

A STUDY ON CUSTOMER SATISFACTION THROUGH DIGITAL BANKING SERVICES

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Abstract

Digital banking has transformed the way customers interact with financial institutions by offering convenience, speed, and accessibility. This study aims to analyze customer satisfaction towards digital banking services in Chennai city. The research focuses on understanding user perceptions, usage patterns, and satisfaction levels associated with e-banking services. The study employs statistical tools such as Cronbach's Alpha, KMO and Bartlett's Test, and Independent Sample Tests to validate the data. The findings indicate that a majority of customers are aware of and satisfied with digital banking services, though certain improvements in security awareness and service efficiency are recommended.

Keywords: Digital Banking, Customer Satisfaction, E-Banking, Online Banking, Financial Services

1. Introduction

Digital banking, also known as e-banking or online banking, refers to the use of electronic platforms to perform financial transactions. It enables customers to access banking services anytime and anywhere through internet-enabled devices. Unlike traditional branch banking, digital banking offers convenience, time efficiency, and cost-effectiveness.

Customers can perform various activities such as fund transfers, bill payments, online shopping, and ticket booking using digital banking services. With increasing internet penetration and smartphone usage, digital banking has become an essential part of modern financial systems.

2. Objectives of the Study

- To examine the demographic profile of the respondents
- To analyze the level of customer satisfaction towards digital banking services
- To study the benefits and overall performance of e-banking services

3. Scope of the Study

The study focuses on customers using digital banking services in selected areas of Chennai city. It evaluates customer awareness, usage patterns, and satisfaction levels regarding e-banking services.

4. Limitations of the Study

- The study is limited to a specific geographical area (Chennai city)
- Time constraints restricted the sample size and data collection
- The findings may not be applicable over a long period due to changing technology
- Responses are based on personal opinions, which may vary

5. Review of Literature

Previous studies have highlighted the importance of digital banking in enhancing customer satisfaction:

A study by Sumit Jain et al. (2025) examined the impact of digital banking services on customer satisfaction. The findings revealed that factors such as convenience, personalization, speed, and security significantly influence customer experience. However, concerns related to data privacy and system reliability continue to affect trust levels among users.

Fathimath Thasleena Kappil and P. Santhi (2025) introduced the Electronic Banking Service Quality (EBSQ) model, emphasizing dimensions such as reliability, website design, privacy, security, and customer support. Their study concluded that improved service quality directly enhances customer satisfaction in digital banking environments.

A recent study by Monika Jogdand and Priyanka Jagdale (2026) focused on digital banking in India. The study found that convenience, accessibility, and transaction speed are the primary drivers of customer satisfaction, while cybersecurity issues and lack of digital literacy remain key challenges.

According to IJFMR (2026), recent literature indicates a shift from traditional models like TAM to advanced frameworks incorporating trust, perceived risk, and service recovery. The study identified reliability, security, and responsiveness as the most critical determinants of customer satisfaction, particularly in the Indian context.

Furthermore, the J.D. Power (2026) retail banking satisfaction study revealed that although overall satisfaction levels remain stable, customer expectations are increasing. Declines in service quality at key interaction points highlight the need for improved digital and human service integration to maintain customer loyalty.

These studies indicate that while digital banking is widely accepted, continuous improvements are necessary to meet customer expectations. However, customer satisfaction is highly dependent on security, trust, service quality, and user experience. Continuous innovation and customer-centric strategies are essential for sustaining satisfaction in the evolving digital banking landscape.

6. Research Methodology

6.1 Data Collection

- Primary data collected through questionnaires
- Secondary data from journals, articles, and online sources

6.2 Sampling Method

- Convenience sampling

6.3 Tools Used for Analysis

- **Cronbach's Alpha** – to measure reliability
- **KMO and Bartlett's Test** – to check sampling adequacy
- **Levene's Test & Independent Sample Test** – to analyze variance and differences

7. Data Analysis and Interpretation

7.1 Reliability Analysis

Table 1: Reliability Statistics

Cronbach's Alpha	No. of Items
0.812	10

Interpretation:

Since Cronbach's Alpha is above 0.7, the data is considered reliable and internally consistent.

7.2 KMO and Bartlett's Test

Table 2: KMO and Bartlett's Test

Test	Value
KMO Measure of Sampling Adequacy	0.756
Bartlett's Test Approx. Chi-Square	245.67
df	45
Significance	0.000

Interpretation:

KMO value > 0.7 indicates good sampling adequacy. Bartlett's test is significant ($p < 0.05$), confirming suitability for factor analysis.

7.3 Demographic Profile**Table 3: Age-wise Classification**

Age Group	Respondents	Percentage
Below 25	30	30%
25–35	40	40%
35–45	20	20%
Above 45	10	10%

7.4 Usage Pattern**Table 4: Purpose of Using Digital Banking**

Purpose	Respondents	Percentage
Bill Payment	35	35%

Online Shopping	30	30%
Fund Transfer	20	20%
Ticket Booking	15	15%

7.5 Satisfaction Level

Table 5: Overall Satisfaction

Satisfaction Level	Respondents	Percentage
Highly Satisfied	40	40%
Satisfied	35	35%
Neutral	15	15%
Dissatisfied	10	10%

7.6 Independent Sample Test

Table 6: t-test for Gender vs Satisfaction

Variable	t-value	Sig. (p-value)
Satisfaction Level	1.235	0.219

Interpretation:

Since $p > 0.05$, there is no significant difference in satisfaction between male and female respondents.

8. Findings

- Majority of respondents are aware of digital banking services

- Most customers use e-banking for bill payments and online shopping
- Customers find digital banking convenient and time-saving
- Security and privacy are key concerns among users
- Overall satisfaction level is high among users

9. Suggestions

- Banks should improve customer education on digital security
- User interface and app performance should be enhanced
- Customer support services should be more responsive
- Awareness campaigns should be conducted for new technologies

10. Conclusion

Digital banking has become an integral part of modern financial systems. The study concludes that most customers are satisfied with the services provided by banks. However, continuous improvements in security, awareness, and service quality are necessary to enhance customer experience further. As technology evolves, digital banking will play a crucial role in shaping the future of banking services.

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