

ABSTRACT

This study assess the transformative influence of the digital economy on enhancing operations and services, fostering financial inclusivity, and elevating customer satisfaction within the Arusha City banking sector. The study focused on the case of Diamond Trust Bank (DTB) Arusha Branch, with a sample size of 100 respondents carefully selected from an undefined population of the bank's diverse customer base. DTB staff was interviewed, providing valuable insights into the intricacies of the issues under examination. Additionally, documentary analysis was employed to collect pertinent secondary data, enriching the depth and context of the study. Prior to the actual data collection, the research instruments underwent a rigorous pilot test. The reliability of these instruments was then verified through Cronbach's alpha coefficient, ensuring the consistency and accuracy of the data. Face and construct validity were meticulously established under the guidance of the university supervisor and insights from esteemed experts in the field. Employing the Software Package for Social Sciences (SPSS), the collected data underwent a systematic analysis. Descriptive statistical tools were utilized to reveal central tendencies and data spread, while inferential statistical tools such as correlation, regression, and ANOVA were deployed to draw meaningful inferences about the broader population. The study's findings lies in its potential to inform policy decisions, guide banking practices, and contribute to the scholarly discourse surrounding the intersection of the digital economy and the banking sector. As the financial

landscape evolves, understanding the implications of digital transformation becomes imperative **for the sustained growth and relevance of banks in Arusha City and beyond.**