



Evaluating the influence of mobile and internet banking on customer satisfaction: Evidence from Absa Bank Tanzania

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ABSTRACT

This study examines the influence of mobile and internet banking on customer satisfaction in the Tanzanian banking sector, using evidence from ABSA Bank’s Ngorongoro Branch. Grounded in the Technology Acceptance Model (TAM), the study adopts a quantitative cross-sectional design and utilizes primary data collected from 127 digital banking users through structured questionnaires. The target population comprised 150 customers actively using mobile and/or internet banking platforms. Simple random sampling was employed to ensure representativeness, with respondents selected from a list of eligible digital banking users provided by the branch. Data were analyzed using descriptive statistics and Ordinary Least Squares (OLS) regression. The findings reveal that mobile banking significantly enhances customer satisfaction through ease of cash withdrawal and balance inquiry, while inefficiencies in money transfer services negatively affect satisfaction. Similarly, internet banking contributes positively to customer satisfaction through fast transaction processing, whereas transaction errors significantly reduce customer satisfaction. The cost of internet banking services was found to be statistically insignificant, suggesting that customers prioritize service efficiency and reliability over pricing considerations. Overall, digital banking variables explain 51.1% of the variation in customer satisfaction. The study concludes that convenience, efficiency, and system reliability are critical determinants of customer satisfaction in digital banking. It recommends that banks improve system stability, minimize transaction errors, enhance transaction speed, and invest in user-friendly digital platforms to strengthen customer experience and competitiveness. The study contributes to the literature by providing branch-level empirical evidence from an emerging economy and highlighting the differential effects of specific digital banking attributes on customer satisfaction.

Keywords: Customer Satisfaction, Digital Banking, Internet Banking, Mobile Banking, Technology Acceptance Model, Tanzania

I. INTRODUCTION

The global banking sector is undergoing a rapid transformation driven by advancements in digital technologies, increasing customer expectations, and intensifying competition. Across both developed and developing economies, banks are increasingly shifting from traditional branch-based models toward technology-enabled service delivery systems such as mobile and internet banking. Empirical evidence suggests that digital banking enhances operational efficiency, reduces transaction costs, improves service speed, and expands financial inclusion (Shanti et al., 2023). As a result, digital banking has become a strategic tool for improving customer satisfaction, retention, and long-term competitiveness in the global financial services industry. In Africa, the adoption of digital banking has accelerated significantly, largely due to widespread mobile phone penetration and supportive financial inclusion policies. Studies conducted across African banking markets indicate that mobile banking, in particular, plays a crucial role in extending banking services to previously unbanked populations, improving convenience, and reducing service delivery costs (Mwakisoba & Meela, 2024). However, despite these benefits, African banks continue to face challenges related to system reliability, transaction security, service interruptions, and affordability, which may negatively affect customer satisfaction and trust in digital platforms.

Within the East African region, digital banking has become a central component of banking strategies, with countries such as Kenya, Tanzania, and Uganda experiencing rapid growth in mobile and internet banking usage. While prior studies in the region emphasize the positive relationship between digital banking and customer satisfaction, findings remain mixed regarding the relative impact of mobile versus internet banking services and their specific service attributes (Chindengwike, 2022). This inconsistency highlights the need for country- and institution-specific evidence to better understand how different digital banking features influence customer satisfaction in practice. In Tanzania, commercial banks have increasingly invested in digital financial services to enhance service delivery, reduce operational

costs, and remain competitive in a liberalized banking environment. Mobile banking services have gained widespread acceptance, while internet banking adoption remains comparatively lower, partly due to concerns related to system complexity, transaction errors, and limited user awareness (Chindengwike, 2022). Although existing studies confirm that digital banking contributes to customer satisfaction in Tanzanian banks, most focus on general adoption or single digital platforms, with limited attention to branch-level analysis and the differential effects of specific mobile and internet banking attributes.

Against this backdrop, the research problem addressed in this study is the lack of empirical evidence on how specific mobile and internet banking service features differentially influence customer satisfaction at the branch level in Tanzanian commercial banks. While digital banking is widely promoted as a driver of customer satisfaction, it remains unclear which service attributes enhance satisfaction and which undermine it, particularly within emerging market contexts such as Tanzania. This study is driven by the need to address this gap by providing empirical evidence from ABSA Bank's Ngorongoro Branch in Tanzania.

1.2 Research Objectives

- i. Examine the effect of mobile banking features on customer satisfaction;
- ii. Assess the impact of internet banking attributes on customer satisfaction; and
- iii. Identify key digital banking challenges affecting customer experiences in the Tanzanian banking sector.

II. LITERATURE REVIEW

2.1 Theoretical Review

2.1.1 The Technology Acceptance Theory

This study applies the Technology Acceptance Theory (TAM) to explain customers' adoption and satisfaction with mobile and internet banking services at ABSA Bank Tanzania. Originally developed by Davis (1989), TAM posits that perceived usefulness and perceived ease of use are the primary determinants influencing individuals' acceptance and continued use of information systems. Perceived usefulness refers to the extent to which customers believe that using mobile or internet banking enhances their banking efficiency, convenience, and overall service performance. In the context of this study, perceived usefulness is reflected in features such as fast transaction processing, ease of cash withdrawal, and convenient balance inquiries. Perceived ease of use, on the other hand, relates to the degree to which customers perceive digital banking platforms as simple, user-friendly, and effortless to operate. Complex interfaces, transaction errors, and system breakdowns may reduce perceived ease of use and, consequently, customer satisfaction.

The application of TAM in this study provides a theoretical lens for understanding how customers' perceptions of digital banking systems influence their satisfaction levels. The theory supports the assumption that even when digital banking services offer functional benefits, customers are less likely to be satisfied if the platforms are difficult to use or unreliable. Therefore, TAM is relevant in explaining both the positive and negative effects of specific mobile and internet banking attributes on customer satisfaction. By grounding the analysis in Technology Acceptance Theory, this study establishes a clear theoretical foundation linking digital banking service characteristics to customer satisfaction outcomes, thereby strengthening the interpretation of empirical findings within the Tanzanian banking context.

2.2 Empirical Review

This study reviews existing empirical literature on mobile and internet banking by integrating theoretical perspectives with recent scholarly evidence, in line with the requirements of the ABR Journal. The review focuses on identifying the key determinants of customer satisfaction in digital banking, drawing on studies conducted in both emerging and developing economies to ensure contextual relevance. Guided by the Technology Acceptance Model (TAM), prior studies consistently demonstrate that perceived usefulness and perceived ease of use are central to customer satisfaction in digital banking environments (Davis, 1989). These constructs are operationalized through service attributes such as convenience, transaction speed, system reliability, and accessibility, which shape customers' experiences with mobile and internet banking platforms.

Empirical studies on mobile banking indicate that it plays a significant role in enhancing customer satisfaction by improving service accessibility and operational efficiency. Yu and Chompu (2022) found that mobile banking services significantly improve customer satisfaction by enabling flexible and real-time financial transactions. Similarly, Ho (2025) established that customer satisfaction derived from mobile banking positively influences customer loyalty, particularly among technologically prepared users. In the Tanzanian context, Chindengwike (2022) demonstrated that mobile banking informational services such as balance inquiry and transaction notifications—positively influence customer satisfaction by improving service convenience and accessibility. Supporting these findings, Mwakisoba and Meela (2024) reported that electronic banking services, particularly mobile banking, significantly enhance customer satisfaction in Tanzanian commercial banks through improved service delivery and reduced transaction costs.



Recent empirical studies further highlight the multidimensional nature of mobile banking satisfaction. Hossain et al. (2025) found that perceived ease of use mediates the relationship between mobile banking services and customer satisfaction, emphasizing the importance of user-friendly interfaces and system simplicity. Similarly, Lelasari and Bernarto (2023) observed that customer satisfaction with mobile banking is strongly influenced by service reliability and system performance, while technical failures significantly reduce satisfaction levels. Additional evidence from emerging markets indicates that convenience, responsiveness, and perceived security are key determinants of satisfaction, while system downtime, failed transactions, and delayed service responses negatively affect customer perceptions (Shanti et al., 2023; Trinh & Ngo, 2024). Despite the generally positive impact of mobile banking, the literature also highlights critical limitations. Several studies report that operational inefficiencies such as delayed transaction reversals, system interruptions, and network failures can significantly undermine customer satisfaction, even when adoption levels are high (Lelasari & Bernarto, 2023). Moreover, some studies find that certain mobile banking features do not consistently improve satisfaction, suggesting that the effectiveness of mobile banking depends on the quality and reliability of specific service attributes rather than the technology itself. These findings underscore the importance of disaggregating mobile banking into specific components to better understand their individual effects on customer satisfaction.

Internet banking literature similarly emphasizes its role in improving customer satisfaction through enhanced service efficiency, accessibility, and cost reduction. Sayyad and Subramanian (2024) found that transaction speed, reliability, and system responsiveness significantly improve customer satisfaction in internet banking environments. Likewise, Hada (2020) demonstrated that service quality dimensions—particularly accuracy, security, and reliability are critical determinants of satisfaction in online banking systems. In emerging economies, Goutam et al. (2021) argue that internet banking enhances operational efficiency and competitive advantage, thereby strengthening customer relationships and satisfaction levels. However, empirical evidence also indicates that internet banking satisfaction is influenced by several risk-related and operational challenges. Studies show that transaction errors, cybersecurity concerns, and system complexity negatively affect customer trust and satisfaction (Hossain et al., 2025). In the African context, Chindengwike (2022) and Mwakisoba and Meela (2024) highlight that while digital banking services improve accessibility and efficiency, challenges such as limited digital literacy, infrastructure constraints, and service unreliability continue to affect customer satisfaction. Furthermore, studies in developing countries reveal that perceived high service costs and technical barriers can limit the effectiveness of internet banking in enhancing customer satisfaction, particularly among less technologically experienced users.

In addition, recent empirical studies emphasize that customer satisfaction in digital banking is influenced by both technical performance and behavioral factors. Trinh and Ngo (2024) found that service innovation significantly enhances customer satisfaction and loyalty, while trust and perceived value play a mediating role in shaping customer experiences. Similarly, Shanti et al. (2023) demonstrated that digital transformation in banking improves customer satisfaction by enhancing service quality and operational efficiency, although the benefits are contingent on system reliability and user experience. Within the East African and Tanzanian contexts, empirical evidence on digital banking remains relatively limited, particularly with respect to internet banking. Most existing studies focus on adoption behavior or general service quality perceptions rather than examining how specific service attributes influence customer satisfaction. Moreover, many studies analyze digital banking at an aggregate level, combining mobile and internet banking into a single construct, which limits the ability to distinguish their individual effects. This creates a significant gap in understanding the relative importance of different digital banking channels and their specific features in shaping customer satisfaction.

Furthermore, there is limited branch-level empirical evidence in Tanzania that captures customers' actual service experiences with digital banking platforms. Existing studies often rely on national-level or industry-wide data, which may not adequately reflect variations in service quality and customer experiences across different banking institutions and branches. As a result, it remains unclear which specific mobile and internet banking attributes enhance customer satisfaction and which contribute to dissatisfaction in the Tanzanian banking context. Therefore, this study addresses these gaps by providing a detailed empirical analysis of mobile and internet banking attributes and their differential effects on customer satisfaction at ABSA Bank's Ngorongoro Branch in Tanzania. Unlike previous studies, this research disaggregates digital banking into specific service features and examines both their positive and negative effects within a unified analytical framework. By grounding the analysis in the Technology Acceptance Model and focusing on a branch-level case study, the study contributes to the existing body of knowledge by offering context-specific insights into digital banking satisfaction in an emerging economy. These findings are expected to inform both academic research and practical decision-making in the banking sector.

III. METHODOLOGY

This study adopted a quantitative approach to examine the influence of mobile and internet banking on customer satisfaction at ABSA Bank Tanzania, using a cross-sectional research design to capture customer perceptions at a single point in time. The study was conducted at ABSA Bank's Ngorongoro Branch in Arusha City due to its active provision of digital banking services. The target population comprised 150 customers actively using mobile and/or internet banking platforms. The sample size was determined using Yamane's (1967) formula at a 5% margin of error, yielding a minimum sample of 109 respondents; to enhance response adequacy, 130 questionnaires were distributed, of which 127 were returned. Simple random sampling was employed to ensure representativeness, with respondents selected from a list of eligible digital banking users provided by the branch. Primary data were collected using structured questionnaires, while secondary data were obtained from relevant academic and institutional sources to enhance validity through triangulation. Content and construct validity were ensured through expert review and factor analysis, while reliability was confirmed using Cronbach's alpha coefficients exceeding the 0.70 threshold. Data were analyzed using Stata version 15, employing descriptive statistics, correlation analysis, and Ordinary Least Squares (OLS) regression to assess the relationship between digital banking attributes and customer satisfaction.

IV. FINDINGS & DISCUSSION

4.1 Response Rate

This study indicates that participants were active users of mobile and/or internet banking services, making them suitable for evaluating digital banking experiences. The high response rate (97.7%) suggests strong customer engagement with digital banking platforms at the branch. The respondents' continued use of digital banking services reflects the growing reliance on technology-enabled banking channels in Tanzania, consistent with trends observed in other emerging economies. This background provides a reliable basis for interpreting customer satisfaction outcomes, as respondents possessed sufficient exposure to the services under study.

4.2 Descriptive Analysis of Study Variables

The descriptive statistics presented in Table 1 provide an overview of respondents' perceptions of mobile banking, internet banking, and customer satisfaction. The analysis is based on a five-point Likert scale, where higher mean values indicate more positive perceptions. The results for mobile banking variables indicate that respondents generally perceive mobile banking services positively. Ease of cash withdrawal recorded the highest mean score ($M = 3.87$, $SD = 0.76$), suggesting that customers find this service highly convenient and reliable. Similarly, balance inquiry ease ($M = 3.65$, $SD = 0.81$) is also rated favorably, indicating that customers appreciate the ability to quickly access account information. However, ease of money transfer recorded a comparatively lower mean ($M = 3.21$, $SD = 0.92$), reflecting moderate satisfaction and suggesting the presence of operational challenges such as transaction delays or system inefficiencies. The relatively higher standard deviation for this variable further indicates variability in customer experiences.

With respect to internet banking variables, fast transaction processing is perceived positively ($M = 3.74$, $SD = 0.79$), highlighting efficiency as a key strength of internet banking services. This suggests that customers value speed and responsiveness when conducting online transactions. In contrast, transaction errors recorded a lower mean score ($M = 2.88$, $SD = 0.95$), indicating that system inaccuracies and failures are a concern among users and may negatively influence their overall experience. Additionally, the perceived cost of internet banking services ($M = 3.10$, $SD = 0.88$) is moderate, implying that while cost is a factor, it is not the primary determinant of customer perception compared to service reliability and efficiency.

Regarding the dependent variable, customer satisfaction recorded a mean score of 3.68 ($SD = 0.82$), indicating a generally moderate to high level of satisfaction among respondents. This suggests that digital banking services provided by the bank meet customer expectations to a reasonable extent, although there is still room for improvement. The descriptive findings suggest that while both mobile and internet banking services contribute positively to customer experiences, issues related to transaction reliability, particularly in money transfers and system errors, may limit the full realization of customer satisfaction. These results provide a foundation for further inferential analysis to examine the extent to which these variables influence customer satisfaction.

Table 1
Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Dev.
Mobile Banking Variables					
Ease of cash withdrawal	127	1.00	5.00	3.87	0.76
Balance inquiry ease	127	1.00	5.00	3.65	0.81
Ease of money transfer	127	1.00	5.00	3.21	0.92
Internet Banking Variables					
Fast transaction processing	127	1.00	5.00	3.74	0.79
Transaction errors	127	1.00	5.00	2.88	0.95
High service cost	127	1.00	5.00	3.10	0.88
Dependent Variable					
Customer satisfaction	127	1.00	5.00	3.68	0.82

4.3 Correlation Analysis

Table 2 presents the correlation matrix showing the relationships among mobile banking variables, internet banking variables, and customer satisfaction. The analysis provides preliminary insights into the direction and strength of associations between the study variables prior to regression analysis. The results indicate that mobile banking variables are positively and significantly associated with customer satisfaction. Specifically, ease of cash withdrawal shows a strong positive correlation with customer satisfaction ($r = 0.498$, $p < 0.05$), suggesting that increased convenience in accessing funds enhances customer satisfaction. Similarly, balance inquiry is positively correlated with customer satisfaction ($r = 0.371$, $p < 0.05$), indicating that the ability to easily check account information contributes to improved customer experience. In contrast, money transfer exhibits a negative and weakly significant relationship with customer satisfaction ($r = -0.214$, $p < 0.10$), implying that challenges in transfer services may reduce satisfaction levels.

Regarding internet banking variables, transaction speed is positively and significantly correlated with customer satisfaction ($r = 0.452$, $p < 0.05$), highlighting the importance of efficiency in enhancing customer experiences. Conversely, transaction errors show a strong negative and significant relationship with customer satisfaction ($r = -0.476$, $p < 0.05$), indicating that system failures and inaccuracies substantially reduce customer satisfaction. This suggests that reliability is a critical factor in digital banking services. The relationship between service cost and customer satisfaction is negative but statistically insignificant ($r = -0.102$, $p > 0.10$), suggesting that cost is not a primary determinant of customer satisfaction in this context. Additionally, the correlations among independent variables are generally moderate and within acceptable limits, indicating the absence of severe multicollinearity. For example, the correlation between cash withdrawal ease and balance inquiry ($r = 0.421$, $p < 0.05$) and between transaction speed and other variables remains below critical thresholds ($r < 0.80$), suggesting that the variables measure distinct constructs.

Table 2
Correlation Matrix of Study Variables

Variables	Cash withdrawal ease	Balance inquiry	Money transfer	Transaction speed	Transaction errors	Service cost	Customer satisfaction
Cash withdrawal ease	1						
Balance inquiry	.421**	1					
Money transfer	.312**	.287**	1				
Transaction speed	.356**	.331**	.290**	1			
Transaction errors	-.284**	-.263**	-.301**	-.345**	1		
Service cost	-.121	-.098	-.142	-.165	.210*	1	
Customer satisfaction	.498**	.371**	-.214*	.452**	-.476**	-.102	1

Note: * $p < .10$, ** $p < .05$

4.4 Regression Analysis

The regression analysis was conducted to examine the influence of mobile and internet banking variables on customer satisfaction. The results are presented in terms of model summary, ANOVA, and regression coefficients.

4.4.1 Model Summary

The model summary results in Table 3 indicate that the independent variables collectively explain a substantial proportion of the variation in customer satisfaction. The coefficient of determination ($R^2 = 0.511$) shows that approximately 51.1% of the variation in customer satisfaction is explained by mobile and internet banking variables

included in the model. The adjusted R^2 (0.487) further confirms the robustness of the model after adjusting for the number of predictors. The multiple correlation coefficient ($R = 0.715$) suggests a strong positive relationship between the independent variables and customer satisfaction. The standard error of the estimate (0.684) indicates a relatively low level of prediction error, implying that the model provides a good fit to the data.

Table 3*Model Summary*

Model	R	R ²	Adjusted R ²	Std. Error of Estimate
1	0.715	0.511	0.487	0.684

4.4.2 ANOVA

The ANOVA results in Table 4 show that the overall regression model is statistically significant. The F-statistic ($F = 21.32$, $p < 0.001$) indicates that the independent variables, when considered together, significantly predict customer satisfaction. This implies that the model is appropriate for explaining the relationship between digital banking variables and customer satisfaction, and that at least one of the predictors has a statistically significant effect on the dependent variable.

Table 4*ANOVA Results*

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	59.842	6	9.974	21.32	.000
Residual	57.012	120	0.475		
Total	116.854	126			

4.4.3 Regression Coefficients

The regression coefficients in Table 5 provide detailed insights into the individual effects of each independent variable on customer satisfaction. For mobile banking variables, ease of cash withdrawal has a positive and statistically significant effect on customer satisfaction ($\beta = 0.317$, $p < 0.01$). This suggests that improved convenience in accessing funds significantly enhances customer satisfaction. Similarly, balance inquiry shows a positive effect ($\beta = 0.127$, $p < 0.10$), indicating that ease of accessing account information contributes to customer satisfaction, although the effect is relatively weaker.

In contrast, money transfer has a negative and marginally significant effect on customer satisfaction ($\beta = -0.173$, $p < 0.10$). This finding suggests that inefficiencies such as transaction delays or failures may reduce customer satisfaction, highlighting potential service delivery challenges. Regarding internet banking variables, transaction speed has a positive and highly significant effect on customer satisfaction ($\beta = 0.293$, $p < 0.01$), indicating that faster transaction processing enhances user experience. On the other hand, transaction errors have a negative and statistically significant effect ($\beta = -0.252$, $p < 0.01$), suggesting that system inaccuracies and failures substantially reduce customer satisfaction. The cost of internet banking shows a negative but statistically insignificant effect ($\beta = -0.028$, $p > 0.10$), implying that cost is not a major determinant of customer satisfaction in this context. The regression results demonstrate that service efficiency, reliability, and convenience are the key determinants of customer satisfaction in digital banking. Positive effects are observed for variables related to ease of use and speed, while negative effects are associated with system inefficiencies such as transaction errors and problematic transfer processes. These findings are consistent with the Technology Acceptance Model (TAM), which emphasizes perceived usefulness (e.g., speed, convenience) and perceived ease of use (e.g., reliability, simplicity) as critical factors influencing user satisfaction.

Table 5*Coefficients*

Variable	B	Std. Error	Beta	t	Sig.
(Constant)	1.738	0.514	—	3.38	.001
Cash withdrawal ease	0.317	0.066	0.352	4.80	.000
Balance inquiry	0.127	0.072	0.118	1.77	.078
Money transfer	-0.173	0.100	-0.132	-1.73	.085
Transaction speed	0.293	0.081	0.284	3.62	.000
Transaction errors	-0.252	0.072	-0.301	-3.50	.001
Service cost	-0.028	0.062	-0.029	-0.44	.660

Dependent Variable: Customer Satisfaction



4.5 Interpretation of Results by Objectives

This section interprets the regression findings in relation to the specific objectives of the study, providing a clear linkage between the empirical results and the study variables.

4.5.1 Effect of Mobile Banking on Customer Satisfaction

The findings reveal that mobile banking has a significant influence on customer satisfaction. Specifically, ease of cash withdrawal and balance inquiry exhibit positive and statistically significant effects on customer satisfaction. This implies that convenience and accessibility are key drivers of satisfaction in mobile banking services. Customers derive value from the ability to quickly access their funds and obtain account information with minimal effort, which enhances their overall banking experience.

However, ease of money transfer was found to have a negative and marginally significant effect on customer satisfaction. This suggests that inefficiencies in transfer services, such as transaction delays, failed transactions, or slow reversal processes, may negatively affect customer perceptions. The result indicates that while mobile banking generally improves service delivery, not all service features contribute equally to customer satisfaction. Therefore, improving the reliability and efficiency of transfer services is essential to maximize the benefits of mobile banking. The results demonstrate that mobile banking enhances customer satisfaction primarily through convenience and ease of use, but operational challenges in specific services can undermine these benefits.

4.5.2 Impact of Internet Banking on Customer Satisfaction

The results further indicate that internet banking significantly influences customer satisfaction. Fast transaction processing has a positive and statistically significant effect, suggesting that efficiency and speed are critical determinants of customer satisfaction in internet banking. Customers value systems that enable quick and seamless transactions, which improves their overall experience. In contrast, transaction errors have a negative and statistically significant effect on customer satisfaction. This finding highlights that system reliability is a critical factor, as errors and system failures reduce customer trust and confidence in internet banking platforms. The presence of transaction errors undermines perceived ease of use and reduces the effectiveness of digital banking services. Additionally, the cost of internet banking was found to have a negative but statistically insignificant effect on customer satisfaction. This implies that while cost may influence perceptions to some extent, it is not a primary determinant of satisfaction compared to factors such as efficiency and reliability. The findings suggest that internet banking contributes to customer satisfaction when systems are fast and reliable, but technical inefficiencies significantly diminish customer experience.

4.6 Discussion

This section discusses the empirical findings of the study in relation to the study objectives, the Technology Acceptance Model (TAM), and existing empirical literature. The discussion focuses on how mobile and internet banking attributes influence customer satisfaction in the Tanzanian banking context. The findings of this study reveal that mobile banking significantly influences customer satisfaction, particularly through convenience-related services such as ease of cash withdrawal and balance inquiry. These results are consistent with the Technology Acceptance Model, which emphasizes perceived usefulness and perceived ease of use as key determinants of user satisfaction. Customers tend to value services that simplify transactions and reduce effort, thereby enhancing their overall banking experience. Similar findings have been reported in prior studies, which indicate that mobile banking improves customer satisfaction by increasing accessibility, flexibility, and service efficiency (Yu & Chompu, 2022; Ho, 2025). In the Tanzanian context, the results align with Chindengwiwe (2022) and Mwakisoba and Meela (2024), who found that mobile banking services enhance customer satisfaction by improving convenience and reducing transaction costs.

However, the study also found that money transfer services negatively affect customer satisfaction, suggesting that operational inefficiencies undermine the perceived benefits of mobile banking. This finding supports earlier studies which highlight that system failures, delayed transactions, and service unreliability can significantly reduce customer satisfaction despite high adoption levels (Lelasari & Bernarto, 2023; Shanti et al., 2023). From a theoretical perspective, this result reinforces the TAM framework, as system inefficiencies reduce perceived ease of use and ultimately diminish satisfaction. Therefore, the effectiveness of mobile banking depends not only on availability but also on the reliability of its specific service features. With respect to internet banking, the findings demonstrate that fast transaction processing has a strong positive effect on customer satisfaction. This suggests that efficiency and responsiveness are critical determinants of satisfaction in digital banking environments. These results are consistent with previous studies, which emphasize that transaction speed and system performance significantly enhance customer satisfaction (Taiwo & Agwu, 2017). The findings further confirm that customers prioritize time-saving services, particularly in fast-paced digital environments where convenience is highly valued.

Conversely, the study reveals that transaction errors have a significant negative effect on customer satisfaction, indicating that system reliability is a crucial determinant of customer experience. This finding is supported by prior



empirical evidence, which shows that system failures, inaccurate transactions, and security concerns reduce customer trust and satisfaction in digital banking platforms (Trinh & Ngo, 2024). Within the TAM framework, such errors reduce both perceived usefulness and perceived ease of use, thereby negatively affecting user satisfaction. This highlights the importance of maintaining system stability and minimizing operational failures in digital banking services. Furthermore, the study found that the cost of internet banking is not a significant determinant of customer satisfaction, suggesting that customers are more concerned with service quality, efficiency, and reliability than with transaction costs. This finding aligns with studies conducted in emerging markets, which indicate that customers are willing to tolerate reasonable costs as long as digital banking services are reliable and efficient (Taiwo & Agwu, 2017). It also reinforces the argument that perceived value in digital services is driven more by performance and user experience than by cost considerations alone.

The findings of this study highlight that customer satisfaction in digital banking is primarily driven by service efficiency, convenience, and system reliability, while operational inefficiencies and system errors significantly undermine customer experience. The results provide strong empirical support for the Technology Acceptance Model, demonstrating that both perceived usefulness (e.g., speed, convenience) and perceived ease of use (e.g., reliability, simplicity) are critical in shaping customer satisfaction. In the context of Tanzania, these findings contribute to the growing body of literature by providing branch-level empirical evidence on the differential effects of mobile and internet banking attributes on customer satisfaction. Unlike previous studies that treat digital banking as a single construct, this study disaggregates digital banking services and reveals that not all service features contribute equally to satisfaction. This underscores the need for banks to focus not only on expanding digital services but also on improving the quality and reliability of specific service components to enhance customer experience and sustain competitiveness.

V. CONCLUSION & RECOMMENDATIONS

5.1 Conclusion

This study examined the influence of mobile and internet banking on customer satisfaction at ABSA Bank Tanzania, guided by the Technology Acceptance Model (TAM). The findings provide strong empirical evidence that digital banking services significantly influence customer satisfaction, with varying effects across specific service attributes. The results demonstrate that mobile banking positively influences customer satisfaction, particularly through convenience-related services such as ease of cash withdrawal and balance inquiry. These features enhance accessibility and reduce customer effort, thereby improving overall satisfaction. However, the study also reveals that money transfer services negatively affect customer satisfaction, indicating the presence of operational inefficiencies such as transaction delays and system failures. This finding suggests that the effectiveness of mobile banking depends not only on service availability but also on the reliability and efficiency of its specific components.

Similarly, the findings confirm that internet banking significantly influences customer satisfaction, with transaction speed emerging as a key positive determinant. Faster transaction processing enhances user experience and reinforces the perceived usefulness of digital banking systems. In contrast, transaction errors were found to significantly reduce customer satisfaction, highlighting the critical importance of system reliability in digital banking services. The study further establishes that the cost of internet banking is not a significant determinant of customer satisfaction, suggesting that customers prioritize service quality, efficiency, and reliability over cost considerations. Generally, the study concludes that customer satisfaction in digital banking is primarily driven by convenience, efficiency, and system reliability, while service inefficiencies and operational failures undermine customer experience. These findings provide strong support for the Technology Acceptance Model, confirming that perceived usefulness and perceived ease of use are central to customer satisfaction in digital banking environments. The study contributes to the existing literature by providing branch-level empirical evidence from an emerging economy, highlighting the differential effects of specific mobile and internet banking attributes on customer satisfaction. This disaggregated approach offers deeper insights into how individual service features influence customer experience, thereby informing both academic research and practical decision-making in the banking sector.

5.2 Recommendations

Based on the findings of the study, the following recommendations are proposed to enhance customer satisfaction in digital banking services; Banks should improve the reliability and efficiency of mobile banking transfer services by strengthening system infrastructure, minimizing transaction delays, and ensuring faster reversal processes in case of failed transactions. Addressing these operational challenges will significantly enhance customer trust and satisfaction. Financial institutions should prioritize system stability and accuracy in internet banking platforms, as transaction errors were found to have a strong negative effect on customer satisfaction. Continuous system monitoring, regular upgrades, and robust error detection mechanisms are essential to ensure seamless service delivery. Banks should enhance transaction speed and overall system performance, particularly for internet banking services. Investment in modern digital infrastructure and high-performance systems will improve efficiency and provide customers with faster

and more reliable services. Banks should focus on improving user interface design and ease of use to enhance customer experience. Providing simple, intuitive, and user-friendly digital platforms will strengthen perceived ease of use, in line with the Technology Acceptance Model. Although cost was not found to be a significant determinant, banks should maintain transparent and competitive pricing structures to ensure affordability and avoid potential dissatisfaction among price-sensitive customers. Banks should invest in customer education and awareness programs to enhance digital literacy and ensure that customers can effectively utilize available digital banking services. This will improve user confidence and maximize the benefits of digital banking platforms.

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