# A Study on Customer Satisfaction Towards Digital Banking Adoption in Coimbatore City

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## ABSTRACT

The present study examines customer satisfaction towards digital banking adoption in Coimbatore City, with special emphasis on factors influencing adoption, challenges faced by users, and perceptions of security and privacy. The study is based on primary data collected from 50 respondents using digital banking services through a google forms. The findings reveal that digital banking has gained wide acceptance among customers due to its convenience, ease of use, time-saving nature, and round-the-clock availability. A majority of respondents expressed satisfaction with digital banking services, particularly with respect to transaction speed, accessibility, and user-friendly applications. Factors such as ease of use, service quality, and availability of digital platforms play a significant role in encouraging customers to adopt and continue using digital banking services. The study also indicates that perceptions of security and privacy strongly influence customer satisfaction. Security measures such as OTPs, passwords, and authentication systems enhance customer trust and confidence while using digital banking platforms. However, some respondents reported concerns related to data privacy, cyber fraud, and transaction failures. Additionally, challenges such as technical problems, poor internet connectivity, and delays in customer support were identified as factors negatively affecting satisfaction levels. Despite these issues, customers continue to prefer digital banking due to its overall benefits. The study concludes that improving system reliability, strengthening security measures, and enhancing customer support services will further increase customer satisfaction and promote sustained adoption of digital banking services.

**Key Words:** *Digital Banking Adoption, Convenience, Ease of Use, Service Quality, Security and Privacy, OTP Authentication, Cyber Fraud, Transaction Failures, Technical Issues*

## INTRODUCTION

Digital technology has changed the way banking services are provided and used. Today, customers can easily carry out activities such as money transfers, bill payments, checking account details, and applying for loans through digital banking platforms. In India, online and mobile banking have become very popular because they save time, are convenient, and can be used anytime and anywhere. Government programs like Digital India and continuous improvements in technology have encouraged banks to develop better digital services. In Coimbatore City, which is a fast-growing industrial and commercial center in Tamil Nadu, the use of digital banking has increased rapidly. The wide use of smartphones, better internet facilities, and greater awareness of digital services have motivated customers to shift from traditional banking to digital banking. Customers now expect banking services to be quick, reliable, easy to use, and available at all times. Customer satisfaction plays an important role in the success of digital banking. Factors such as security, ease of use, reliability of services, and customer support strongly influence customer's trust and continued use of digital banking. Therefore, this study titled **"A Study on Customer Satisfaction Towards Digital Banking Adoption in Coimbatore City"** aims to understand customers' satisfaction levels and identify the main factors that influence the adoption of digital banking. The results of this study will help banks improve their digital services and increase customer satisfaction.

## STATEMENT OF THE PROBLEM

The rapid growth of digital banking has changed the way customers use banking services in their daily lives. Facilities such as mobile banking, internet banking, digital payments, and online customer support have become popular because they save time, are easy to access, and can be used at any time. In India, government initiatives like Digital India, along with the widespread use of smartphones and better internet facilities, have further encouraged customers in both urban and semi-urban areas to adopt digital banking services. However, customer satisfaction with digital banking is not the same for everyone. Many customers still face problems related to security and privacy, lack of digital knowledge, technical errors, system failures, and difficulty in using digital platforms. In a city like Coimbatore, where people come from different age groups, educational backgrounds, occupations, and income levels, the level of satisfaction and adoption of digital banking services varies widely. While some customers find digital banking convenient, fast, and reliable, others struggle with issues such as failed transactions, fear of online fraud, poor customer support, and confusion while using digital applications.

## OBJECTIVES OF THE STUDY

1. To assess the level of customer satisfaction with digital banking services among users in Coimbatore city.
2. To identify the key factors influencing the adoption of digital banking, such as convenience, security, ease of use, and service quality.
3. To examine the challenges and issues faced by customers while using digital banking Platforms.
4. To analyze customer's perception of security and privacy in digital banking services.

## REVIEW OF LITERATURE

**Prof. Kanchan Nathe (2025) [1]** conducted a study titled The Impact of Digital Banking on Customer Satisfaction, published in the International Journal of Research in Commerce and Management Studies, Vol. 7, No. 04, July–August 2025. The study aimed to evaluate the impact of digital banking on overall customer satisfaction and assess challenges faced by customers. A quantitative research design supported by qualitative interviews was adopted, using a structured questionnaire administered to 500 banking customers. Stratified random sampling ensured representation across age, income, location, and digital proficiency. Data were collected through online and paper-based surveys along with interviews of banking managers. Descriptive statistics, correlation, and regression analyses using SPSS revealed that 78% of users found digital banking easy to use, while 85% were satisfied with transaction speed. The study highlighted convenience and speed as major satisfaction drivers but noted security concerns. It suggested improving user-centric design and strengthening multi-factor security systems.

**Dr. Viral Bhatt and Dixita Nagar (2021) [2]** conducted an empirical study titled Factors Affecting Customer Satisfaction on the Adoption of Mobile Banking, published in the Turkish Journal of Computer and Mathematics Education, Vol. 12, No. 10. The study aimed to evaluate factors affecting customer satisfaction and examine their direct and mediating effects on mobile banking adoption. A hypothesis-testing research design was employed using path analysis and bootstrapping techniques. Data were collected through structured questionnaires and analyzed using SPSS 25, MS Excel, and PLS-SEM tools. Descriptive statistics such as mean, standard deviation, and frequency were calculated prior to model testing. The findings confirmed that service quality positively influences trust, perceived usefulness, and customer satisfaction. The study concluded that customer satisfaction is critical for banks to remain competitive. It reinforced the importance of strengthening mobile banking service quality.

**Afful Ekow Kelly and Sellappan Palaniappan (2019) [3]** conducted a study titled Survey on Customer Satisfaction, Adoption, Perception, Behavior, and Security on Mobile Banking, published in Information Technology & Software Engineering, Vol. 9. The study focused on security issues and technology adoption factors influencing mobile banking usage. A qualitative research design based on document analysis and thematic review was adopted. Secondary data were collected from academic databases such as Science Direct, Emerald, IEEE, JSTOR, and Google Scholar, covering studies from 2009 to 2019. A total of 68 relevant articles were

analyzed using thematic content analysis. The findings revealed that security concerns significantly hinder mobile banking adoption. Security was identified as a pervasive factor affecting customer attitude, perception, and satisfaction. The study highlighted incomplete adoption due to trust issues. It emphasized security as the most critical barrier to mobile banking acceptance.

**Irshad Ahmad and Dr. Keshav Gupta (2015)** [4] conducted a study titled A Study on Customers' Attitude towards Mobile Banking Adoption in India, published in the International Journal of Marketing & Financial Management, Volume 3, Issue 11, December 2015. The study aimed to examine the level of awareness among bank customers towards mobile banking and assess the influence of awareness on customers' attitudes toward adopting m-banking services. An exploratory research design was adopted for the study. Convenience sampling was used to select respondents who were active mobile banking users. Data were collected through self-administered questionnaires, with 300 questionnaires distributed and 250 valid responses used for analysis. Statistical tools such as Cronbach's Alpha, correlation analysis, path coefficient, and t-statistics were applied using SPSS version 20. The findings showed that most respondents were educated, middle-aged individuals, with a majority demonstrating a positive attitude toward mobile banking. The study concluded that awareness and perceived security significantly influence adoption. It suggested that banks should strengthen security systems and clearly communicate safety measures to build customer trust.

**Drew Musiime and Malinga Ramadhan (2011)** [5] examined Internet Banking, Consumer Adoption and Customer Satisfaction, published in the African Journal of Marketing Management, Vol. 3(10), pp. 261–269. The study focused on identifying factors influencing customer acceptance and satisfaction with internet banking at Stanbic Bank. A descriptive and factor analytical research design followed by multiple regression analysis was employed. Using the Morgan and Krejcie table, a sample of 351 respondents was selected through stratified proportionate sampling from a population of 3,752 customers. Data were collected via self-administered questionnaires distributed by trained research assistants and analyzed using SPSS version 16. The findings revealed slightly above-average customer satisfaction influenced by perceived usefulness, ease of use, and trust. The authors emphasized that banks should remain innovative and proactive. The study suggested focusing on individual customers and increasing awareness through exhibitions and technological advancements.

## RESEARCH METHODOLOGY

The present study adopts a descriptive research design to analyze the level of customer satisfaction towards digital banking services, along with the factors influencing adoption, challenges faced by users, and perceptions regarding security and privacy. The study was conducted in Coimbatore City, focusing on customers who use digital banking services such as mobile banking, internet banking, and digital payment platforms. A sample size of 50 respondents was selected using the convenience sampling technique, where respondents were chosen based on their availability and willingness to participate. Both primary and secondary data were used for the study. Primary data were collected through a structured questionnaire, while secondary data were gathered from research journals, books, and previous studies related to digital banking. The collected data were coded, tabulated, and analyzed using SPSS software, applying statistical tools such as the Frequencies which is used to summarize and present data by showing how often each category occurs in a dataset. and ANOVA to compare satisfaction among more than two groups. The study tested hypotheses related to differences in customer satisfaction based on demographic variables, the relationship between factors influencing adoption and customer satisfaction, and the relationship between perceptions of security and privacy and customer satisfaction. The study was conducted during the period of November 2025 to March 2026.

## DATA ANALYSIS AND INTERPRETATION

Data analysis refers to the systematic application of statistical techniques to describe, summarize, and interpret the collected data. In this study, the data collected through questionnaires were coded, tabulated, and analyzed

using SPSS software to draw meaningful conclusions regarding customer satisfaction towards digital banking adoption.

**FREQUENCY TABLE**
A frequency table is used to summarize and present data by showing how often each category occurs in a dataset. It provides information about the number of respondents in each category, the percentage they represent out of the total sample, and the cumulative percentage. This helps in understanding the overall distribution of the data in a clear and simple manner.

**Table No 1**

**Gender**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | Male | 33 | 66.0 | 66.0 | 66.0 |
| | Female | 17 | 34.0 | 34.0 | 100.0 |
| | Total | 50 | 100.0 | 100.0 | |

The gender-wise analysis reveals that out of 50 respondents, **33 respondents (66%) are male** and 17 respondents (34%) are female. This shows that male respondents form the majority of the sample, while female respondents account for a smaller share. The higher representation of male
respondents may indicate greater participation or accessibility of digital banking services among males in the study area.

**Table No 2**

**Age**

| | | Frequency | Percent | Valid Percent | Cumulative Percent |
|---|---|---|---|---|---|
| Valid | 18-25 | 32 | 64.0 | 64.0 | 64.0 |
| | 26-35 | 13 | 26.0 | 26.0 | 90.0 |
| | 36-45 | 3 | 6.0 | 6.0 | 96.0 |
| | Above 45 | 2 | 4.0 | 4.0 | 100.0 |
| | Total | 50 | 100.0 | 100.0 | |

The age-wise distribution shows that **32 respondents (64%)** belong to the **18–25 years** age group, followed by 13 respondents (26%) in the 26–35 years category. Only a small number of respondents fall within the 36–45 years (6%) and above 45 years (4%) age groups. This indicates that the sample is largely dominated by young adults, suggesting that younger individuals are more actively involved in or comfortable with using digital banking services compared to older age groups.

**ANOVA (Analysis of Variance)**
Analysis of Variance (ANOVA) is a statistical technique used to determine whether there are significant differences between the mean values of more than two groups. In the present study, ANOVA is employed to examine whether customer satisfaction toward digital banking adoption varies across different demographic groups such as age, income, and occupation. By comparing the mean satisfaction levels among these groups, ANOVA helps identify whether demographic factors have a meaningful influence on customers' perceptions and adoption of digital banking services. The application of ANOVA enables the study to statistically validate group-wise differences and provides insights into how demographic characteristics shape customer satisfaction and acceptance of digital banking.

**Table No 3**

**ANOVA**

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| I am satisfied with the digital banking services provided by my bank | Between Groups | 40.389 | 11 | 3.672 | 14.518 | .000 |
| | Within Groups | 9.611 | 38 | .253 | | |
| | Total | 50.000 | 49 | | | |
| Digital banking makes my banking work easier | Between Groups | 12.701 | 11 | 1.155 | 5.946 | .000 |
| | Within Groups | 7.379 | 38 | .194 | | |
| | Total | 20.080 | 49 | | | |
| I am satisfied with the speed of digital banking transactions | Between Groups | 10.538 | 11 | .958 | 1.804 | .088 |
| | Within Groups | 20.182 | 38 | .531 | | |
| | Total | 30.720 | 49 | | | |
| Digital banking services are available whenever I need it | Between Groups | 18.508 | 11 | 1.683 | 4.148 | .000 |
| | Within Groups | 15.412 | 38 | .406 | | |
| | Total | 33.920 | 49 | | | |
| Overall,I am satisfied with my experience using digital banking | Between Groups | 21.867 | 11 | 1.988 | 8.533 | .000 |
| | Within Groups | 8.853 | 38 | .233 | | |
| | Total | 30.720 | 49 | | | |

**Interpretation**

A one-way ANOVA test was conducted to see whether different demographic groups differ in their views on digital banking services. Satisfaction with digital banking services provided by the bank shows a significant difference among groups ($F = 14.518$, $p < 0.05$). The opinion that digital banking makes banking work easier also differs significantly ($F = 5.946$, $p < 0.05$).

Availability of digital banking services whenever needed shows group differences as well ($F = 4.148$, $p < 0.05$). Overall satisfaction with the digital banking experience is also significantly different across groups ($F = 8.533$, $p < 0.05$). These values indicate that demographic factors influence many satisfaction measures. However, satisfaction with transaction speed does not differ significantly among groups ($F = 1.804$, $p > 0.05$). This means most respondents feel similarly about transaction speed. So, most perception factors vary by group, but speed does not.

Overall, demographic differences matter in digital banking satisfaction except for speed.

**Table No 4**

**ANOVA**

| | | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|---|
| Digital banking is convenient for my regular banking activities | Between Groups | 19.601 | 13 | 1.508 | 5.787 | .000 |
| | Within Groups | 9.379 | 36 | .261 | | |
| | Total | 28.980 | 49 | | | |
| Digital banking applications are easy to use and understand | Between Groups | 25.650 | 13 | 1.973 | 5.435 | .000 |
| | Within Groups | 13.070 | 36 | .363 | | |
| | Total | 38.720 | 49 | | | |
| I use digital banking because it saves time compared to visiting a bank | Between Groups | 24.896 | 13 | 1.915 | 3.730 | .001 |
| | Within Groups | 18.484 | 36 | .513 | | |
| | Total | 43.380 | 49 | | | |
| The quality of digital banking services influences my decision to use them | Between Groups | 35.788 | 13 | 2.753 | 3.626 | .001 |
| | Within Groups | 27.332 | 36 | .759 | | |
| | Total | 63.120 | 49 | | | |
| I feel safe while using digital banking | Between Groups | 33.036 | 13 | 2.541 | 5.986 | .000 |
| | Within Groups | 15.284 | 36 | .425 | | |
| | Total | 48.320 | 49 | | | |

**Interpretation**

To examine group differences in perceptions of digital banking, a one-way ANOVA was carried out. The results show significant differences among groups regarding convenience in regular banking activities ($F = 5.787$, $p <$

0.05), ease of use of digital banking applications (F = 5.435, p < 0.05), time-saving compared to visiting a bank (F = 3.730, p < 0.05), influence of service quality on usage (F = 3.626, p < 0.05), and feeling safe while using digital banking (F = 5.986, p < 0.05).  Overall, customers from different groups perceive these aspects of digital banking differently.

## FINDINGS

According to research on customer satisfaction with digital banking adoption, the majority of Coimbatore City customers favor digital banking services and generally enjoy using them. The study found that people like digital banking because it is convenient, easy to use, saves time, and available at any time. Demographic factors have a significant impact on many aspects of customer satisfaction and perceptions, including overall satisfaction, ease of banking work, convenience, application usability, time-saving benefits, service quality, and sense of safety, according to a one-way ANOVA-based statistical analysis. Different demographic groups perceive these features differently, indicating that the digital banking experience is influenced by customer background. However, none of the groups' perceptions of transaction speed differ in any discernible way. Despite the widespread acceptance of digital banking, the study's overall conclusion is that, with the exception of transaction speed, satisfaction levels vary across demographic groups in most areas.

## SUGGESTIONS

By improving security features like multi-factor authentication, biometric logins, and instant fraud alerts, banks can help customers feel more confident about protecting their money and personal data. This will help make digital banking safer. As frequent technical issues and transaction failures can frustrate users, improving system reliability is essential. This can be addressed by upgrading digital infrastructure and performing routine system maintenance. Customer support should also be faster and more responsive, with facilities like 24/7 helplines, live chat support, and quicker grievance redressal to assist customers whenever problems arise.  Additionally, digital banking applications should be optimized to work smoothly even in areas with poor or low internet connectivity, ensuring uninterrupted access for all users.

## CONCLUSION

The study examined customer satisfaction towards digital banking adoption in Coimbatore City, focusing on adoption factors, challenges, and security perceptions. The findings show that digital banking is widely accepted due to its convenience, ease of use, time-saving nature, and 24/7 accessibility. Most respondents are satisfied with digital banking services, especially in terms of transaction speed, convenience, and user-friendly applications. Factors such as ease of use, service quality, and accessibility play a key role in encouraging adoption. Security and privacy perceptions strongly influence customer satisfaction, with features like OTPs and authentication methods enhancing user confidence, though some concerns remain regarding data privacy, cyber fraud, and technical issues. ANOVA results indicate that customer satisfaction varies across demographic groups. Overall, while satisfaction levels are high, banks should improve system reliability, security measures, and customer support to ensure sustained adoption of digital banking services.

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