



Mobile Banking



Nanyang Technological University



People's Republic of China

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## Security most important to retaining mobile banking customers, study finds

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A study by a research team from Nanyang Technological University, Singapore (NTU Singapore) and China's first digital-only bank WeBank has found that security, service quality and system quality are the most important factors for customers who use mobile banking.

Associate Professor Xu Hong from NTU's School of Social Sciences (left) and Assistant Professor Yu Han from NTU's School of Computer Science and Engineering. Credit: NTU Singapore

Two in five respondents (40%) said that the security they felt while carrying out transactions on mobile applications was their most important consideration.

This was followed by the level of service quality (25%), which referred to whether the banking applications could fulfill users' needs, such as carrying out transactions and easy access to credit card services.

System quality, which considers the performance of the application, including compatibility with different mobile phones and loading speeds, came in a close third (24%).

The results of the study were published in the Journal of Retailing and Consumer Services, an academic publication by Elsevier, last December.

The researchers said their study which ranked factors that are important in determining customer loyalty would be useful to financial institutions who are looking at improving their mobile banking applications.

Already widely used in China prior to COVID-19, mobile banking applications have seen a sharp rise in uptake throughout Asia during the pandemic, as the touchless payment systems provided by most mobile banking applications have gained traction.

The NTU-WeBank team obtained their results after surveying 224 mobile banking users of a large bank in China in 2019. Over three-quarters of the respondents (79%) were frequent users of mobile banking, meaning that they used it at least once a week.

The researchers said that although the study was conducted in China, the results are applicable to other countries where mobile banking has a high level of adoption, such as Singapore, Thailand, and Vietnam.

Associate Professor Xu Hong, from NTU's School of Social Sciences who led the study, said: "It was already known that all these factors: security, service quality, system quality, and interface design had an...

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