Title: DIGITAL BANKING ADOPTION AND CUSTOMER SATISFACTION: A STUDY ON ICICI BANK

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ABSTRACT

The study focuses on adoption of digital banking services and its effects on customer satisfaction in ICICI Bank. The research aims at understanding the level of adoption of digital banking services, measuring customer satisfaction, identifying determinants of customer satisfaction and the problems faced by the consumers.

Primary data was collected from 101 individuals using questionnaires. Convenience sampling method was used to gather data. Analysis of data was done using descriptive statistics and correlation analysis. It was found out that UPI is the favorite digital banking service and most people are regular users of digital banking services. Easy-to-use, speed, reliability and security are the main factors affecting customer satisfaction.

The study shows high level of customer satisfaction and high degree of correlation between digital banking services and customer satisfaction. The problems of server downtime and transaction errors still exist. Enhancement of reliability and security will increase customer satisfaction.

Keywords:

- Digital Banking Experience Quality (DBEQ)
- Digital Banking Adoption
- Customer Satisfaction
- Service Reliability
- UPI Usage Behavior

I.INTRODUCTION

The advancement of information technology has brought about transformation in the banking industry through the development of digital banking facilities. Through digital banking, customers can conduct their banking transactions in a convenient manner through the use of online banking, mobile banking, automated teller machines, among others without necessarily going to the bank branches.

Adoption of digital banking has been witnessed in India due to increased access to the internet and high usage of smart phones as well as the trend to adopt cashless payments. One of the top private sector banks that offers digital banking services is ICICI Bank.

Customer satisfaction is an important aspect in the success of digital banking. Some of the elements that affect customer satisfaction include usability, security, reliability, as well as quality of services. Customers are also bound to experience some difficulties including technical and security related problems.

This research paper will address the issue of adoption of digital banking services in ICICI Bank, level of customer satisfaction, factors influencing satisfaction, as well as the problems customers face in the use of digital banking services.

STATEMENT OF THE PROBLEM

Digital banking has become a necessity in the banking industry. ICICI bank has a number of digital banking services, but there are differences in terms of adoption and satisfaction levels of these services among ICICI Bank's customers.

The aim of this study is to determine how widespread digital banking services are among ICICI Bank's customers, and the impact of such services on customer satisfaction. The factors that contribute to customer satisfaction and problems encountered by customers while using digital banking services are also included in the analysis.

Such information will be useful for ICICI Bank to improve its digital services, ensure higher customer satisfaction and increase customer retention. Otherwise, it may lead to low adoption levels, low customer satisfaction levels, and higher competition from other banks.

OBJECTIVES OF THE STUDY

- To study the adoption of digital banking services in ICICI bank.
- To measure customer satisfaction regarding digital banking services.
- To identify factors influencing customer satisfaction.
- To analyze problems faced by customers while using digital banking..

HYPOTHESIS

Ho: There exists no significant relationship between digital banking adoption and customer satisfaction amongst the customers of ICICI Bank.

H1: There exists a significant relationship between digital banking adoption and customer satisfaction amongst the customers of ICICI Bank.

SCOPE OF THE STUDY

This research will be confined to the customers of ICICI bank living in the selected geographical area. It includes the academic year 2025-2026. This research will concentrate on the areas like digital banking services, customer service, and retail banking functions. The targeted audience of this research would be those customers who utilize digital banking systems like mobile banking, Internet banking, etc. It must be noted that the research does not cover the entire branches of ICICI bank in India.

LIMITATIONS OF THE STUDY

- The study is conducted on a limited number of respondents, who do not necessarily represent the total customer base of ICICI Bank.
- The study is confined to a specific period.
- There may be resource limitations for collecting data on a wider scale.
- There may be limitations of access to internal information of the organization.
- There may be personal biases in the opinions expressed by respondents.

- The study assumes truthfulness of the answers provided by the respondents.

II. REVIEW OF LITERATURE

The study by Gupta and Arora (2020) revealed that digital literacy positively impacts the adoption of digital banking services among customers.

In another research carried out by Kumar and Dhingra (2021), customers viewed mobile banking services as convenient and efficient and thus had high adoption.

Mohanty, Singh and Mohanty (2023) reviewed the existing literature on digital banking satisfaction and established that service quality, perceived usefulness, performance expectancy, effort expectancy and perceived risk play a vital role in determining customer satisfaction and digital banking adoption.

Sahar, Nikzad and Ansari (2024) established that customer satisfaction in electronic banking is highly correlated to service quality, technological efficiency, customer experience and security measures.

Albuainain and Ashby (2025) found that digital infrastructure, personalized services and institutional support influence the adoption of digital banking, while perceived risk and digital literacy pose challenges to adoption.

III. RESEARCH METHODOLOGY

Data Collection

The research work mainly uses the primary data that have been obtained through the direct collection from the respondents via a structured questionnaire. The aim of the survey was to collect the data related to the demographic details of the respondents, use of digital banking services, the motives behind using such services, the level of customer satisfaction, factors affecting satisfaction, and difficulties faced while using the digital banking facilities.

The questionnaire has been conducted through Google Forms in order to make the data collection process easy for the respondents.

Sample Design

This research study employs descriptive research design as it intends to explain the adoption of digital banking and level of customer satisfaction at ICICI bank. This design assists in gaining insights about customer perception, behavior, and experience of using digital banking facilities..

DATA ANALYSIS AND INTERPRETATION

From the descriptive results, it is clear that:

- 77.2% of the people surveyed prefer digital banking than branch banking.
- 39.6% utilize digital banking services on a daily basis.
- 80.2% feel that the process of using digital banking is easy/very easy.
- 80.2% of the people surveyed are satisfied/very satisfied with ICICI digital banking services.
- 85.1% feel that ICICI digital banking is secure.
- 85.1% of the respondents give an excellent/good rating of the overall service provided.

From the above information, we can see that people who actually use digital banking services are the ones who report high levels of satisfaction. Frequency of use, ease of use, and security increase levels of satisfaction among consumers.

Decision:

Based on the analysis of the relationship between indicators and customer satisfaction level:

- The null hypothesis (H_0) is rejected.
- The alternative hypothesis (H_1) is accepted.

Conclusion:

There is a significant relationship between digital banking adoption and customer satisfaction levels at ICICI Bank.

B. Correlation Analysis:

Association Between Digital Banking Adoption and Customer Satisfaction

A correlation analysis was performed to analyze the link between digital banking adoption and customer satisfaction.

Table : Correlation Analysis Between Digital Banking Adoption and Customer Satisfaction (n = 101)

Variable	Indicator	Mean Score*
Digital Banking Adoption	Frequency of Usage	4.12
	Preference for Digital Banking	4.08
	Ease of Use	4.18
	Platform Usage (UPI/Mobile Banking)	4.05
	Duration of Usage	3.56
Average Adoption Score		4.00
Customer Satisfaction	Overall Satisfaction	4.28
	Transaction Speed Satisfaction	4.29
	Security Satisfaction	4.39
	Customer Support Satisfaction	4.17
	Overall Service Rating	4.22
Average Satisfaction Score		4.27

Correlation Matrix:

Variables	Digital Banking Adoption	Customer Satisfaction
Digital Banking Adoption	1.000	0.780
Customer Satisfaction	0.780	1.000
Variables	Correlation Coefficient (r)	Interpretation
Digital Banking Adoption and Customer Satisfaction	+0.78	Strong Positive Correlation

Interpretation:

Correlation Coefficient (r)	Strength of Relationship
0.00 – 0.19	Very Weak
0.20 – 0.39	Weak
0.40 – 0.59	Moderate
0.60 – 0.79	Strong
0.80 – 1.00	Very Strong

The calculated correlation coefficient r = 0.780 indicates a strong positive relationship between digital banking adoption and customer satisfaction. This suggests that customers who frequently use digital banking services and perceive them as easy, secure, and convenient tend to report higher satisfaction levels.

It means that:

- A greater use of digital banking facilities results in higher satisfaction among customers.
- Customers using UPI, mobile banking, and internet banking facilities more often are likely to be satisfied.
- Ease of use, speed, and security of transactions have an important impact on their satisfaction.
- Digital banking facilities' convenience and time-saving potential encourage customers to keep on using them.

Practical Implications:

The positive correlation between the variables shows that the bank's digital banking system has contributed greatly to raising customer satisfaction.

The main aspects which helped to improve customer satisfaction were:

- Customer-friendly interface
- Quick transactions
- Secured environment for operations

- Access to services
- Effective assistance from staff

Nevertheless, certain problems persist such as:

- Server failure (43.6%)
- Transaction failure (29.7%)
- Other errors (12.9%)

Conclusion of Correlation Analysis: The correlation analysis shows a positive impact on customers' satisfaction with their use of digital banking services. Thus, improving digital banking will help improve customer loyalty.4.4 Interpretation of Results.

Summary of Inferential Findings:

Hypothesis	Result
H_0: No relationship exists between digital banking adoption and customer satisfaction	Rejected
H_1: Significant relationship exists between digital banking adoption and customer satisfaction	Accepted
Correlation Result	**Interpretation**
r = +0.78	Strong Positive Relationship

FINDINGS

UPI was seen to be the most preferred mode of digital banking. The majority of the respondents used digital banking on a regular basis and also preferred it to branch banking. Most of the respondents had adopted digital banking recently, in less than one year. The customers' satisfaction levels about the ICICI Bank's digital banking services were high in aspects such as speed, security, and the whole process itself. Ease of use came out as the factor that affected satisfaction most, then speed and security, although most respondents believed that digital banking saved their time. In spite of the positive attitude about digital banking, most of the customers had faced various problems when using the digital banking service.

V. CONCLUSION

In summary, the effects of adoption of digital banking and customer satisfaction have been analyzed in this case of ICICI Bank. Digital banking is widely embraced due to its convenience, ease, speed and security. Moreover, many customers of the bank are generally satisfied with the services offered by the bank.

There is a positive association between the adoption of digital banking and customer satisfaction. Although the customers are satisfied with the services, there should be some measures taken to address some issues such as server failures when performing transactions.

Overall, the research aims have been achieved in this research. The findings from this study will be of benefit to the management of ICICI Bank in improving its digital banking services. In the wake of technology advancements, there is need for digital innovation that puts the customer experience at the center.

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