



A Study of Customer Perception and Satisfaction Towards Digital Banking Services.

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Abstract – The rapid advancement of digital technology has significantly transformed the banking sector, leading to the widespread adoption of digital banking services such as mobile banking, internet banking, Unified Payments Interface (UPI), and digital wallets. This study aims to examine customer perception and satisfaction towards digital banking services and identify the factors influencing their usage. The research focuses on understanding how convenience, security, accessibility, ease of use, and service quality affect customer satisfaction in the digital banking environment. The study is based on primary data collected from 100 respondents through a structured questionnaire in the Pune region. Descriptive and analytical research methods were employed to analyze customer opinions and experiences regarding digital banking services. Statistical tools such as percentage analysis, frequency distribution, and mean analysis were used for data interpretation with the help of Jamovi software. The findings of the study reveal that a majority of customers prefer digital banking services due to their convenience, time-saving nature, and easy accessibility. Security, user-friendly interfaces, and transaction speed were identified as the major factors influencing customer satisfaction. The study also highlights that digital banking services have reduced customers' dependency on traditional banking methods and improved their overall banking experience. However, concerns related to cyber security and technical issues still remain among some users. The study concludes that customer perception towards digital banking services is largely positive and that higher service quality leads to increased customer satisfaction and continued usage. The research suggests that banks should focus on enhancing security measures, improving digital literacy, and providing efficient customer support to strengthen customer trust and satisfaction in digital banking services.

Keywords: Digital Banking, Customer Satisfaction, Customer Perception, UPI, Mobile Banking, Internet Banking, Service Quality.

I. INTRODUCTION

In the modern financial environment, digital banking has emerged as one of the most significant innovations in the banking sector. The rapid advancement of information technology, internet services, and smartphone penetration has transformed traditional banking methods into digital platforms that provide customers with convenient, fast, and secure banking services. Digital banking includes internet banking, mobile banking, online fund transfers, digital wallets, automated payment systems, and other technology-enabled financial services that allow customers to perform banking activities anytime and anywhere.

In India, the adoption of digital banking services has increased remarkably due to government initiatives such as Digital India, Unified Payments Interface (UPI), cashless transaction promotion, and increasing internet accessibility. The COVID-19 pandemic further accelerated the use of digital banking as customers preferred contactless and remote banking services. Financial institutions are continuously investing in digital technologies to improve customer experience, operational efficiency, and service quality.

Customer perception and satisfaction play a vital role in determining the success of digital banking services. Customer perception refers to the way customers view and evaluate digital banking platforms based on factors such as

ease of use, security, reliability, accessibility, convenience, and service quality. Customer satisfaction reflects the extent to which digital banking services meet or exceed customer expectations. Positive customer perception leads to higher satisfaction, increased customer loyalty, and greater adoption of digital banking services.

However, despite the growing popularity of digital banking, several challenges still affect customer satisfaction, including cybersecurity concerns, technical issues, lack of digital literacy, transaction failures, and privacy risks. Therefore, it becomes essential for banks and financial institutions to understand customer expectations and evaluate the factors influencing their perception and satisfaction towards digital banking services.

The present study titled “A Study of Customer Perception and Satisfaction Towards Digital Banking Services” aims to analyze customer awareness, usage patterns, perception levels, and satisfaction regarding digital banking facilities. The study also seeks to identify the factors influencing customer preferences and the challenges faced while using digital banking services. This research will help financial institutions improve their digital service quality and develop customer-centric banking strategies in the competitive financial market.



II. REVIEW OF LITERATURE

Digital banking has become an important part of the modern banking system due to technological advancement and increased internet usage. Many researchers have studied customer perception and satisfaction towards digital banking services.

Fred Davis (1989) explained through the Technology Acceptance Model (TAM) that perceived usefulness and ease of use are major factors influencing the acceptance of digital banking services.

Parasuraman et al. (1988) developed the SERVQUAL model, which focuses on service quality dimensions such as reliability, responsiveness, assurance, empathy, and tangibility. This model is widely used to measure customer satisfaction in banking services.

Pikkariainen et al. (2004) found that security, ease of use, and availability of information significantly influence customer adoption of online banking services.

In India, Malhotra and Singh (2010) stated that convenience and accessibility positively affect customer satisfaction towards internet banking, while security concerns act as barriers.

Safeena et al. (2011) concluded that trust, security, and perceived usefulness are important factors influencing customer intention to use mobile banking services.

Kumbhar (2011) observed that service quality, efficiency, and transaction security have a strong impact on customer satisfaction in e-banking services.

The review of literature shows that customer perception and satisfaction towards digital banking services depend on factors such as convenience, security, trust, service quality, and ease of use. Although digital banking usage has increased rapidly, concerns regarding cybersecurity and technical issues still affect customer satisfaction.

III. OBJECTIVES

1. To study the level of customer awareness regarding digital banking services.
2. To analyze customer perception towards digital banking services.
3. To examine the factors influencing customer satisfaction in digital banking.
4. To identify the problems faced by customers while using digital banking services.
5. To suggest measures for improving customer satisfaction towards digital banking services

IV. RESEARCH METHODOLOGY

Research Design

The study adopts a descriptive and analytical research design to examine customer perception and satisfaction towards digital banking services. The research focuses on understanding customer opinions, usage behavior, satisfaction levels, and factors influencing the adoption of digital banking services.

Data Collection

Both primary and secondary data sources have been utilized. Primary data was collected through a structured questionnaire administered to customers using digital banking services. Secondary data was gathered from research journals, academic publications, banking reports, websites, and other credible online sources related to digital banking.

Sample Size and Sampling Technique The study is based on a sample of 100 respondents from the Pune region. A convenience sampling technique was employed due to accessibility and time constraints.

Variables of the Study

Independent Variable: Digital Banking Services (internet banking, mobile banking, UPI, digital wallets, online transactions, etc.)

Dependent Variable: Customer Perception and Satisfaction (convenience, security, service quality, trust, efficiency, and customer experience)

V. DATA ANALYSIS TOOLS

Descriptive statistical techniques such as frequency analysis, mean, and percentage analysis were used. Data analysis was conducted using Jamovi software to interpret customer perception and satisfaction towards digital banking services.

Data Analysis and Interpretation

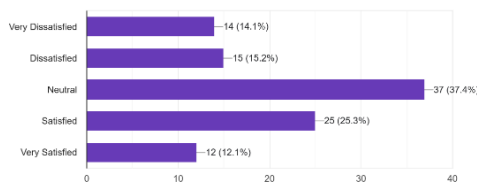
Q.1. Overall, how satisfied are you with digital banking services?

Sr. No.	Satisfaction Level	No. of Responses	Percentage (%)
1.	Very Dissatisfied	14	14.1%



2.	Dissatisfied	15	15.2%
3.	Neutral	37	37.4%
4.	Satisfied	25	25.3%
5.	Very Satisfied	12	12.1%
Tota 1	-	100	100%

7. Overall, how satisfied are you with digital banking services?
99 responses



Interpretation

User satisfaction shows a mixed response. The largest segment is Neutral at 37.4%, suggesting many users do not have strong positive or negative feelings. 25.3% are Satisfied and 12.1% are Very Satisfied, meaning 37.4% overall have a positive experience. However, 29.3% are Dissatisfied or Very Dissatisfied. This indicates that while digital banking is functional for most, service quality and user experience still need improvement to convert neutral users into satisfied ones.

VI. FINDINGS OF THE STUDY

- The study found that most respondents actively use digital banking services such as UPI, mobile banking, internet banking, and digital wallets for regular financial transactions.
- Convenience, faster transactions, easy accessibility, and time-saving benefits are the major factors encouraging customers to use digital banking services.
- A majority of customers have a positive perception towards digital banking services and consider them efficient and user-friendly.
- Security, reliability, and service quality were identified as important factors influencing customer satisfaction towards digital banking services.
- Some respondents faced issues such as transaction failures, network problems, and cybersecurity concerns while using digital banking services.
- The study concluded that digital banking services have improved customer banking experience, but continuous improvements in security and technical support are necessary to increase customer satisfaction.

VII. CONCLUSION

The study concludes that digital banking services have become an important part of the modern banking system. Customers prefer digital banking due to convenience, fast transactions, easy accessibility, and time-saving benefits.

The study found that most customers have a positive perception towards digital banking services. Factors such as security, service quality, reliability, and ease of use greatly influence customer satisfaction.

However, issues like cybersecurity concerns, transaction failures, and technical problems still affect customer trust. Therefore, banks should improve security systems and provide better customer support to enhance satisfaction and increase the use of digital banking services.

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