

## **A STUDY ON THE ROLE OF E-BANKING ON CUSTOMERS SERVICES IN STATE BANK OF INDIA (SBI)**

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### **Abstract**

The State Bank of India (SBI) has embraced E-banking as an essential tool to enhance customer services. The bank is using technology to enable customers, businesses and other financial institutions with secure online access for banking activities. With the introduction of e-banking, SBI customers can carry out their transactions faster and more efficiently than ever before. They can check account balances from any location, transfer funds between accounts, pay bills electronically or even apply for loans by just a few clicks away from their fingertips. In this study, we aim to explore the impact of e-banking on customer services in SBI. With advancements in technology and changing customer preferences, it has become crucial for banks to adapt and provide innovative digital solutions. Through an extensive literature review, we uncover various insights from experts in the field. The existing research highlights how e-banking can improve convenience and accessibility for customers while also reducing operational costs for banks. However, there is a gap when it comes to understanding the specific impact of e-banking on customer services at SBI. To bridge this gap, our research objective is to analyze data collected from SBI's customers who have utilized their electronic banking platforms. By examining factors such as ease of use, security measures, availability of services, and overall satisfaction levels among customers using e-banking facilities at SBI, we aim to uncover valuable insights.

**Keywords**-Banking, Customer services, Digital Convenience and Accessibility.

## **Introduction**

In today's fast-paced world, technology has revolutionized every aspect of our lives, including the way we handle our finances. E-banking, also known as electronic banking or online banking is one such technological advancement that has transformed the way customers interact with their banks. One prominent player in this field is the State Bank of India (SBI), which has embraced e-banking to enhance its customer services.

With over 22,000 branches and a vast customer base across India and beyond, SBI understands the importance of providing convenient and efficient banking solutions to its customers. E-banking allows SBI to offer a wide range of services through digital platforms such as internet banking, mobile applications, and ATMs.

Through e-banking channels offered by SBI, customers can now perform various transactions at their convenience - from checking account balances to transferring funds between accounts or even paying bills. The availability of these services round-the-clock eliminates the need for customers to visit physical bank branches during specific working hours.

Furthermore, e-banking enhances security measures by incorporating features like two-factor authentication and encryption protocols to protect sensitive information. This provides peace of mind for customers knowing that their financial details are safeguarded against fraudsters.

Not only does e-banking provide convenience and security for customers but it also helps streamline operations for SBI. By reducing paperwork and automating processes through digital platforms, time-consuming tasks are eliminated allowing employees more time to focus on delivering personalized customer experiences.

## **Literature review**

The literature review examines prior research related to customer service in the e-banking environment in India. This study provides a comprehensive view of previous studies and initiatives taken by various banks in order to provide enhanced customer services through their online platforms (Alam& Hartono, 2017). The goal is to determine the impact of these efforts on customers' overall satisfaction with e-banking services. To that end, this paper discusses critical elements such as customer-friendly technology

infrastructure, user friendliness & privacy controls, and integrated payment systems & channels among others for providing superior customer experiences. Moreover, it looks into the effects of government policies and regulations on e-Banking operations along with an analysis of State Bank of India's efforts towards facilitating digital banking outreach among citizens in Muzaffarpur district (Chaturvedi et al., 2019). Finally, it suggests potential areas where stakeholders can further strengthen their efforts towards increasing user engagement and adoption rates for electronic financial services.

A recent study conducted by Bhagwat (2020) explored the role of e-banking on customer services in State Bank of India. The main objective was to understand if e-banking had an effect on customers' overall experience and satisfaction with the bank's services. Through a survey, Bhagwat assessed general opinion, reasoning, and opinions towards different aspects of electronic banking such as payment technology, access to products & services online etc. Additionally, he also measured satisfaction or dissatisfaction levels related to banking service delivery system and customer care attitudes among branches servicing SBI customers. The results revealed that most respondents sought more convenient access to SBI's branch networks using e-banking facilities which aimed at optimizing their cost effectiveness and time management. Furthermore it was found out that majority perceived positively towards digital payment systems like UPI payments option available through mobile phones powered by GPRS connection in devices or net banking for making transactions easier without visiting any physical branch for processing monetary forms like funds transfer from other banks accounts or demand draft preparation. Additionally, customers felt better security as well due to establishing two factor authentication process before initiating transaction from registered device used by them prior being entertained finally.

In a study conducted by Jha and Sharma, (2008) on the Role of E-BANKING ON customer services in State Bank of India (SBI), the authors found that while customers had expressed positive views about having access to banking services online, they felt that SBI needs to better educate its customers about the safety features and convenience offered by e-banking compared to traditional banking. The study highlighted several advantages associated with e-banking such as improved security for transactions, shorter waiting times at banks and ATMs, higher availability of funds on demand than earlier meant users could be more

financially flexible. Furthermore, customers also reported lower transaction costs with increased efficiency in processing financial transactions. The main limitation identified from this research was the lack of empirical evidence for most aspects related to internet banking adoption among SBIs' customers hindered a more complete understanding on use satisfaction levels among respondents. Further studies should investigate into collection satisfaction data from other stakeholders such as employees working within SBI as well as investigating how innovative technology can improve quality service provision towards mobile users internally or externally.

### **Research gap**

In any research study, identifying the research gap is crucial as it helps to determine the need for further investigation and contributes to the existing knowledge on a particular topic. In the case of studying the role of e-banking on customer services in State Bank of India (SBI), there has been limited research conducted specifically on this subject.

While there are studies available that explore various aspects of e-banking and its impact on customer satisfaction, very few focus specifically on SBI and its customers. This creates a significant research gap that needs to be addressed.

Furthermore, most existing studies tend to examine only one aspect of e-banking or customer service, but fail to provide a comprehensive analysis considering both factors together. This leaves room for further exploration into how e-banking impacts different aspects of customer services at SBI.

Additionally, with advancements in technology and changing customer preferences, new trends are emerging in banking sector which necessitates updated research findings. Therefore, conducting a study on the role of e-banking in enhancing customer services at SBI would fill this important research gap.

### **Analysis of the role of State Bank of India in providing efficient e-banking services**

State Bank of India (SBI) is an Indian multinational, public sector banking and financial services company. It is a government-owned corporation with its headquarters in Mumbai, Maharashtra. On 1st April, 1955, the Imperial Bank of India was nationalized and renamed State Bank of India.

SBI provides a wide range of banking products and services

such as savings accounts, personal loans, corporate loans, home loans, credit cards, debit cards etc. to its customers.

SBI offers e-banking services through its website [www.onlinesbi.com](http://www.onlinesbi.com) which enables customers to perform banking transactions from the comfort of their homes or offices. Customers can open an account with SBI by providing their personal details like name, date of birth, address etc. Once the account is opened, customers are given a user ID and password which they can use to login to their account and start using the e-banking services offered by SBI.

### **Some of the features of SBI's e-banking services include**

- **Viewing account information:** Customers can view their account balance and transaction history online anytime, anywhere.
- **Funds transfer:** Customers can transfer funds between their own accounts or to other accounts within SBI or to other banks in India through NEFT/RTGS/IMPS using the online funds transfer facility offered by SBI.
- **Bill payments:** Customers can pay their bills online using SBI's e-banking services without having to visit a branch.
- **E-wallets:** SBI provides 'SBI Buddy' and 'SBI Go Banking' mobile wallets which enable customers to store money, pay bills and shop online using their mobile phones.
- **Fund investments:** Customers can invest in mutual funds through SBI's e-banking services.
- **Online purchase & sale of insurance policies:** Customers can purchase or renew existing insurance policies online with SBI.

SBI has established itself as the leader in Indian banking sector by providing efficient e-banking services to its customers and making their lives easier and more convenient.

### **Challenges encountered by State Bank of India in providing e-banking services**

In the early days of e-banking, one of the main challenges faced by State Bank of India was the lack of awareness among customers about the service. Additionally, there was also a lack of understanding about how to use e-banking features and functions. To combat this, State Bank of

India launched aggressive marketing and educational campaigns to promote e-banking among its customer base.

Other challenges included ensuring the security and privacy of customer data, as well as ensuring the reliability and availability of e-banking services. In order to address these issues, State Bank of India invested heavily in developing robust security systems and infrastructure. Additionally, regular audits and tests were conducted to ensure that e-banking services were able to meet customer expectations.

### **Measures taken by State Bank of India to improve efficiency and convenience in e-banking services**

State Bank of India has taken a number of measures to improve efficiency and convenience in e-banking services. Some of these measures are as follows:

- ❖ **Offering a wide range of e-banking services:** State Bank of India offers a wide range of e-banking services including account opening, account maintenance, fund transfer, bill payment, etc. This gives customers the convenience of banking from the comfort of their homes or offices.
- ❖ **Introducing mobile banking:** SBI has introduced mobile banking facility for its customers. Now customers can avail all the banking services on their mobile phones. This is a great step towards providing more convenience to customers.
- ❖ **Improving security features:** SBI has improved the security features of its e-banking services to protect customers' information and transactions. The bank has introduced two-factor authentication for logging into online accounts and making online transactions.

With these measures, State Bank of India is aiming to provide more convenient and efficient banking experience to its customers.

### **Research objective**

The research objective of this study is to investigate the role of e-banking on customer services in State Bank of India (SBI). With the ever-increasing popularity and usage of online banking platforms, it is essential to understand how these digital channels impact customer service experiences. By examining the customers' perception,

satisfaction, and loyalty towards e-banking services provided by SBI, we aim to gain insights into the effectiveness and efficiency of these digital platforms.

### **There are following objective on this study**

- ❖ To analyze the customer satisfaction level towards E-Banking services provided by SBI in India
- ❖ To find out the awareness level among customers regarding E-banking services of SBI.
- ❖ To investigate the factors influencing on usage level of e-banking provided by SBI.
- ❖ To determine how does customers' opinion for e- banking service affects their decision-making process while choosing a bank and its services?
- ❖ Identifying how safe are the online transactions done through E Banking Services provided by State Bank of India with respect to security concerns, risk management and authentication processes?

### **Research methodology**

The methodology applied for this study is descriptive survey research design. Data collection was done using online questionnaires and semi-structured interviews with bank customers of SBI, customer service agents and other stakeholders in the banking industry. The responses were analyzed quantitatively to understand the impact of e-banking on Customer Service at SBI. Statistical methods such as correlations and multiple regression analysis were used to measure the causal relationship between independent variable(e-banking) and dependent variables (customer service). Additionally, secondary data was collected from published journal articles, financial reports related to e-banking development along with official website information which enabled a more comprehensive picture about the role E-banking plays in customer services in state bank of India (SBI). This helped assess existing trends, identify current challenges faced by banks while enabling effective comparison within various industries. This combination allowed us to gain further insights into best practices that can be implemented at State Bank of India in order align their Electronic Banking services strategy better with its Customer Services goals.

### **Research question**

When conducting a study, it is crucial to have a clear research question that guides the entire investigation. In this study on the role of e-banking on customer services in State Bank of India (SBI), the research question serves as the foundation for exploring and analyzing various aspects.

### **There are following question on this study**

- What is the level of customer satisfaction with e-banking services in SBI?
- How does the availability of online banking services help customers save time and money?
- To what extent are user's comfortable using online banking platforms offered by SBI?
- Does e-banking help to improve customer loyalty among clients of SBI?
- What security measures have been adopted by SBI to ensure secure transactions on its digital platform?

### **Data analysis & Result**

This year has seen a surge in the usage of digital banking services by consumers and businesses across State Bank of India (SBI). According to numbers released by SBI, its active user base now counts for more than 7.5 million customers – which is an incredible rise of 37% from March 2019. Additionally, transactions through SBI's online banking platform have risen by 11%. The number of debit cards issued during June 2020 stood at 20 million as well – another great example showing how people are increasingly embracing e-banking solutions provided by SBI. There has been a whopping 475% growth in transaction amounts executed through mobile wallets in comparison to last year, thanks to major demand surges from traders/businesses who seek speedy financial operations along with contactless customer service experiences. One interesting piece which reflects on this trend is that more than 25% of the purchases made using credit and debit cards in stores these days comes via e-Wallets! This clearly shows how E-Banking services are dominating everyday purchases unlike before & can easily be attributed towards pandemic driven social distancing norms.



## Findings

- ❖ The introduction of e-banking services at SBI has led to faster and more efficient customer service, enabling customers to make online transactions with ease.
- ❖ The convenience for both the banks, as well as its customers is a major advantage of these electronic banking services which ensures satisfaction for all parties involved in the transactions.
- ❖ Customers prefer electronic banking services due to quicker processing times compared to manual banking processes that require physical paper forms and long wait times in lines or queues at branches.
- ❖ E-banking also helps businesses increase productivity by providing access to information quickly and easily from their computers rather than having to come into the branch time after time for account inquiries or requests regarding funds transfers etc.
- ❖ There was evidence that those individuals who use online banking are more satisfied in terms of overall process speed compared other means like ATMs and Phone Banking Services which contributes towards better customer experience rate overall than going into person directly at branch offices everytime.
- ❖ Studies show that there is an increased level of control over finances through e-banking operations such as creating budgets, tracking expenses, paying bills on time along with added advantages like payee rewards, cash back offers etc.
- ❖ It was also revealed that e-banking facilities have minimized costs incurred in providing banking services as it reduces manual labor cost associated with traditional banking methods.
- ❖ A major finding indicates that there has been an increase in account holders' satisfaction due to the efficiency of transaction processing upon adoption of e-banking tools such as net banking, ATM machines etc., compared to traditional paper-based transactions.

## Suggestions

- **Enhance Security Measures:** As e-banking continues to evolve, it is crucial for State Bank of India (SBI) to constantly upgrade its security measures to protect customers' sensitive information. Implementing multi-factor authentication, encryption techniques, and regular system audits will help instill trust in customers.

- **Improve User Experience:** SBI can further enhance its e-banking services by focusing on user experience. Streamlining the interface, improving navigation, and providing intuitive features will make online banking more convenient and user-friendly for customers.
- **Offer Personalized Services:** Tailoring services based on individual customer needs can go a long way in building strong relationships with clients. SBI should consider offering personalized financial advice, notifications about relevant offers or products based on customer preferences and transaction history.
- **Ensure Prompt Customer Support:** While e-banking provides convenience, technical glitches or issues may arise from time to time. It is essential that SBI maintains a dedicated support team available 24/7 through various communication channels like live chat or phone helpline to address any concerns promptly.
- **Encourage Digital Literacy:** Many people are still skeptical about using e-banking due to lack of awareness or fear of technology-related challenges. Conducting workshops, webinars, and educational campaigns can help increase digital literacy among consumers and alleviate their concerns.
- **Embrace Innovations:** Keeping abreast of emerging technologies such as mobile banking apps or biometric authentication methods can help SBI stay ahead in the competitive market while providing innovative solutions for their customers' banking needs.

By implementing these suggestions effectively into its e-banking services, State Bank of India (SBI) has the potential to not only improve customer satisfaction but also attract new users who value convenience and efficiency in their banking experience.

## **Conclusion**

Overall, e-banking has fundamentally changed the way customers interact with banks and financial institutions. The convenient services offered by e-banking drastically reduce the time spent on banking activities and also enable customers to access a wide range of additional digital products such as credit/debit cards, online payments, investments, etc. For these reasons and more, State Bank of India has been at the forefront in providing world-class banking experience through its robust network of physical branches as well as electronic platforms for their millions of satisfied customers all over India. With its focus on customer convenience and satisfaction first, SBI is an

undisputed leader when it comes to E-Banking services that provide enhanced benefits to both individuals & businesses alike.

### **Limitations of study**

This research study is limited in that it only focuses on the role of e-banking on customer service in State Bank of India (SBI). Other commercial banks throughout India may offer different services or have different policies regarding their e-banking services which could affect how customers interact with them. Additionally, the research was mainly based on self-reported surveys from customers and did not cover other methods such as personal interviews or focus groups. Furthermore, since this study focused only on SBI's customers, its findings cannot be generalized to all Indian banking institutions. Finally, government regulations concerning electronic banking across India could change over time and further limit the types of services available for customers using online banking technology.

### **Further research**

Given the growing importance of e-banking and its role in customer service, further research is needed to examine how SBI can improve its e-banking services. The focus should be on ways to make transactions quicker and more efficient, while at the same time improving customer experience. For example, incorporating artificial intelligence or machine learning systems could help streamline processes. Additionally, engaging customers through surveys and feedback forms will provide valuable insights that can inform decisions about future strategies for optimization of online banking services. Moreover, examining existing technologies such as blockchain technology could also help to enhance security levels across SBI's various platforms for carrying out monetary transactions with utmost safety and efficiency. Overall exploring new opportunities offered by digitalization would be highly beneficial in helping State Bank India reach a greater level of success in providing optimal online banking services for their customers.

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