



A STUDY ON THE USAGE AND SATISFACTION OF MOBILE BANKING SERVICES AMONG RURAL CUSTOMERS

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Abstract:

In today's digital era, mobile banking has become an essential tool for financial transactions, especially in rural areas where traditional banking services are limited. This study aims to examine the usage pattern and satisfaction level of rural customers with mobile banking services. Primary data were collected from 100 respondents using a structured questionnaire. Statistical tools such as percentage analysis, ranking test and chi-square test were used to analyze the data. The findings show that most rural customers use mobile banking due to its ease of use and speed. However, there is a need for improvement in customer service, app design, and regional language support. The study also finds that demographic factors such as gender, education, and income influence mobile banking usage. This study suggests that awareness programs, better digital access, and simplified apps can further enhance mobile banking adoption in rural areas.

Key Words: Mobile Banking, Rural Customers, Digital Payments, Usage, Satisfaction, Financial Inclusion, Etc.,

Introduction:

Mobile banking has become an essential part of modern banking systems, offering customers an easy and efficient way to manage their finances through mobile devices. With features such as balance inquiries, fund transfers, bill payments, and account management, mobile banking provides users with convenient access to financial services anytime and anywhere. In rural areas, mobile banking plays a crucial role in bridging the gap between traditional banking and the underserved population. It helps reduce the dependence on physical bank branches and enables customers in remote locations to carry out banking transactions with ease. Various initiatives by financial institutions and governments have encouraged the spread of mobile banking in rural regions, aiming to promote financial inclusion and digital awareness. However, the extent of mobile banking usage and the satisfaction levels of rural customers can vary widely. Factors such as digital literacy, trust, network access, and user experience may influence how effectively these services are used and perceived. Understanding these aspects is important for improving mobile banking services and ensuring they meet the needs of rural users.

Need for the Study:

The banking sector has undergone a major transformation with the rise of mobile technology, making financial services more accessible and efficient. While urban areas have embraced mobile banking rapidly, the adoption and satisfaction levels in rural areas are still evolving. In many rural regions, traditional banking facilities are limited due to factors such as geographical distance, lack of infrastructure, and limited awareness. Mobile banking has the potential to overcome these barriers and promote financial inclusion by offering convenient and cost-effective banking solutions. This study is essential to understand the current usage patterns, satisfaction levels, and the challenges faced by rural users. It will help banks, policymakers, and service providers to improve mobile banking services, enhance user awareness, and build trust in digital platforms. Ultimately, the findings of this study can contribute to the goal of inclusive and customer-friendly digital banking for rural populations.

Statement of the Problem:

Mobile banking has emerged as a vital tool for delivering financial services, especially in areas where access to traditional banking is limited. While digital banking has seen widespread adoption in urban centers, the level of usage and satisfaction among rural customers remains unclear. Although mobile banking offers numerous benefits-such as ease of access, time-saving features, and reduced dependency on physical branches-rural customers often face challenges like limited digital literacy, poor network connectivity, and concerns about the safety of online transactions. Despite efforts by banks and government initiatives to promote digital financial services in rural areas, many customers are either unaware of the full range of services or are hesitant to use them due to lack of trust and understanding. This gap between the availability of mobile banking services and their effective utilization highlights a critical issue that needs to be addressed. Therefore, there is a need to investigate how rural customers perceive and use mobile banking services, what factors influence their satisfaction, and what barriers

prevent them from fully adopting these platforms. Identifying these issues will help in formulating strategies to improve service delivery and enhance user satisfaction, ultimately promoting greater financial inclusion in rural communities.

Objectives of the Study:

- To examine the extent of usage of mobile banking services among rural customers.
- To assess the level of satisfaction of rural customers with mobile banking services.

Limitations of the Study:

- The study is limited to only 100 respondents from selected rural areas, so the results may not represent all rural customers.
- The responses are based on self-reported data, which may be influenced by personal bias or misunderstanding of questions.
- Only primary data were collected through questionnaires; no interviews or observations were included.
- The study focuses only on users of mobile banking and does not consider non-users or those unfamiliar with digital banking.

Review of Literature:

Choudhury and Nair (2023) conducted a study on mobile banking adoption and satisfaction among rural users in Kerala. A sample of 320 respondents was selected using stratified random sampling. Statistical tools such as chi-square test and factor analysis were used to identify factors influencing usage. The study found that ease of use, perceived security, and customer supports were the most influential factors. However, low network availability in remote areas remained a barrier to satisfaction.

Ravi and Sundaram (2023) examined the impact of digital literacy on mobile banking usage among rural customers in Andhra Pradesh. Using a sample of 250 respondents, they employed regression analysis and descriptive statistics. The study revealed that digital knowledge significantly improved mobile banking usage. Respondents who had attended awareness camps or received training from banks showed higher satisfaction levels and usage frequency.

Meena and D'Souza (2024) assessed rural customer satisfaction with mobile banking services in Karnataka. The study surveyed 280 rural users through structured questionnaires. Data were analyzed using mean score analysis and ANOVA. The results indicated that transaction speed and ease of navigation were top satisfaction drivers. The study also noted that users were dissatisfied with the lack of regional language support in some mobile banking apps.

Shanthi and Kumar (2024) explored barriers to mobile banking adoption in rural Tamil Nadu. A total of 300 samples were collected using purposive sampling. Statistical tools like cross-tabulation and binary logistic regression were used. The study showed that perceived risk, poor customer service, and lack of trust were major deterrents to regular usage. Suggestions were made for improving customer grievance redressal mechanisms and enhancing app reliability.

Yadav and Roy (2025) investigated the role of socio-economic factors in mobile banking satisfaction in rural Bihar. A sample of 360 respondents was selected through cluster sampling. The data were analyzed using correlation and multiple regression analysis. The study found that income and education positively influenced satisfaction levels. Respondents with higher income and education found mobile banking more reliable and convenient, while older users were more hesitant to adopt digital banking channels.

Research Methodology:

- Type of Research: This study is descriptive in nature. It helps to understand how rural people use mobile banking and how satisfied they are with the services. The study was conducted in selected rural areas where mobile banking usage is growing.
- Sampling Method: Simple random sampling was used so that every rural customer had an equal chance of being selected.
- Sample Size: A total of 100 rural mobile banking users were selected for the study.
- Data Collection Method: Primary data were collected through a structured questionnaire. It included questions on usage, satisfaction, and basic personal details.
- Tools or Analysis: The collected data were analyzed using percentage analysis, ranking test and chi-square test to find out patterns and differences among groups.

Table 1: Demographic Profile of the Respondents

Variable	Category	Number of Respondents (n=100)	Percentage (%)
Gender	Male	58	58%
	Female	42	42%
Age Group	Below 25 Years	18	18%
	25 - 35 Years	30	30%
	36 - 45 Years	25	25%
	Above 45 Years	27	27%
Educational	No Formal Education	10	10%

Level	School Level	40	40%
	Undergraduate	30	30%
	Postgraduate and Above	20	20%
Occupation	Farmer	35	35%
	Small Business Owner	25	25%
	Laborer/Daily Wage Worker	20	20%
	Others	20	20%
Monthly Income	Below ₹10,000	28	28%
	₹10,001 - ₹20,000	40	40%
	₹20,001 - ₹30,000	20	20%
	Above ₹30,000	12	12%
Marital Status	Married	72	72%
	Unmarried	28	28%

The demographic data reveals that 58 percent of the respondents were male and 42 percent were female, indicating a slightly higher participation of male users in mobile banking within rural areas. The majority of respondents (30 percent) belonged to the 25-35 age group, followed closely by 27 percent in the above 45 years category. This suggests that both young and older individuals in rural areas are engaging with mobile banking services.

In terms of education, 40 percent of the respondents had completed school-level education, and 30 percent held undergraduate degrees, while 10 percent had no formal education. This indicates that mobile banking is being used by individuals with varying educational backgrounds, though educational level may influence the extent and ease of usage.

Occupation-wise, 35 percent of the respondents were farmers, and 25 percent were small business owners, reflecting that a large portion of rural mobile banking users are self-employed or engaged in agriculture. Laborers and other occupational groups also represent a fair share of the user base.

The monthly income profile shows that 40 percent of respondents earned between ₹10,001 and ₹20,000, and 28 percent earned below ₹10,000. This indicates that mobile banking is widely used even among lower-income groups in rural settings, likely due to its convenience and accessibility.

Regarding marital status, 72 percent of the respondents were married, while 28 percent were unmarried. This suggests that mobile banking is more commonly used among family-responsible adults, possibly due to a greater need for managing household financial transactions such as utility bill payments, money transfers, and savings.

Table 2: Chi-square Test: Demographic Variables and Mobile Banking Usage among Rural Customers

Demographic Variable	Chi-square (χ^2) Value	df	p-value	Result
Gender	6.21	2	0.045	Significant
Age Group	11.35	6	0.079	Not Significant
Educational Level	13.68	6	0.034	Significant
Monthly Income	14.92	6	0.021	Significant
Marital Status	5.89	2	0.052	Borderline Significant

The chi-square test was conducted to determine whether there is a significant association between selected demographic variables and the extent of mobile banking usage among rural customers.

The results indicate that gender, educational level, and monthly income have a statistically significant association with mobile banking usage. This suggests that these factors influence how frequently or actively rural individuals use mobile banking services. For example, individuals with higher education or income levels are more likely to use mobile banking more extensively, possibly due to better digital literacy and access to smart phones.

Marital status showed a borderline significance, meaning there may be a weak relationship between marital status and usage behavior. Married individuals could be more likely to use mobile banking due to household responsibilities, but the evidence is not strong enough to confirm this definitively.

Age group, on the other hand, did not show a significant association. This implies that people across different age categories in rural areas may be using mobile banking at similar levels, possibly because of widespread smart phone usage regardless of age.

Table 3: Level of Satisfaction of Rural Customers

S.No	Satisfaction Factor	Mean Score	Rank
1	Ease of use	4.32	1
2	Transaction speed	4.18	2
3	Availability of service (24/7)	4.05	3
4	Security of transactions	3.92	4
5	Customer support/help services	3.74	5
6	Regional language support	3.50	6
7	Complaint resolution time	3.41	7

8	App interface and design	3.28	8
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The analysis of satisfaction levels reveals that rural customers are highly satisfied with the ease of use of mobile banking services, which holds rank 1 with a mean score of 4.32. This suggests that users find the applications simple and user-friendly. Transaction speed ranks 2 with a mean score of 4.18, indicating that the fast completion of transactions is another strong factor contributing to satisfaction. The availability of services at any time (rank 3, mean score 4.05) further reinforces the convenience experienced by users.

Security of transactions, while slightly lower in score (rank 4), still reflects a relatively high level of confidence in mobile banking. Customer support services received moderate satisfaction, placed at rank 5, showing scope for enhancement. Regional language support was rated lower (rank 6), implying the need to offer apps in local languages to improve inclusivity. Complaint resolution time and app interface ranked 7 and 8 respectively, highlighting key areas where user experience can be improved.

Overall, the ranking shows that technical performance factors like ease of use and speed are well appreciated, while customer service and app design need further development to raise satisfaction among rural mobile banking users.

Suggestions of the Study:

- Banks and financial institutions should conduct regular awareness programs to educate rural customers about mobile banking services.
- Mobile banking apps should be made available in regional languages to improve accessibility for less-educated users.
- Banks should improve customer support and reduce complaint resolution time to enhance overall satisfaction.
- Mobile banking interfaces should be simplified further to suit first-time or less tech-savvy users in rural areas.
- Internet connectivity in rural regions should be strengthened to ensure uninterrupted access to mobile banking services.

Conclusion:

The study shows that mobile banking is becoming popular among rural customers due to its convenience, speed, and ease of use. Most users are satisfied with the basic services, especially the quick transactions and 24/7 availability. However, some areas like customer support, complaint handling, and app design need improvement. The study also found that factors like gender, education, and income influence how people use mobile banking. Overall, mobile banking has great potential in rural areas if banks and the government continue to promote digital awareness and improve service quality.

Scope for Further Study:

- The study can be extended to more rural areas or to different states for better comparison.
- Future studies can include non-users of mobile banking to understand the barriers to adoption.
- A larger sample size can be used to get more accurate and general results.
- Further research can focus on specific mobile banking apps to compare user satisfaction.
- The study can also include the role of mobile banking in financial inclusion and rural development.

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