects had appropriate experience with digital banking tools.

Sample Size and Demographics

Hundread and one participants were surveyed for the study. With a significant proportion being students and early-career professionals, around 79% of the participants were between the ages of 18 and 34. Reflecting a fairly balanced demographic profile, the gender breakdown comprised 58.4% male and 41.6% female participants.

Method of Data Collection

Primary data was gathered via a structured online questionnaire including Likert-scale and closed-ended questions. To get responses from mobile banking customers familiar with the technology, the survey was sent over digital mediums.

Data Analysis Methods

Basic descriptive statistical techniques and Microsoft Excel were used to evaluate the gathered data. Frequency distributions, percentage breakouts, and graphical representations of main variables were all part of the study. This helped to give a clear picture of user satisfaction trends, engagement levels, and performance perceptions of the mobile banking app.

Scope of Variables

The study investigated these variables:

➢ Usability: User interface and direction
➢ Functionality: Range and dependability of app characteristics Perceived transaction and personal data security.
➢ Performance: technical stability, reactivity, and app speed
➢ Customer Support: Responsiveness and effectiveness of issue resolution
➢ General satisfaction: willingness to keep using the app and advise others.

Ethical Issues

Participation was voluntary, and all answers were gathered anonymously. Respondents were told the aim of the research and promised that their data would be used only for academic study. The study adhered to standard ethical criteria for survey-based research.

Limitation of Study

This research has some drawbacks. First, the sample size was restricted to 101 participants mostly from the 18–34 age range, which might not represent the opinions of older or less tech-savvy people. Second, the attention on one mobile banking app (bob World by Bank of Baroda) limits the generalizability of findings to other banks. Third, because self-reported online surveys gathered data, reactions may reflect personal biases. Finally, the

quantitative-only strategy could miss more profound discoveries that qualitative techniques like interviews could expose.

4. Data Analysis and Interpretations

This section outlines the most important results of the poll of 101 mobile banking customers, with particular attention on Bank of Baroda's bob World program. The research seeks to know user demographics, usage patterns, happiness scores, and opportunities for growth.

Demographic profile

The demographic distribution shows a major presence of young users, with 50.5% of respondents aged 18–24 years, then 28.7% in the 25–34 age bracket. This points to higher mobile banking use among younger, digitally fluent people. Among the respondents, 58.4% were male and 41.6% were female. With the youth-dominated sample in mind, 47.5% were students in terms of employment.

Mobile Banking Use Patterns

Respondents confirmed using mobile banking apps by a remarkable 78.2%. Among them, 56.5% reported using the app either daily or numerous times per week, pointing to great involvement. Reflecting a transactional attitude among users, the main uses comprised fund transfers (28.7%), bill payments (21.8%), and account balance checks (19.8%).

User Performance and Satisfaction

40% of users said they were happy with simplicity of use, and 18% were very delighted. Thirty-two percent, though, showed a neutral attitude, therefore highlighting a need for user interface enhancements. Just 21.8% of those surveyed felt highly safe using the app in terms of perception of security; 13.9% showed anxiety, therefore revealing a trust breach that banks need to fix. Performance was mostly favorably rated, with 61.4% calling it excellent or good. Thirteen percent of respondents, however, rated it as very bad or poor, indicating inconsistency in app responsiveness or device compatibility.

Services for Feature Utilization and Support

With 26.7% of usage, fund transfers came first, followed by mobile recharges and transaction history. These results show that users mostly rely on mobile banking for basic financial activities. Regarding customer assistance, 23.8% of users experienced delays while 43.5% said their problems were fixed swiftly, indicating a lack of dependability in the standard of service.

General Opinions and Recommendations

33.7% of consumers remained neutral, maybe suggesting unfulfilled expectations or apathy, while 49.5% agreed that mobile banking had enhanced their general banking experience. With 51.5% of participants declaring they would suggest their mobile banking app, 28.7% were unsure, therefore emphasizing need of user advocacy and space for growth.

Improving Areas Found

Participants pointed three major sectors requiring development: Security (33.7%)   Design and user interface account for 19.8%. These are key user expectations that banks have to meet to improve retention and satisfaction.

Interpretation

Interpretation Although basic features like fund transfers and bill payments are well-received, issues about security, technical consistency, and user interface design continue to limit broader satisfaction and user loyalty.

Consequently, in order to completely exploit the potential of mobile banking systems, banks must give top attention to improving user experience and dependability of performance.

Findings Of Data

➢ **Adoption of Mobile Banking Among Young People:**
Among younger, tech-savvy people, the fact that 79.2% of users were between 18 and 34 suggests great uptake and ease with mobile banking.

➢ **Common Patterns of Use:**
More than 56.5% of those who responded used mobile banking applications either daily or several times per week, therefore underlining its incorporation into consumers' daily financial operations.

➢ **Core Features Inspire Engagement:**
Showing a preference for fast and basic banking operations, fund transfers (26.7%), bill payments (21.8%), and balance checks (19.8%) were among the most frequently used features.

➢ **Critical is functionality and performance:**
Although 58% of users were happy or extremely pleased with the ease of use of the app, a sizable 32% stayed neutral. Performance was rated good or excellent by 61.4%, but 13% said their reaction was weak.

➢ **Security issues continue:**
Only 21.8% felt really safe utilizing mobile banking, whereas 13.9% voiced insecurity. This implies that while users expect fundamental security, they want more confirmation.

➢ **Medium Customer Support Effectiveness:**
Almost 24% encountered sluggish responses, suggesting inconsistency in support services, while 43.5% experienced quick issue resolution.

➢ **Mixed General Experience:**
Only slightly under half of those (49.5%) felt mobile banking made their banking experience better, and 51.5% would advise their bank's app. High neutrality in answers points, meanwhile, toward unmet expectations.   8. Important fields needing improvement: As the most crucial areas for improvement, respondents pointed to user interface (19.8%), speed and performance (22.8%), and security (33.7%).

5. Recommendations

➢ **Improve App Design and Functionality:**
Invest in improving navigation, reliability, and app speed. A simple, intuitive interface developed for user behavior can greatly enhance satisfaction.

➢ **Improve Digital Security and Transparency:**
Banks should expressly inform younger users about security capabilities and changes to foster trust and lessen worry, even while they may believe in basic security.

➢ **Directed user education initiatives:**
Using videos or in-app instructions, teach users—especially those new to or infrequent ones—how to utilize sophisticated features, troubleshoot typical problems, and remain safe.

➢ **Enhance customer support integration:**
Improve in-app assistance by faster response times, 24/7 AI chatbots, and smooth escalation to human agents for difficult questions.

➢ **Tailoring via data analytics**:
Provide customized product recommendations, budgeting tools, and alerts using artificial intelligence and machine learning that improve user loyalty and engagement.

➢ **Gamification and Compensation:**
To promote consistent use and make the experience more engaging and satisfying, include loyalty points, savings targets, and accomplishments.

➢ **Inclusive design for more general audiences:**
Although the present user base is youthful, upcoming enhancements should incorporate accessibility tools, multilingual support, and simplified procedures to attract elderly and rural users.

6. Conclusion

Particularly with regard to Bank of Baroda's bob World app, this study investigated how mobile banking applications affected customer engagement and pleasure. Particularly among younger consumers who value convenience, speed, and self-service choices, the results underscore the increasing need of digital platforms in providing financial services.   Although mobile banking is widely used, particularly among the 18–34 age group, the results indicate that the features, performance, and usability of the app have the greatest impact on customer satisfaction. Though widely employed core functions including bill payments and fund transfers, performance inconsistencies and interface constraints detract from the general user experience. Furthermore, even if most users assume basic safety features, perceived security is still a worry.   Although nearly half of the respondents acknowledged that mobile banking improved their overall banking experience, a significant portion expressed neutrality, suggesting room for enhancement. Although many people rated customer service favorably, the varying reaction times point to the need of better service integration.

To summarize, this research highlights the necessity for banks—particularly public sector institutions—to invest in user-centric mobile app development, therefore guaranteeing that platforms are not only feature-rich but also secure, quick, and user-friendly. Long-term customer loyalty and digital trust in the changing banking environment will depend on ongoing innovation combined with clear communication of security policies and responsive customer care.

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