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“Impact of Digital Banking Services on Customer Satisfaction.”

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Abstract

Using digital banking facilities means customers enjoy services that are convenient, fast, and easy. This study will seek to analyze the effect of digital banking services on customer satisfaction. Among the key variables to consider here are the convenience with which customers use these services, security issues, reliability, responsiveness to customer needs, and quality of service. Since the technology has become increasingly adopted by customers, their expectations keep rising.

According to findings by the researcher, variables such as convenient interface, fast transactions, and secure environment positively affect customer satisfaction. There are however certain challenges that may negatively affect customer satisfaction. Some of these challenges may include cybersecurity issues and even illiteracy issues among others.

Overall, this study indicates that successful implementation of digital banking facilities translates into increased customer engagement, loyalty, and retention. Innovation and problem-solving in order to provide solutions for customers' challenges have been shown as important for success in the digital era.

Keywords: Digital banking services significantly influence customer satisfaction through enhanced convenience, service quality, security, trust, and customer experience.

INTRODUCTION:

The rapid growth of information technology has had an immense impact on the banking sector through the emergence of digital banking services. Internet banking, mobile banking, ATMs, and digital payments are some of the digital banking services that have transformed the operations of transactions carried out in banks. Digital banking is now indispensable in the contemporary banking context due to its convenience, speed of operations, and round-the-clock availability.

Customer satisfaction is gradually becoming the key indicator used to gauge the capacity of banks to survive in the face of stiff competition. The increased demands of customers for efficient, secure, and customized services mean that banks should employ digital technology in order to meet the needs of their customers and improve customer satisfaction.

STATEMENT OF THE PROBLEM:

The fast development of digital banking services has revolutionized the way that customers do business with banks, making it convenient, quick, and accessible to customers. The introduction of mobile banking services, internet banking, and digital payment methods has been one of the indispensable parts of contemporary banking services. But even with these developments, it is evident that customer satisfaction with digital banking services still fluctuates.

Objective of the study

- To examine the level of customer satisfaction towards digital banking services.
- To identify the challenges and problems faced by customers while using digital banking services.
- To evaluate the effectiveness of digital banking services in meeting customer expectations.
- To provide suggestions for improving digital banking services based on customer feedback.

Hypothesis:**Null Hypothesis (1):**

- There is no correlation between the usage of digital banking facilities and customer satisfaction level in general.

Alternative Hypothesis (2):

- There is a significant positive correlation between the usage of digital banking facilities and customer satisfaction level in general

Significance of the Study:

This study is significant because it helps in understanding how digital banking services influence customer satisfaction in the modern banking environment. The findings provide valuable insights into customers' perceptions regarding the convenience, security, accessibility, and efficiency of digital banking services. The study benefits banks by identifying areas that require improvement to enhance customer experience and loyalty.

Scope and limitation of the study:

This study will explore the effect that digital banking services have on customer satisfaction. It will consider digital banking services such as mobile banking, online banking, ATM facilities, and online payments

- This research is restricted to a certain geographic location; therefore, the findings of this study may not be generalized for all customers.
- The sample size is limited; therefore, its findings cannot be taken as completely accurate.

Review of literature:**1. Fred D. Davis (1989)**

The Technology Acceptance Model (TAM) was proposed by Davis in order to examine users' acceptance of technology. He stressed the importance of perceived usefulness and ease of use as critical variables. It can be seen from the study that they are powerful determinants of digital banking adoption. Consumers appreciate convenient and efficient systems. It is one of the most commonly applied models in digital banking studies.

2. Parasuraman et al. (1988)

SERVQUAL model was devised by Parasuraman in order to measure service quality. The study revealed five components: reliability, responsiveness, assurance, empathy, and tangibles. They have a direct effect on consumers' satisfaction level. Service quality is one of the most important elements in digital banking.

3. Oliver (1980)

Oliver developed the Expectation Confirmation Theory (ECT), which shows how customer satisfaction results from expectations and performance. Satisfaction will be higher when performance meets expectations in terms of electronic banking services. Otherwise, dissatisfaction will result. Expectation Confirmation Theory (ECT) has been used extensively in service studies.

Research Methodology:

RESEARCH DESIGN:

This study adopts a **descriptive research design** to examine the impact of digital banking services on customer satisfaction. Primary data can be collected through a structured questionnaire from bank customers using digital banking services. The study focuses on analyzing factors such as convenience, security, service quality, and trust and their influence on customer satisfaction. Quantitative methods are used to measure respondents' perceptions and experiences. Statistical tools are applied to analyze the data and draw meaningful conclusions.

Sampling Technique:

This study adopted the Convenience Sampling Technique, a non-probability sampling method, to select respondents. The technique was chosen because it allowed the researcher to collect data easily from individuals who actively use digital banking services and were readily available to participate in the survey. A total of 107 respondents were selected based on their accessibility and willingness to provide information. Convenience sampling was considered suitable for the study as it enabled the collection of relevant data from users with firsthand experience of digital banking services, thereby helping to assess their satisfaction levels effectively.

Data Collection Methods:

The data for this study was collected using both primary data collection methods. A structured survey was conducted among 107 respondents who actively use digital banking services. The questionnaire was distributed through online platforms such as Google Forms, email, and social media channels. The collected data helped in understanding customer perceptions regarding digital banking services, including security, ease of use, transaction speed, and overall satisfaction.

Tools Used:

The tools used in this study include a structured questionnaire, which served as the primary instrument for collecting data from 107 respondents regarding their experiences and satisfaction with digital banking services. Google Forms was used to distribute the questionnaire and gather responses online. An observation checklist was employed to observe users' interactions with digital banking platforms and identify any issues encountered. Additionally, Microsoft Excel was used for data tabulation and percentage analysis, while the Chi-Square test was applied as a statistical tool to analyze the collected data and test the research hypotheses.

SAMPLE SIZE: 150

107 responses.

Sampling Technique: Convenience sampling via online channels (Google Forms).

Data Collection Methods

Primary data: Surveys and questionnaires format for my study.

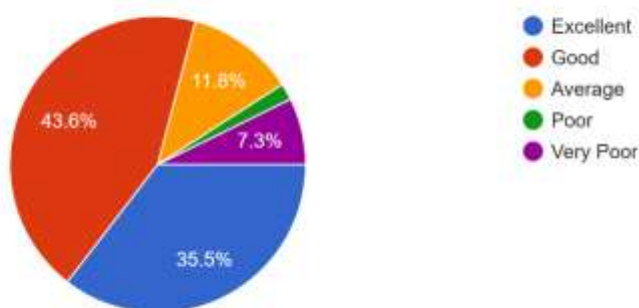
DATA ANALYSIS

How would you rate the protection of your personal information?

	RESPONSES	PERCENTAGE
GOOD	48	43.63636364
AVERAGE	13	11.81818182
POOR	2	1.818181818
VERY POOR	8	7.272727273
EXCELLENT	39	35.45454545

Protection of personal information

110 responses



Interpretation:

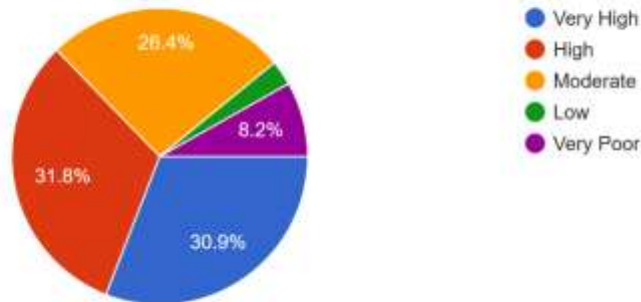
The data show that respondents are mostly happy with their experience. The majority picked “Good” at 43.64%, while 35.45% thought it was “Excellent”. That means nearly 79.09% are really satisfied. Some folks found it just okay – 11.82% gave an “Average” score. This shows they didn't feel strongly either way. However, only a few were unhappy. A mere 7.27% said “Very Poor”, and 1.82% rated it “Poor”.

Trust in digital banking services?

	RESPONSES	PERCENTAGE
VERY HIGH	34	30.90909091
HIGH	35	31.81818182
MODERATE	29	26.36363636
LOW	3	2.727272727
VERY LOW	9	8.181818182

Trust in digital banking services

110 responses



Interpretation:

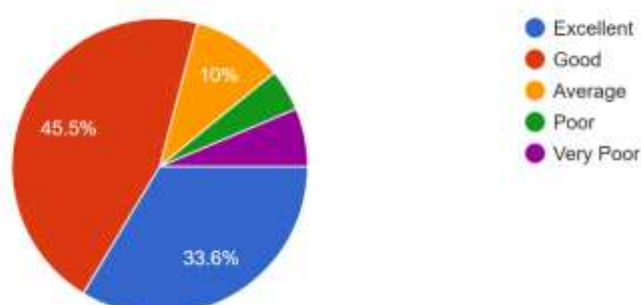
The data show that people mostly rate things positively or moderately. Over 62.73% of folks—split almost evenly, with 31.82% and 30.91%—say it's "High" or "Very High." So, there's strong support or high levels of whatever is being looked at. Another 26.36% rated it as "Moderate," meaning quite a few think it's just average. On the downside, only a tiny bunch said it was low. Just 2.73% picked "Low" and 8.18% chose "Very Low." Therefore, not many have negative views or experience lower levels.

How much availability of services(24/7)

	RESPONSES	PERCENTAGE
GOOD	50	45.45454545
EXCELLENT	37	33.63636364
AVERAGE	11	10
POOR	5	4.545454545
VERY POOR	7	6.363636364

Availability of services (24/7)

110 responses



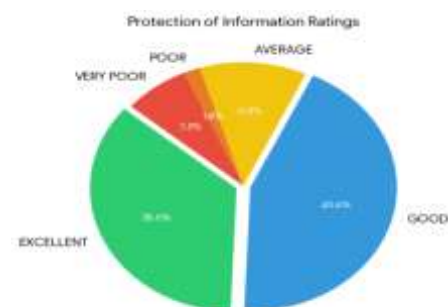
Interpretation:

The data shows that most people think highly of the service. The majority gave it a "Good" rating (45.45%), and just under that gave it an "Excellent" one (33.64%), meaning nearly 79.09% were positively satisfied. A smaller group thought it was just "Average" (10%), showing neither strong dislike nor love. Only a few folks were unsatisfied, giving it "Poor" (4.55%) or "Very Poor" (6.36%) ratings.

CHIQ SQUARE TEST:

PROTECTION PERSONAL INFORMAMATION:

OPTION	OBSERVED	PERCENTANGE	CHIQ SQUARE
EXCELLENT	39	35.45	74.61
GOOD	48	43.63	
AVERAGE	13	11.8	
POOR	2	1.8	
VERY POOR	8	7.27	

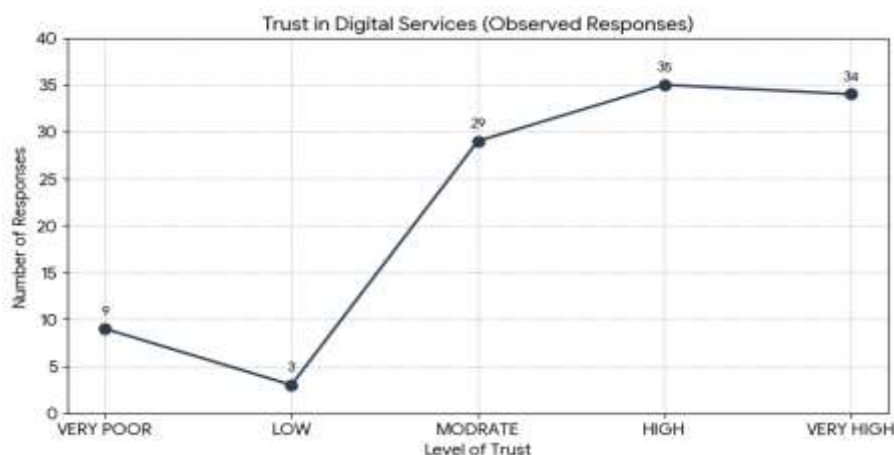


INTERPERTATION:

Analysis of Information Protection Through Chi-Square indicates a statistically significant trend from the responses collected, as can be seen from the relatively high chi-square value of 74.61. At a level of significance of 0.05 with four degrees of freedom, the value is much higher than the critical value obtained from tables, which is 9.488. The difference enables the researcher to reject the null hypothesis, which indicates a uniform distribution of values within the categories analysed. This implies that there is sufficient mathematical evidence to confirm that the high rating values for "Good" and "Excellent" are not coincidental.

TRUST DIGITAL BANKING:

OPTION	OBSERVED	PERCENTANGE	CHIQ SQUARE
MODRATE	29	26.36	40.52
HIGH	35	31.81	
LOW	3	2.72	
VERY POOR	9	8.18	
VERY HIGH	34	30.9	

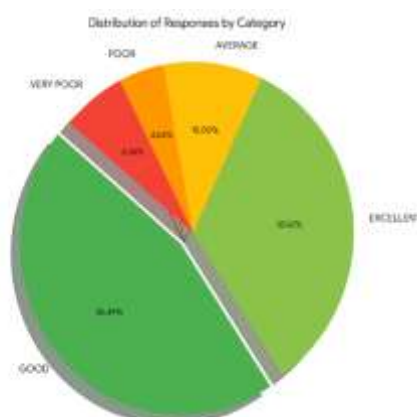


INTERPERTATION:

The statistical test of Chi-Square done on the level of trust in digital services shows a result of 40.52, which proves the statistical significance of the findings obtained. As this figure is much higher compared to the critical value from the table that stands at 9.488, the null hypothesis of even distribution of trust on all levels is hereby rejected. It is evident that this statistical significance proves that the heavy clustering of answers in the "High" and "Very High" categories was intentional and not accidental. Overall, it can be said that statistically speaking, there is a consensus of trust among users.

AVALIABILITY 24/7:

OPTION	OBSERVED	PERCENTANGE	CHIQ SQUARE
GOOD	50	45.5	74.7
EXCELLENT	37	33.63	
AVERAGE	11	10	
POOR	5	4.54	
VERY POOR	7	6.36	



INTERPERTATION:

Calculation using Chi-square test on availability of service throughout the day gave us 74.7, which denotes a high level of statistical significance. Because 74.7 is much higher than the critical tabulated value of 9.488, which uses four degrees of freedom, the null hypothesis that states an equal distribution of responses is rejected, with 95% confidence. Thus, it can be mathematically concluded that the choice of “good” and “excellent” ratings is consciously biased. In conclusion, there is convincing evidence that availability of service 24/7 is viewed as a strength by the respondents as a whole.

Findings

1. The majority of respondents (62.73%) fall in the age range of 21-30 years, which shows that digital banking is used mainly by young adults.
2. Females (65.45%) dominate the respondents against males (34.55%).
3. The majority of the respondents (70%) are students.
4. The maximum number of respondents are graduates (57.27%).
5. Among digital banking services, the highest preference is for UPI (43.64%), followed by Mobile Banking (37.27%).

Suggestions :

1. The need to bolster cybersecurity measures to ease the worries of users about their safety.
2. Frequent updates should be carried out to ensure there are few or no technical problems that affect the transactions.
3. Awareness campaigns should be conducted for those users who have little knowledge about digital banking systems.
4. Banks must provide better internet-based transactions to solve the problem of weak network connections in some areas.

Conclusion:

This study shows that the digital banking process has become very acceptable for the users, especially youth and educated people. The UPI and mobile banking services are the most frequently used services by consumers with fund transfer as the main reason for using digital banking services. Users use digital banking on a daily basis, and they are very satisfied and confident with their services. Even though the users have some doubts about the security and technical aspects, but still the overall experience is very good. Statistical analysis has proved that digital banking services are highly favored by the users. Hence, digital banking can be called as one of the efficient banking solutions.

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