Journal for Social Science Archives (JSSA)

Online ISSN: 3006-3310
Print ISSN: 3006-3302
Volume 2, Number 2, 2024, Pages 755 – 760
Journal Home Page
https://jssarchives.com/index.php/Journal/about

Mobile Banking and Its Influence on Customer Satisfaction: Evidence from Pakistan

Saad Humayun Mustafa[1] & Dr. Awais Alam Khan[2]

[1]*MBA (Banking and Finance), Institute of Management Sciences Peshawar, Khyber Pakhtunkhwa, Pakistan, Email: saadhumayunmustafa3@gmail.com*
[2]*Assistant Professor, Institute of Management Sciences Peshawar, Khyber Pakhtunkhwa, Pakistan, Email: awais.alam@imsciences.edu.pk*

ARTICLE INFO

Keywords:

Mobile banking, customer satisfaction, accessibility, trust, service efficiency, financial inclusion, Pakistan banking sector, UBL, Meezan Bank

Corresponding Author:
Saad Humayun Mustafa
Email:
saadhumayunmustafa3@gmail.com

ABSTRACT

This study examines the relationship between mobile banking usage and customer satisfaction in Pakistan's banking sector, focusing on accessibility, trust, and service efficiency. Primary data were collected from customers of United Bank Limited (UBL) and Meezan Bank in Peshawar through a structured 5-point Likert scale questionnaire, with 180 valid responses analyzed using descriptive statistics, correlation, and regression. Results show that mobile banking explains 79% of the variation in customer satisfaction, confirming its transformative role in modern banking services. Customers highlighted convenience, accessibility, and efficiency as key drivers of satisfaction, though challenges such as digital literacy gaps, security concerns, and limited female participation remain. The findings emphasize the need for banks to enhance cybersecurity systems, promote digital awareness campaigns, and design inclusive strategies to engage women and rural populations, aligning with the State Bank of Pakistan's digitalization agenda. Furthermore, future research should explore comparisons between mobile banking, internet banking, and fintech services to provide a broader perspective on technology-driven customer satisfaction. Overall, mobile banking has emerged as a crucial tool for promoting financial inclusion, trust, and long-term customer loyalty in Pakistan's evolving banking sector.

Introduction

The digital transformation of the banking sector has reshaped how financial services are delivered, with mobile banking emerging as a central driver of innovation, financial inclusion, and customer engagement. Unlike traditional banking, which depends on physical branches and is constrained by location and time, mobile banking provides customers with the ability to perform transactions seamlessly from anywhere and at any time. This convenience has positioned it as one of the most influential advancements in the global financial industry. Scholars such as Demirgüç-Kunt et al. (2018) and Laukkanen (2016) have highlighted its role in improving financial accessibility, efficiency, and customer trust, particularly in economies where traditional banking networks remain limited.

In Pakistan, the rise in smartphone penetration and internet connectivity has further accelerated the adoption of mobile banking. Reports from the State Bank of Pakistan (2022) confirm significant growth in mobile banking transactions, indicating that customers increasingly view these services as reliable alternatives to branch banking. For financial institutions, mobile banking not only reduces transaction costs and operational inefficiencies but also strengthens customer relationships through real-time services, faster payments, and improved accessibility. However, challenges such as security risks, digital literacy gaps, and inclusivity barriers continue to hinder its full potential.

Building on this context, the present study investigates how customers of United Bank Limited (UBL) and Meezan Bank perceive mobile banking and how these services influence their overall satisfaction. Specifically, the study aims to assess the impact of mobile banking on customer satisfaction, trust, accessibility, and service efficiency, while also identifying areas where improvements are needed to enhance inclusivity and digital adoption. By focusing on these objectives, the study contributes to a deeper understanding of how mobile banking can serve as a tool for strengthening customer loyalty, financial inclusion, and competitiveness within Pakistan's evolving banking sector.

Methodology

This study employed a quantitative research design to examine the relationship between mobile banking usage and customer satisfaction in Pakistan's banking sector. Quantitative methods were considered most appropriate because they allow for hypothesis testing, statistical validation and generalization of findings to a larger population. Data were collected from 180 respondents who are active mobile banking users of United Bank Limited (UBL) and Meezan Bank in Peshawar. Respondents were selected using convenience sampling, as it provided accessibility to customers while still capturing a diverse representation of users from different age groups and socio-economic backgrounds.

A structured questionnaire served as the primary data collection tool. The instrument was based on a 5-point Likert scale ranging from "strongly disagree" (1) to "strongly agree" (5). This format was chosen for its effectiveness in measuring attitudes and perceptions, particularly in studies of technology adoption and customer satisfaction. The dependent variable in this research was customer satisfaction, which was measured through multiple dimensions such as trust, convenience, accessibility, security, and service reliability. The independent variable was mobile banking usage, assessed through indicators like frequency of transactions, perceived ease of use, and the variety of services utilized.

To ensure internal consistency of the scale items, a reliability test using Cronbach's Alpha was conducted, where a threshold of 0.70 was considered acceptable. For data analysis, both descriptive and inferential techniques were applied. Descriptive statistics such as means, frequencies, and standard deviations were used to summarize respondents' demographic profiles and general perceptions of mobile banking. To test relationships, correlation analysis was employed to determine the strength and direction of association between mobile banking usage and customer satisfaction. Furthermore, multiple regression analysis was applied to measure the predictive effect of mobile banking usage on satisfaction levels, identifying the proportion of variance explained. These methods allowed for testing the study's hypotheses and drawing valid conclusions regarding the significance of mobile banking in shaping customer experiences.

Results and Discussion

This section presents the findings from 180 respondents, analyzing how mobile banking usage influences customer satisfaction in UBL and Meezan Bank. The results, derived from descriptive, correlation, and regression analyses, are interpreted in light of existing literature to explain the role of trust, convenience, security, and service efficiency. The discussion connects statistical outcomes with practical implications, highlighting both strengths and areas for improvement in mobile banking services.

Customer Satisfaction Levels

Customer satisfaction was assessed across multiple dimensions to capture how users of UBL and Meezan Bank perceive mobile banking. The descriptive results presented in Table 1 show that while customers generally hold a positive perception of mobile banking, their level of satisfaction varies across different aspects of service delivery.

Table 1: Descriptive Statistics of Customer Satisfaction

Dimension	Mean	Std. Deviation	Interpretation
Ease of Use	4.12	0.65	Apps are generally user-friendly
Transaction Speed	4.25	0.72	High satisfaction with quick transactions
Service Reliability	3.98	0.81	Some issues with downtime/errors
Security and Privacy	3.76	0.88	Concerns about fraud and hacking
Trust in Bank's Digital Platform	3.89	0.75	Moderate trust; customers want stronger authentication
Customer Support Availability	3.67	0.93	Support services lag behind
Personalization of Services	3.54	0.95	Services are not yet fully tailored
Cost Efficiency (low charges)	3.80	0.77	Satisfaction with reduced transaction costs
Accessibility (anywhere, anytime)	4.22	0.70	High accessibility appreciated
Overall Satisfaction	4.15	0.69	Positive perception overall

Source: Survey data, 2024

The results indicate that customers are particularly satisfied with the speed and accessibility of mobile banking, suggesting that these features are key drivers of adoption. Ease of use also scored highly, reflecting the growing familiarity of customers with digital interfaces. However, relatively lower scores on security, trust, and customer support highlight areas where banks must improve to strengthen confidence in mobile services. Notably, personalization received the lowest satisfaction score, implying that customers expect more tailored services rather than standardized offerings. Overall, the findings suggest that while mobile banking has successfully enhanced convenience and efficiency, further improvements in security, trust-building, and service customization are essential for sustaining long-term satisfaction.

Correlation between Mobile Banking and Satisfaction

A Pearson correlation analysis was carried out to assess the strength of association between mobile banking features and overall customer satisfaction. The results, presented in Table 2, demonstrate consistently strong and positive correlations across all dimensions, highlighting that improvements in mobile banking features are directly linked with higher customer satisfaction levels.

Table 2: Results of Correlation Matrix

Variable	Ease of Use	Speed	Reliability	Security	Trust	Support	Personalization	Accessibility	Overall Satisfaction
Ease of Use	1	0.612**	0.498**	0.482**	0.501**	0.415**	0.433**	0.536**	0.668**
Speed	0.612**	1	0.533**	0.524**	0.548**	0.441**	0.469**	0.587**	0.721**
Reliability	0.498**	0.533**	1	0.574**	0.593**	0.512**	0.455**	0.538**	0.682**
Security	0.482**	0.524**	0.574**	1	0.621**	0.537**	0.478**	0.502**	0.659**
Trust	0.501**	0.548**	0.593**	0.621**	1	0.561**	0.524**	0.573**	0.693**
Support	0.415**	0.441**	0.512**	0.537**	0.561**	1	0.543**	0.459**	0.642**
Personalization	0.433**	0.469**	0.455**	0.478**	0.524**	0.543**	1	0.488**	0.637**
Accessibility	0.536**	0.587**	0.538**	0.502**	0.573**	0.459**	0.488**	1	0.701**
Overall Satisfaction	0.668**	0.721**	0.682**	0.659**	0.693**	0.642**	0.637**	0.701**	1

Note: All correlations are significant at the 0.01 level.

The results show that transaction speed (r = 0.721**) and accessibility (r = 0.701**) have the strongest correlations with overall satisfaction, suggesting that customers value efficiency and the ability to access services anytime, anywhere. Ease of use (r = 0.668**) and trust (r = 0.693**) also demonstrate strong positive associations, confirming that intuitive interfaces and confidence in the platform are crucial satisfaction drivers. Meanwhile, personalization (r = 0.637**) and customer support (r = 0.642**) are moderately correlated, indicating that while important, they are currently less influential compared to core features like speed and security. In sum, the findings reinforce that improvements in mobile banking functionality particularly in speed, accessibility, trust, and security have the greatest potential to elevate customer satisfaction in Pakistan's banking sector.

Regression Analysis

A multiple regression analysis was conducted to determine the relative contribution of different mobile banking features to customer satisfaction. The results, presented in Table 3, indicate that all predictor variables have significant positive effects on satisfaction, though their strength varies across dimensions.

The model explains 79% of the variance in customer satisfaction, confirming the strong predictive power of mobile banking features. Among the predictors, transaction speed ($\beta = 0.258$, $p < 0.001$) and accessibility ($\beta = 0.243$, $p < 0.001$) emerge as the strongest determinants, highlighting the importance of efficient and flexible service delivery. Ease of use ($\beta = 0.214$) and trust in the bank's digital platform ($\beta = 0.201$) also show strong positive effects, suggesting that intuitive design and credibility are vital for sustaining customer confidence.

Table 3: Regression Results (Dependent Variable = Customer Satisfaction)

Predictor Variable	β Coefficient	t-Value	Sig.
Ease of Use	0.214	3.76	0.000
Transaction Speed	0.258	4.12	0.000
Service Reliability	0.196	3.25	0.001
Security and Privacy	0.182	2.98	0.003
Trust in Bank's Platform	0.201	3.45	0.001
Customer Support	0.137	2.52	0.012
Personalization	0.125	2.11	0.036
Accessibility	0.243	3.89	0.000

Model Summary: $R^2 = 0.79$, $F = 142.56$, Sig. = 0.000

Other variables, such as service reliability (β = 0.196) and security and privacy (β = 0.182), are significant but slightly weaker, indicating ongoing concerns about downtime and fraud risks. Finally, customer support (β = 0.137) and personalization (β = 0.125) have comparatively lower coefficients, suggesting that while they contribute positively, they are less influential than technical and trust-related features.

Conclusion and Recommendations

This section demonstrates that mobile banking significantly contributes to customer satisfaction in Pakistan, with accessibility, speed, and ease of use emerging as the most influential factors. However, customers remain concerned about security, trust, and the quality of customer support, while personalization of services is still underdeveloped. The findings resonate with recent studies by Ali et al. (2023), who emphasized security and trust as central to digital financial adoption, and Hassan & Akhtar (2022), who identified service efficiency as a strong predictor of loyalty. Furthermore, the World Bank (2022) highlighted that digital financial inclusion remains uneven across gender and rural-urban divides, underscoring the need for targeted interventions.

To achieve sustainable customer satisfaction, banks in Pakistan must adopt an integrated approach strengthening cybersecurity frameworks, enhancing customer support through AI-powered chatbots, investing in digital literacy programs, tailoring services to customer profiles, and extending outreach to rural populations. Importantly, gender-focused strategies should be prioritized to ensure inclusivity in digital finance. If these measures are systematically implemented, mobile banking will not only enhance customer satisfaction but also drive financial inclusion and contribute to Pakistan's economic modernization.

References

1. Ali, S., Rehman, K., & Gul, R. (2023). Impact of mobile banking service quality on customer loyalty in South Asia. *Journal of Financial Services Marketing, 28*(1), 45–62.
2. Amin, H. et al. (2007). Mobile banking adoption in Malaysia. *International Journal of Business and Society.*
3. Dahlberg, T., & Mallat, N. (2002). Mobile banking services. *Journal of Electronic Commerce Research.*

4. Demirgüç-Kunt, A., Klapper, L., Singer, D., Ansar, S., & Hess, J. (2018). *The Global Findex Database 2017: Measuring financial inclusion and the fintech revolution*. World Bank.
5. Gujarati, D. N. (2004). *Basic Econometrics*. McGraw-Hill.
6. Hassan, M., & Akhtar, R. (2022). Mobile banking adoption and customer satisfaction: Evidence from emerging economies. *Asian Journal of Economics and Finance, 14*(2), 77–91.
7. Kabir, M. (2013). Customer perception of mobile banking. *Asian Journal of Management Sciences.*
8. Laukkanen, T. (2016). Consumer adoption versus rejection decisions in discontinuous innovations: The case of mobile banking. *International Journal of Bank Marketing, 34*(3), 246–271.
9. Luarn, P., & Lin, H. H. (2004). Toward an understanding of the behavioral intention to use mobile banking. *Computers in Human Behavior, 21*(6), 873–891.
10. State Bank of Pakistan. (2006). *Mobile banking regulations*. SBP Publications.
11. World Bank. (2022). *The Global Findex Database 2021: Financial Inclusion, Digital Payments, and Resilience in the Age of COVID-19*