



## A Study on Customer Perception Towards Online Banking Services of SBI

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Article Info	Abstract
<p><b>Received:</b> 01/07/2023  <b>Revised:</b> 15/08/2023  <b>Accepted:</b> 22/09/2023</p> <p><b>Keywords:</b> Online Banking, Electronic Banking, Customer Perception</p>	<p>Customer is the king of the market. In banking sector Online banking system plays a vital role and it's very benefited to people in Covid-19 Pandemic. Nowadays banks provide various products and services to its customers related to online banking services for their convenience and safety which is available at low cost. This paper highlights the customer perception towards online banking system. For the study researcher collect data from the 120 SBI customers from Parbhani District.</p>

### INTRODUCTION:

Indian banking sector is one of the fastest growing sector in India. Private Banks & foreign banks entered in this sector & stimulated competition. These banks adopted new ways of delivering services to its customers after changed the picture of Indian banking system by information technology. Electronic transactions are adopted instead of traditional banking. India has third largest internet population in the world after China and United stated. The banking sector is one of the major beneficiaries of the internet revolution and the growth of banking technology products have been remarkably increasing. Online banking as a banking channel allows customers to conduct all traditional banking services, such as making online bill payments, balance enquiry and fund transfer to other accounts without visiting their bank branch. According to Arunachalam and sivasubramanian (2007), online banking is where a customer can access his or her bank account via internet using personal computer (PC) or mobile phone and web-browser. Online banking service also enables bank customers to perform transactions such as transfer and payments, access of latest balance, statement viewing, account detail viewing, downloading of statements etc.

### STATE BANK OF INDIA:

State Bank of India a fortune 500 companies, is an Indian multinational, public sector banking and financial services statutory body headquartered in Mumbai. The rich heritage and legacy of over 200 years, accredits SBI as the most trusted bank by Indians through generations. SBI, the largest Indian Bank with 1/4<sup>th</sup> market share, serves over 45 crore customers through its vast network of over 22000 branches, 62617 ATMs/ADWMs, 71986 BC outlets, with an undeterred focus on innovations and customer centricity, which stems from the core values of the Bank-Service, transparency, ethics, politeness and sustainability. The bank has successfully diversified businesses through its various subsidiaries i.e. SBI General Insurance, SBI Life Insurance, SBI mutual fund, SBI card etc. It has spread its presence globally and operates across time zones through 229 offices in 31 foreign countries. Growing with times, SBI continues to redefine banking in India, as it aims to offer responsible and sustainable banking solutions. On 1<sup>st</sup> January 1949, the Reserve Bank of India was nationalized on the basis of the RBI Act, 1948. On 1<sup>st</sup> July, 1955 Government of India acquired 60% stake in Imperial Bank of India which was the merger of Bank of Madras, Bank of Bombay and Bank of Calcutta. Imperial Bank was the State Bank

of India Act, 1955(1). State Bank of India is an Indian multinational public sector banking and financial services institution. SBI provides a wide range of products and services to individuals, commercial enterprises, large corporate. Public bodies and institutional customers through its various branches and outlets, joint ventures, subsidiaries and associate companies.(sbi.in)The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the bank of Calcutta in Calcutta on 2 June 1806. Three years later the bank received its charter and was re-designed as the Bank of Bengal on 2 January 1809. A unique institution, it was the first joint-stock bank of British India sponsored by the government of Bengal. The bank of Bombay (15<sup>th</sup> April 1840) and the Bank of Madras (1July 1843) followed the Bank of Bengal. These three banks remained at the apex of Modern Banking in India till their amalgamation as the Imperial Bank of India on 27<sup>th</sup> January 1921.

**Vision:** Be the Bank of Choice for a Transforming India.

**Mission:** Committed to providing simple responsive and innovative financial solutions.

**Core Values:** Service, Transparency, Ethics, Politeness, Sustainability.

#### **OBJECTIVE OF THE STUDY:**

1. To know the importance of online banking in daily life of SBI bank customers during covid-19 pandemic.
2. To analyze the customers perception of SBI bank customers towards the online banking system.
3. To know the feedback of bank customers about banks promoting utilization of online banking services

#### **REVIEW OF LITURATURE:**

A number of studies have been done regarding Internet Banking or Online Banking services. There were number of useful studies are available, which related with the customer satisfaction towards online banking. In this research study, the researcher will study on Impact of online banking of private and public sector banking on customer perception and satisfaction during covid-19 in Marathwada region.

**Husain (1998)** described the importance and need of information technology. In any new technology functional problems are faced in the initial stages. Such various problems & issues which are involved in computerization have been discussed.

**Sharma (1993)** studies the need of computerization in Indian banking system. Computerization has

made the banking activities easy, saving time, & convenient with use of credit card and debit cards. It concludes that modern computerized banking can be introduced to better quality of life with minimum possible expenditure.

**Uppal (2006)** studies the impact of computerization on the performance of public and private sector banks. The study is based on primary and secondary data. The study concludes that the performance of fully computerized banks (HDFC, PNB, IDBI, ICICI and OBC) is much better than the partially computerized banks. In inter-bank group comparison, all bank groups show significant difference in profitability and productivity. Primary survey concludes that majority of the customers are satisfied with computerization of banking services where urban sector respondents show keen interest in computerization of banking business.

**Rao , Singh and Maheshwari (2005)** study e-Business models and real life experiments that have been circling around the e-business model in some selected banks chosen, from public sector and private sector banks. The study concludes that most of the banks offering Internet banking i.e. online banking facility in India has high overall scores indicating high quality of their websites at all the functional and interactivity levels. Almost all the internet banks have privacy statements and about half of these have security statements. The model suggests that the performance of the banking sector has improved considerably.

**Anand and Saklani (2010)** evaluated the service quality of online banking services in Delhi from customer's perspective. It was observed that customers are satisfied with reliability, accessibility, privacy/security, responsiveness and fulfillment but least satisfied with the dimension 'user friendliness'. They developed a seven-dimensional model using regression analysis for measuring the overall service quality of online banking. The result indicated that 'privacy/security' and 'fulfillment' are not contributing significantly towards the overall service quality. They also observed that the opinion of male and female on business class differs from the other classes.

**Saha and Zaho (2005)**, customer satisfaction is defined as a collection of outcome of perception, evaluation and psychological reactions to the consumption experience with a product/service. In other words, Saha and Zaho further defined customer satisfaction as a result of a cognitive and affective evaluation where some comparison standard is compared to the actually perceived performance. If the performance perceived is less than expected, customer will be dissatisfied. On the

other hand, if the perceived performance exceeds expectations, customer will be satisfied.

**Musilime and Ramadhan (2011)** in his research paper “Internet banking, consumer adoption, and consumer satisfaction” concluded that there was a significant relationship between internet banking and customer satisfaction, whereby they were committed to using the service, as well as there was able to retain the majority of its internet banking service users.

**Bebli-** ‘Impact of Internet banking service quality on customer satisfaction in the banking sector of Ghana’. The major findings of this study that all the service quality determinant customer satisfaction was positively co-related to the customer satisfaction and speed of delivery, ease of use, privacy or security and reliability of services were positively related to customer satisfaction. This study also finds that the age and educational level were positively related to customer satisfaction.

**Malhotra and Singh (2010)** in his an exploratory study for the Indian economy on internet banking, it was found that the private and foreign internet banks have performed well in offering wider range and more advanced services of Internet banking in comparison with public sector bank. This led the private and foreign firms being able to satisfy their customers more than their local counterparts in the public sector.

**Boating and Molla (2006)** indicated in study that the operational constraints of Internet banking is associated with the customer location, the need to maintain customer satisfaction and the capabilities of the bank’s main software to act as an influential factors in motivating the decision to enter electronic banking services and consequently influencing the

usage experience and thus affecting the level of satisfaction.

**RESEARCH METHODOLOGY:**

Quantitative research refers to systematic investigation through statistical, mathematical, or computational techniques. The main objective of the quantitative method is to create a mathematical model, hypothesis, or to build theories leading to the phenomenon. This data is further processed with the help of SPSS. The research is analytical and descriptive type because the research will base on questionnaire collected from bank customers. The output is unbiased and the results can be generalized to the larger population. To achieve the objectives, the research intends to study the perception of bank customers towards online banking system. This study uses a descriptive research design. The data is collected using structured questionnaire designed for SBI bank customers those who are using online banking system in Parbhani City.

**SAMPLE SIZE OF THE STUDY:**

According to Croxton and Cowdon, “It may be too expensive or too time-consuming to attempt either a complete or a nearly complete coverage in a statistical study. Further to arrive at valid conclusions, it may not be necessary to enumerate all or nearly all of a population. We may study a sample drawn from the large population and if that sample is adequately representative of the population, we should be able to arrive at valid conclusion.” The results obtained from sample study can be applied to the whole universe or population. For this study the researcher select the 120 SBI bank customers as a sample.

The data was collected using both by primary data collection method as well as secondary data sources.

**DATA ANALYSIS AND INTERPRETATION:**

**Age:**

Age	No of Respondent
20-29	22
30-39	45
40-49	26
50-59	20
60 Above	7

**Interested in Online banking Facility**

Response	No.of Respondents	Percentage
Yes	101	84.17%
No	19	15.83%

**How Many times respondents used online banking facility in a Month.**

Response	No of Respondents	Percentage
0 Times	0	0
1 - 5 Times	20	16.67%
6 - 10 Times	40	33.33%
More than 10 Times	60	50%

**How do Respondents Know about Online Banking**

Response	No of Respondents	Percentage
Television	5	4.17%
Newspaper/Magazines	25	20.83%
From Bank Employee	60	50%
Friends/Family/ Colleagues	30	25%

**Respondents aware of various online banking services**

Services	Respondents Aware	Percentage	Respondents Not Aware	Percentage
ATM	120	100	0	0
NEFT/RTGS	35	29.17	85	70.83
Debit Card	120	100	0	0
Credit Card	55	45.83	65	54.17
Internet Banking	120	100	0	0
Mobile Banking	120	100	0	0
SMS Banking	101	84.17	19	15.83
Telephone Banking	110	91.67	10	8.33

**FINDINGS OF THE STUDY:**

- 84.17% Respondents are interested to using online banking services.
- 50% of the respondents are used online banking services more than 10 times, 33.33% respondents are used online banking services 6 to 10 times.
- 50% respondents know about online banking by banking employees, 25% respondents know about online banking from friends/family, near about 21% respondents known about online banking from newspaper or magazines and other remaining respondents from Television.
- 100% respondents are aware of ATM services, Debit Card, Internet Banking, and Mobile banking, 91.67% respondents aware about Telephonic Banking, 84.17% respondents aware about SMS banking, 45.83% respondents aware about Credit Card Services. Near about 71% respondents not aware for NEFT/RTGS Services.

**CONCLUSIONS:**

In this Study the researcher identify the factors which affect the customer perception towards online banking system. Ease of Use, time saving, low cost, banking at anywhere and anytime are the important factors that influence to customer for using online banking system.

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