

# MOBILE BANKING USAGE AND CUSTOMER SATISFACTION AMONG BANKS IN PANABO CITY

Jonessa Marie B. Aguilon<sup>1</sup>, Jessa J. Cabato<sup>1</sup>, Jul Marie S. Superales<sup>1</sup>,  
& Jessa Q. Beloy<sup>2</sup>

<sup>1</sup> Department of Teacher Education, UM Panabo College, Panabo City,  
Philippines

<sup>2</sup> Faculty, Department of Business Administration Education UM Panabo  
College, Panabo City

Email address: [jessa\\_beloy@umindanao.edu.ph](mailto:jessa_beloy@umindanao.edu.ph)

## ABSTRACT

The primary driver of the changes that are taking place all over the world is thought to be information technology. This study aimed to determine the significant relationship between mobile banking usage and customer satisfaction among banks in Panabo City. A total of 323 customers were the respondents of this research. The statistical tools used were weighted mean and Pearson-r. Quantitative research utilizing descriptive-correlation method was the research design used in this study. Results revealed that the level of mobile banking usage of banks in Panabo City in terms of mobile payment, mobile credit, and mobile saving is very high and yielded a grand mean of 4.35, therefore mobile banking usage of the bank meets the satisfaction of the customers. For the level of customer satisfaction of banks in Panabo City, it garnered a very high result that constituted a 4.62 grand mean, therefore the customers are satisfied with the mobile banking service of the bank. Furthermore, results found out that there is a significant relationship between mobile banking usage and customer satisfaction among bank in Panabo City. The results yielded an r-value of 0.352 and P-value of 0.000 which is less than 0.05 level of significance, therefore, the null hypothesis ( $H_0$ ) is rejected.

**Keywords:** *Mobile Banking Usage, Customer Satisfaction, Banks, Panabo City, Philippines*

---

## INTRODUCTION

In this emerging world, we face day-by-day transactions. Due to the globalization of competition, market saturation, and the progress of information technology, customer satisfaction has become increasingly relevant in recent years. Customers have complained about a variety of issues over the years, including a lack of customer support, out-of-service ATMs, a lack of responsiveness, and unexpected banking charges. If money is transferred to a consumer, they must withdraw it from an ATM, and ATMs may be out of service if the mobile banking system is down. This has an effect on customer satisfaction because they may require the money at that moment to complete a crucial transaction or pay off a debt, resulting in negative customer satisfaction.

Moreover, service-based companies like banks are driven to provide excellent customer service to maintain a sustainable competitive advantage. The banking sector in Bangladesh is one of the country's biggest and most widely distributed industries. With the globalization of business and the world becoming smaller, customer satisfaction in the banking sector is changing daily because of technological advancements. To get the best service, customers always look around to find the best deal (Mahmud & Karima, 2018).

Indeed, the importance of customer satisfaction in today's highly competitive business environment cannot be overstated since it is key to influencing customer repurchase intentions. With the importance of customer satisfaction in mind, banks must maintain solid and tight connections with their clients. Customer satisfaction must be evaluated. The use of customer satisfaction expertise is critical to creating and maintaining long-term customer relationships as well as long-term competitiveness. Banking is a very involved sector. Banks understand

that providing exceptional service to consumers is critical to success and survival in today's global and competitive financial industry. According to research, customer happiness has a demonstrable impact on purchase intentions, customer retention, and a company's financial performance (Karim & Chowdhury, 2014).

This study is anchored on the theory of Jayachandra (2022) who stated that mobile banking of the banking institution could influence customer satisfaction. The banking sector nowadays is improving its mobile banking performance. It is considered an integral part of every institution because it provides speed, reliability, and efficient performance. Modern customers are satisfied using technology-based services because it becomes easier for them to transact and acquire services whenever needed. Customers are satisfied if they can access and easily understand the service provided. It is very important to establish customer satisfaction because every institution will only be successful by ensuring customer service performance.

## **METHOD**

*Participants.* According to Betelhem (2015), the population is a whole observable set of elements of interest that researchers are investigating—the entire target population group in which the research will be conducted. Customers of the chosen banks in Panabo City were the study's target participants. The two banks, namely; East-West and Producers Bank, had 108 respondents, and the BPI Banks had 107 respondents, with a total population of 323 respondents. For this reason, the chosen customers or clients qualified as good representatives of the various categories. The target respondents were chosen using a random sampling technique. The reason for using it is that not all clients are

available at the bank simultaneously, and it was impossible to contact everyone who might be sampled. Because the study is about banks' mobile banking usage and customer satisfaction, the population consisted primarily of clients or customers of three Panabo City-based banks: East West Bank, Producers Bank, and BPI Direct Banks.

*Materials and Instruments* In this study, questionnaires were used to gather and collect data. The adopted and modified questionnaires from Muhandachi (2020) and Ghimire (2021), in which a set of adopted standardized questionnaires was prepared and underwent validation procedure. The research questionnaire consists of two (2) parts, precisely: part one, which pertains to mobile banking usage, composed of sixteen (16) survey questions provided with five numeric choices, consisting of three indicators that include mobile payment, mobile credit, and mobile saving; and part two refers to the customer satisfaction composed of twelve (12) survey questions provided with five numeric choices. The respondents were asked to check a single selected option in the range of 5 to 1 of two parts. Part one and part two determine the extent of responses with numerical equivalent and interpretation (Jalagat et al., 2017, p. 47): 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. Moreover, the scales used to determine the level of mobile banking usage of the bank are as follows: (1) the scale of 4.21-5.00 is considered very high, which means that the mobile banking service of the bank is highly observed; (2) the scale of 3.41-4.20, which is described as high, which means that the mobile banking of the bank is observed; (3) the scale of 2.61-3.40 is considered as moderate, which means that the mobile banking of the bank is moderately observed; (4) the scale of 1.81-2.60 is considered as low, which means that the mobile banking of

the bank is less observed; (5) the scale of 1.00-1.80 is considered very low, which means that the mobile banking of the bank is not observed. To determine the level of customer satisfaction of the bank are as follows: (1) the scale of 4.21-5.00 is considered very high, which means that the customer is very satisfied; (2) the scale of 3.41- 4.20, which described as high, which means that the customer is satisfied; (3) the scale of 2.61-3.40 considered moderate, which means that the customer is moderately satisfied; (4) the scale of 1.81-2.60 is considered as low, which means that the customer is less satisfied; (5) the scale of 1.00-1.80 is considered very low, which means that the customer is not satisfied.

*Design and Procedures* The researchers used the descriptive correlation method to discuss the relationship and the level of the two variables. The descriptive correlational method is appropriate when determining who, what, and how questions to the customer's satisfaction with the bank's service. It is devoted to gathering information about prevailing conditions or situations for description and interpretation (Salaria, 2012, p. 21). Hence, this study is descriptive because new ideas and theories are discovered and presented and simultaneously correlated in the sense that it explores the relationship between mobile banking usage and customer satisfaction among banks in Panabo City. The study processed involved the following steps: The panel members validated the questionnaire. The researchers adopted the internal consistency measure, Cronbach's alpha ( $\alpha$ ), to measure test data reliability. After conducting the pilot test, it was subjected to a reliability test. The result of the pilot test in the independent variable is 0.74, and for the dependent variable is 0.74; therefore, the study determined that the research instrument attained an acceptable level of

reliability as the scores were 0.7 percent. The researchers asked for the names of the managers of the banking institution to address the letter in asking permission to conduct a study. The researcher sent a letter asking permission from the manager of banking institutions to conduct the

## RESULTS AND DISCUSSION

### Level of Mobile Banking Usage

Shown in Table 1 is the result of mobile banking usage among banks given, with an overall mean of 4.35, which has a very high descriptive equivalent, which means that a bank's mobile banking services meet the customer's satisfaction. Mobile saving got the highest overall mean of 4.51, followed by mobile credit got an overall mean of 4.31, and mobile payment got the lowest overall mean of 4.24.

Exploring mobile banking services has an obvious influence over other transaction channels and benefits customer satisfaction. The user interface of mobile banking applications is straightforward to grasp. The study revealed that most mobile banking users need more technical competence. Therefore, they are more ready to learn how to utilize mobile technologies. The study finds that a clear and simple user interface for mobile banking applications increases customer satisfaction. This is stated by Jahan and Shahria (2021). It is said that customer satisfaction is higher, which means that the use of mobile banking is more advantageous than the other channels.

**Table 1. Level of Mobile Banking Usage**

<b>Indicator</b>	<b>SD</b>	<b>Mean</b>	<b>Descriptive Equivalent</b>
Mobile Payment	0.84	4.24	Very High
Mobile Credit	1.48	4.31	Very High

Mobile Saving	0.74	4.51	Very High
<b>Overall Result</b>	<b>1.08</b>	<b>4.35</b>	<b>Very High</b>

---

The first indicator is Mobile Payment, which got an overall mean of 4.24 with a descriptive equivalent of very high. All the items have a very high descriptive equivalent. This is supported by Smolarczyk (2018) that the cashless mode of payment is increasing in our everyday life because it reaches different types of transactions performed by customers. Customers prefer to use the mobile payment method because it is investigated that customer satisfaction is one of the sources of this technique. Studying the common relationship between users and mobile payment solutions must focus on updating the service and making good decisions about mobile payment solutions in every business.

Uwalaka & Peace (2020) stated that the simplicity of mobile banking is obvious and greatly impacts customer satisfaction. In terms of usability of mobile banking, the majority of the customers want to experience. Customers need a service that is ready to access. To maximize the flexibility of mobile banking, it is critical to thoroughly understand customers' life needs and personal preferences.

The second indicator, Mobile Credit, got an overall mean of 4.31 with a descriptive equivalent of very high. All the items have a very high descriptive equivalent. Along with Khot (2019), mobile banking provides a speedy transaction, making it much easier than before. In mobile credit, this is good access to services, whereas it is easier to understand how to access loans and other credit transactions. A fast-moving transfer of funds and making a balance inquiry about the

credit history: customer satisfaction is influenced by mobile banking because it presents a service closer to the customers to transact loans without complications and time barriers.

The third indicator, Mobile Saving, got an overall mean of 4.51 with a descriptive equivalent of very high. All the items have a very high descriptive equivalent. Mobile money users are more likely to keep money in their accounts for shorter periods than longer periods. This is most likely because mobile money users are more likely to be tempted to withdraw the money saved and spend it, use it to pay bills or send it to someone in need. As a result, mobile money is preferred as a 'medium of exchange' due to its liquidity; it is used as a 'store of value' when people use the mobile money service for savings (Skogqvist, 2019).

### **Level of Customer Satisfaction**

As shown in Table 2, the result of customer satisfaction was given, with an overall mean of 4.62, which has a very high descriptive equivalent, which means that the customers are satisfied with the mobile banking services.

This is supported by Kumar and Nagarajan (2019), who analyzed customer satisfaction and mobile banking usage and discovered that in the preceding analysis, most of the customers were positive about the factors influencing mobile banking service and implying that mobile banking services brought people closer together and made it easier to handle without delay and within time constraints. In the era of technology, consumers nowadays were more technology-



based transactions, so it is their priority to exceed customer expectations.

In previous studies Hamidi and Safareeyeh (2019), customer relationship management (CRM) is always appraised as an important task for increasing customer satisfaction for mobile banking (m-banking), and it is, like other areas of marketing, constantly evolving and updating. Also, Internet users' vast use of mobile banking persuades electronic banking to use customer relationship management systems to adopt m-banking. This paper analyzes the effects of using CRM systems in adopting m-banking on customer satisfaction and interaction, which is considered the most important factor in the success of the banking industry.

**Table 2. Level of Customer Satisfaction**

<b>Customer Satisfaction</b>	<b>Mean</b>	<b>Descriptive Equivalent</b>
<b>Customer Satisfaction</b>	4.62	Very High
<b>Over-all Mean</b>	<b>4.62</b>	<b>Very High</b>

### **Significant Relationship between Mobile Banking Usage and Customer Satisfaction among Banks in Panabo City**

The significant relationship between mobile banking and customer satisfaction is presented in Table 3 with corresponding interpretations. The  $r$  value is 0.352 and associated with a P-value of 0.000, which is less than 0.05 level of significance. Thus, the null hypothesis is rejected. Therefore, there is a significant relationship between mobile banking and customer satisfaction.

Furthermore, mobile banking was seen as quick and dependable, with adequate speed. Customers' lives are made easier, and they choose

to use such technologies to obtain quick and convenient services. Customers today are pleased with the use of this type of technologically advanced service. According to the findings of this study, among the many elements that influence customer satisfaction, mobile banking usage appeared to be the most important indicator of customer satisfaction (Jayachandra, 2022).

**Table 3. Significant Relationship between Mobile Banking Usage and Customer Satisfaction among Banks in Panabo City**

Variable	Standard Deviation	Mean	Description	r-value	p-value
Mobile Banking Usage	1.08	4.35	Very High	0.352**	0.000
Customer Satisfaction	0.66	4.62	Very High		

### CONCLUSIONS

Banking institutions should now prioritize planning for the better banking services that they can offer to their customers. It involves assessment and reviewing of their customer service support in order to encourage more clients and get the best deals for them. In addition, sustaining the efficiency of their mobile banking services will help them monetize and secure the safety and confidentiality of the customers.

It is highly recommended that banks now may adopt new features for their apps like systems of face recognition security, one-time password (OTP), and biometrics to secure the information of their customers. Also, banks must allow the release of a checkbook at any

branch to cater to their client's needs. By acting professionally and maintaining their service in a way that puts the customer's interests first, banks could increase the satisfaction of their customers.

Correspondingly, college students may serve this as a reference as they are starting to navigate their future career in the banking field. By investing learning and teaching of how banks really provide better experience as a finance student it will now establish their future career goals and objectives. Hence, future researchers may further conduct another study and compare how mobile banking usage and customer satisfaction, as well as explore other factors that may affect them.

## REFERENCES

- Abdullah, A. 2014. *Determinants of Customer Satisfaction on Retail Banks in New Zealand: An Empirical Analysis Using Structural Equation Modelling*. [online] *Global Economy and Finance Journal*., pp. 7(1), 63–82. Available at: [https://www.researchgate.net/publication/262070622\\_Determinants\\_of\\_Customer\\_Satisfaction\\_on\\_Retail\\_Banks\\_in\\_New\\_Zealand\\_An\\_Empirical\\_Analysis\\_Using\\_Structural\\_Equation\\_Modeling](https://www.researchgate.net/publication/262070622_Determinants_of_Customer_Satisfaction_on_Retail_Banks_in_New_Zealand_An_Empirical_Analysis_Using_Structural_Equation_Modeling)> [Accessed 23 January 2023].
- Aghdaie, S.F and Faghani, F., 2012. *Mobile Banking Service Quality and customer satisfaction (application of SERVQUAL model)*. [online] *Semantic scholar, International Journal of Management and Business Research*., pp. 351-361. Available at: <https://www.semanticscholar.org/paper/Mobile-Banking-ServiceQualityand-Customer-of->

AghdaieFaghani/8cf0045e0b65bfba8560a46b0be82796f0e78fe7  
>[Accessed 23 January].

Anwer, H., 2018. *Customer satisfaction in banking sector: the case in north iraq, city of Erbil*. 10.13140/RG.2.2.31537.71522. [online].Available at [https://www.researchgate.net/publication/350524243\\_CUSTOMER\\_SA\\_TISFACTION\\_IN\\_BANKING\\_SECTOR\\_THE\\_CASE\\_IN\\_NORTH\\_IRAQ\\_CITY\\_OF\\_ERBIL](https://www.researchgate.net/publication/350524243_CUSTOMER_SA_TISFACTION_IN_BANKING_SECTOR_THE_CASE_IN_NORTH_IRAQ_CITY_OF_ERBIL) [Accessed 23 January].

Betelhem, T., 2015. *The impact of service quality on customer satisfaction the case of commercial bank of Ethiopia*. [online] Available at <file:///C:/Users/USER1/Downloads/BETELEHEMTESFAYETHESIS%20(3).pdf> [Accessed 24 January 2023].

Ghimire, A., 2021. *Customer Satisfaction Towards Service Quality of Nepaleses Commercial Banks*. Roll. No: 1089/17 Registration No: 7-2838-3-2011 Campus: Central Department of Management [online] Available at: [https://elibrary.tucl.edu.np/bitstream/123456789/9659/1/All%20thesis.p df](https://elibrary.tucl.edu.np/bitstream/123456789/9659/1/All%20thesis.pdf) [Accesed 9 October 2022].

Gugerty, M.K., 2007. "You Can't Save Alone: Commitment in Rotating Savings and Credit Associations in Kenya." *Economic Development and Cultural Change* 55 (2): 251–82. doi:10.1086/508716[online]Availableat:[https://ideas.repec.org/a/ucp/ec\\_decc/y2007v55i2p251-82.html](https://ideas.repec.org/a/ucp/ec_decc/y2007v55i2p251-82.html) [Accessed 14 October 2022].

- Hamidi, H. and Safareeyeh, M., 2019. *A model to analyze the effect of mobile banking adoption on customer interaction and satisfaction: a case study of m-banking in Iran*. *Telemat Inform.* (2019) 38:166–81. 10.1016/j.tele.2018.09.008 [online] Available at: <https://www.sciencedirect.com/science/article/abs/pii/S0736585318306464?via%3Dihub> [Accessed 14 October 2022]
- Hosein, N.Z., 2010. *Internet Banking: Understanding Consumer adoption rates among Community Banks*. Shantou: Shantou University, China [online] Available at: <https://idr.kab.ac.ug/handle/20.500.12493/609> [Accessed 14 October 2022].
- Innoplay., 2013. “Consumer protection in mobile payments in China: a critical analysis of Alipay’s service agreement”, *Computer law and security review*, Vol. 31 No. 5, pp. 679-688. Available at: <https://doi.org/10.1108/IJBM-01-2020-0039> [Accessed 18 April 2023].
- Jahan, N., & Shahria, G., 2021. *Factors effecting customer satisfaction of mobile banking in Bangladesh: a study on young users’ perspective*, *South Asian Journal of Marketing* Vol. 3 No. 1, 2022 pp. 60-76 Emerald Publishing Limited e-ISSN: 2738-2486 p-ISSN: 2719-2377 DOI 10.1108/SAJM-02-2021-0018. Available at: <https://www.emerald.com/insight/content/doi/10.1108/SAJM-02-20210018/full/html> [Accessed 16 April 2023].

- Jayachandra, B.S., 2022. *SYNOPSIS OF THE THESIS Impact of Mobile Banking on Customer Satisfaction with reference to Retail Banking*. [online] ICAI UNIVERSITY JHARKHAND. Available at <https://www.iujharkhand.edu.in/assets/pdf/July-26-SynopsisBSJayachandra.pdf> [Accessed 23 January 2023].
- Karim, R. and Chowdhury, T., 2014. *Customer satisfaction on service quality in private commercial banking sector in Bangladesh*, Vol.2, No.2, pp.111 [online] ea-journals.org. Available at <https://www.eajournals.org/wpcontent/uploads/Customer-Satisfactionon-Service-Quality-in-PrivateCommercial-Banking-Sector-inBangladesh.pdf> [Accessed 23 January 2023].
- Khot, A.S., 2019. "The Impact of Mobile Banking on Customer Satisfaction" Published in *International Journal of Trend in Scientific Research and Development (IJTSRD)*, ISSN: 2456-6470, Special Issue | Fostering Innovation, Integration and Inclusion Through Interdisciplinary Practices in Management, March 2019, pp.21-23, URL: <https://www.ijtsrd.com/papers/ijtsrd23053.pdf> [Accessed 16 April 2023].
- Kumar, S. G., and Nagarajan, S., 2019. *Customer Satisfaction on Mobile Banking: A Study with Reference to Selected Districts of Tamandu*. *International Journal of Research and Scientific Innovation (IJRSI)*, Volume VI, Issue VI, June 2019, ISSN 2321–2705. [online] Available at: <https://www.rsisinternational.org/journals/ijrsi/digital-library/volume6-issue-6/149-154.pdf> [Accessed 18 April 2023].

- Mahmud, A. and Karima, M., 2018. Customer Satisfaction in Banking Sector: A Case Study on Janata Bank Limited, Vol. 02, No. 11 [online] napublisher.org. Available at <<https://napublisher.org/pdffiles/NIJBMR512-90-100.pdf>>*
- Skogqvist, J.M., 2019. THE EFFECT OF MOBILE MONEY ON SAVINGS BEHAVIORS OF THE FINANCIALLY EXCLUDED, Swain Södertörn University | Institution of social sciences Master Thesis 30hp Master Dissertation in Economics. Available at: <http://www.divaportal.org/smash/get/diva2:1325787/FULLTEXT01.pdf> [Accessed 18 April 2023].*
- Smolarczyk, A.,2018. CUSTOMER SATISFACTION WITH MOBILE PAYMENTS, Alto University School of Business [online] available at: [Accessed 16 April 2023].*
- Uwalaka, S., & Eze, P., 2020. Effect of Mobile Banking on Customer Satisfaction in commercial banks in Anambra State. International Journal of Innovative Social Sciences & Humanities Res*