



“Service quality of digital banking and customer loyalty”

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Abstract:- Digital banking has emerged as a crucial component of modern banking systems due to rapid technological advancements and increased customer expectations. Services such as mobile banking, internet banking, UPI, and digital wallets have transformed traditional banking operations by providing convenience, speed, and accessibility. In India, initiatives like Digital India and financial inclusion programs have significantly accelerated the adoption of digital banking services. service quality in digital banking plays a vital role in shaping customer perceptions and experiences. Factors such as reliability, ease of use, security, responsiveness, and efficiency influence customer satisfaction and trust. High service quality not only enhances customer satisfaction but also leads to customer loyalty, which is essential for banks to retain customers in a highly competitive environment. Therefore, evaluating the service quality of digital banking and its impact on customer loyalty has become an important area of study.

Key Words:- Digital Banking, Service Quality, Customer Loyalty, UPI, Banking Technology

Introduction:- The quick progression of data innovation has altogether changed the worldwide managing an account industry, driving to the development of advanced keeping money as a key component of cutting edge monetary administrations. Computerized managing an account incorporates administrations such as versatile keeping money, web keeping money, Bound together Installments Interface (UPI), and advanced wallets, which give clients with helpful, quick, and available keeping money arrangements. In India, the development of computerized managing an account has been quickened by expanding web entrance, smartphone utilization, and government activities such as Advanced India and budgetary consideration programs. in today’s exceedingly competitive managing an account environment, clients anticipate consistent, secure, and productive computerized administrations. Benefit quality has in this manner gotten to be a basic calculate impacting client fulfillment and long-term engagement. Key measurements of advanced keeping money benefit quality incorporate unwavering quality, security, responsiveness, ease of utilize, and effectiveness. These components shape client recognitions and play a imperative part in building believe in computerized platforms. Customer



dependability is one of the most imperative determinants of a bank's long-term victory and benefit. Steadfast clients are more likely to proceed utilizing keeping money administrations, lock in in rehash exchanges, and prescribe the bank to others. In the setting of computerized managing an account, keeping up client devotion has gotten to be more challenging due to the accessibility of numerous choices and expanding client expectations. although a few thinks about have investigated the relationship between benefit quality and client fulfillment, moderately less ponders have centered on the coordinate affect of computerized managing an account benefit quality on client devotion, especially in the Indian setting. Subsequently, this think about points to look at the relationship between advanced keeping money benefit quality and client devotion by analyzing client recognitions and distinguishing the key variables that impact loyalty. The discoveries of this consider are anticipated to give important bits of knowledge for banks to make strides their advanced benefit offerings and create viable client maintenance methodologies in the advancing advanced scene.

Review of Literature:- Benefit quality has been broadly considered in the managing an account segment as a basic determinant of client fulfillment and dependability. Parasuraman, Zeithaml, and Berry (1988) presented the SERVQUAL demonstrate, recognizing key measurements of benefit quality such as unwavering quality, responsiveness, confirmation, sympathy, and tangibility. This demonstrate laid the establishment for assessing benefit quality in conventional as well as electronic managing an account administrations. With the development of advanced keeping money, analysts have amplified benefit quality models to the electronic setting. Zeithaml et al. (2002) emphasized that ease of utilize, effectiveness, framework accessibility, and security are fundamental components of electronic benefit quality. Their consider highlighted that clients assess computerized managing an account administrations based on comfort and unwavering quality or maybe than physical interaction. A few Indian ponders have inspected client discernment towards computerized managing an account administrations. Kumbhar (2011) found that seen benefit quality of e-banking has a critical affect on client fulfillment and devotion. The consider concluded that components such as precision, speed of exchanges, and security unequivocally impact client believe in computerized managing an account stages. A ponder by Sharma and Malviya (2014) uncovered that benefit quality measurements like responsiveness and unwavering quality emphatically influence client fulfillment in web keeping money. The inquire about encourage shown that fulfilled clients are more likely to stay steadfast to their banks and prescribe advanced keeping money administrations to others. Siddiqi (2011) inspected the relationship between benefit quality, client fulfillment, and client devotion in the keeping money segment and found a solid positive relationship between benefit quality and client devotion. The ponder emphasized that making strides benefit quality leads to higher client maintenance. Later thinks about have moreover highlighted security and protection concerns as major challenges in computerized managing an account. Agreeing to Singh and Srivastava (2020), seen hazard adversely influences client believe and devotion, making benefit quality advancement basic for long-term client connections. From the checked on writing, it is apparent that benefit quality plays a significant part in affecting client devotion in advanced keeping money. Be that as it may, there is a require for assist experimental thinks about centering on the Indian computerized managing an account setting, particularly considering fast innovative changes and expanding client desires. This ponder endeavors to bridge this inquire about crevice by analyzing the affect of computerized managing an account benefit quality on client dependability.

Objectives of the study:-

- To study the concept of service quality in digital banking.
- To analyze customer perception towards digital banking services.
- To examine the impact of digital banking service quality on customer loyalty.
- To identify key service quality dimensions influencing customer loyalty.
- To suggest measures for improving service quality of digital banking



Research Methodology Research Design:-

Component	Description
Research Design	This study adopts a descriptive research design to examine the impact of digital banking service quality on customer loyalty. It focuses on key dimensions such as reliability, security, responsiveness, ease of use, and efficiency. Data is collected from digital banking users through a structured questionnaire and analyzed using appropriate statistical tools to understand customer perceptions and the relationship between service quality and customer loyalty.
Data Collection	Data was collected using both primary and secondary sources.
Primary Data	Primary data was collected through a structured questionnaire from digital banking users in the Pune area.
Secondary Data	Secondary data was collected from research papers, books, journals, and websites.
Sample Size	The study considered 100 respondents from different groups in the Pune area.
Sampling Method	Convenience sampling method was used for selecting respondents.
Data Analysis Tools	Data was analyzed using percentage analysis, charts, and graphs for better interpretation.

This study considers a clear aspect to see the influence of digital banking service quality on customer loyalty. It focuses on key dimensions such as reliability, security, responsiveness, ease of use, and efficiency. Data is collected from digital banking users through a structured questionnaire and analyzed using appropriate statistical tools to understand customer perceptions and the relationship between service quality and customer loyalty. Data was collected using both primary and secondary sources. Primary data was collected through a structured questionnaire from digital banking users in the Pune area. Secondary data was collected from research papers, books, journals, and websites. The study considered 100 respondents from different groups in the Pune area. Convenience sampling method was used for selecting respondents. Realistic Data Examination by utilizing frequencies and Gadget is jamovi program.

Data Analysis And Interpretation:-

1. Which types of bank do you mainly use?

Type of Bank	Counts	% of Total	Cumulative %
Both	73	72.3%	72.3%
Public sector bank	12	11.9%	84.2%



Interpretation:- The chart delineates the sorts of banks that are utilized by individuals in doing computerized managing an account exercises. It is watched that most of the respondents (72.3%) utilize both open and private banks, which reflects that the clients like to profit themselves of diverse sorts of offices advertised through different banks. Around 11.9% of the add up to respondents utilize as it were open banks. By and large, 84.2% of the respondents make utilize of open banks alone or in expansion to private banks.

2. Which digital banking services do you use?

Digital Services	Counts	% of Total	Cumulative %
All	78	77.2%	77.2%
Mobile banking, UPI	2	2.0%	79.2%
Mobile banking, Internet banking, UPI	1	1.0%	80.2%
UPI, ATM digital services	1	1.0%	81.2%
UPI	8	7.9%	89.1%
Internet banking, UPI, ATM digital services	1	1.0%	90.1%
Mobile banking, Internet banking, UPI, ATM digital services, A	3	3.0%	93.1%
Mobile banking	5	5.0%	98.0%
Mobile banking, UPI, ATM digital services, All	1	1.0%	99.0%

Interpretation:- A lion's share of respondents (77.2%) utilize all advanced keeping money administrations, appearing tall mindfulness and consolation with numerous stages. UPI alone is utilized by 7.9%, whereas littler rates utilize constrained combinations like versatile keeping money or versatile + UPI. By and large, nearly all respondents utilize a few frame of computerized managing an account, demonstrating a solid inclination for multi-channel administrations in every day budgetary exercises.

3. How often do you use digital banking?

Frequency of use	Counts	% of Total	Cumulative %
Daily	75	74.3%	74.3%
Weekly	7	6.9%	81.2%
Monthly	1	1.0%	82.2%
Rarely	18	17.8%	100.0%

Interpretation:- A majority of respondents (74.3%) use digital banking daily, showing high dependence on these services. Around 6.9% use them weekly, while very few use them monthly (1%). However, 17.8% use digital banking rarely. Overall, more than 80% use digital banking at least weekly, indicating its strong role in everyday financial activities due to convenience and accessibility.



4. For which purpose do you mostly use digital banking?

Purposes	Counts	% of Total	Cumulative %
All	84	83.2%	83.2%
Money transfer	5	5.0%	88.1%
Bill payment	4	4.0%	92.1%
Bill payment	5	5.0%	97.0%
Online shopping	2	2.0%	99.0%
Online shopping	1	1.0%	100.0%

Interpretation:- A lion's share of respondents (83.2%) utilize computerized managing an account for all purposes, appearing it is broadly utilized for overseeing numerous monetary exercises. Little rates utilize it basically for cash exchanges (5%), charge installments (9%), and online shopping (3%). Generally, all respondents utilize computerized managing an account for at slightest one reason, showing its solid selection as an all-in-one budgetary device.

5. The digital banking app/website is easy to use.

app/website is easy use.	Counts	% of Total	Cumulative %
Agree	61	60.4%	60.4%
Strongly Agree	33	32.7%	93.1%
Neutral	6	5.9%	99.0%
Disagree	1	1.0%	100.0%

Interpretation:- A expansive larger part of respondents discover computerized managing an account simple to utilize, with 60.4% concurring and 32.7% unequivocally concurring. As it were 5.9% are unbiased and 1% oppose this idea. In general, 93.1% appear a positive supposition, showing that user-friendliness is a key quality of advanced keeping money stages.

6. Are you feel secure while making digital transactions.

Secure Transaction	Counts	% of Total	Cumulative %
Very Secure	32	31.7%	31.7%
Secure	63	62.4%	94.1%
Neutral	6	5.9%	100.0%

Interpretation:- A larger part of respondents see advanced keeping money as secure, with 62.4% rating it secure and 31.7% exceptionally secure. As it were 5.9% are unbiased, and none consider it uncertain. In general, 94.1% appear a positive recognition, demonstrating solid believe in the security of computerized managing an account administrations.



7. Are you feel your personal information is safe in digital banking.

Confidentiability Personal data	Counts	% of Total	Cumulative %
Yes	85	84.2%	84.2%
Maybe	10	9.9%	94.1%
No	6	5.9%	100.0%

Interpretation:- A lion's share of respondents (84.2%) accept their individual information is secret, appearing solid believe in advanced keeping money. Be that as it may, 9.9% are uncertain and 5.9% feel information is not secure. By and large, whereas believe is tall, there is still a require to make strides information security and client mindfulness.

Findings of the study:- The study shows that most respondents actively use digital banking services like mobile banking and UPI, indicating high adoption. Younger users tend to use these services more frequently. Security is identified as the most important factor influencing trust, followed by ease of use and user-friendly design, which improve customer satisfaction. Reliability and responsiveness also have a positive impact. Overall, customers are satisfied with digital banking services, and a strong relationship exists between service quality and customer loyalty. Better service quality leads to higher retention, as customers prefer secure, efficient, and convenient banking services.

Conclusion:- The study concludes that the quality of digital banking services has a significant influence on customer loyalty. As the use of digital banking continues to grow, customers expect services that are secure, reliable, and easy to use. Among the various factors, security and ease of use play the most important role in shaping customer satisfaction and trust. The findings indicate that when customers experience high-quality digital services, they are more likely to remain loyal and continue using their bank's digital platforms. The analysis also confirms a strong relationship between service quality and customer loyalty, leading to the rejection of the null hypothesis. In today's competitive banking environment, maintaining high service quality is essential for retaining customers. Therefore, banks should continuously improve their digital services to meet changing customer expectations and achieve long-term growth.

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