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A STUDY ON IMPACT OF DIGITAL BANKING ON CUSTOMER SATISFACTION IN INDIA

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Abstract :
The financial landscape has undergone a transformative shift with the advent of digital banking, a phenomenon that has redefined customer experiences and expectations. Digital banking, encompassing a suite of online and mobile banking services, has become integral to modern banking practices, enabling customers to perform transactions conveniently from anywhere, at any time. This paradigm shift has been propelled by technological advancements, the widespread adoption of smartphones, and the increasing demand for quick, efficient, and seamless financial services. Customer satisfaction stands at the heart of this transformation, as banks strive to maintain a competitive edge in the digital era. The success of digital banking
hinges on several critical factors, including ease of use, accessibility, security, and the responsiveness of services. Customers increasingly value the
ability to perform tasks such as fund transfers, bill payments, and account management with minimal effort. However, the digital banking experience is not without its challenges—issues such as data security concerns, occasional technical disruptions, and a lack of personalized service remain significant

Literature Review

Kumar, S. & Singh, P. (2021) Kumar and Singh examine the role of digital banking in promoting financial inclusion in rural India. Their research

Highlights the penetration of banking services through mobile apps, digital wallets, and banking correspondents. They argue that digital banking has bridged the gap between the unbanked population and formal financial institutions. Based on field studies in five states, the authors find that while digital platforms have expanded access to banking, lack of digital literacy and unreliable internet infrastructure remain significant barriers. The study

Concludes that policy interventions such as digital literacy campaigns and improved connectivity are essential for the success of digital banking in rural

India. Bhardwaj, T. & Mehta, K. (2022) Bhardwaj and Mehta's study investigates the intersection of fintech and traditional banking, focusing on how Fintech innovations have enhanced digital banking services in India.

Research Methodology

In this research, the methodology section indicates that how conduct the research. This includes data collected from people, sample of study and methods cover in primary research. So, we mention below the detail information about it.

Primary data: The data is collected by the survey method. The survey has been done through questionnaire by Google form.

Secondary data: The sources of secondary data are articles, research paper and online sites, websites etc….

Sample size: The sample size for this research is 450 people.

Sampling method: The method is simple random sampling by considering the responses from Pune city only.

Statistical tools used for analysis: Graphical method and percentage method have been using for data.

Summary of data collection

Age group	No.of response	Percentage
18-25	65	14.2%
26-35	128	28.3%
36-45	144	31.9%
46-60	77	17%
60 and above	39	8.6%

Interpretation: The above Chart classified the large number of respondents come from the age group of between 36-45 with 31.9%. We observe that there is very a

Smaller number of users is come from the age group above 60 with only 8.6%.

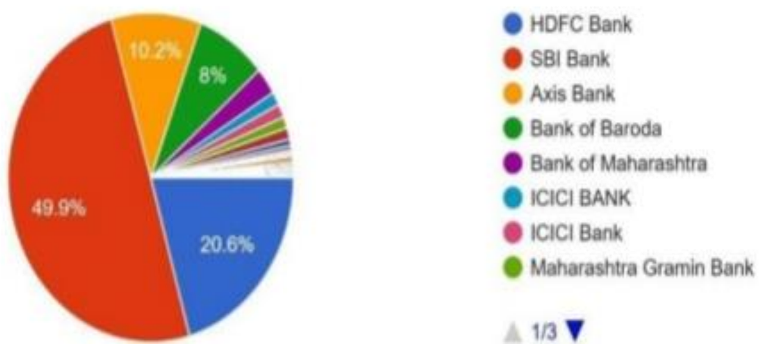
Employment status	No.of response	Percentage
Student	71	15.8%
Employed	165	36.7%
Business owner	134	29.8%
Unemployed	40	8.9%
Retired	40	8.9%

Interpretation: From the above chart we find that majority of customer use digital banking services are employed and business owner with 36.7% and 29.8% Respectively.

Analysis of Data

1) Which bank do you use for digital banking?

BANK	NO. OF RESPONSES	PERCENTAGE
HDFC Bank	93	20.6%
SBI Bank	225	49.9%
Axis Bank	46	10.2%
Bank of Baroda	36	8%
Other Bank	51	11.3%

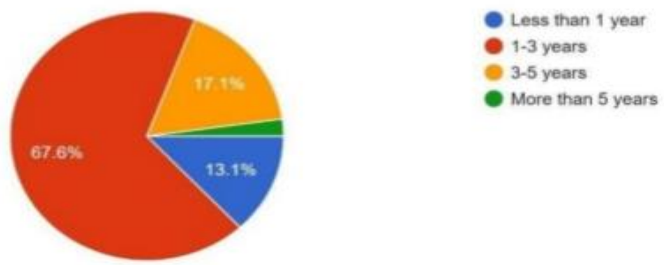


Interpretation: The above chart shows that the majority people are use SBI and HDFC with 49.9% and 20.6% respectively and rest of users use Axis bank, Bank of

Baroda and other banks with 10.2%, 8% and other banks 11.3% respectively.

2) How long have you been using digital banking services?

TIME PERIOD	NO. OF RESPONSES	PERCENTAGE
Less than 1 year	59	13.1%
1-3 years	305	67.6%
3-5 years	77	17.1%
More than 5 years	10	2.2%



Interpretation: Most respondents 67.6% have been using digital banking for 1-3 years, indicating its relatively recent adoption. Smaller groups have shorter or longer usage duration.

Conclusion

The study on the "Impact of Digital Banking on Customer Satisfaction" underscores the transformative influence of digital banking on customer experiences. Digital banking services—encompassing online platforms, mobile applications, and automated systems— have substantially improved

Satisfaction levels by offering convenience, faster transactions, and enhanced accessibility. Key factors such as intuitive user interfaces, secure systems, efficient problem resolution, and a wide array of services play a pivotal role in shaping customer satisfaction. Nonetheless, the study highlights certain

Challenges, including technical disruptions, cybersecurity risks, and digital literacy gaps, which can hinder customer satisfaction. To address these, financial institutions must adopt a customer-centric approach by prioritizing security.

Support to users across all demographics. In conclusion, while digital banking has revolutionized the financial services industry, its continued success depends on balancing technological advancements with personalized customer care. By addressing existing challenges and innovating continuously, digital banking has the potential to sustain and further enhance customer satisfaction in the long term.

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