

**IMPACT OF DIGITAL BANKING ADOPTION ON CUSTOMER SATISFACTION
SPECIAL REFERENCE TO LISTED COMMERCIAL BANKS IN NUWARA –
ELIYA DISTRICT SRI LANKA**

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ABSTRACT

Digital banking has transformed financial services by providing convenient and efficient online and mobile platforms, a trend that has accelerated after the COVID-19 pandemic. In Sri Lanka, digital banking adoption varies across regions, with areas such as Nuwara Eliya facing opportunities to further enhance adoption through increased digital literacy and improved digital infrastructure. This study aims to identify the factors affecting customer adoption of digital banking services in Nuwara Eliya District by addressing a gap in the literature and providing insights for promoting financial inclusion. The study employed a descriptive research design; it systematically collected, analyzed, and interpreted data to offer a comprehensive understanding of digital banking adoption and its impact on customer satisfaction. Data were collected through a self-administered questionnaire and the research followed a deductive approach to test five hypotheses related to digital banking adoption and customer satisfaction. A cross-sectional time horizon was adopted, with data gathered over two weeks, and the individual served as the unit of analysis. The findings reveal that the factors discussed under banking adoption, such as ease of use, privacy, reliability, responsiveness, and efficiency, all have positive and significant effects on customer satisfaction. Notably, ease of use has emerged as the most significant contributor, with customers valuing the simplicity and convenience of digital banking platforms. To further enhance customer satisfaction and loyalty, this study recommends the implementation of digital literacy programs to increase the awareness of the benefits of digital banking. Additionally, enhancing digital infrastructure, particularly improving Internet connectivity in the Nuwara Eliya District, will ensure broader access to digital banking services across various devices. Continuous technological innovation to meet evolving customer expectations and personalized user experiences has also been highlighted as a key strategy for enhancing customer satisfaction. Strengthening security measures and transparently communicating these efforts to customers was identified as critical for building trust and confidence in digital banking platforms.

Keywords: Digital banking, customer satisfaction, ease of use, privacy, reliability