

A Study on Customer Satisfaction towards Digital Banking Services

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Abstract

The banking sector has gone through an important transformation in recent years because of quick technological advancements. Digital Banking also includes the services such as mobile banking, internet banking, UPI payments, and ATM services, has made the financial transactions more convenient, faster and accessible. Customers can now access their banking services like mobile banking, internet banking, UPI payments and ATM services, which made financial transactions more convenient, faster, and accessible. Customers can access their service anytime and from anywhere without visiting any branch. With increasing acceptance, it becomes very important to understand that how the customers are satisfied while using digital banking services. This study focuses on the analyzing customer satisfaction towards digital banking services and identifying the key factors which influence their experience. The main objectives of the study are to examine the level of customer satisfaction and to identify the problems faced by the customers while using digital banking services. My study also aims to understand to understand customer preferences, usage behavior, and the perception related to security, reliability and service quality. The Descriptive research design has been used for the study, and for research which is quantitative in nature. Primary data has been collected through a structured questionnaire which is distributed among 100 respondents which is use for convenience sampling. The questionnaire includes both close-ended and open-ended questions. And the Secondary data has been collected from journals, research papers, and online sources to support my study.

The findings of the study shows that the digital banking services which accepted at large scale among users, especially among younger generation. The majority of the respondents belong to the 20-30 year age group and students from the largest group of users. Most respondents use digital banking services on daily basis, UPI based applications are the most preferred method of using digital banking services because of their convenience, speed, and ease of use.

1.Introduction

Today's generations prefer the services that saves the time and effort. Digital Banking helps the customers to perform transactions anytime and from anywhere. With the help of this convenience more people are using digital banking services in their daily lives. But still, just using digital services is not enough. It is also important to understand whether the customers are satisfied with these services or not. Customer Satisfaction shows happy customers are with the services provided by banks.

Digital banks plays an crucial role in the modern financial system because digital banking provides convenience, speed, and accessibility. Customers can access their services at any time and anywhere without visiting a bank branch. This transformation has significantly improved efficiency in banking operations and reduces the time and effort required for financial transactions. The increasing use of smartphones and improved internet connectivity has further accelerated the growth of digital banking services worldwide

Given these circumstances digital banking, depends upon several factors which affects the customer satisfaction. My Research indicates that elements such as reliability, security, ease of use, responsiveness, and transaction speed significantly affect customer perceptions of digital banking services. For example, studies on electronic banking have shown that convenience and accessibility are among the most important reasons customers prefer digital banking platforms. Customers appreciate the ability to perform transactions

quickly without waiting in long queues at bank branches. Moreover, digital banking reduces operational costs for banks while simultaneously improving service efficiency for customers.

1.1 Background of the Study

Customer Satisfaction concept plays an important role in the banking sector which helps banks understand whether their services are meeting customer expectations or not. In traditional banking, satisfaction of the customers mainly depends on some factors like staff behavior, waiting time, and branch facilities. But in digital banking, Customer satisfaction depend on ease of use, speed, security, and reliability.

According to Ndubueze (2003), Customers feel more satisfied if digital banking platforms are easy to use and provide secure services. If banking apps work smoothly and transactions are completed without any errors and technical problems, customers are more likely to trust and continue using it. Because on the other hand, technical problems or security issues can reduce customer satisfaction.

According to Mittal et al. (2023) shows that technology plays an important role in improving customer satisfaction. Features of technology like instant money transfer, real-time updates, and easy navigation make digital banking more user-friendly. These types of features help customer's save time and effort, which increases their overall satisfaction.

In India, Digital Banking is growing fast because everyone has a smartphone and the government wants people to use less cash. Bhuneshwari and Maruthamuthu (2024) found that service quality factors like reliability and responsiveness strongly affect customer satisfaction in digital banking. This means that customer trust and satisfaction. Therefore, bsnkd need to focus on providing safe and secure services.

Still, there are also some challenges like security concerns, such as fraud and data theft, make some customers hesitate to use digital banking. According to Waliullah et al. (2025) highlights that cybersecurity risks can affect negatively customers trust and satisfaction. Hence, banks need to focus on providing safe and secure services.

2. Literature Review

Digital Banking has grown very quickly as the expand of internet services and smartphones. Early research has tried to understand that why the people accept new technology, While later work shows that how users feels towards the digital banking services. The shift has made the customer satisfaction very important in the banking studies.

The development of digital banking has transformed that how customers interact with financial institutions, particularly in the nations where mobile and internet connectivity has grown quickly. Recently, researchers have shifted their attention towards understanding the customer satisfaction from digital banking services. Recent studies between 2023 and 2025 present a detailed examination, highlighting the user experience, perceived security, service quality, and trust.

The quick shift towards digital banking has changed the way that financial services are delivered and experienced effectively and efficiently. In the last 10 years, banking activities like fund transfers, bill payments and account management have growing shifted to online platforms. This transformation has not only improved accessibility and convenience but also affects the customer expectations and satisfaction. In result, by understanding customer satisfaction in digital banking has become very important in academic and practical interest.

“Now days, Digital Banking has grown very quickly with the spread of internet services and smartphones. Early research, researchers tried to understand why people accept new technology, while later work

observes that how users feel about their experience. These changes have made customer satisfaction an important part of banking studies.

Mobile Banking change the lot of ways to interact with bank for the services. Many studies analyze that the people use the mobile apps because the mobile banking are easy to access and saves the time of the customers. Which is based on age, income, and education which needs deeper analysis.

Security remains a dominant concern across through multiple studies. Research which is conduct in 2025 focusses on risk which is continuously affects the satisfaction levels of the consumer, specially in developing markets where digital fraud cases are arising. Shastri (2025) suggests that trust and security are deeply interconnected with the customer satisfaction.

Another key factor affects the customer satisfaction is user experience. According to the study which is done by Asian institute of research (2025) states that user experience acts both as a direct and determinant and as a medium in customer satisfaction towards digital banking services. It improves the impact of the other variables like security and reliability and making it a core pillar of service design.

Current Research also connects the satisfaction with customer loyalty and retention. Studies which are conducted in 2025 reveal that customers who are satisfied wants to continue using digital banking services and recommends to other peoples to using those services. Which shows that there is positive relationship between the customer satisfaction and loyalty which strengthened positive digital experience and consistent service delivery (Khan et al., 2025). This study indicated that satisfaction is not just an end result; it is a driver of long term business performance.

In recent years security has become a major concern and the studies show that cyber risks such as hacking and phishing reduce the customer confidence and satisfaction towards digital banking services.

With a large number of studies, some gaps remain same and many researchers have focused on urban areas because urban areas received less attention. Which as based on age, income, and education also need deeper study. And these gaps create space for further research.

Generally, the past studies shows that customer satisfaction in digital banking depends on some factors which are connected. Like ease of use, trust, security quality, convenience, and security appear again and again in different researches. By understanding these factors helps banks improve their services and builds a better relationship with customers.

3.Research Methodology

This chapter explains that the methods which is used to conducted upon “A Study on Customer Satisfaction towards digital banking services”. It describes that how the data was collected and the techniques used for analysis. The purpose of this chapter is to ensure that my study is systematic, transparent, and capable for producing reliable findings.

3.1 Research Design

This study follows a descriptive research design. because I found that this design is appropriate because this research focuses on describing customer opinions, experiences, and satisfaction level which is related to digital banking services.

Descriptive research helps in my study by presenting facts as they exist and provide a clear picture of Customer satisfaction or behavior in real-life situations.

3.2 Nature of Study

The study of my research is quantitative in nature, because it relies on numerical data collected through the structured questionnaires. And the responses which are measured by using scales, which makes my research possible to apply statistical tool for analysis. This approach allows for objectives and comparisons of the results in my research.

3.3 Data Collection

Primary Research – In my research, primary data is collected directly from the respondents through a structured questionnaire. The questionnaire includes Close and open-ended questions which is designed to capture customer opinions on various features of digital banking such as ease of use, security, reliability, and overall satisfaction.

Secondary Research – Secondary data has been gathered from journals, research articles, websites and previous studies which is related to digital banking customer satisfaction and these sources helps me to provide a theoretical base and support for findings of the study.

3.4 Sampling Design

Sampling Method – This study uses a convenience sampling method, where respondents are selected which is based on their availability and their willingness to participate. And also this method is commonly used in academic research due to time and limited resources.

Sampling Size – The sample size of my research is total of 100 respondents have been selected for my study. The sample includes the individuals who actively use the digital banking services like mobile banking, internet banking or UPI platforms.

3.5 Variables of the Study

This study focuses on these following variables:

1. Independent Variables

- Ease of Use
- Security
- Reliability
- Accessibility
- Service Quality

2. Dependent Variables

- Customer Satisfaction

4.1 Data Analysis and Interpretation

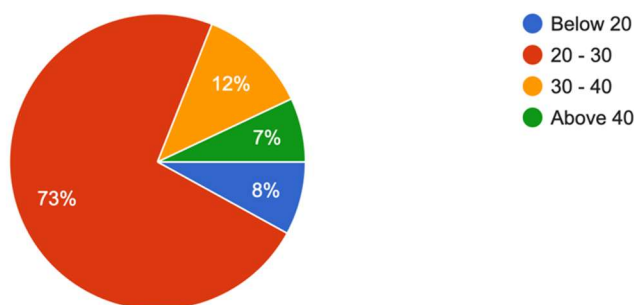
The goal of this analysis is to analyze the customer satisfaction towards the digital banking services and to identify problems faced by customer while using digital banking services.

Table 4.1: Age Distribution of Respondents

Age Group	Frequency	Percentage
Below 20	8	8%
20 - 30	73	73%
30 – 40	12	12%
Above 40	7	7%
Total	100	100%

Age?

100 responses



Interpretation

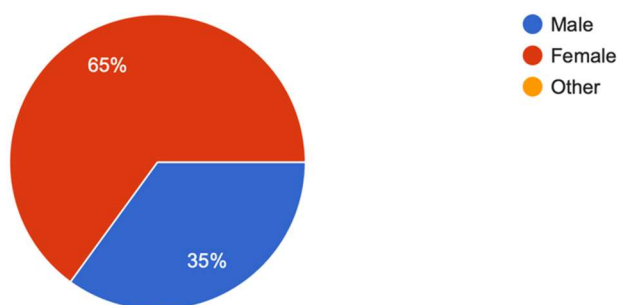
The above table shows that the majority of the respondents is 73% belong to the 20-39 age group, which shows that the young adults are the highly active users of digital banking users. A smaller part of the respondents comes under the 30 – 40 age group which is 12%, which is followed by 8% is below 20 and 7% is above 40 years.

Table 4.2: Gender Distribution of Respondents

Gender	No of Respondents	Percentage (%)
Male	35	35%
Female	65	65%
Other	0	0%
Total	100	100%

Gender

100 responses



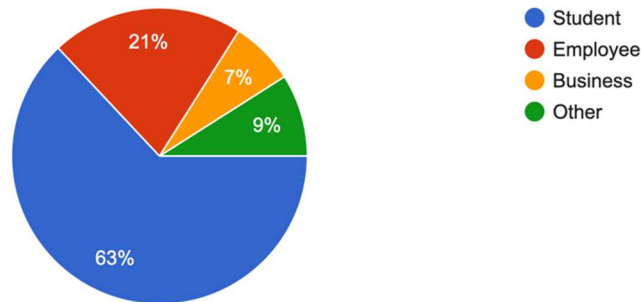
Interpretation

This table shows that female participants has the majority of 65%, While male respondents is account for 35% of the total sample. This chart indicates that the female participation has a larger portion of the study, suggesting that higher level of engagement or willingness among female respondents to participate in digital banking services and surveys. It may also reflects the increasing adoption of digital banking services among women.

Table 4.2: Occupation Of the Respondents

Occupation	No. of Respondents	Percentage
Student	63	63%
Employee	21	21%
Business	9	9%
Other	7	7%
Total	100	100%

Occupation
100 responses



Interpretation

This table shows that a majority of respondents are students which is 63 %, which is making them largest group in the study are students. Employees for 21% of the respondents, and 9 % is business individual and others at 7 %.

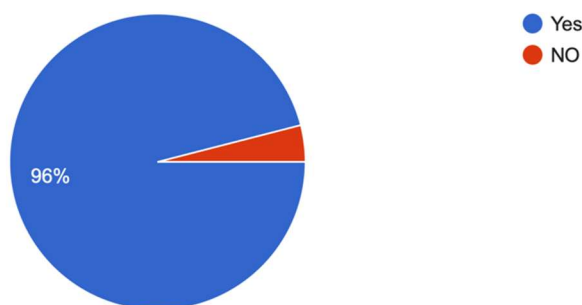
This distribution shows that the study is largely influenced by student perspectives, which may affects the higher usage of digital banking services is students. Students are generally more adaptable with the digital platforms, which can explain their higher representation. The employees and business respondents adds some variety to the research.

Table 4.3: Usage of Digital Banking Services

Usage	No. of Respondents	Percentage
Yes	96	96%
No	4	4%
Total	100	100%

Do You use Digital Banking services?

100 responses



Interpretation

This diagram indicates that larger majority of the respondents is 96% who said that they are using digital banking services and rest 4 % said that they are not using digital banking services.

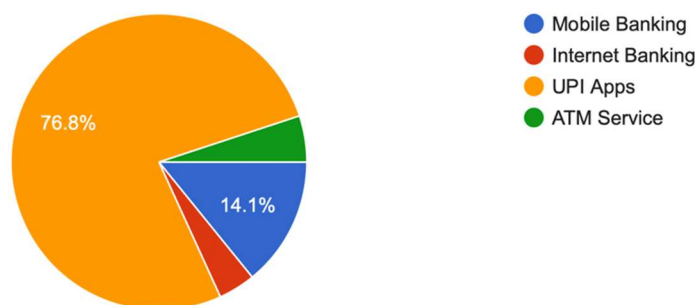
The high percentage of “yes” shows that there is a strong acceptance and satisfaction towards digital banking services. That means the digital banking services is meeting the customer expectations in terms of convenience and accessibility.

Table 4.4: Which digital banking service do you use the most?

Types of Service	No. of respondents	Percentage
UPI Apps	76	76%
Mobile Banking	14	14.1%
ATM Service	6-7	-
Internet Banking	2-3	-
Total	99	100%

Which digital banking service do you use the most?

99 responses



Interpretation

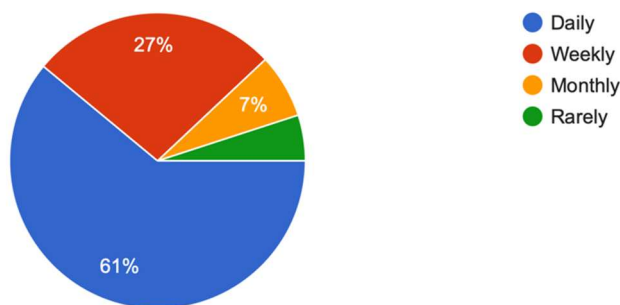
This graph shows that the UPI Apps has a strong usage among users of digital banking services it means 76.8% of the respondents has used UPI Apps. Which emphasizes that the growing dependence is fast, user friendly, and real-time payments system. And Mobile Banking is 14.1%, it means mobile banking is the second most preferred services. On the other hand, traditional services such as ATM usage (7.1) and internet banking (2.0) are significantly lower. This suggests that the users are step by step moving forward from conventional banking methods to convenient and accessible digital platform. Hence, the trend of the digitalization increasing and changing consumer preferences in banking behavior.

Table 4.5: Banking usage frequency

Frequency	No. of Respondents	Percentage
Daily	61	61%
Weekly	27	27%
Monthly	7	7%
Rarely	5	5%
Total	100	100%

How often do use digital banking?

100 responses



Interpretation

This table shows that a strong majority of the respondents is 61% usage of digital banking services on a daily basis, which reflects the strong adoption and integration into everyday life financial activities.

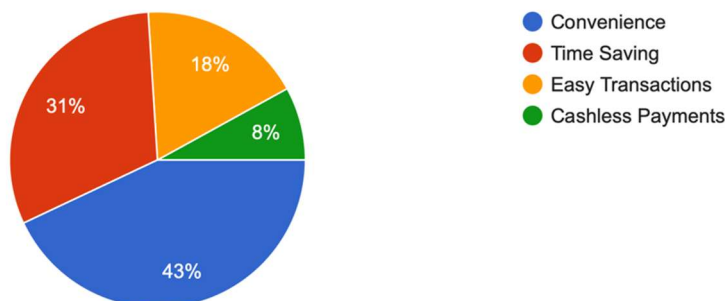
Table 4.6: Why Customers Prefer Digital Banking System.

Reason	No of Respondents	Percentage
Convenience	43	43%
Time Saving	31	31%
Easy Transactions	18	18%
Cashless Payments	8	8%

Total	100	100%
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Why do you prefer digital banking ?

100 responses



Interpretation

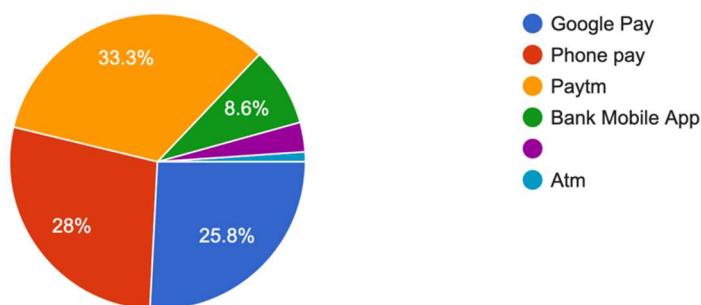
This data shows that the convenience is the most important factor which is used for using digital banking, which is done by 43% of respondents. Which shows that the customers prefers easy access to use banking services anytime and anywhere. And Time saving is the second important factor with 31% because of quick transactions. 18% of the respondents says that digital banking is ease of transactions and customer-friendly in nature. And 8% prefer it mainly for cashless transactions. The results suggest that practical benefits impact customer preference as compare to technological features. Hence, convenience and efficiency are the key factors of digital banking usage.

Table 4.7: Which banking/Payment app use most frequently by users?

Payment App	Respondents	Percentage
Paytm	31	31%
Phone pay	26	28.0%
Google pay	24	25.8%
Bank Mobile App	8	8.6%
Other	3	3.2%
ATM	1	1.1%
Total	93	100%

Which banking app/payment app do you use most frequently?

93 responses



Interpretation

According to this data Paytm is the most preferred digital payment method by 33.3% among the respondents. It is followed by PhonePe 28% and Google Pay 25.8%, which shows that UPI-based apps are used widely popular. Only a small Percentage which is 8.6% use bank mobile apps, and suggests the lower preference compared to the third-party apps. And very few respondents use other apps which is 3.2 % and ATM Services which is 1.1%. Which shows

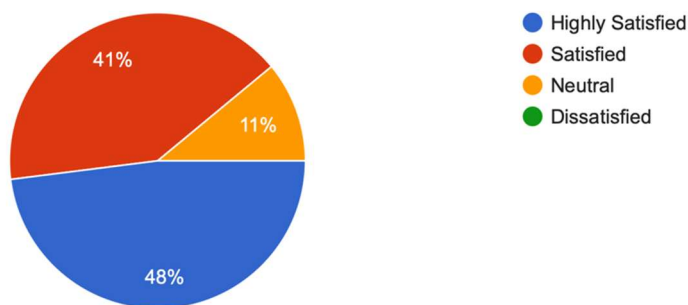
that a strong shift from traditional banking services to digital banking services because it more convenient mobile payment platforms. Hence, the users prefers the fast and easy services for digital transactions.

Table 4.8: Is Customers Satisfied with Digital Banking Services

Satisfaction Category	No. of respondents	Percentage
Highly Satisfied	48	48%
Satisfied	41	41%
Neutral	11	11%
Dissatisfied	0	0%
Total	100	100%

Are you satisfied with digital banking services?

100 responses



Interpretation

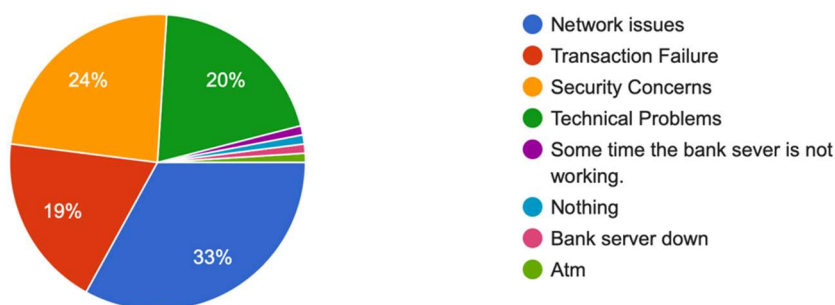
This data shows that a strong level of the customer satisfaction towards digital banking services. A large proportion of the respondents are 48% who are highly satisfied with the digital banking services and 41% of the respondents said that they are satisfied, not highly satisfied but they are satisfied. And only 11% of the respondents says that they are neutral which shows that they have mixed opinions. But the most important part that no respondents reported dissatisfaction, which shows that no respondents are dissatisfied with the Digital banking services. The absence of negative feedback shows that the services are meet with the customer expectation. Hence, Customers are satisfied with the digital banking services.

Table 4.9: What Problems customers Face while using Digital Banking?

Problems Category	No. of Respondents	Percentage
Network Issues	33	33%
Security Concerns	24	24%
Technical Problems	20	20%
Transaction Failure	19	19%
Other	4	4%
Total	100	100%

What problems do you face while using digital banking?

100 responses



Interpretation

This graph shows that the most of the problems faced by the customers by using digital banking services. The most common issue which is faced by customer is network-related problems with 33%, which shows that connectivity challenges during transactions. Second most challenges faced is security concerns by 24% which shows that the users are still worried about the safety of their financial information as increasing the cyber frauds etc. And 20% shows technical Problems and 19% are transaction failures, which shows that errors face by customers during usage of digital banking services. And a very small percentage of responses report the issues like sometimes banks server is not working, ATM-related problems, or sometime the server of the bank. And 1% respondents said that they have no problem faces during using digital banking services.

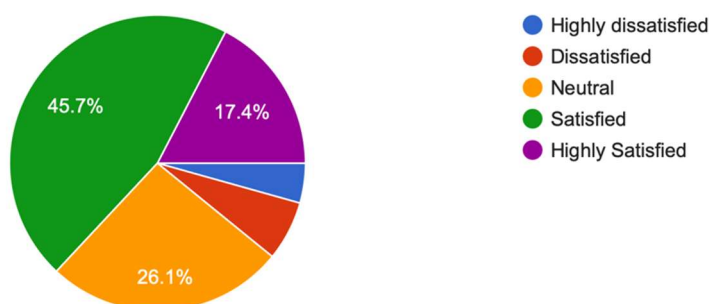
Table 4.10: Does Banks handles the customer complaints effectively?

Satisfaction Level	No of respondents	Percentage
Highly Satisfied	17.4	17%

Satisfied	45.7	46%
Neutral	26.1	26%
Dissatisfied	6	6%
Highly Dissatisfied	5	5%
Total	100	100%

The bank handles customer complaints effectively?

92 responses



Interpretation

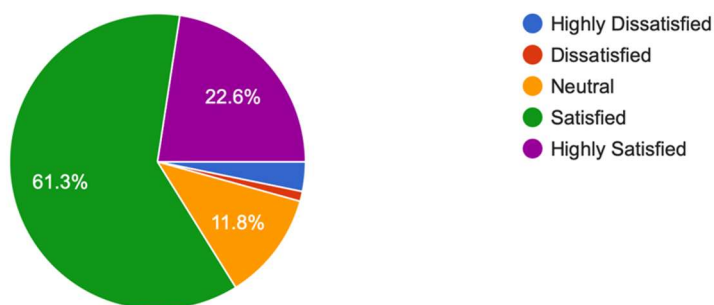
The data shows that the most customers are happy with the digital banking services. 46% of the respondents are satisfied, and 17% are highly satisfied, which shows that the most of the respondents are satisfied and happy with the way bank handles their customer complaints effectively. And around 26% peoples said that they are neutral they are neither satisfied or nor dissatisfied. And a small number of users are dissatisfied with the percentage of 6% and highly dissatisfied 5%. This shows that the some problems is still exist during the handling of customer satisfaction. Hence, most customers are satisfied but somewhere we need improvement.

Table 4.11: Is OTP verification and security measures are satisfactory for customers?

Satisfaction Category	No of Respondents	Percentage
Highly Satisfied	57	57%
Satisfied	21	21%
Neutral	11	11%
Dissatisfied	3	3%
Highly Dissatisfied	1	1%
Total	93	93%

OTP verification and security measures are satisfactory.

93 responses



Interpretation

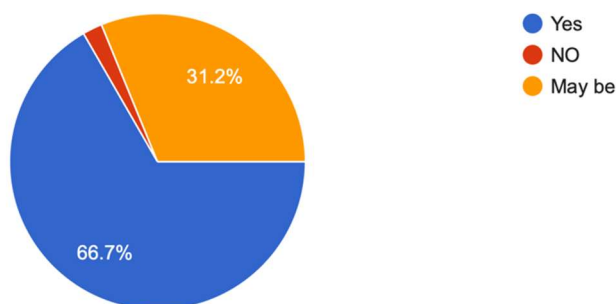
This data shows that there is a high level of customer satisfaction with the digital banking services. It means that of majority of the respondents with 57% are highly satisfied which suggest that respondents has good experience. And 21% of respondents says that are enough satisfied. And 11% of the respondents are neutral, which suggests that they have average satisfaction and there is a scope of improvement. And only a 3% of the respondents says that the are dissatisfied and rest 1% of the respondents says that they are highly dissatisfied, which shows that very few users face serious issue with the OTP verification and with security measures.

Table 4.12: Does Customers feels safe and secure with Banking transactions?

Category	No. of Respondents	Percentage
Yes	62	66.7%
No	29	31.2%
May be	2	2.1%
Total	100	100%

Banking transactions are safe and secure?

93 responses



Interpretation

The data shows that there is a strong majority of the respondents with 66.7% who have positive opinion regarding the safety concerns with the banking transactions while using digital banking services. And

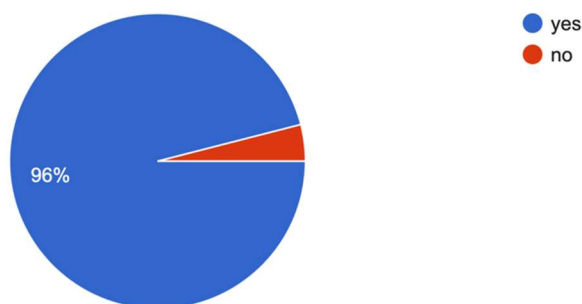
around 31.2% respondent says that they are not satisfied with safety of banking transactions during the usage of digital banking services. And only 2.1% chose that maybe, which shows that they feel uncertainty among respondents with the safety. Hence, the most of the respondents are in favor that they feel safe and secure during banking transaction but there is also a need of improvement regarding safety of financial transactions.

Table 4.13: Would customers Recommend digital banking services to the others?

Category	No. of Respondents	Percentage
Yes	96	96%
No	4	4%
Total	100	100%

Would you recommend digital banking services to others?

100 responses



Interpretation

This data shows that there is an extremely high level of positive responses. Where a large number of respondents with percentage of 96% says that they recommend the other people to use of digital banking services, which shows that there is a strong acceptance or satisfaction towards digital banking services. Only 4% of respondents says that no, they will not recommend to others. Hence, the results tells us that a strong majority of peoples are satisfied and have positive opinions towards digital banking services.

5. Findings and Conclusion

This Chapter focuses on presenting the major findings which is derived from my primary data analysis. And these findings are taken from the basis of the questionnaire and responses which is collected from it. These findings help us to analyze the satisfaction of customers towards the digital banking services

1. Demographic profile of the Respondents

This study shows that the majority of the respondents are the age of 20-30 age group, which means that the main users of the digital banking services are 20-30 age group because of the awareness and financial literacy towards the digital banking services.

2. High Adoption of Digital Banking Services

This research shows that a very large number of respondents about 96% are using digital banking services, which shows that how strong acceptance usage among customers towards the services.

3. Frequency of Usage

This study reveals that the most of the users with 61% use digital banking services on daily basis which shows that there is a high dependency o these platforms for the regular financial transactions.

4. Preference for UPI – Based Applications

Most of the respondents prefers the UPI Apps like Paytm, Google Pay and PhonePe, Which shows that the customers wants easy, fast and real-time payment methods over traditional banking services.

5. Key Reasons for Digital Banking Usage

The main key factors for using the digital banking services are convenience with 43% and time-saving with 31%, which shows that customers give preferences the value of speed and ease of access

6. Major Problems faced by Users

The most common problems faced by the users are networks issue, security concerns, technical problems and transaction failures, these challenges affects the customer experience and satisfaction.

7. Satisfaction with complaint handling

Most of the respondents are satisfied that how banks handle complaints, but some users are not happy with the way of handling the customers, which shows that customer support plays a very important role and services need improvement the way banks handling the customer complaints.

8. Security and Safety perception

Many customers feel safe during transactions, while some customers still have concerns about the security and concerns, which affects the trust and respondents also gives the suggestion to implement like banks should implement the face id or biometric service during the transactions, so that the customers feel safe during the financial transaction.

9. OTP and Security Features satisfaction

Most of the users are satisfied with the OTP verification and the security measures, but some users are not satisfied and wants the further improvements. Hence OTP verification and the security measures need the improvement for the satisfaction of the customer towards digital banking services.

10. High Recommendation Rate

Majority of the users are willing to recommend the digital banking services with the 96%, which shows that there is a strong trust and satisfaction among users who use the digital banking services.

11. Suggestion for Improvement

Some Respondents suggested the improvements like Network connectivity, improves the security concerns, fix the technical problems, enables the biometric authentication and improves the customer support services.

This study has been conducted to understand the customer experience and satisfaction towards digital banking services. In conclusion, this study emphasizes that digital banking has becomes an important part of customer's daily financial activities. With the growth of the technology and also the increased use of the smartphones, people are now more comfortable while using digital banking services. The findings of the study show that there is a large number of customers are using digital banking actively, especially UPI – based applications, because of the convenience, speed, and ease of use.

The study also shows that customer satisfaction towards digital banking services is relatively high. Most of the respondents stated that they are satisfied or highly satisfied with the digital services provided by banks.

This shows that has successfully fulfill the needs of the customer expectations in terms of accessibility and efficiency. At the same time, the high level of recommendation from users shows that there is a strong trust and acceptance of the digital banking services.

In Conclusion, digital banking services are highly acceptable and appreciated by customers, but continuous improvements which are necessary to located existing challenges. Which focusing on customer needs and taking advanced technologies, banks can build stronger relationship with the customers and ensures that high level of satisfaction in the future

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