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A Study on Impact of Digital Banking on Customer Satisfaction in SBI

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Abstract:

Digital banking has changed the way customers use banking services. It allows customers to perform transactions such as money transfer, bill payments, balance checking, and online purchases through mobile phones, computers, and ATMs. The purpose of this study is to analyze the impact of digital banking on customer satisfaction in ***State Bank of India****. The study focuses on different digital banking services like internet banking, mobile banking, UPI, and ATM facilities provided by SBI. The research also examines how digital banking improves customer experience and builds trust in the bank. Data for the study can be collected through customer surveys and questionnaires to understand their opinions and level of satisfaction with SBI's digital services.*

Keywords: Digital Banking, Customer Satisfaction, Internet Banking, Mobile Banking, Online Transactions.

Introduction:

In recent years, the banking sector has experienced major changes due to the development of digital technology. Banks are increasingly adopting digital platforms to provide faster and more convenient services to customers. Digital banking allows customers to perform banking activities through the internet, mobile phones, and other electronic devices without visiting bank branches. Digital banking includes services such as internet banking, mobile banking, ATM services, online fund transfers, and digital payment systems. These services make banking easier, quicker, and more accessible. Customers can check their account balance, transfer money, pay bills, and make online purchases at any time and from any place.

Customer satisfaction is one of the most important factors for the success of any bank. When customers receive quick, secure, and convenient services, they are more satisfied and continue to use the bank's services. Digital banking plays an important role in improving customer satisfaction by reducing waiting time and providing 24/7 services.

State Bank of India (SBI) is the largest public sector bank in India and has adopted various digital banking services to improve customer convenience. SBI offers services such as SBI Internet Banking, SBI YONO mobile application, ATM services, and online fund transfer systems.

These digital services help customers perform banking transactions quickly and safely. They also reduce the need to visit bank branches for routine activities. This improves the overall banking experience and increases customer satisfaction.

However, customer satisfaction with digital banking depends on several factors such as security, reliability, ease of use, service quality, and availability of internet facilities. If customers face problems like technical errors, security concerns, or lack of knowledge about digital services, their satisfaction level may decrease.

Therefore, it is important to study how digital banking services influence customer satisfaction. Understanding customer opinions and experiences helps banks improve their digital services and provide better facilities to customers.

Problem Statement:

Digital banking has become an important service in modern banking, providing customers with quick and convenient access to banking facilities such as internet banking, mobile banking, and online payments. **State Bank of India (SBI)** has introduced several digital banking services to improve customer experience and reduce the need for visiting bank branches. However, some customers still face problems such as lack of awareness, security concerns, technical issues, and difficulty in using digital platforms. These challenges may affect the level of customer satisfaction. Therefore, it is important to study the impact of digital banking services on customer satisfaction and understand how these services influence the overall banking experience of SBI customers.

Literature Review:

1. **Philip Kotler (2012)** explained that customer satisfaction depends on how well a service meets or exceeds customer expectations, and digital banking services help improve convenience and service quality.
2. **Frederick F. Reichheld (2003)** stated that better service quality and customer experience increase customer satisfaction and loyalty, which can be improved through efficient digital banking systems.
3. **Joseph M. Juran (2000)** mentioned that quality in services, including reliability and ease of use, plays an important role in satisfying customers in banking services.
4. **Parasuraman A. (2005)** highlighted that factors such as reliability, security, responsiveness, and ease of use are important in measuring customer satisfaction in digital banking services.

Objectives of the Study:

1. To study the concept and importance of digital banking services.
2. To examine the digital banking facilities provided by State Bank of India (SBI).
3. To analyze the level of customer satisfaction with digital banking services.

Research Questions:

1. What are the digital banking services provided by **State Bank of India (SBI)**?
2. How do digital banking services affect customer satisfaction?
3. What factors influence customer satisfaction in digital banking?

Research Methodology:

1. Research Design:

The study uses a descriptive research design to analyse the impact of digital banking services on customer satisfaction in State Bank of India. It helps in understanding how customers use digital banking services such as internet banking, mobile banking, and ATM services and how these services influence their level of satisfaction.

2. Sample Size:

The sample size of the study is **50 respondents**.

3. Sample Area:

The study focuses on respondents who are customers of State Bank of India in Hyderabad and Secunderabad in Telangana.

4. Data Collection:

The study uses both primary and secondary sources of data.

Primary Data:

- Collected through a structured questionnaire survey from customers using digital banking services of State Bank of India.

Secondary Data:

- Collected from journals, research papers, banking websites, annual reports of SBI, magazines, and books related to digital banking and customer satisfaction.

5. Sampling Technique:

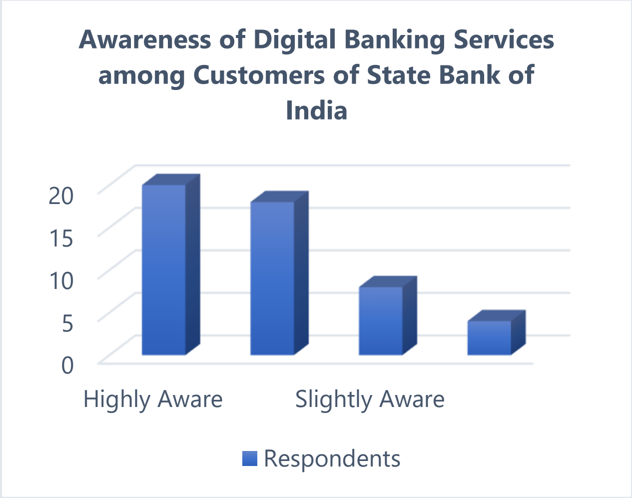
The study uses convenience sampling technique to select customers who are using digital banking services of State Bank of India in Hyderabad and Secunderabad for data collection.

Data Analysis:

Table 1: Awareness of Digital Banking Services among Customers of State Bank of India

Awareness Level	Respondents	Percentage
Highly Aware	20	40%
Moderately Aware	18	36%
Slightly Aware	8	16%
Not Aware	4	8%

Graph 1: Bar Chart showing Awareness of Digital Banking Services among Customers of State Bank of India



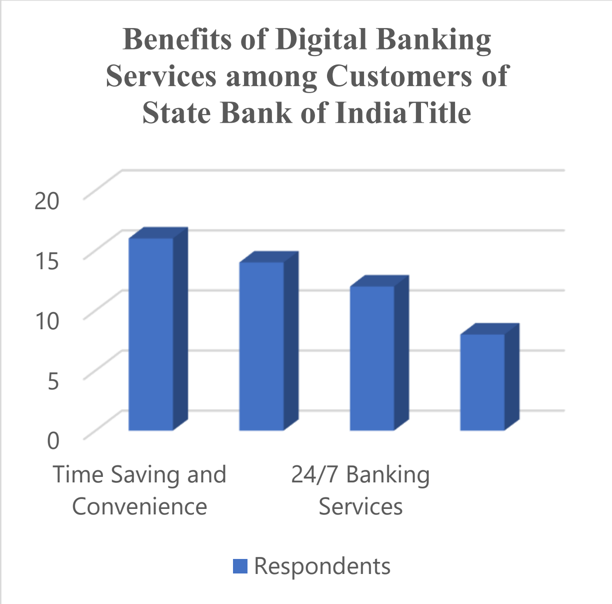
Interpretation:

The data shows that **40% of respondents are highly aware** of digital banking services, **36% are moderately aware**, **16% are slightly aware**, and **8% are not aware**. This indicates that the majority of respondents (**76%**) have at least moderate awareness of digital banking services provided by **State Bank of India**. However, a small portion of customers still has limited or no awareness, which shows the need for better awareness programs and guidance to help customers effectively use digital banking services.

Table 2: Benefits of Digital Banking Services among Customers of State Bank of India

Benefit	Respondents	Percentage
Time Saving and Convenience	16	32%
Easy Money Transfer	14	28%
24/7 Banking Services	12	24%
Reduced Need to Visit Bank	8	16%

Graph 2: Bar Chart showing benefits of Digital Banking Services among Customers of State Bank of India



Interpretation:

The data shows the benefits of digital banking services experienced by customers of State Bank of India. About 32% of respondents stated that digital banking saves time and provides convenience, while 28% of respondents feel that it helps in easy money transfer. Around 24% of customers believe that the availability of 24/7 banking services is a major benefit, and 16% of respondents say that digital banking reduces the need to visit the bank branch. This indicates that digital banking services play an important role in improving convenience and efficiency for customers.

Findings:

1. Most customers are aware of digital banking services provided by **State Bank of India**.
2. Digital banking helps customers save time and perform transactions easily.
3. Customers are satisfied with services like internet banking, mobile banking, and online transfers.
4. Some customers still face issues such as technical problems and lack of digital knowledge.

Suggestions:

1. **State Bank of India** should create more awareness programs to educate customers about digital banking services.
2. The bank should improve security measures to increase customer trust in digital transactions.
3. SBI should make digital banking applications more user-friendly and easy to use.
4. The bank should provide proper guidance and support to customers facing technical issues.

Conclusion:

Digital banking has become an important part of the modern banking system. It helps customers perform banking transactions quickly and conveniently without visiting the bank branch. The use of digital technology has improved the efficiency and accessibility of banking services.

The study shows that digital banking services provided by State Bank of India play a significant role in improving customer satisfaction. Services such as internet banking, mobile banking, and online fund transfers help customers save time and make banking easier.

The analysis also indicates that most customers are aware of digital banking services and are satisfied with their convenience and speed. Digital banking allows customers to access banking services anytime and from anywhere, which increases their overall banking experience.

In conclusion, digital banking has a positive impact on customer satisfaction in State Bank of India. By improving digital infrastructure, increasing awareness, and providing better customer support, the bank can further enhance customer satisfaction and encourage more people to use digital banking services.

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