

Digital Transformation and Customer Experience in Banking Sector: Examining the Mediating Role of Customer Trust

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ABSTRACT

The rapid digital transformation of the banking sector has significantly reshaped the way customers access and experience financial services. The integration of advanced technologies such as cloud computing, artificial intelligence, data analytics and digital platforms has enhanced service delivery while simultaneously increasing the importance of customer trust. This study examines the influence of digital transformation on customer experience and investigates the mediating role of customer trust in the banking sector. A descriptive research design with a quantitative approach was adopted and primary data were collected from 310 banking customers using a structured questionnaire. The collected data were analysed using Jamovi and Smart PLS software. The findings indicate that digital transformation has a significant positive impact on customer experience and customer trust. Further, customer trust has a statistically significant and positive influence on customer experience. The study confirms that trust partially mediates the relationship between digital transformation and customer experience of banking sector. It addresses the theoretical gap in the literature by integrating digital transformation, customer trust and customer experience into a unified conceptual framework with customer trust act as mediating variable. The findings have implications for banking practitioners and research scholars, highlighting the need for continuous investment in advanced technologies and innovation to enhance the security and reliability of digital financial services. Strengthening digital security can foster greater customer confidence and consequently contribute to improved customer experience.

Keywords: Digital Transformation, Customer Experience, Digital Banking and Customer trust

INTRODUCTION

The world is rapidly changing to be more digitally focused, especially in the banking industry. Traditional banks are undergoing major digital transformations in order to meet the needs of new customers and existing customers seeking a more tailored and individualized banking experience through digital channels.

The banking industry is transforming from traditional way to digital way. Indian banks have transformed digitally by use of technologies such as artificial intelligence, cloud computing and data analytics which helps to enhance customer interaction and banking operation.

Combination of digital technology and finance indicates innovation & advancement of financial industry. (Baiyereet al., 2023; Verhoef et al., 2021). People assume digital transformation same as digitisation and digitalisation but these are different stages of using digital technology in an organization as digitisation means converting traditional or manual way of work in digital form, digitalisation means usage of technologies and digital transformation is the most advance stage involves a complete change in the organization's operations, strategy and business model through digital technologies with this bank offers AI-powered services and many other personalized services to enhance customer experience. Verhoef et al. (2021).

Traditional banking system was only relied on branch-based services but digital transformation provides digital and personalized services which are available 24x7. The journey of digital transformation has three stages: -

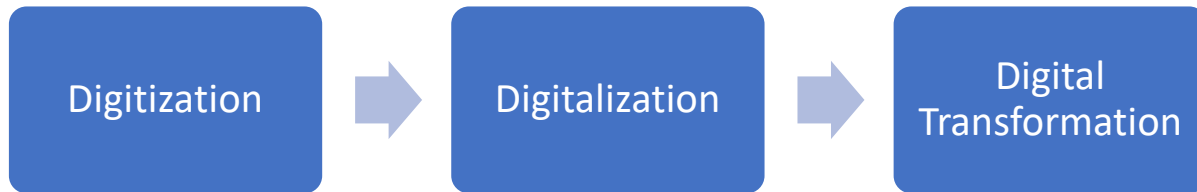


Figure 1 Stages of digital transformation

(Author's articulation)

1. Digitization: - Digitization is the process of converting physical resource into digital form. This is initial stage of adopting digital technologies. In banking sector, it converts paper-based record such as transaction record, account details and other documents into digital record.
2. Digitalization: - Digitalization is the process which uses digital technologies to automate processes. It is the second stage of digital transformation. Digitalization has changed the way bank perform. Banking sector have adopted technologies such as internet banking, mobile banking, UPI, digital fund transfer, digital customer support, digital account opening etc which has reduced dependency on manual process and allows customers to access more convenient and accessible services.
3. Digital Transformation: - Digital transformation is the process which involves integration of advance technologies in banking operations and impacts customers experience. This is the third stage and broader stage in journey. In banking sector digital transformation interacts and delivers financial services to customers in advance way. In digital transformation bank uses technologies such as machine learning, artificial intelligence, big data analytics, blockchain technology, AI chatbots, digital wallets, cloud computing and biometric authentication. These digital technologies supports banks to provide faster, more convenient, personalized and accessible services.

REVIEW OF LITERATURE

Abdu Kamil Abdu and Saeid Mohammed Yimer (2026) examine the effect of mobile banking service quality on customer loyalty when customer trust, customer satisfaction and perceived risk act as a mediator. The study explores how service quality impacts customers loyalty. Explanatory quantitative research design was adopted, primary data was collected through convenience sampling and PLS SEM was prepared to test mediation relationship between constructs. The study concludes that mobile banking services has reduced perceived risk and enhanced customer trust. Customer satisfaction was the strongest predictor of customer loyalty. There was indirect effect of trust, satisfaction and perceived risk. SEM model indicates that customer trust and satisfaction are major support of service quality which helps to enhance customer loyalty. Overall, study indicates there is a need to improve mobile banking service quality to strengthen customer trust and satisfaction to enhance loyalty.

Surahman, Subur Harahap, and Moh. Sholeh (2026) determines effect of customer trust on customers digital banking usage intention despite rapid technological advancement. The study was based on qualitative research using peer-reviewed method. The study concludes that customer trust improves customers digital banking services usage intention as it reduces uncertainty & perceived risk by enhancement in security, privacy, reliability and institutional integrity which increases confidence of customers. Overall, technological innovation alone is insufficient for sustainable digital banking adoption without effective trust-building strategies.

Adi Prasetyo, Tedjakusuma and Waiphot Kulachai (2026) aims to examine mediating role of e-satisfaction in relationship between efficiency, customer service and e-trust. Primary data was collected from 326 respondents through questionnaire using purposive sampling. PLS-SEM was used to test hypothesis and relationship. The findings indicates that efficiency and customer service has statistically significant and positive impact on e-satisfaction. E- satisfaction positively influence on customer trust. Overall, study indicates e-satisfaction significantly mediates relationship of customer service, efficiency and e-trust.

Mr. Viswanadhuni Ramesh and Dr. B. Padmaja (2025) examines the role of digital transformation innovations in enhancing customer experience in banking sector with particular emphasis on customer trust. Quantitative cross-sectional survey was conducted with 326 banking customers using convenience sampling and relationship was examined through SEM. The findings revealed that all five technological factors such as mobile banking accessibility, AI integration, blockchain security, data analytics for personalization and user-friendly significantly positive effect on customer trust. While customer trust significantly improved customer experience.

Wicaksana and Kusumawardhani (2025), evaluates how digital transformation impacts customers trust in banking sector and aims to identify security, organizational and technological factors which shapes customer trust. Qualitative research approach method was adopted using systematic literature review. The findings indicates that digital improves customers banking experience as they are more efficient, convenient, personalized and enhances customer engagement. Major concerns related to digital transformation was data privacy, system reliability, fraud and security. Study indicates that technological reliability, security, transparency and institutional integrity are the key factors which influence customer's trust. Further study highlights that customers trust is dynamic and changes with customers interaction and experience with digital banking services. There requires a balance between trust and technological innovation.

Rinu Rifatul Wakhidah, Denny Rakhmad Widi Ashari and Miftakhul Adifan, (2025) aims to study the effect of digital transformation of banking sector on customer satisfaction and loyalty. Research method used was literature review to understand the changes. Traditional banks faces challenges because of adoption of digital technologies which increases customers' expectations. There is limited research on how digitalization directly affects customer satisfaction and behaviour. Banking services have made financial transaction more convenient, they provide personalized services and provide more secured services which enhances customers trust and comfort level. Enhanced customer satisfaction level directly influences customers loyalty and makes a positive relationship between them. Transaction security, speed, ease of use and privacy are some of the factors which affects customers loyalty.

Ashmita Dahal Chhetri and Khimananda Aryal, (2025) aims to assess how digital transformation in banking influences customers experience focusing on different factors. Descriptive and casual comparative research design and purposive sampling method used. Data collected from primary method (survey). Regression analysis is used to examine the relationship between independent variables (Simplicity, flexibility, time and convenience) and dependent variables (customer experience). Paper concludes that there is a negative correlation with simplicity and customer experience. There is positive relationship between flexibility and customer experience which shows highly flexible digital services makes better customer experience. Time efficiency has negligible impact on customer experience. Convenience has weak positive impact on customers but it does not majorly influence customers.

Dr. R. Nalini and S. Yuvasri (2024) aim to identify the impact of digital transformation on customer experience. It focuses on whether the service quality or the relationship quality truly impacts the digital transformation. The paper concludes that impact of digital transformation in banking sector on customers experience give a positive impact. Digital transformation has significantly enhanced convenience for banking customers by improving online and mobile banking services. This study has concluded that users are highly depend on digital banking for making secured financial transaction as compared to other digital services.

Hussein et al. (2022) examines the dimensions of Bank 4.0 experiential quality and its influence on customer loyalty. The study explores kye dimensions of digital banking experiential quality and examines the mediating role of trust and engagement. Primary data was collected through questionnaire and PLS-SEM model was prepared. The findings indicate digital security, interaction and reliability are major dimensions of Bank 4.0 experiential. Experiential quality has a significant positive impact on customer loyalty. Customer engagement significantly mediates relationship between loyalty and experiential quality. Customer trust does not significantly mediate this relationship.

Pristiyono, Juliana and Yudi Prayoga³ (2022) examines the impact of digital transformation in building customer trust in banking sector. Data collected from primary method from 200 customers of bank through purposive sampling and based on descriptives quantitative design. Statistical data was analysed through smart PLS. The study concludes that customer trust strongly influences digital transformation. Customer trust was a crucial factor in digital transformation in banking sector as it supports digital innovation adoption and strengthens banks competitive advantage by facilitating convenient & personalized customer interactions and enhancing digital service delivery.

SYNTHESIS OF LITERATURE AND RESEARCH GAP

The review of literature indicates that digital transformation has influenced delivery of banking services. Existing studies indicates that digital technologies enhance customer experience through efficiency, accessibility, convenience, personalization and service delivery. The literature indicates that trust plays vital role in digital banking as customer feel more confident about reliability, transparency, privacy, security and integrity of digital financial service. One stream of research focuses at relationship between digital transformation and customer experience and another focuses at relationship between digital transformation and trust. Although study integrates relationship between digital transformation, trust and customer experience. Customer trust act as a mediating variable between digital transformation and customer experience.

Research gap is important as digital transformation may not influence customer experience solely with the help of technological improvement. Customers trust represents psychological mechanism through which digital transformation affects customer experience. Previous studies have mainly focused on digital transformation and its relation with customer satisfaction, service quality, technology adoption and banking operations. The present study addresses gap by developing and empirically testing an integrated framework comprising digital transformation as the independent variable, customer experience as the dependent variable and customer trust as the mediating variable. The study examines both the direct effect of digital transformation on customer experience and indirect effect through customer trust, the study seeks to provide comprehensive understanding of digital transformation and how it creates value for banking customers. The study will integrate digital transformation, customer trust and customer experience with a single conceptual framework to understand their relationship in banking sector.

RESEARCH OBJECTIVES

1. To Examine the impact of digital transformation initiatives on customer experience in the banking sector.
2. To investigate the influence of digital transformation on customer trust in banking services.
3. To assess the effect of customer trust on customer experience in the banking sector.
4. To examine the mediating role of customer trust in the relationship between digital transformation and customer experience in the banking sector.

HYPOTHESES

Ho1: There is a significant impact of digital transformation initiatives on customer experience in the banking sector.

Ho2: There is a significant impact of digital transformation on customer trust in banking services.

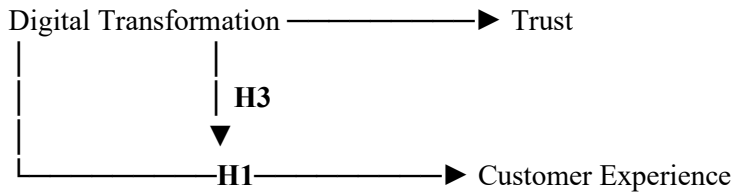
Ho3: There is a significant impact of customer trust on customer experience in banking sector

Ho4: Customer trust significantly mediates the relationship between digital transformation and customer experience in banking sector.

METHODOLOGY

The study adopts descriptive and explanatory research design to examine the mediating role of trust between digital transformation and customers of banking industry. The descriptive approach helps to understand customers experience and their perception about digital transformation in banking industry. Data was collected customers of banking sector. Primary data was collected with the help of structured questionnaire (likert scale) using random sampling method. Survey was conducted both in online and offline mode from customers of selected banks. Sample was collected from total 310 participants. Secondary data was collected with the help of research papers. The statistical data was analysed using statistical software Jamovi and Smart PLS. The reliability of the measurement scales was assessed using Cronbach's Alpha, while the validity of the constructs was examined through Composite Reliability (CR), Average Variance Extracted (AVE) and HTMT. The proposed hypotheses were tested using Partial Least Squares Structural Equation Modelling (PLS-SEM). Bootstrapping with 5,000 subsamples was performed to evaluate the significance of the structural relationships. The mediating effect of customer trust was examined through indirect effect analysis to determine whether trust mediates the relationship between digital transformation and customer experience.

H2



1. Digital Transformation (Independent Variable):- Related to technological advancement, efficiency and digital services.
2. Trust (Mediator): - Reflects security, confidence and protection.
3. Customer Experience (Dependent Variable): - Related to user experience.

SYSTEMATIC EQUATIONAL MODEL (SEM)

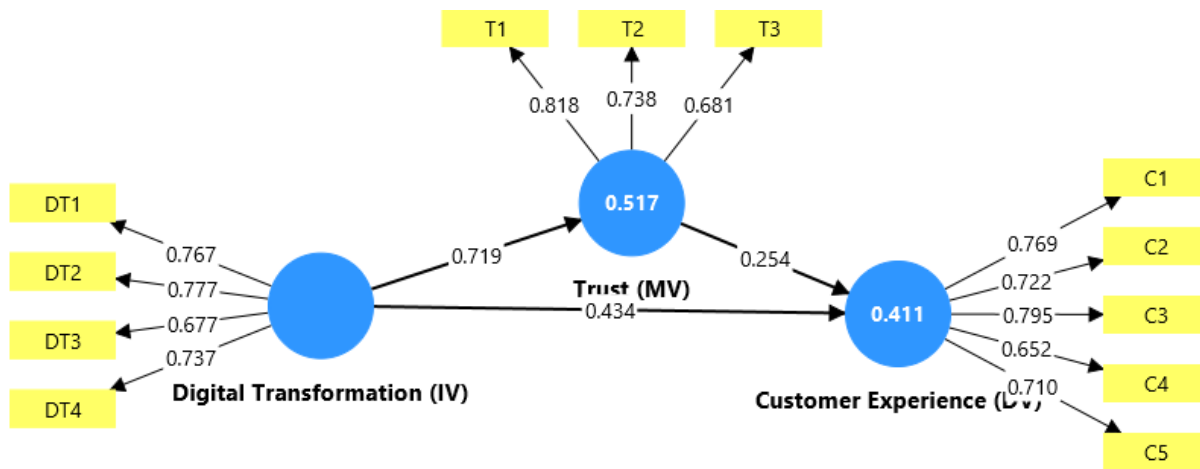


Figure 2. PLS-SEM Model Showing the Relationship Between Digital Transformation, Trust and Customer Experience

Source: Primary data analyzed in Smart PLS.

ITEM RELIABILITY

Table 1. Reliability Statistics of Digital Transformation, Trust and Customer Experience

Source: Primary data analyzed using Jamovi

Item Reliability Statistics	
	If item dropped
	Cronbach's α
Digital Transformation	
	0.857
DT1 Convenient and personalized digital services	
DT2 Digital transformation raises service quality expectations	0.863
DT3 Forecasting decisions for financial risk management	0.858
DT4 Easy usage improves interactions	0.855
Trust	

Item Reliability Statistics

	If item dropped
	Cronbach's α
T1 Personalized chatbot responses build trust	0.856
T2 Multi-factor encryption secures data	0.861
T3 Financial activity tracking measures are trustworthy	0.864
Customer Experience	
C1 Timely bill payment notifications	0.855
C2 Satisfaction with fees and rates	0.860
C3 Wide range of digital services	0.856
C4 Timely updates about digital services	0.864
C5 Cashback motivates digital transactions	0.861

COMMON METHOD BIAS- COLLINEARITY VIF

Table 2. Primary data analyzed with Smart PLS

	Customer Experience (DV)	Digital Transformation (IV)	Trust (MV)
Customer Experience (DV)			
Digital Transformation (IV)	2.070		1.000
Trust (MV)	2.070		

Variance Inflation Factor is used to determine excessive collinearity among predictor constructs in PLS- SEM model. High collinearity means that constructs are highly correlated with one another, which makes path-coefficient estimates unstable and affect the interpretation of the structural model. According to Hair et al, VIF values below 3 indicate that collinearity is not a critical concern, values between 3 & 5 demonstrates potential collinearity that should be examined and values above 5 shows critical collinearity problems. The VIF values for Digital Transformation and Trust were 2.070, while the VIF value for Digital Transformation in predicting Trust was 1.000. All VIF values are below the recommended threshold of 5, indicating that there is no serious multicollinearity problem among the constructs. Thus, the constructs are sufficiently distinct for further structural model analysis.

MEASUREMENT MODEL – OUTER LOADINGS

Table 3. Primary data analyzed through Smart-PLS

	Customer Experience (DV)	Digital Transformation (IV)	Trust (MV)
C1	0.769		
C2	0.722		
C3	0.795		
C4	0.652		
C5	0.710		
DT1		0.767	

DT2		0.777	
DT3		0.677	
DT4		0.737	
T1			0.818
T2			0.738
T3			0.681

Outer loadings used to represent strength of relationship between an indicator and its respective latent construct. According to Hair et al. (2019) standardized outer loadings value should be 0.708 or higher means construct explain at least 50% of variance in indicator. The outer loading values of model were between 0.652 to 0.818 which means value above 0.60 are acceptable therefore they were retained and values which are above 0.70 which indicates satisfactory reliability between constructs. Indicators whose value is between 0.40 to 0.70 are removed after examining effect on composite reliability, average variance extracted (AVE) and content validity. Overall measurement model indicates acceptable indicators.

RELIABILITY

Table 4. Primary data analyzed through Smart-PLS

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Customer Experience (DV)	0.782	0.790	0.851	0.535
Digital Transformation (IV)	0.726	0.733	0.829	0.549
Trust (MV)	0.606	0.622	0.791	0.559

Reliability represents extent to which indicators measuring a latent construct are consistent and dependable. According to Hair et al. (2019), Cronbach's alpha and composite reliability values must be 0.70 or above which indicate acceptable reliability, whereas an AVE value must be 0.50 or above indicates adequate convergent validity. The measurement model indicates adequate internal consistency and convergent validity for the constructs. Cronbach's alpha values range from 0.606 to 0.782, while composite reliability values range from 0.622 to 0.790. In the present study, the AVE values range from 0.535 to 0.559, exceeding the recommended threshold. Although the reliability values for Trust were $\alpha = 0.606$ & $CR = 0.622$ and Digital Transformation $\alpha = 0.726$ & $CR = 0.733$ are relatively. Overall, the measurement model indicates acceptable convergent validity and generally adequate reliability.

DISCRIMINANT VALIDITY

Table 5. Primary data analyzed through Smart-PLS

	Customer Experience (DV)	Digital Transformation (IV)	Trust (MV)
Customer Experience (DV)			
Digital Transformation (IV)	0.805		
Trust (MV)	0.826	1.061	

The HTMT ratio was used to analyze the discriminant validity of the constructs. According to Henseler et al. (2015) HTMT value below 0.90 indicates adequate discriminant validity between constructs. The HTMT values between Digital Transformation and Customer Experience were 0.805 and between Trust and Customer Experience 0.826 are below the recommended threshold of 0.90 which indicates adequate discriminant validity. However, the HTMT value between

Digital Transformation and Trust was 1.06 which exceeds the recommended indicating that discriminant validity between these two constructs has not been established. Therefore, the measurement model demonstrates adequate discriminant validity for two construct pairs, while the relationship between Digital Transformation and Trust requires further examination.

BOOTSTRAPPING

Table 6. Primary data analyzed through Smart-PLS

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Digital Transformation (IV) -> Customer Experience (DV)	0.434	0.436	0.069	6.253	0.000
Digital Transformation (IV) -> Trust (MV)	0.719	0.721	0.030	23.787	0.000
Trust (MV) -> Customer Experience (DV)	0.254	0.253	0.072	3.514	0.000

Bootstrapping resampling procedure is used in PLS-SEM to analyses the statistical significance and stability of estimated path coefficients. Bootstrapping procedure with 5,000 resamples was performed. According to Hair et al., statistical significance was assessed using a two-tailed test at the 5% significance level, where a t-value greater than 1.96 and p-value below 0.05 indicate a statistically significant relationship. A relationship was also considered significant when its 95% bootstrap confidence interval did not include zero. The structural model results shows that hypothesized relationship between constructs were positive and statistically significant. Digital transformation has a positive and significant impact on customer experience which was $\beta = 0.434$, $t = 6.253$ and $p < 0.001$ and with trust $\beta = 0.719$, $t = 23.787$ and $p < 0.001$. Overall findings indicates that proposed hypothesis are well supported as digital transformation enhances customer experience and also increases trust of customers which have a positive influence on customer experience.

COEFFICIENT OF DETERMINATION

Table 6. Primary data analyzed through Smart-PLS

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Customer Experience (DV)	0.411	0.417	0.050	8.263	0.000
Trust (MV)	0.517	0.520	0.043	11.932	0.000

The coefficient of determination (R^2) helps to determine proportion of variance in an endogenous (dependent) construct which are explained by its predictor constructs in the PLS-SEM model. According to Hair et al., R^2 values with 0.75, 0.50 and 0.25 can be considered substantial, moderate and weak. Higher R^2 values indicate greater explanatory power of the model. The R^2 indicates that in customer experience $R^2=0.411$ and trust $R^2 = 0.517$ which suggests that model has moderate explanatory power which indicates trust and digital transformation account for a considerable or adequate explain customer experience but digital transformation strongly predicts trust.

MEDIATION ANALYSIS

Table 6. Primary data analyzed through Smart-PLS

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Digital Transformation (IV) -> Trust (MV) -> Customer Experience (DV)	0.182	0.183	0.054	3.357	0.001

Mediation analysis helps to determine the relationship between an independent/exogenous variable and dependent/endogenous variable partly or entirely through a mediating variable. The mediation analysis indicates indirect influence of digital transformation on customer experience due to trust which was statistically significant and positive as the values were $\beta = 0.182$, $t = 3.357$ and $p = 0.001$. Both indirect and direct effects were significant but trust mediates partially between digital transformation and customer experience. Digital transformation enhances customer experience indirectly and directly which strengthens customer's trust.

FINDINGS

1. The study indicates digital transformation initiatives has a positive and statistically significant impact on customer experience as values are $\beta = 0.434$, $t = 6.253$ and $p < 0.001$. The model explains $R^2 = 0.411$ which means 41.1% of the variance in customer experience.
2. The study investigates that digital transformation has a strong positive and significant influence on customer trust as values are $\beta = 0.719$, $t = 23.787$ and $p < 0.001$ which explains 51.7% of the variance in customer trust ($R^2 = 0.517$).
3. The study assess customer trust has a positive and significant effect on customer experience in the banking sector. The model indicates values $\beta = 0.254$, $t = 3.514$ and $p < 0.001$ which demonstrates greater trust contributes to better customer experience.
4. The study examines the mediating role of customer trust is partial in relationship between digital transformation and customer experience in the banking sector. The results demonstrates that trust significantly mediates relationship between digital transformation and customer experience with values $\beta = 0.182$, $t = 3.357$ and $p = 0.001$. The direct effect also remains significant $\beta = 0.434$, $t = 6.253$ and $p < 0.001$ thus mediation was partial.
5. Overall study confirms that digital transformation improves customer experience in banking sector directly and indirectly through customer trust.

DISCUSSION

The study indicates that digital transformation has a statistically significant and positive impact on customer experience in banking sector. Digital transformation of banking sector enhances customer experience as they provide convenient and personalized services, high service quality, manages financial risk, easy usage of digital services and timely bill payment notification. The value $\beta = 0.434$ means that when digital transformation innovates new banking products and services it improves customer experience. Since $p < 0.001$, this relationship is statistically significant. Digital transformation and trust together have $R^2 = 0.411$ means 41.1% of the changes in customer experience. Overall study reflects that digital transformation plays a vital role in directly enhancement of customer experience in banking sector which creates a positive impact on customers.

The structural model indicates that there was a strong positive relationship between digital transformation and trust. Study indicates that digital transformation of banking sector has strengthen customer's trust by providing them more secured digital banking services and by introducing advanced security measures which manages customers financial risk and protects them from fraud. The relationship was $\beta = 0.719$, $t = 23.787$ and $p < 0.001$ indicates a strong and statistically

significant impact. $R^2 = 0.517$ shows that digital transformation explains 51.7% of the variance in customer trust. The outer loadings were ranged from 0.738 to 0.818 which indicates acceptable indicator reliability. Reliability results cronbach's $\alpha = 0.606$, composite reliability = 0.622 and AVE = 0.559 for trust. Therefore, digital transformation of banking sector has a significant and positive influence on customer's trust.

Customer trust has a positive effect on customer experience digital banking is more reliable, trustworthy and secure. Overall study indicates that customer trust positively influences customer experience in banking sector. There was a positive relationship between trust and customer experience as values were $\beta = 0.254$, $t = 3.514$ and $p < 0.001$. The $R^2 = 0.411$ indicates that trust and digital transformation together explain 41.1% of the variation in customer experience. The outer loadings of the trust indicate range from 0.738 to 0.818, while customer experience indicates range from 0.710 to 0.795 which was above acceptable value means customer trust has a positive effect on customer experience.

The systematic analysis indicates customer trust plays a significant role in analyzing effect of digital transformation on customer experience in banking sector. Customers responded that trust significantly mediates relationship between digital transformation and customer experience of banking sector. There was an indirect impact of digital transformation on customer experience through trust which was statistically significant and positive with values $\beta = 0.182$, $t = 3.357$ and $p = 0.001$. This reflects that digital transformation has positive influence on customer experience by enhancing customers' trust in digital banking services. The direct effect of digital transformation on customer experience was also positive and significant with values $\beta = 0.434$, $t = 6.253$ and $p < 0.001$. The study reflects that digital transformation builds customers confidence from factors such as reliability, security and transparency of digital financial activity which protects customers financial data and from fraud activity which builds and enhances trust between customers. Customers mainly responded that factors which affects relation between trust and customers experience were convenient & personalized support and multi-factor authentication for security which leads to satisfactory and positive effects. This encourages customers to increase usage of digital banking services and develops positive perception. Overall, digital transformation enhances customers trust which have positive impact on customers experience. Therefore, study indicates that trust have a mediating role between digital transformation and customer experience of banking sector.

CONCLUSION

Digital transformation in banking sector plays a significant role in enhancing customer experience by using innovative digital technologies. Digital transformation has a positive impact on customer experience as it facilitates more personalized, convenient, efficient and convenient services which increases customers experience and leads to higher customer trust. The study indicates that digital transformation and customer experience has a partial relationship with customer trust. Digital transformation strengthens customer experience directly by building and enhancing customer trust. Digital transformation focuses at adoption of innovative technologies but it should also give greater emphasizes on transparency, privacy and security to customers finances. Overall, digital transformation positively influences customer experience when customer trust mediates.

LIMITATIONS OF THE STUDY

The study has certain limitations as findings are based on with 310 banking customers which doesn't represent the perception of all banking customers. The study is based on cross sectional in nature and customers perception can change over time. Collected data are based on self-reported responses which may influence individual perception. The study examines only mediating role of trust in the relationship between digital transformation, customer experience and trust while other factors which influences customer experience are not included.

FUTURE IMPLICATIONS

The study provides valuable insights for researchers, policymakers and banking practitioners. The findings suggest bank should invest in digital innovations or advance digital technologies which will enhances digital security, protects privacy and provide better transparency which will strengthen customers trust and will lead to better customer experience.

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