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IMPACT OF COMPUTERIZATION AND DIGITALISATION ON CUSTOMER SATISFACTION WITH PUBLIC SECTOR BANKS: A STUDY OF BELAGAVI DISTRICT

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ABSTRACT

This study examines the impact of computerization and digitalisation on customer satisfaction with public sector banks in Belagavi District. The banking sector has undergone significant technological transformation through computerized operations, internet banking, mobile banking, automated teller machines, digital payments, and other technology-enabled services. These developments have improved the speed, convenience, accessibility, and efficiency of banking services, while also changing customer expectations and service experiences. The study focuses on assessing customers' perceptions regarding the quality, reliability, security, accessibility, and responsiveness of digitally enabled banking services. It also examines the extent to which computerization and digitalisation contribute to overall customer satisfaction. Primary data may be collected from customers of selected public sector banks in Belagavi District through a structured questionnaire, supported by relevant secondary sources. The study is expected to identify major factors influencing customer satisfaction and highlight challenges such as technical difficulties, security concerns, service interruptions, and digital literacy. The findings may assist public sector banks in improving digital services and customer-oriented banking practices.

Keywords: Computerization, Digitalisation, Customer Satisfaction, Public Sector Banks, Digital Banking, Internet Banking, Mobile Banking, Digital Payments.

INTRODUCTION

Computerization and digitalisation have significantly transformed the functioning of the banking sector by replacing many traditional banking procedures with faster, technology-enabled services. Public sector banks have increasingly adopted computerized systems, automated teller machines, internet banking, mobile banking, digital payments, and other electronic services to improve operational efficiency and provide greater convenience to customers. These developments have changed the way customers access banking services and interact with their banks. Customer satisfaction has therefore become an important measure of the effectiveness of digital banking services, particularly in terms of accessibility, reliability, security, speed, convenience, and responsiveness. In Belagavi District, the growing use of digital banking has created new opportunities as well as challenges for customers with different levels of technological awareness and digital literacy. This study examines the impact of computerization and digitalisation on customer satisfaction with public sector banks in Belagavi District, focusing on customer perceptions, service experiences, and factors influencing satisfaction with technology-enabled banking services.

REVIEW OF LITRETURE

Hilmy, Hayathu Mohamed & Saujan, Iqbal (2025) In the fast-paced modern era, time is crucial. Consumers with hectic schedules prefer smart solutions that enhance convenience and timeliness in financial activities. Traditional bank hours often conflict with busy schedules, but digital banking resolves this issue. Digital banking allows customers to use mobile phones and computers to check balances and conduct banking, offering more flexibility. This study aims to determine customer satisfaction with the digital banking services of Islamic financial institutions in Sri Lanka. The ISO 9000 standard E-SERVQUAL model and the digital service quality of Islamic financial institutions are analysed. Two hundred questionnaires were administered to customers with Amana Bank PLC and AL Adalah accounts. The research objective is a quantitative investigation to explore the relationship between independent and dependent variables within a given population. This study utilised the Statistical Product for Social Solutions version 20 (SPSS v. 20) for data analysis, employing descriptive analysis methods. For clarity, the results were displayed in bar graphs and pie charts using Microsoft Excel. The study evaluated service quality factors using Pearson correlation to examine the relationship between customer satisfaction

(dependent variable) and independent variables.

Danny, Daniel & Reddy, K (2025) Digital payment refers to the electronic transfer of money between two parties for the purchase of goods and services using mobile devices, personal digital assistants, and wireless tablets. Rapid advancements in mobile communication technologies have transformed various aspects of daily life, particularly financial transactions. The present study examines the factors influencing customer satisfaction with digital payment systems and analyses how evolving payment options affect customer preferences and decision-making. The collected data were analysed using SPSS version 25 and MS Excel, employing correlation and regression analysis techniques. The findings reveal that customer satisfaction with digital payment systems is influenced by multiple interrelated factors, including security, user-friendliness, transaction speed, transparency, convenience, customer support, and reliability. The study further indicates that digital payment applications such as Google Pay (GPay) and Paytm have emerged as essential financial tools, highly valued by both existing and potential users. The results suggest that banks and payment service providers must proactively enhance customer awareness and understanding of digital payment technologies to improve service delivery. Overall, customer satisfaction remains a critical determinant of success in service-oriented industries, particularly in the banking sector, where trust and reliability are fundamental.

Sharma, Sakshi (2025) This study explores the impact of digitalization and fintech on customer satisfaction and loyalty in the banking sector. It specifically investigates how digital banking services, fintech adoption, and associated digital channels shape customer perceptions, enhance service quality, and influence loyalty. The key objectives are to examine the effect of digitalization on satisfaction, assess the role of fintech in improving customer experience, and evaluate the link between satisfaction and loyalty in digital banking contexts. A survey-based quantitative research design was employed. Primary data were collected from users of both traditional banks and fintech-enabled services through a structured questionnaire addressing digital banking usage, fintech adoption, perceived service quality, customer satisfaction, and loyalty. Descriptive statistics, correlation, and regression analyses were applied to examine relationships among the study variables.

Basavaraju, Prof et al., (2024) The study aims at adding to the existing knowledge of how service quality of Digital Banking has an influence on customer satisfaction of Banks in a Metropolitan City like Bengaluru. This will help Banks and policy makers to understand the internet banking dimension and its contribution to customer satisfaction. With the increased

usage of Online banking services in India post COVID. India has emerged as the largest user of Online Payment system, there is an increased need to study the service quality of Digital Banking facility. An exploratory survey was conducted with the help of Likert Scale Questionnaire conducted to investigate the impact of Digital Banking service quality on customer satisfaction in Bengaluru. Convenience sampling was used, and various kinds of Digital banking customers were approached in Bengaluru. Data was collected from a sample of 216 Digital Banking customers. Descriptive statistics, correlation, confirmatory factors analysis are used to analyze the data Findings: The findings suggest that there is a noteworthy correlation between the characteristics of online banking service quality and the level of customer satisfaction among internet banking users. Customer satisfaction in online banking is attributed to each of the following dimensions: efficiency, system availability, fulfillment, privacy, contact, responsiveness, and contact. The Research will help bank Managers, policy makers to focus on these factors which have a great impact on satisfying the customers which will result in better service quality of Digital Banking services which ensure greater usage of banking services and prosperity resulting in greater number of transactions benefiting the economy.

Adhikari, Ujjwal & Gyawali, Santosh (2023) This study aims to examine the impact of mobile banking service quality on customer satisfaction. The research seeks to determine whether improvements in service quality lead to higher levels of customer satisfaction. Data for this study were collected through a descriptive research approach, using a structured questionnaire with close-ended questions. The survey was conducted among mobile banking users in Kapilvastu, Nepal. The statistical analysis involved employing the Chi-square test to identify associations between variables and the Mann-Whitney U test to explore the relationship of independent variables with satisfaction categories (i.e., satisfied and unsatisfied). Notably, each relationship between the variables was found to be statistically significant. The findings of this paper demonstrate that in the context of Nepal, customers indeed experience increased satisfaction with mobile banking services. In addition to creating new value for both users and providers, the digital transformation in the banking sector also raises important questions about how practices are transformed in response to these advancements. This study sheds light on the satisfaction levels of customers using mobile banking services in the Nepalese context, highlighting the positive impact of these services on customer satisfaction.

CUSTOMER SATISFACTION AND SERVICE QUALITY IN PUBLIC SECTOR BANKS

Customer satisfaction and service quality are important indicators of the effectiveness and competitiveness of public sector banks. Customer satisfaction refers to the extent to which banking services meet or exceed customers' expectations, while service quality reflects customers' perceptions regarding the reliability, responsiveness, accessibility, security, and efficiency of services provided by banks. In the present banking environment, customers expect convenient, quick, accurate, and technology-enabled services along with effective personal assistance when required. Public sector banks have improved their service delivery through computerization, automated teller machines, internet banking, mobile banking, digital payment facilities, and other electronic banking services. These developments have reduced transaction time, improved accessibility, and provided customers with greater flexibility in managing their financial activities. However, service quality depends not only on technological facilities but also on the reliability of systems, security of transactions, staff behaviour, grievance handling, and the ability of banks to address customer problems promptly. Technical failures, transaction delays, cybersecurity concerns, inadequate digital awareness, and difficulties in using online services may negatively influence customer satisfaction. Therefore, assessing service quality requires consideration of both digital and traditional banking experiences. In public sector banks, maintaining consistent service standards is particularly important because customers have diverse levels of education, technological familiarity, and banking requirements. Understanding these differences can help banks develop more customer-oriented strategies. Improved service quality can strengthen customer trust, satisfaction, loyalty, and continued use of banking services. Thus, examining the relationship between service quality and customer satisfaction provides valuable insights into how public sector banks can enhance their performance and respond effectively to changing customer expectations in the increasingly digital banking environment.

ROLE OF TECHNOLOGY IN IMPROVING BANKING EFFICIENCY AND CUSTOMER SATISFACTION

Technology has become a significant component of modern banking, contributing substantially to operational efficiency and customer satisfaction. The introduction of

computerization and digitalisation has transformed conventional banking processes by reducing manual work, improving transaction accuracy, and enabling faster delivery of financial services. Public sector banks increasingly use automated teller machines, internet banking, mobile banking, electronic fund transfers, digital payment platforms, and integrated banking systems to provide customers with convenient and accessible services. These technologies allow customers to conduct transactions, check account balances, transfer funds, pay bills, and access other banking facilities without depending entirely on physical branch visits. Technology also enables banks to process large volumes of transactions efficiently, maintain electronic records, reduce operational delays, and improve coordination among different banking departments and branches. From the customer perspective, convenience, speed, accessibility, and service availability can contribute significantly to satisfaction. Digital banking facilities also provide greater flexibility by allowing customers to access services beyond traditional banking hours. Furthermore, data-driven technologies can help banks understand customer needs and improve service delivery through personalized communication and efficient grievance management. However, technological advancement also creates challenges, including cybersecurity risks, system failures, transaction errors, privacy concerns, and differences in digital literacy among customers. Therefore, banks need to combine technological innovation with strong security measures, reliable infrastructure, customer education, and responsive support services. Effective use of technology can strengthen banking efficiency while improving the overall customer experience. In public sector banks, continuous technological development can support better service quality, greater accessibility, and enhanced customer satisfaction in an increasingly digital financial environment.

CONCLUSION

Computerization and digitalisation have significantly influenced the delivery of banking services and customer experiences in public sector banks. The adoption of automated teller machines, internet banking, mobile banking, digital payments, and computerized banking systems has improved the speed, convenience, accessibility, and efficiency of financial services. In the context of Belagavi District, these technological developments provide customers with greater flexibility and reduce dependence on traditional branch-based transactions. Customer satisfaction is influenced not only by the availability of digital services but also by their reliability, security, ease of use, responsiveness, and quality of

support. At the same time, technical failures, cybersecurity concerns, transaction difficulties, and varying levels of digital literacy may affect customers' experiences. Therefore, public sector banks need to continuously strengthen digital infrastructure, ensure secure transactions, provide effective customer support, and promote digital awareness. Overall, effective computerization and digitalisation can contribute to improved service quality and enhanced customer satisfaction when implemented with a strong customer-oriented approach.

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