



# A STUDY ON CUSTOMER PERCEPTION TOWARDS MOBILE BANKING SERVICES PROVIDED BY TAMILNAD MERCANTILE BANK

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**Abstract:** This study explores customer perception towards mobile banking services provided by Tamilnad Mercantile Bank Ltd. With the rise of digital banking in India, understanding user satisfaction and challenges is crucial for service improvement. The research analyzes customer awareness, ease of use, security, and overall satisfaction through survey responses. Findings indicate that most customers find mobile banking convenient and time-saving, though concerns remain regarding security and digital literacy, especially in rural areas. The study highlights the need for enhanced customer education, app improvements, and personalized services to boost adoption. It concludes with recommendations to improve user experience and service efficiency.

## I. INTRODUCTION

In recent years, the banking industry has witnessed a significant transformation driven by rapid advancements in technology. Among these, mobile banking has emerged as a pivotal innovation, offering customers the convenience of accessing financial services anytime and anywhere. Tamilnad Mercantile Bank Ltd (TMB), a prominent private sector bank with deep roots in Tamil Nadu, has embraced mobile banking as a strategic tool to enhance customer satisfaction and streamline its services. With the increasing penetration of smartphones and internet connectivity, mobile banking is no longer a luxury but a necessity for modern banking customers. However, the success of such services largely depends on how customers perceive and experience them. Factors such as ease of use, security, accessibility, and reliability play a crucial role in shaping customer attitudes and satisfaction levels.

This study aims to explore and analyze customer perception towards mobile banking services provided by Tamilnad Mercantile Bank Ltd, particularly focusing on the awareness, adoption rate, usability, and overall satisfaction among its users. Understanding these perceptions is essential for the bank to identify gaps, improve service delivery, and enhance the digital banking experience for its customers.

## II. THE CONCEPT OF MOBILE BANKING

Mobile banking is a modern way of providing banking services through mobile devices such as smartphones and tablets. It allows customers to perform financial transactions anytime and anywhere without having to visit a physical bank branch. With mobile banking, users can check account balances, transfer money, pay bills, recharge mobile phones, apply for loans, and access many other banking services through a mobile app or SMS.

This concept has revolutionized the banking industry by offering greater convenience, speed, and accessibility. It is especially helpful for people living in remote areas, as it brings banking services directly to their fingertips. Mobile banking also reduces the workload in branches and helps banks serve customers more efficiently.

### III. BACKGROUND OF THE STUDY

The rapid advancement in information and communication technology has revolutionized the banking sector, leading to the emergence of digital banking services. Among these, mobile banking has become a key channel for delivering banking services to customers in a convenient, fast, and efficient manner. It allows users to access their bank accounts, perform transactions, and manage finances directly through their mobile phones, anytime and anywhere.

Tamilnad Mercantile Bank Ltd (TMB), one of the oldest and most trusted private sector banks in India, has embraced digital transformation by offering mobile banking services to meet the evolving needs of its customers. With a strong presence in Tamil Nadu, especially in rural and semi-urban areas, TMB's mobile banking services aim to bridge the gap between traditional banking and digital convenience.

Despite the growing popularity of mobile banking, its success depends largely on customer perception. Factors such as ease of use, reliability, security, and awareness significantly impact how customers view and adopt mobile banking services. In regions like Tamil Nadu, where customer demographics are diverse, it becomes crucial to understand the perceptions and satisfaction levels of users to ensure effective service delivery.

This study is undertaken to explore and analyze the perception of customers regarding mobile banking services offered by Tamilnad Mercantile Bank Ltd. By examining user experiences, expectations, and challenges, the study aims to provide insights that can help the bank improve its digital offerings and promote wider usage among its customer base.

### IV. STATEMENT OF THE PROBLEM

Despite the growing adoption of mobile banking across the banking industry, many customers still face challenges in using these services effectively. In the case of Tamilnad Mercantile Bank Ltd (TMB), while the bank has introduced mobile banking to improve convenience and service quality, there are still concerns regarding customer awareness, ease of use, technical issues, and trust in the digital platform.

Some customers may find mobile banking applications difficult to navigate, while others may worry about the safety and security of their transactions. In rural and semi-urban areas, limited digital literacy and internet access may also hinder adoption. As a result, the full potential of mobile banking remains underutilized.

The problem, therefore, lies in understanding how customers perceive TMB's mobile banking services, what factors influence their satisfaction or dissatisfaction, and what improvements are needed to enhance the overall user experience. Identifying and addressing these issues is essential for TMB to strengthen its digital services and build greater trust and loyalty among its customers.

### V. OBJECTIVE OF THE STUDY

To examine the level of awareness and usage of mobile banking among TMB customers

To analyze customer perception towards mobile banking services offered by Tamilnad Mercantile Bank Ltd (TMB).

To identify the key factors influencing customer satisfaction and dissatisfaction with mobile banking.

To evaluate the ease of use, security, and reliability of TMB's mobile banking application.

To assess the challenges faced by customers while using mobile banking services.

To provide suggestions for improving mobile banking services to enhance customer experience and adoption.

### VI. SCOPE OF THE STUDY

Focuses on customer perception of mobile banking services offered by Tamilnad Mercantile Bank Ltd (TMB).

Limited to analyzing factors like ease of use, security, accessibility, awareness, and customer satisfaction.

Covers both urban and rural customers of TMB, primarily within Tamil Nadu.

Includes individual account holders who actively use or are familiar with TMB's mobile banking services.

Aims to identify key strengths and areas of improvement in TMB's mobile banking platform.

Provides insights for improving customer experience, increasing adoption, and shaping future digital banking strategies for TMB.

## VII. LIMITATION OF THE STUDY

The study is geographically limited to customers of Tamilnad Mercantile Bank Ltd (TMB) in Tamil Nadu.

The sample size may not fully represent the entire customer base of TMB, affecting the generalization of the results.

Only customers with access to mobile banking are included, excluding those who do not use or have limited access to mobile banking.

The study is conducted within a limited time frame, which may not capture long-term trends or sudden changes.

Potential response bias from customers, which may influence their feedback and perceptions of mobile banking services.

The study focuses on technical aspects like ease of use and security, not accounting for broader external factors like socio-economic and cultural.

## VIII. RESEARCH METHODOLOGY

### 8.1 Research Design

Descriptive research design is used to study and analyze customer perception of mobile banking services in Tamilnad Mercantile Bank Ltd (TMB).

### 8.2 Data Collection Method

Primary data is collected through structured questionnaires distributed to selected TMB customers.

Secondary data is gathered from bank reports, websites, journals, and previous research papers.

### 8.3 Sampling Method

Sampling is used to select respondents who are users of TMB's mobile banking services.

### 8.4 Sample Size

A specific number of respondents are selected based on accessibility and relevance to the study. Sample size: 120

### 8.5 Data Collection Tool

A well-structured questionnaire including both closed-ended and Likert scale-based questions is used to gather responses.

### 8.6 Data Analysis Techniques

Data is analyzed using simple statistical tools such as percentage analysis, charts, and graphs to interpret findings.

## IX. REVIEW OF LITERATURE

### 1. Laukkanen (2007)

Laukkanen explored the role of perceived ease of use in the adoption of mobile banking services. The study concluded that user-friendly design significantly influences consumer acceptance, especially among younger users. The author emphasized that customers value speed, simplicity, and convenience when engaging in mobile transactions. The research suggested that financial institutions should focus on intuitive interfaces and minimal effort required for operation. Overall, ease of use was found to be a critical factor in shaping customer attitudes toward mobile banking, particularly in the early stages of digital banking adoption.

### 2. Amin et al. (2008)

Amin and colleagues examined factors influencing mobile banking adoption in Malaysia. They found that perceived trust, perceived usefulness, and perceived risk greatly impact users' acceptance of mobile banking. The study revealed that even if a system is useful and easy to use, lack of trust can prevent adoption. Security concerns were found to be a major barrier. The findings indicate that banks should enhance security features

and ensure privacy to build customer confidence. Trust plays a crucial role in forming a positive perception of mobile banking services, especially among first-time users.

### 3. Ramesh & Divya (2012)

This study focused on mobile banking adoption patterns among Indian consumers. It highlighted that young adults, particularly those between 21–35 years, are more likely to use mobile banking services. Factors such as education, smartphone usage, and internet familiarity influenced adoption. The authors also noted that customers are more likely to adopt mobile banking if they perceive it to be faster and more convenient than visiting physical branches. The study emphasized the importance of awareness campaigns and digital literacy efforts to increase usage across diverse age groups and demographic segments

### 4. Vyas (2015)

Vyas investigated the influence of demographic variables on mobile banking adoption in India. The study found that education level and monthly income significantly affect the frequency of mobile banking usage. Educated and high-income customers showed greater trust and familiarity with mobile applications. The author recommended that banks offer multilingual support and simplified interfaces to cater to a wider audience. The findings suggested that tailored services and better customer support could enhance perception among low-income or less-educated users, making mobile banking more inclusive and accessible.

### 5. Kapoor (2013)

Kapoor's research focused on the user interface and its impact on customer satisfaction with mobile banking. The study emphasized that an intuitive, easy-to-navigate interface directly improves user experience and satisfaction. Technical errors and complex navigation were found to be key reasons for negative perceptions. Kapoor suggested that mobile banking applications should be frequently updated to resolve bugs and enhance design. A clean interface not only encourages usage but also reduces customer frustration. This review highlights the importance of technology and design in influencing customer perception and continued use of mobile banking services.

## REFERENCES

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