



“A Study on the Impact of Digital Banking Adoption on Customer Satisfaction and Financial Performance in Pune”

Atharva Somnath Kadam¹, Laxman Kalke², Dr. Pradyuman Shastri³

Student-MBA, Zeal Institute of Management and Computer Application, Pune, India^{1,2}

Guide, Zeal Institute of Management and Computer Application, Pune, India³

Abstract: These Research paper study the rapid advancement of digital technology has significantly transformed the banking sector, particularly in urban areas like Pune. This study examines the impact of digital banking adoption on customer satisfaction and the financial performance of banks. Digital banking services, including mobile banking, internet banking, and online transactions, offer convenience, speed, and accessibility to customers. However, challenges such as security concerns, technical issues, and lack of digital literacy continue to influence user experience. The research adopts a descriptive and analytical approach to evaluate customer perceptions and the extent of digital adoption. Primary and secondary data are used to analyze the relationship between digital banking usage, customer satisfaction, and bank performance. The findings suggest that increased adoption of digital banking positively affects customer satisfaction and enhances operational efficiency and financial outcomes for banks, although addressing security and awareness issues remains crucial.

Key words- Digital Banking, Customer Satisfaction, Financial Performance, Technology Adoption, Online Banking, Mobile Banking, Banking Efficiency, Pune, Customer Experience, Banking Innovation

INTRODUCTION

In recent years, the banking sector has undergone a significant transformation due to rapid advancements in digital technology. Digital banking refers to the use of online platforms such as mobile applications, internet banking, automated teller machines (ATMs), and other electronic channels that allow customers to perform financial transactions without visiting a physical bank branch. This shift has improved the accessibility, speed, and convenience of banking services for customers.

In a growing urban city like Pune, the adoption of digital banking has increased considerably due to higher smartphone penetration, improved internet connectivity, and increased awareness among customers. Banks are continuously promoting digital services to enhance operational efficiency and reduce costs, while also aiming to provide a seamless customer experience.

However, despite the benefits, customers still face challenges such as security concerns, technical issues, and lack of digital literacy. These factors can influence customer satisfaction and trust in digital banking services. At the same time, digital banking plays a crucial role in improving the financial performance of banks by reducing operational expenses and increasing transaction volumes.

OBJECTIVES OF THE STUDY

1. To study the level of digital banking adoption among customers.
2. To examine the impact of digital banking on customer satisfaction.
3. To identify factors affecting satisfaction such as ease of use, security, and speed.

SIGNIFICANCE OF THE STUDY

1. Helps Banks Improve Customer Satisfaction: - This study helps banks understand how digital banking services influence customer satisfaction. It shows whether customers are happy with online services like mobile banking and internet banking, and how banks can improve service quality.



2. Supports Better Financial Performance: -The research explains how digital banking adoption affects the profitability and cost efficiency of banks. It helps in understanding whether digital services increase revenue and reduce operational expenses.

SCOPE OF THE STUDY

The study focuses on customers who use digital banking services such as mobile banking, internet banking, and UPI. It examines the level of digital banking adoption among selected bank customers. The study analyzes the impact of digital banking on customer satisfaction. It evaluates how digital banking influences the financial performance of banks in terms of cost reduction and efficiency. The research is limited to 100 respondents from selected banks and specific geographical areas.

LITERATURE REVIEW

A study by Yusup (2025) highlighted that digitalization in banking plays a crucial role in enhancing customer satisfaction and loyalty. The study emphasized that digital services improve convenience and accessibility, which directly influence customer behavior and long-term engagement with banks.

Similarly, Oscar (2026) found that digital banking adoption in developing economies improves efficiency and accessibility of financial services. However, the study also pointed out that issues such as security concerns, reliability, and lack of trust can negatively affect user satisfaction and adoption levels.

Kaushik (2024) analyzed customer behavior and found that digital banking has transformed how customers interact with banks. The research highlighted that personalized services, accessibility, and convenience are major determinants of customer satisfaction in the digital era

Research Hypothesis

H₀ (Null Hypothesis): n the Impact of digital banking Adoption on customer Satisfaction and Financial Performance in this research project.

H₁ (Alternative Hypothesis): There is a significant relationship between digital banking adoption and customer satisfaction.

RESEARCH METHODOLOGY

The study adopts a descriptive and analytical research design to examine how digital banking adoption affects customer satisfaction and financial performance in Pune. It uses both primary data, collected through structured questionnaires from digital banking users, and secondary data from journals, reports, and online sources. A convenience sampling method is applied with a sample size of around 100 respondents. The key variables include digital banking adoption (independent variable) and customer satisfaction and financial performance (dependent variables). Data is analyzed using tools such as percentage analysis, mean, correlation, and regression to identify relationships and measure impact, while maintaining ethical The study adopts a descriptive and analytical research design to examine how digital banking adoption affects customer satisfaction and financial performance in Pune. It uses both primary data, collected through structured questionnaires from digital banking users, and secondary data from journals, reports, and online sources. A convenience sampling method is applied with a sample size of around 100–200 respondents. The key variables include digital banking adoption (independent variable) and customer satisfaction and financial performance (dependent variables). Data is analyzed using tools such as percentage analysis, mean, correlation, and regression to identify relationships and measure impact, while maintaining ethical standards like confidentiality and voluntary participation.

DISCUSSION

The findings of the study indicate that digital banking adoption has significantly influenced customer satisfaction and financial performance in Pune. Most respondents prefer digital banking services such as mobile banking, internet banking, and UPI due to their convenience, speed, and accessibility. Customers appreciate the ability to perform transactions anytime and anywhere without visiting bank branches, which has improved their overall banking experience. The study also reveals that factors like ease of use, security, reliability, and service quality play a crucial role in determining customer satisfaction. While many users are satisfied with the efficiency of digital banking platforms, concerns related to cybersecurity, technical errors, and lack of digital literacy among some users still affect complete



satisfaction. This suggests that banks need to continuously improve their systems and educate customers to enhance trust and usability.

SUGGESTIONS FOR FUTURE RESEARCH

Increase sample size for better accuracy

Focus on factors like cybersecurity, trust, and privacy

Use qualitative methods (interviews, case studies) for deeper insights

Analyze role of demographics (age, income, education)

Compare public vs private bank digital services

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