



Digital Banking as a Driver of Customer Experience and Satisfaction: A Study on Axis Bank

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Abstract

In recent years, digital banking has emerged as a key factor influencing how customers engage with financial institutions. The rapid adoption of online and mobile banking technologies has reshaped expectations, convenience, and satisfaction levels among banking customers. This study examines *Digital Banking as a Driver of Customer Experience and Satisfaction*, with a specific focus on Axis Bank customers in Indore. The research investigates how digital banking services, such as mobile apps, internet banking, e-statements, and 24/7 support, and secure transactions; contribute to overall customer experience and satisfaction. A mixed research approach, incorporating both quantitative surveys and qualitative feedback, was used to collect data from Axis Bank customers residing or working in Indore. Findings reveal that ease of use, transaction speed, security features, and service availability significantly impact customer satisfaction. Additionally, digital banking platforms that offer personalized and user-friendly interfaces lead to higher levels of customer loyalty and positive experience.

The study highlights that digital banking is no longer an optional service but a critical determinant of competitive advantage in the banking sector. Recommendations include continuous technological upgrades, customer education, and improved digital support systems to further enhance customer experience. This research contributes to the understanding of digital banking's role in fostering satisfaction and helps Axis Bank and other financial institutions tailor their digital strategies to meet evolving customer demands.

Keywords: *Digital Banking, Customer Experience, Customer Satisfaction, Service Quality, Online Banking*

Literature Review:

- ❖ In the digital age, banking has shifted from traditional brick-and-mortar services to technology-driven platforms that offer convenience, speed, and accessibility (Al-Hawari & Ward, 2006).
- ❖ Digital banking is defined as the delivery of financial services through digital channels such as mobile apps, internet banking, ATMs, and payment wallets (Khan & Khan, 2019).
- ❖ The adoption of digital banking has been influenced by advancements in information technology, increased internet penetration, and customer demand for faster financial services (Ramos-de-Luna et al., 2018).
- ❖ Digital channels play a crucial role in shaping customer experience by providing seamless, personalized, and hassle-free service delivery (Laukkanen, 2016).
- ❖ Researchers have consistently reported that digital banking enhances customer convenience, reduces waiting times, and improves overall satisfaction compared to traditional banking methods (Akinci et al., 2004; Amin, 2016).
- ❖ Several studies have explored the relationship between digital banking and customer satisfaction. Venkatesh et al. (2003) proposed the Unified Theory of Acceptance and Use of Technology (UTAUT), which explained how performance expectancy, effort expectancy, social influence, and facilitating conditions affect technology adoption. In the context of banking, perceived usefulness and ease of use positively influence customer satisfaction and loyalty towards digital services (Dabholkar & Bagozzi, 2002; Oliveira et al., 2014). Research by Khalil et al. (2018) found that mobile banking users reported higher satisfaction levels when services were reliable, secure, and user-friendly.
- ❖ Studies on Indian banks reported similar findings. Mishra and Singh (2015) highlighted that customers value digital banking for its ability to save time and provide 24/7 access to services. Bhattacharya and Ramkrishna (2020) emphasized the importance of security, privacy, and technological reliability as key

determinants of customer satisfaction in digital banking. Moreover, UPI (Unified Payments Interface) adoption in India has further accelerated digital transactions by enhancing speed and convenience (Kumar et al., 2021).

- ❖ Research focusing on private sector banks like Axis Bank shows that investment in robust digital platforms improves service quality and customer engagement (Sharma & Singh, 2022). Customers tend to prefer banks that offer multi-channel access, intuitive mobile applications, and efficient complaint resolution mechanisms (Singh & Kaur, 2019). However, challenges such as cyber security threats, digital illiteracy, and inconsistent internet connectivity remain barriers to optimal customer satisfaction (Saha & Banerjee, 2020).

Research Methodology:

The methodology of this study explains the complete procedure followed to conduct the research in a systematic and organized manner. It describes how the data was collected, who the participants were, and the techniques used for analyzing the information.

For this research, **primary data** was collected through a survey method. A well-structured questionnaire was prepared and distributed to respondents using Google Forms to gather their direct opinions, views, and experiences regarding banking services. In addition to primary data, **secondary data** was collected from various published sources such as research journals, academic articles, books, and reliable online resources to support and strengthen the study.

The study was conducted exclusively among customers of Axis Bank in the Indore district. A total of **100 respondents** participated in the survey. The respondents were selected using a simple random sampling method to ensure fairness and minimize bias in the selection process.

For analyzing and interpreting the collected data, percentage analysis and graphical tools were used. These methods helped in presenting the findings in a clear and understandable manner.

Objectives:

1. To Determine the Customer satisfaction towards the banking services provided by the selected bank.
2. To determine the overall customer experience towards the digital banking of selected bank in selected area.
3. To provide the valuable suggestions to the banks for the improvement of digital banks.

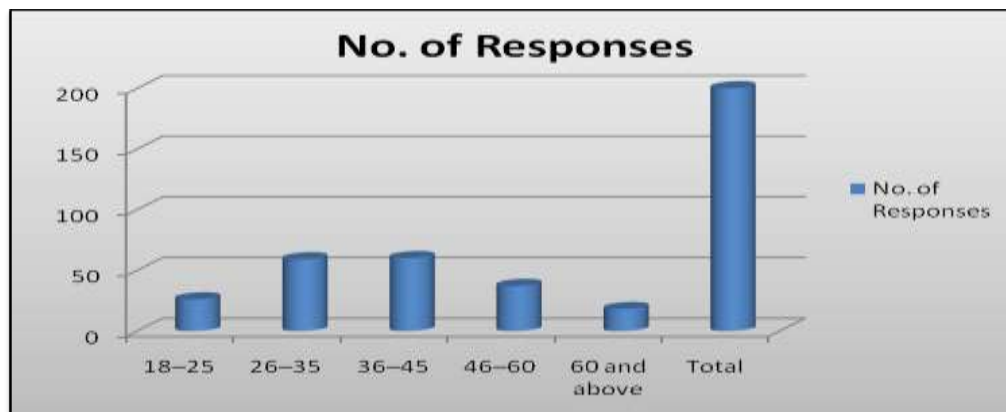
Limitations of the Study:

- The results of the study may not be completely applicable to all customers because the sample is restricted to a specific region, particular demographic group, and a single bank. This limitation may lead to some level of bias in the findings.
- The digital banking sector is continuously evolving with the introduction of new technologies, updated features, and improved security systems. Therefore, the findings of the study may become outdated over time as banking services continue to change.
- Various external factors such as changes in economic conditions, government regulations, cyber security threats, and differences in customers' digital knowledge and skills can also affect customer satisfaction. However, these factors may not have been fully examined or measured in the study.

Overview of How the Data Was Gathered

Table 1 & Fig 1

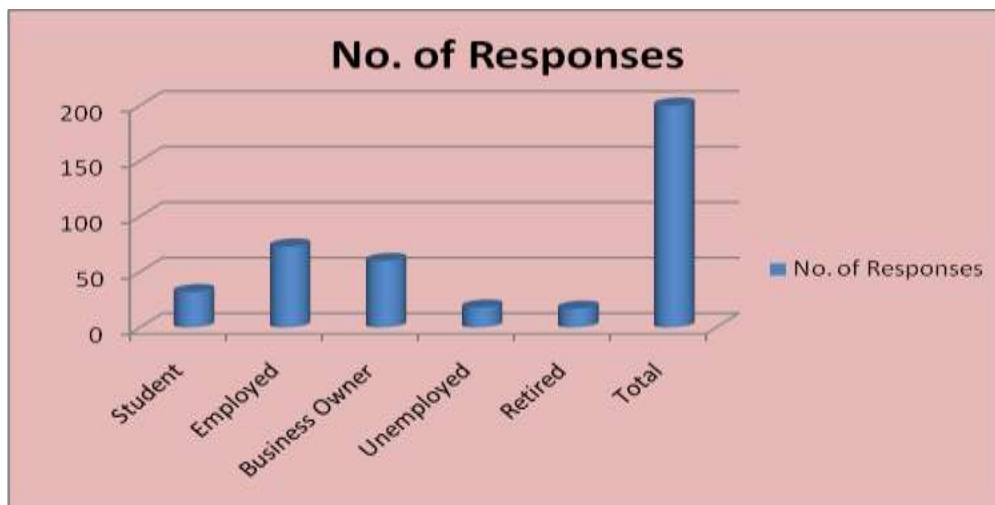
Age Group	No. of Responses	Percentage (%)
18–25	26	13.00%
26–35	59	29.50%
36–45	60	30.00%
46–60	37	18.50%
60 and above	18	9.00%
Total	200	100%



Interpretation: The table shows that the majority of respondents belong to the 36–45 years age group (30.0%), followed closely by the 26–35 years group (29.5%). This indicates that most banking users in the study are from the active working-age population. The 46–60 years group accounts for 18.5%, while 18–25 years represent 13.0% of the sample. The smallest proportion (9.0%) belongs to respondents aged 60 years and above. Overall, the findings show that banking services are mainly used by individuals between 26 and 45 years of age.

Table 2 & Fig 2

Employment Status	No. of Responses	Percentage (%)
Student	32	16.00%
Employed	73	36.50%
Business Owner	60	30.00%
Unemployed	18	9.00%
Retired	17	8.50%
Total	200	100%



Interpretation: The table shows that the largest group of respondents is employed individuals, accounting for 36.5% of the total sample. This indicates that salaried persons form the major portion of banking users in the study.

Business owners represent 30.0%, showing that a significant number of self-employed individuals also actively use banking services.

Students make up 16.0% of the respondents, reflecting moderate participation from the younger population. Meanwhile, unemployed (9.0%) and retired individuals (8.5%) form the smallest groups in the study.

Overall, the findings suggest that banking services are primarily used by employed and business-class individuals in the selected area.

Analysis of Data and Interpretation

- How many years have you been associated with digital banking?

Table 3 & Fig 3

Time Period	No. of Responses	Percentage (%)
Less than 1 year	26	13.00%
1–3 years	135	67.50%
3–5 years	34	17.00%
More than 5 years	5	2.50%
Total	200	100%



Interpretation: The table shows that the majority of respondents (67.5%) have been associated with the bank for 1–3 years, indicating that most customers are relatively recent but active users of banking services.

About 17.0% of respondents have been customers for 3–5 years, showing a moderate level of long-term association. Meanwhile, 13.0% have been using the bank for less than 1 year, reflecting the presence of new customers.

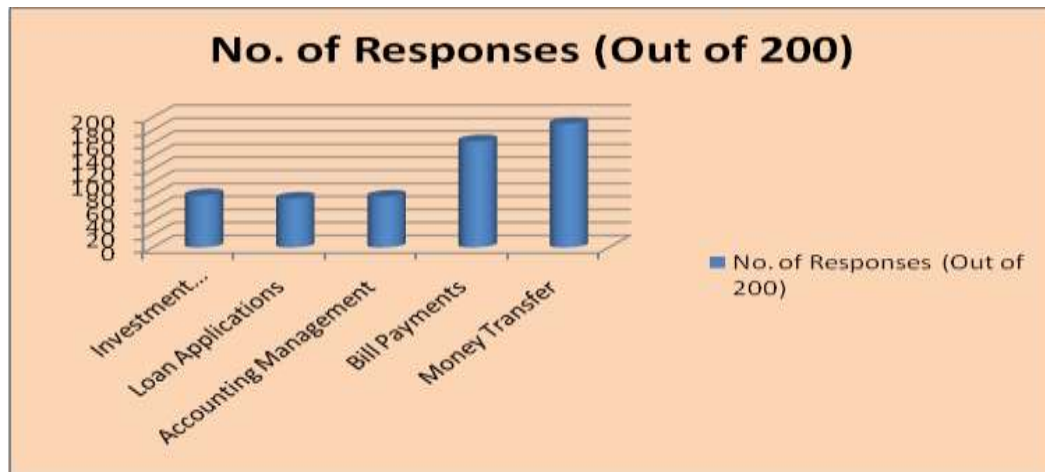
Only 2.5% of respondents have been associated with the bank for more than 5 years, representing the smallest group in the study.

Overall, the findings suggest that most customers have a banking relationship ranging between one to three years.

2. What do you usually do using digital banking?

Table 4 & Fig 4

Banking Service	No. of Responses (Out of 200)
Investment Management	80
Loan Applications	75
Accounting Management	78
Bill Payments	163
Money Transfer	190



Interpretation: The table indicates that Money Transfer is the most widely used banking service, with 190 out of 200 respondents utilizing it. This shows that customers primarily depend on banking services for transferring funds.

Bill Payments is the second most commonly used service, with 163 respondents, highlighting the growing preference for digital payment facilities.

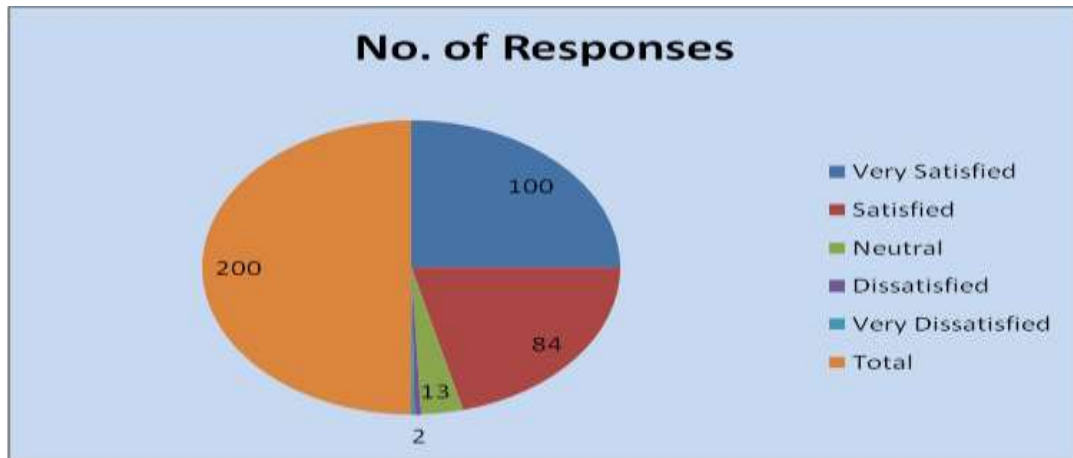
Services such as Investment Management (80 respondents), Accounting Management (78 respondents), and Loan Applications (75 respondents) are comparatively less used.

Overall, the findings suggest that customers mainly use banking services for regular financial transactions like money transfer and bill payments, while advanced financial services are used by fewer customers.

3. Are you satisfied with the convenience of digital banking?

Table 5 & Fig 5

Satisfaction Level	No. of Responses	Percentage (%)
Very Satisfied	100	50.00%
Satisfied	84	42.00%
Neutral	13	6.50%
Dissatisfied	2	1.00%
Very Dissatisfied	1	0.50%
Total	200	100%



Interpretation: The table shows that the majority of respondents are satisfied with the banking services. Half of the respondents (50.0%) are very satisfied, while 42.0% are satisfied, indicating a high overall level of customer satisfaction.

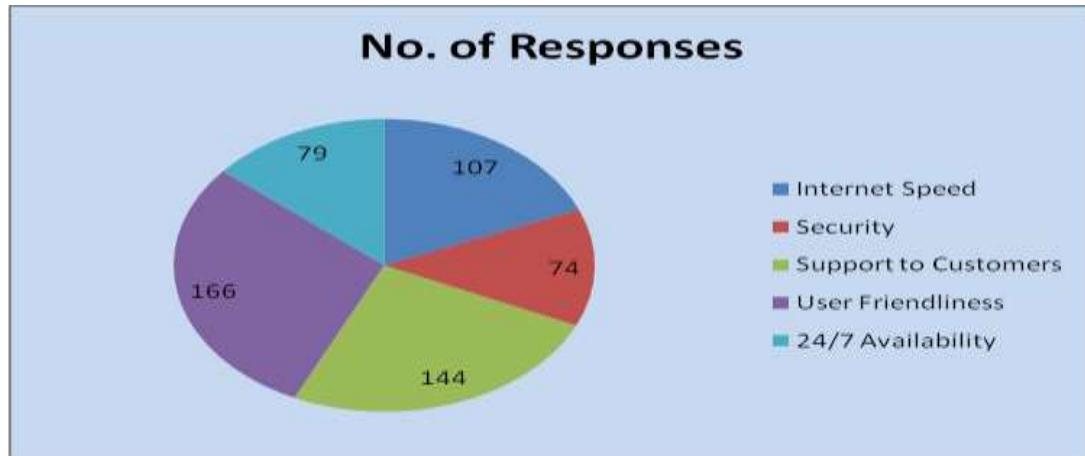
Only 6.5% of respondents expressed a neutral opinion. A very small proportion reported dissatisfaction, with 1.0% being dissatisfied and 0.5% being very dissatisfied.

Overall, the findings clearly suggest that most customers have a positive perception of the bank's services, reflecting a strong level of satisfaction among users.

4. Which digital banking features matter the most to you?

Table 6 & Fig 6

Factor	No. of Responses	Percentage (%)
Internet Speed	107	53.50%
Security	74	37.00%
Support to Customers	144	72.00%
User Friendliness	166	83.00%
24/7 Availability	79	39.50%



Interpretation: The table shows that User Friendliness is the most appreciated feature, with 83.0% of respondents highlighting it. This indicates that customers find the banking platform easy and convenient to use.

Support to Customers is the second most valued factor, with 72.0% of respondents recognizing it as an important aspect. This suggests that customer assistance plays a significant role in satisfaction.

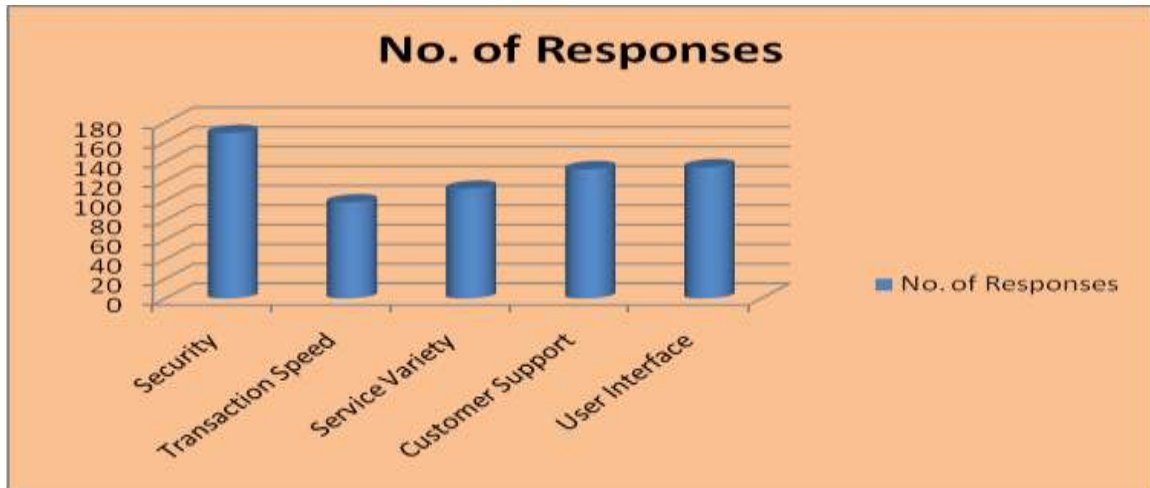
More than half of the respondents (53.5%) consider Internet Speed an important factor. However, comparatively fewer respondents emphasized 24/7 Availability (39.5%) and Security (37.0%).

Overall, the findings suggest that ease of use and customer support are the strongest factors influencing customer perception, while security and round-the-clock availability are considered important but by fewer respondents.

5. Which digital banking feature do you think needs to get better?

Table 7 & Fig 7

Factor	No. of Responses	Percentage (%)
Security	169	84.50%
Transaction Speed	98	49.00%
Service Variety	112	56.00%
Customer Support	132	66.00%
User Interface	134	67.00%



Interpretation: The table shows that Security is the most important factor, with 84.5% of respondents highlighting it. This indicates that customers are highly concerned about the safety and protection of their digital transactions.

User Interface (67.0%) and Customer Support (66.0%) are also considered significant factors by a large number of respondents, showing that ease of use and proper assistance strongly influence customer satisfaction.

More than half of the respondents (56.0%) value Service Variety, suggesting that customers expect multiple facilities through digital banking platforms. Meanwhile, Transaction Speed (49.0%) is considered important by nearly half of the respondents.

Overall, the findings suggest that security remains the top priority for customers, followed by user-friendly design and effective customer support services.

Findings:

- ✓ A significant proportion of digital banking users fall within the **36–45 years** age group, indicating that individuals in this age category are more active and comfortable using online banking facilities.

- ✓ The majority of respondents are either **employed professionals or business owners**, suggesting that individuals engaged in regular financial activities depend more on digital banking services.
- ✓ Out of the **200 respondents**, approximately **130 individuals** are either salaried employees or running their own businesses. This shows that digital banking is particularly beneficial for them as it saves time and supports their routine financial transactions.
- ✓ Around **107 respondents** hold accounts in JK Bank and nearly **36 in SBI**, showing that these banks are comparatively more preferred. The remaining **57 respondents** have accounts in Axis Bank, HDFC, and other banks.
- ✓ A large number of respondents, about **135 out of 200**, have been using digital banking for **1–3 years**, which reflects the growing adoption of digital banking services in recent years.
- ✓ Nearly **190 respondents (around 95%)** mainly use digital banking for **money transfers**, while about **162 respondents (around 81%)** use it for **bill payments**, indicating that routine and quick transactions are the primary purposes of usage.
- ✓ About **100 respondents** reported being highly satisfied with the overall convenience offered by digital banking, which shows that most users have a positive experience.
- ✓ Among all participants, approximately **166 respondents** stated that **user friendliness** is the feature they value the most, as it enables easy access to banking services at any time.
- ✓ Around **170 respondents (about 85%)** believe that **security measures need significant improvement**, reflecting users' concerns regarding safety during digital transactions.
- ✓ Nearly **132 respondents** feel that **customer support services should be enhanced**, indicating the need for faster and more effective assistance in digital banking.

Suggestions:

- Since most users belong to the 36–45 age groups, banks should design targeted digital awareness programs for younger (18–25) and senior citizens (60+) to increase adoption among these groups.
- As employed individuals and business owners are the major users, banks should introduce more customized digital features such as business payment solutions, automated accounting tools, and faster transaction services to support their financial needs.
- Because money transfer and bill payment are the most frequently used services, banks should ensure faster processing speed, minimal transaction failure, and a smooth user experience in these areas.
- A large number of respondents have emphasized user friendliness. Therefore, banks should continue improving the mobile app and website interface, making them simpler, clearer, and more accessible for all age groups.
- Since many respondents feel that security needs improvement, banks must strengthen cyber security measures by introducing advanced encryption, two-factor authentication, biometric verification, and regular security update. Awareness programs on safe digital practices should also be conducted.
- As several respondents suggested improvement in customer support, banks should enhance their helpline services, provide 24/7 live chat assistance, reduce response time, and ensure quick resolution of complaints.
- Banks should also conduct regular feedback surveys to monitor customer satisfaction and identify areas needing improvement.
- To increase long-term usage, banks can provide incentives such as cash back offers, reward points, and reduced service charges for digital transactions.

Conclusion:

The present study highlights the growing importance and acceptance of digital banking services among customers. The findings reveal that individuals in the 36–45 years age

group, particularly employed professionals and business owners, are the most active users of digital banking. This indicates that people with regular financial responsibilities prefer digital platforms due to convenience, speed, and time-saving benefits.

The study further shows that money transfer and bill payment are the primary purposes for which customers use digital banking services. A majority of respondents expressed satisfaction with the overall convenience and user friendliness of digital banking platforms, reflecting a generally positive customer experience.

However, the research also identifies certain areas that require improvement. A large proportion of respondents expressed concerns regarding security measures and the need for better customer support services. These issues highlight the importance of strengthening cyber security systems and improving responsiveness in handling customer queries and complaints.

Overall, the study concludes that digital banking has become an essential and widely accepted banking channel. While customers are largely satisfied with its convenience and ease of use, continuous improvements in security, technical efficiency, and customer service are necessary to enhance trust, increase long-term adoption, and ensure sustainable growth of digital banking services.

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