



PERCEIVED USEFULNESS, BIMA MOBILE QUALITY, AND THEIR IMPACT ON SATISFACTION AND REUSE INTENTIONS AMONG GEN Z

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ABSTRACT

This study investigates the impact of Perceived Usefulness (PU), Service Quality (SERVQUAL), and Customer Satisfaction on Reuse Intention of mobile banking applications among Generation Z users at Bank Jateng. Using the Technology Acceptance Model (TAM) and SERVQUAL framework, the research explores how these factors influence customer satisfaction and their intention to continue using mobile banking services. Data was collected from 190 respondents through a structured questionnaire and analyzed using descriptive and inferential statistics via STATA. The findings show that customer satisfaction mediates the relationship between service quality and reuse intention. Service quality has a significant effect on reuse intention, particularly through its impact on satisfaction, while Perceived Usefulness shows an indirect effect. The study suggests that banks focus on improving both functional features and user experience to enhance customer retention.

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1. INTRODUCTION

The banking and financial services industry is undergoing rapid change due to advances in technology, new regulations, and shifting customer expectations. As note, businesses must continually innovate to remain competitive (Kotler & Keller, 2012). Digital banking, particularly mobile banking, has become a crucial means of meeting the needs of customers who seek greater convenience, security, and efficiency. Mobile banking enables customers to conduct financial transactions at any time and from anywhere, eliminating the constraints of time and location. As these services continue to develop, they must meet the growing demand for user-friendly interfaces, secure transactions, and personalised features. Mobile banking must not only meet these needs but also provide a seamless and intuitive user experience to retain customers (Adediran, 2024).

Bank Jateng has embraced this digital shift by creating BIMA Mobile, a mobile banking platform that combines banking services, internet banking, and electronic money in one app. This innovation has helped the bank stay competitive in a digital world and earned it the Top Digital #Stars 4 Award in 2024 (Bank Jateng, 2024). However, despite these technological improvements, the bank faces challenges in growing its user base, especially among Generation Z customers.

This demographic is crucial to mobile banking growth; however, the bank has seen a decline in new users, particularly among younger individuals. This suggests that, beyond functionality, user adoption and continued use depend on factors like customer experience and satisfaction.

The Technology Acceptance Model (TAM), developed by (Davis, 1986), helps explain how users accept and use technology. The model focuses on two key factors: Perceived Usefulness (PU), which refers to the belief that technology will improve performance, and Perceived Ease of Use (PEOU), which represents the belief that using the technology is easy. Both factors affect users' attitudes, intentions, and actions (Davis, 1989). TAM has been widely used to study technology adoption, especially in the banking sector, to understand why people decide to use and continue using mobile banking apps. For Generation Z, who are very familiar with digital technology, their perception of the usefulness and ease of use of mobile banking platforms directly impacts their satisfaction and whether they continue to use the app (Leiva et al., 2016; Venkatesh & Davis, 2000).

In addition to TAM, the SERVQUAL model, developed by (Parasuraman et al., 1988), is another important framework to assess the quality of services provided through digital platforms. SERVQUAL measures the quality of service based on five areas: reliability, responsiveness, assurance, empathy, and tangibles. These dimensions help evaluate the gap between what customers expect and what they actually experience. Although SERVQUAL was initially designed for traditional service industries, it is also useful for evaluating digital banking because it examines the entire user experience, encompassing how customers interact with the digital service, its security features, and ease of navigation (Zeithaml et al., 1988). As mobile banking becomes an increasingly significant part of banking services, understanding how these service quality factors impact customer satisfaction and loyalty is crucial for banks to enhance their digital services and remain competitive (Kotler & Keller, 2012).

Reuse Intention, or the willingness to continue using a system after the first experience, is another important factor in mobile banking success., explains that if users' expectations are met or exceeded, they are more likely to continue using the system. The Expectation Confirmation Model (ECM), developed by (Bhattacharjee, 2001) explains the system. ECM is especially useful for mobile banking, where continued use depends on both the system's functionality and the level of user satisfaction (Rahi et al., 2019). Reuse intention is a key measure of user loyalty, and understanding what influences it, such as perceived usefulness (PU), service quality, and satisfaction, is crucial for designing mobile banking apps that keep users engaged in the long term (Rahi et al., 2019).

Generation Z is a key group for the future of digital banking. Understanding how Perceived Usefulness, service quality, and Reuse Intention affect their satisfaction and continued use of mobile banking apps is important. This study aims to explore these factors among Generation Z customers of Bank Jateng. By analysing how these factors influence customer satisfaction and reuse intention, this research will help banks improve their digital services to meet the expectations of this tech-savvy generation.

This study assumes that Perceived Usefulness (PU) has a positive influence on customer satisfaction, as users tend to be more satisfied with mobile banking applications that are perceived as useful. Furthermore, service quality (SERVQUAL) is also expected to have a positive impact on customer satisfaction, as good service quality can enhance the overall user experience. Customer satisfaction acts as a mediator linking service quality with reuse intention, where higher levels of satisfaction can increase the intention to continue using the service. In addition, Perceived Usefulness (PU) is expected to have an indirect influence on reuse intention through customer satisfaction, while Service Quality (SERVQUAL) is expected to have a stronger direct and indirect influence on this intention, mediated by the role of customer satisfaction.

2. RESEARCH METHODS

This study focuses on Generation Z users of the BIMA Mobile application by Bank Jateng in Central Java. A total of 190 respondents participated, and data were collected through an online questionnaire. The questionnaire measured Perceived Usefulness (PU), service quality, customer satisfaction, and reuse intention.

PU was assessed based on the Technology Acceptance Model (TAM) (Davis, 1989), service quality was evaluated using the SERVQUAL (Ali & Raza, 2018; Parasuraman et al., 1988), and customer satisfaction was measured using the framework by Kotler & Keller (2012). Reuse intention was assessed based on the work of (Bhattacharjee, 2001).

The questionnaire was distributed using a random sampling method to Generation Z users of Bank Jateng in Central Java, ensuring that the sample was representative of the target population. This approach minimised selection bias and allowed every individual in the population to have an equal chance of being selected, enhancing the generalizability of the results. The survey was conducted with the full consent of the respondents, who were informed about the study's purpose, the voluntary nature of their participation, and their right to confidentiality. Ethical considerations, including anonymity and privacy protection, were fully upheld throughout the research process (Arikunto, 2018).

The data was analysed using STATA, applying both descriptive and inferential statistics to explore the relationships between these variables. The study also considered control variables such as age, gender, education, and job, which could influence the outcomes. The relationships among the variables were tested using the following equation:

$$\text{Reuse intention} = \alpha + \beta_1 \text{PU}_i + \beta_2 \text{SERVQUAL}_i + \beta_3 \text{Satisfaction}_i + \beta_4 (\text{PU} \times \text{Satisfaction}) + \beta_5 (\text{SERVQUAL} \times \text{Satisfaction}) + \beta_6 \text{age}_i + \beta_7 \text{sex}_i + \beta_8 \text{ownerage}_i + \beta_9 \text{edu}_i + \beta_{10} \text{job}_i + \varepsilon \dots (1)$$

Description :

α	: intercept (constant)
β_{1-10}	: the coefficients (slopes) for each variable
PU	: Perceived Usefulness
SERVQUAL	: Service Quality
Satisfaction	: Satisfaction
age	: Age of the respondent
sex	: Gender (you might have a binary variable like 0 or 1)
ownerage	: Ownership of a mobile phone or device
edu	: Educational level (categorical or continuous)
job	: Occupation type or status (categorical or continuous)
ε	: Error term

This research aims to provide insights into the factors influencing Generation Z's reuse intention with mobile banking services, offering valuable implications for improving digital banking strategies.

3. RESULTS AND DISCUSSION

3.1. RESULTS

The validity of the research instrument was assessed using Pearson Bivariate Correlation at a five per cent significance level, with a critical value of 0.1966. The analysis shows that all measurement items across the four latent constructs, namely Perceived Usefulness (PU), Service Quality (SERVQUAL), Satisfaction, and Reuse Intention, produced correlation coefficients above the threshold value, thereby confirming their statistical validity. For the Perceived Usefulness construct, the four indicators yielded coefficients ranging from 0.840 to 0.912, demonstrating strong validity. The Service Quality construct, measured through 22 indicators, yielded values ranging from 0.428 to 0.725; although the coefficients varied, all exceeded the minimum requirement, indicating a valid representation of service quality. The Satisfaction construct, comprising six indicators, yielded coefficients ranging from 0.475 to 0.707, indicating acceptable validity in measuring user satisfaction. Meanwhile, the Reuse Intention construct, with five indicators, showed values ranging from 0.658 to 0.752, signifying robust validity in assessing respondents' intention to continue using mobile banking services.

Overall, the validity test results provide clear evidence that the questionnaire items consistently capture the intended theoretical constructs. Establishing this validity ensures that subsequent reliability testing, mediation analysis, and structural model estimation are based on a sound and credible measurement foundation, thereby enhancing the robustness of the research findings.

The reliability of the research instrument was examined using Cronbach's Alpha to assess the internal consistency of the indicators within each construct. A commonly accepted criterion is that a construct is considered reliable when its Cronbach's Alpha value exceeds 0.70 (Ghozali, 2016). The results indicate that all constructs meet this criterion. Perceived Usefulness (X1), measured with four items, obtained a Cronbach's Alpha of 0.891, confirming strong internal consistency. Service Quality (X2), with 22 items, recorded a Cronbach's Alpha of 0.953, demonstrating excellent reliability. The Satisfaction construct (M), comprising six items, yielded a value of 0.892, which reflects high reliability. Finally, the Reuse Intention construct (Y), measured with five items, produced a Cronbach's Alpha of 0.901, also indicating excellent internal consistency. Overall, the reliability test results provide clear evidence that the research instrument possesses a high level of reliability. This means that the measurement indicators consistently represent their respective constructs, thereby ensuring that the subsequent analyses of structural relationships and hypothesis testing are based on stable and dependable data.

Table 1 reports the descriptive statistics of the study variables. The respondents' average age is 21.74 years with a minimum of 18 and a maximum of 27 years, suggesting that the sample is dominated by young users. The gender variable (SEX) shows a mean of 5.45 with values ranging between 0 and 1, indicating the coding applied for male and female respondents. Education level (EDU) has a mean of 17.73 and ranges from 1 to 4, reflecting that most respondents have attained higher education. The job variable (JOB) averages 20.10, with variation across employment categories.

Regarding perceptual and behavioral constructs, perceived usefulness (PU) records a mean of 42.37 (SD = 4.54), service quality (SERVQUAL) has a mean of 41.46 (SD = 3.81), and satisfaction (SATISFACTION) averages 40.36 (SD = 4.46). These values, on a five-point scale, are relatively high, suggesting that respondents generally evaluate the mobile banking application as useful, of good quality, and satisfactory. Reuse intention (REUSE) has a mean of 36.68 (SD = 5.29), ranging between 10.80 and 5, indicating that customers show a moderate to high willingness to continue using the service.

Table 1. Descriptive Statistics for all Variables

Variables	Mean	SD	Min	Max	N
AGE	21.747	23.792	18	27	190
SEX	5.445833333	2.864583333	0	1	190
EDU	17.737	6.649305556	1	4	190
JOB	20.105	15.836	1	6	190
PU	42.368	4.541666667	0.940277778	6	190
SERVQUAL	41.462	3.810416667	24.091	5	190
SATISFACTION	40.360	4.464583333	23.333	5	190
REUSE	36.684	5.298611111	10.800	5	190

Sources: Processed data (2025)

Overall, the descriptive statistics highlight that the respondents perceive the mobile banking service positively in terms of usefulness, service quality, and satisfaction, which are expected to play a central role in explaining their intention to reuse the service.

The mediation analysis (see Table 2) shows that satisfaction significantly mediates the relationship between service quality and reuse intention. The direct effect of perceived usefulness (PU) on reuse intention is negative and insignificant ($\beta = -0.0923$, $p > 0.1$). However, PU demonstrates a positive and significant indirect effect via satisfaction ($\beta = 0.2084$, $SE = 0.0563$), indicating that usefulness contributes to reuse only through satisfaction. By contrast, service quality (SERVQUAL) exerts both a positive and significant direct effect on reuse ($\beta = 0.3270$, $p < 0.05$) and a stronger indirect effect through satisfaction ($\beta = 0.5621$, $SE = 0.0856$). The total effect of SERVQUAL on reuse ($\beta = 0.8891$, $p < 0.01$) highlights the dual pathway by which service quality enhances behavioral outcomes.

Table 2. Mediation Effect Results

Variables	Direct Effect (to REUSE)	Indirect Effect (via SATISFACTION)	Total Effect
PU	-0.0923 (-1.09)	0.2084 (SE = 0.0563)	0,80625
SERVQUAL	0.3270** (2.78)	0.5621 (SE = 0.0856)	0.8891***
SATISFACTION	0.7884*** (8.24)	–	–
Control vars	YES	YES	YES
N	190	190	190
Adj R-squared	4,486111111	–	–
Wald chi ² (3)	389.68***	–	–
Root MSE	3,152777778	–	–

Note: z-statistics in parentheses; *, **, *** indicate significance at the 10%, 5%, and 1% levels, respectively
Source: Processed data (2025)

3.2. DISCUSSION

These findings emphasize that satisfaction functions as a core mediating mechanism in the service quality–reuse nexus, while perceived usefulness affects reuse intention only indirectly. This result aligns with prior research in digital banking and fintech that stresses the importance of mediation channels in translating innovation into firm performance. For example, Chao et al. (2024) find that digital transformation enhances profitability by improving asset quality and operational efficiency, rather than exerting an immediate effect. Similarly, Hoque et al. (2024) report that digital transformation reduces bank risk-taking by increasing profitability, confirming the role of profitability as a mediating variable. At a systemic level, (Jia & Liu, 2024) demonstrate that competitiveness mediates the impact of digital transformation on systemic risk, reinforcing the broader relevance of mediators in financial research.

From a managerial perspective, the evidence suggests that service quality is both a direct and indirect driver of customer loyalty, while perceived usefulness must first enhance satisfaction before it can translate into behavioral intention. This highlights the strategic importance of designing services that not only appear useful but also generate positive customer experiences to sustain reuse. In theoretical terms, the results extend the service quality, satisfaction, reuse framework by showing parallels with digital transformation literature, where intermediate mechanisms such as efficiency, competitiveness, and risk management similarly bridge the link between technological change and performance outcomes.

4. CONCLUSION

This study examined the relationships between service quality, perceived usefulness, customer satisfaction, and reuse intention in the context of mobile banking. The descriptive statistics reveal that respondents, predominantly young, generally perceive the mobile banking application positively across various constructs: perceived usefulness, service quality, and satisfaction.

These perceptions are essential in explaining their moderate to high intention to reuse the service. The mediation analysis highlights the pivotal role of customer satisfaction as a mediator between service quality and reuse intention, confirming that satisfaction is a crucial link in fostering continued engagement. Although perceived usefulness directly impacts reuse intention, it does so indirectly via satisfaction, underscoring the importance of positive user experiences in driving continued service use. In contrast, service quality has both a direct and indirect effect on reuse intention, with a stronger impact through satisfaction (Bhat & Sharma, 2021).

These findings reinforce the idea that service quality is a powerful driver of customer loyalty and reuse intention, both through direct interaction and by shaping satisfaction. These results align with prior research on digital banking and fintech, which emphasizes the importance of intermediate mechanisms in translating service quality and perceived usefulness into behavioral outcomes. Studies by Chao et al. (2024) and Hoque et al. (2024) demonstrate that digital transformation and innovation need mediators, such as profitability or operational efficiency, to enhance firm performance. Similarly, the current study extends the theoretical framework of service quality and reuse intention by incorporating insights from digital transformation literature, suggesting that mechanisms like efficiency, competitiveness, and risk management also mediate the impact of technological changes on performance outcomes. From a managerial perspective, the evidence suggests that businesses should prioritize designing services that not only meet customer needs but also create positive emotional experiences. This approach will ensure long-term customer engagement and retention, as service quality and satisfaction are shown to be key drivers of customer loyalty. In conclusion, this study offers valuable insights into the dynamics of service quality and customer satisfaction, providing actionable recommendations for businesses to optimize their digital offerings and foster stronger customer loyalty in an increasingly competitive market.

This study has a limitation related to the geographic distribution of respondents. The sample is more concentrated in certain areas, which may restrict the generalizability of the findings to all regions served by the bank. Future research should address this issue by adopting a more geographically representative sampling strategy, such as distributing questionnaires more evenly across districts and municipalities. Such an approach would enable researchers to generate new insights into how regional characteristics shape customers' perceptions of mobile banking use, service quality, and reuse intentions.

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