

A study on Adoption and Preference of Banking Applications in the Digital Era: Customer Preference Dynamics in Mobile Banking Platforms

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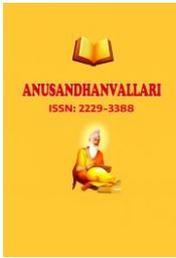
Abstract

Banking has moved from traditional branch-based services to digital platforms like mobile banking apps due to the quick development of technology. Understanding consumer preferences and satisfaction with mobile banking apps offered by public and private sector banks is the main goal of this study. It seeks to determine the most popular features, gauge customer satisfaction, and examine the elements—such as usability, speed, security, and dependability—that influence the selection of a specific banking app. The study is based on primary data that was gathered from mobile banking users, primarily in the Ernakulam district, via a Google Forms survey. The study's conclusions aid in comprehending consumer demands and expectations, which can help banks develop mobile applications, improve user experience, and promote the expansion of digital banking in accordance with the Digital India initiative.

Key words: Digital Banking, Digital India Initiative, Financial Inclusion, User Experience, Banking Technology, Mobile Banking Applications.

Introduction

In the past, the majority of banking was done offline, requiring clients to visit bank branches, which was expensive and time-consuming. Banking has moved to digital platforms like mobile banking applications due to technological advancements and the Digital India initiative, enabling clients to access services from anywhere at any time. Banks in the public and private sectors have been prompted by the rise in smartphone usage to launch user-friendly apps that provide services like account management, bill payment, and fund transfers. Based on survey data primarily from users in the Ernakulam district, this study attempts to determine frequently used features, gauge customer satisfaction, and comprehend the factors influencing customers' preference for mobile banking apps.



Statement Of The Problem

Although mobile banking apps have grown in popularity, not all of them offer the same level of functionality or satisfaction. When compared to private sector banks, public sector banking apps are frequently said to be slower and less user-friendly. Consumer preferences are changing over time, with demands for dependable high security, quick transactions, and smooth user interfaces.

There is a need to understand what features customers value the most, how satisfied they are with their current banking app, and what influences their choice of app. These are the understanding the bank should have without this understanding, banks may fail to meet customer expectations and get into risk losing users to more competitive alternatives available.

Objectives

1. To identify the most frequently used features
2. To measure satisfaction levels among customers with banking application provided by public and private sector banks.
3. To evaluate the factors influencing the choice of particular banking app

Methodology

The study adopts a descriptive research design to analyze customer preferences and satisfaction with mobile banking applications. Primary data were collected through structured questionnaires using Google Forms and physical surveys, while secondary data were gathered from websites, journals, articles, bank reports, and RBI publications. Convenience sampling was used for selecting respondents, with a sample size of 100 participants. The questionnaire served as the main data collection tool, and the collected data were analyzed using tables, percentages, pie charts, bar charts, and Excel for better interpretation.

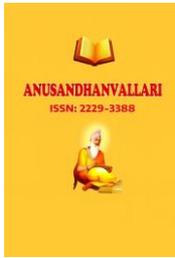
Scope Of The Study

Only users of mobile banking apps are included in the study. It focuses on bank apps for both the public and private sectors. The geographic scope is restricted to a specific area or city. Only individual consumers are included in the study; institutional or corporate users are not. This study has a broader scope in the demonetized era because digital payment systems are essential for promoting financial inclusion.

Significance Of The Study

This study is significant for several stakeholders:

- For Banks: Study will help banks to improve their mobile applications for better meet of customer needs.
- For Customers: Understanding common issues and preferences can lead to better information thus helping in choosing the right one.
- For Researchers/Students: The study adds value to the academic field of customer behaviour and digital banking.
- For Developers: App developers working with banks can use this data to enhance user experience.



Result And Discussion

Based on the analysis of responses from the respondents which collected from customers of both public and private sector banking applications and the following major findings were made:

A. General Usage Patterns

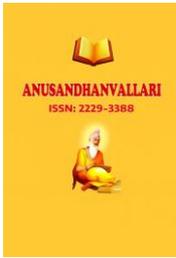
1. **Majority of respondents who reported use mobile banking apps regularly**, which is mainly for balance checking, fund transfers, and bill payments.
2. **UPI-based transactions are the most frequently used feature**, followed by fund transfers (IMPS/NEFT) and mobile recharge facilities.
3. A large portion of respondents use **multiple apps simultaneously**

B. Preferences Toward Public vs Private Sector Apps

4. Respondents feel that **private sector banking apps**
 - better speed
 - smoother navigation
 - better user interface
 - quicker and easier customer service support
5. **Public sector apps (especially SBI YONO)** are widely used due to the bank's large customer base, but many users reported:
 - slow loading times
 - login failures
 - server downtime
 - complicated registration process
6. Despite performance issues, **public sector apps are trusted more for security and safety** due to their long-standing reputation and brand value.

C. Customer Satisfaction

7. Overall customer satisfaction is **higher for private banks**, with users appreciating:
 - ease of use
 - fast transactions
 - modern features
8. Satisfaction levels for public banks are **moderate**, and users mainly prefer these apps only because they hold existing accounts in those banks.



D. Factors Influencing App Preference

9. The **top three factors** influencing app choice were:

- **Ease of use**
- **Speed and performance**
- **Security and reliability**

10. Additional factors influencing preferences included:

- availability of UPI and QR-based payments
- reward programs & cash back
- app stability

E. Issues Identified

11. Many users experience:

- app crashes during peak hours
- slow response from customer service
- difficulty in navigating older or poorly-designed interfaces

12. Concerns regarding **data privacy, server issues, and OTP delays** were highlighted by several respondents.

SUGGESTIONS

Based on the findings, the following practical suggestions are proposed:

A. To Banks

1. Boost the speed and performance of the app

Banks, particularly those in the public sector, should improve backend efficiency, strengthen their servers, and shorten loading times.

2. Improve the User Interface and Experience

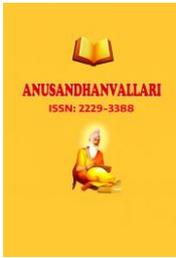
Customer satisfaction can be greatly increased with simplified dashboards, fewer transaction steps, and user-friendly layouts.

3. Make Security Measures Stronger

Include biometric login improvements, real-time fraud alerts, and multi-factor authentication.

4. Offer round-the-clock customer service

Customer annoyance can be decreased by AI chatbots, dedicated app support lines, and quicker help desk responses.



5. Frequent Updates and Bug Fixes

Updates must be made on time to enhance functionality, security, and performance.

6. Offer More Personalised Features

Expense tracking, financial insights, savings reminders with AI-based financial advice can increase usage.

7. Conduct User Awareness Programs

Banks can provide video tutorials, in-app guides, and workshops to educate customers on safe and efficient usage.

B. To Customers

8. Customers must regularly update apps and avoid using public Wi-Fi for transactions also enable app-lock features for security.

C. To Developers

9. Developers working with banks must conduct **usability testing**, fix UI glitches, and ensure compatibility with all smartphone devices and operating systems.

Conclusion

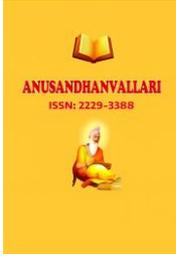
The study titled “A study on Adoption and Preference of Banking Applications in the Digital Era: Customer Preference Dynamics in Mobile Banking Platforms” reveals that mobile banking applications has become an essential part of modern banking, driven by convenience, speed, flexibility and technological growth in country. The findings show that while **both public and private sector banks offer digital banking apps**, customer preferences differ significantly:

- **Private sector apps** higher performance in terms of speed, user-friendliness, and innovative features.
- **Public sector apps**, especially SBI YONO, enjoy high trust and widespread usage but face performance and usability challenges.

Customers today expect banking apps to be **fast, reliable, secure, and simple to use**. Their preferences are strongly influenced by UI/UX design, transaction speed, and robust security features. The study also highlights that although digital banking has transformed customer experiences, **continuous improvement and technological upgradation** are crucial for banks to remain competitive. In conclusion, the banking applications play a **vital role in shaping customer satisfaction and loyalty**, and banks must focus on delivering seamless, secure, and user-friendly experiences to meet evolving customer expectations.

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