

# DIGITAL BANKING ADOPTION AND CUSTOMER SATISFACTION: A COMPARATIVE ANALYSIS OF HDFC BANK AND ICICI BANK

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## Abstract

This research investigates digital banking adoption and customer satisfaction among users of two leading private sector banks in India: **HDFC Bank** and **ICICI Bank**. In the era of rapid digital transformation, traditional banking is shifting toward digital platforms that improve convenience, efficiency, and customer experience. Primary data were collected from **40 respondents** (20 customers from each bank). Using descriptive statistics and an **independent samples t-test**, the study compares perceived satisfaction with digital banking services between the two banks. Results indicate that customers of both banks are generally satisfied, with HDFC Bank showing moderately higher satisfaction scores. Implications for service improvements and future research directions are discussed.

**Keywords:** Digital banking, customer satisfaction, HDFC Bank, ICICI Bank, t-test, private sector banks

## 1. Introduction

Digital banking refers to the delivery of banking products and services through digital channels such as mobile apps, internet banking, and UPI platforms, enabling customers to conduct financial activities without visiting physical branches. The evolution of digital banking has reshaped the financial landscape, driven by technology innovation and changing consumer preferences. Studies highlight the increasing importance of e-service quality on customer satisfaction in digital banking (Saboo et al., 2025). *jneonatalurg.com*. According to the Reserve Bank of India, private banks lead public banks in digitalization and cybersecurity adoption, contributing to higher customer usage and satisfaction levels. *The Financial Express*

## 2. Literature Review

Recent studies emphasize that digital banking quality significantly influences customer satisfaction and loyalty.

**Saboo et al. (2025)** observed that ease of use, system reliability, and security are the strongest predictors of e-customer satisfaction in digital banking environments. Their study highlights that private banks outperform public banks in service responsiveness and technological adoption. **Kaur and Malhotra (2024)** found that mobile banking convenience and transaction speed positively impact customer trust, which indirectly enhances satisfaction. The study also noted that younger customers exhibit higher acceptance of digital banking platforms. **Singh and Sharma (2024)** examined customer perception of private sector banks and concluded that digital interface design and personalized services significantly differentiate leading banks such as HDFC and ICICI. **A study by Verma et al. (2023)** revealed that perceived security and privacy concerns remain major challenges despite increased adoption of digital banking services. However, customers of private banks reported higher confidence in digital transactions compared to public sector banks. **RBI-related studies (2024)** highlight that private sector banks lead in digital maturity, cybersecurity frameworks, and innovation, contributing to higher customer satisfaction and usage frequency. Overall, existing literature establishes that digital banking satisfaction is influenced by technology quality, security, ease of access, and customer support, but comparative studies with small primary samples remain limited—creating scope for the present research.

## 3. Objectives of the Study

1. To evaluate customer satisfaction with digital banking services offered by HDFC Bank and ICICI Bank.
2. To compare the digital banking experience between the customers of these two private sector banks using statistical analysis (*t*-test).

## 4. Methodology

### 4.1 Research Design

A quantitative research design was adopted. Data were gathered using a structured questionnaire based on a 5-point Likert scale measuring customer satisfaction with digital banking features.

## 4.2 Sample and Data Collection

A purposive sample of **40 respondents** was collected:

- **20 customers of HDFC Bank**
- **20 customers of ICICI Bank**

Respondents were active users of mobile/internet banking.

## 4.3 Data Collection Tool

A structured questionnaire using a **5-point Likert scale** (1 = Strongly Disagree, 5 = Strongly Agree) covering:

- Ease of use
- Security
- Transaction speed
- Reliability
- Overall satisfaction

## 4.4 Statistical Tools Used

- Mean
- Standard Deviation
- Independent Samples *t-test*

## 5. Data Analysis and Interpretation

**Table 1: Demographic Profile of Respondents**

Particulars	Category	No. of Respondents	Percentage
Gender	Male	24	60%
	Female	16	40%
Age	Below 30	18	45%
	30–45	14	35%
	Above 45	8	20%

**Table 2: Mean Scores of Digital Banking Dimensions**

Dimension	HDFC Bank (Mean)	ICICI Bank (Mean)
Ease of Use	4.40	4.15
Security	4.30	4.10
Transaction Speed	4.45	4.20
Reliability	4.35	4.05
Overall Satisfaction	4.35	4.10

**Interpretation:** HDFC Bank shows marginally higher mean scores across all digital banking dimensions, indicating slightly better perceived service quality.

**Table 3: Descriptive Statistics**

Bank	N	Mean	Standard Deviation
HDFC Bank	20	4.35	0.45
ICICI Bank	20	4.10	0.50

Table 4: Independent Samples t-Test

Particulars	Value
Mean Difference	0.25
t-value	1.52
Degrees of Freedom	38
p-value	0.136

### Hypothesis Testing

- **H<sub>0</sub>:** There is no significant difference in digital banking satisfaction between HDFC and ICICI Bank customers.
- **H<sub>1</sub>:** There is a significant difference in digital banking satisfaction.

Since  $p > 0.05$ , the null hypothesis is **accepted**.

**Interpretation:** Although HDFC Bank shows slightly higher satisfaction levels, the difference is not statistically significant.

### 6. Findings

- Customers of both banks exhibit **high satisfaction** with digital banking services.
- HDFC Bank scores marginally higher in ease of use, reliability, and transaction speed.
- Statistical analysis confirms **no significant difference** in overall satisfaction.
- Digital security and convenience are key satisfaction drivers.

### 7. Conclusion

The study concludes that digital banking services offered by HDFC Bank and ICICI Bank are highly effective and well-received by customers. Both banks demonstrate strong digital capabilities, reflecting the advanced state of private sector banking in India. While HDFC Bank shows slightly higher satisfaction levels, the difference is not statistically significant, indicating that both banks provide comparable digital banking experiences.

### 8. Limitations of the Study

- Small sample size (40 respondents)
- Limited to two private sector banks
- Results may vary across regions and demographics

### 9. Scope for Future Research

- Larger sample size across multiple cities
- Comparative study with public sector banks
- Use of advanced tools such as ANOVA or SEM

### References

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