

A Study on Customer Satisfaction with E-Banking in Public Sector Banks – SBI and PNB with Special Reference to Indore District

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Abstract: *The present study investigates customer satisfaction with e-banking services in public sector banks, with special reference to the State Bank of India (SBI) and Punjab National Bank (PNB) in the Indore district. The research is based on primary data collected from 200 respondents, comprising 100 customers each from SBI and PNB, through a structured questionnaire. The study evaluates customer perceptions regarding ease of use, security, service quality, and responsiveness of e-banking services. Statistical tools such as percentage analysis, mean scores, and t-tests were employed to analyze and compare satisfaction levels between the two banks. The findings indicate that both SBI and PNB have successfully adopted digital banking services; however, SBI customers report higher overall satisfaction, particularly in terms of ease of use, security, and service quality. Security and convenience are identified as the most influential factors affecting customer satisfaction. The study highlights the need for improved responsiveness, faster grievance redressal, and enhanced customer awareness programs to further strengthen e-banking satisfaction in public sector banks*

Keywords: E-banking, Customer Satisfaction, Public Sector Banks, State Bank of India (SBI), Punjab National Bank (PNB), Digital Banking, Service Quality, Security, Indore District

I. INTRODUCTION

State Bank of India (SBI)

SBI was established on 1 July 1955, following the nationalization of the Imperial Bank of India. It operates under the State Bank of India Act, 1955 and is headquartered in Mumbai, Maharashtra. The Government of India is the majority shareholder of the bank.

The bank offers comprehensive banking services, including retail banking, corporate banking, international banking, treasury operations, agricultural banking, and digital banking services. SBI has been at the forefront of adopting technology-driven banking solutions such as internet banking (YONO), mobile banking, ATM services, and digital payment platforms, contributing significantly to customer convenience and satisfaction.

With an extensive network of over 22,000 branches, 60,000+ ATMs, and a strong international presence across multiple countries, SBI serves millions of customers globally. The bank also operates through its associate institutions and subsidiaries engaged in areas such as life insurance, mutual funds, credit cards, and general insurance.

Punjab National Bank

Punjab National Bank is one of the oldest and largest public sector banks in India. Established in 1894 in Lahore (now in Pakistan), PNB was the first Indian bank to be started with purely Indian capital. Over the years, the bank has played a significant role in India's economic development by supporting agriculture, small-scale industries, and trade.

In April 2020, PNB became the second-largest public sector bank in India following the merger with Oriental Bank of Commerce (OBC) and United Bank of India, further strengthening its national presence.

The bank offers comprehensive banking services, including Personal Banking, corporate banking, Digital Banking Services, Agricultural and MSME Banking, International Banking services. PNB has been a pioneer in adopting



technology-based banking solutions such as Internet Banking, Mobile Banking, ATM services and digital payment platforms, thereby significantly contributing to customer convenience and satisfaction.

E-banking refers to the delivery of banking services and products through electronic channels such as internet banking, mobile applications, ATMs, and other digital platforms. In the digital era, these services have become essential for improving banking efficiency and customer convenience.

Public sector banks like SBI and PNB have introduced various e-banking services to adapt to technological advancements and customer needs.

II. REVIEW OF LITERATURE

Singh & Kaur (2020) examined customer satisfaction with e-banking services in public sector banks and found that ease of use, security, and reliability are the most influential factors. The study highlighted that public sector banks, especially SBI, have improved their digital platforms but still face challenges related to technical issues and customer support.

Sharma & Jain (2021) analyzed customer satisfaction with SBI's e-banking services and observed that SBI customers show high satisfaction with security, ATM services, and mobile banking applications. However, the study identified problems such as server downtime and slow grievance redressal mechanisms.

Gupta & Verma (2022) focused on customer perception towards PNB's digital banking services. The findings revealed moderate satisfaction levels, with customers appreciating basic e-banking facilities but expressing dissatisfaction regarding app performance and technical glitches.

Kumar & Mishra (2023) compared customer satisfaction between SBI and PNB e-banking users. The study found that SBI customers reported higher overall satisfaction than PNB customers, mainly due to better digital infrastructure and wider service availability.

Yadav & Singh (2023) studied public sector banks' digital transformation and concluded that while both SBI and PNB have adopted advanced e-banking systems, SBI has been more successful in implementation and customer engagement. Chaudhary (2024) highlighted that post-pandemic digital banking usage has increased significantly in public sector banks. The study emphasized that customer education and digital literacy programs play a vital role in improving satisfaction levels, particularly in semi-urban areas.

III. RESEARCH OBJECTIVES

- To evaluate customer satisfaction with e-banking services in SBI and PNB in Indore.
- To analyze factors influencing customer satisfaction.
- To compare satisfaction levels across SBI and PNB customers.
- To suggest measures for improving e-banking services.

IV. RESEARCH HYPOTHESES

H₁: There is a significant relationship between service quality and customer satisfaction.

H₂: SBI customers exhibit higher satisfaction levels than PNB customers.

H₃: Ease of use and security significantly influence e-banking satisfaction.

V. RESEARCH METHODOLOGY

5.1 Research Design

Descriptive research based on primary data collected through structured questionnaires.

5.2 Sample Size

Total of 200 respondents (100 SBI customers and 100 PNB customers) in the Indore district.

5.3 Sampling Technique

Convenience sampling from bank users who actively use e-banking services.



5.4 Data Collection

Primary Data: Customer survey on satisfaction regarding mobile banking, internet banking, ATM services, security, and responsiveness.

Secondary Data: Books, research articles, RBI reports, bank annual reports.

5.5 Statistical Tools Used

- Percentage analysis
- Mean scores
- Chi-square test
- t-test for comparison
- Likert scale (1–5)

VI. DATA ANALYSIS & INTERPRETATION

6.1 Demographic Profile

Demographic	SBI (%)	PNB (%)
Male	58	62
Female	42	38
Age (18–30)	40	36
Age (31–50)	45	48
Above 50	15	16

The demographic profile of respondents indicates a balanced representation of gender and age groups among customers of SBI and PNB.

In terms of gender, male respondents constitute a higher percentage in both banks. SBI has 58% male and 42% female respondents, whereas PNB has a slightly higher proportion of male customers at 62%, with 38% female respondents. This shows that male customers are more actively using online banking services in both banks, especially in PNB.

With regard to age distribution, the majority of respondents belong to the 31–50 years age group. SBI reports 45% respondents in this category, while PNB shows a higher percentage of 48%, indicating that middle-aged customers are the most active users of online banking services. The 18–30 years age group accounts for 40% of SBI users and 36% of PNB users, reflecting strong adoption of digital banking among younger customers. Respondents above 50 years represent a smaller segment in both banks, with 15% in SBI and 16% in PNB, suggesting comparatively lower digital adoption among senior customers.

Overall, the demographic analysis reveals that online banking services are predominantly used by male and middle-aged customers in both SBI and PNB.

6.2 Overall Satisfaction Scores

Satisfaction Indicator	SBI Mean	PNB Mean
Ease of Use	4.2	3.9
Security	4.4	4.1
Service Quality	4.1	3.8
Responsiveness	3.9	3.5
Overall Satisfaction	4.15	3.8



The overall satisfaction scores highlight noticeable differences between SBI and PNB in terms of customer perception of online banking services.

For Ease of Use, SBI records a higher mean score of 4.2 compared to 3.9 for PNB, indicating that SBI's online banking platform is perceived as more user-friendly. In terms of Security, both banks score relatively high, with SBI at 4.4 and PNB at 4.1, showing strong customer confidence in transaction safety, though SBI enjoys a slight advantage.

Regarding Service Quality, SBI again scores higher with a mean value of 4.1, while PNB records 3.8, suggesting better service delivery and reliability in SBI's online services. In Responsiveness, which includes quick problem resolution and customer support, SBI scores 3.9, whereas PNB scores 3.5, indicating comparatively slower response perceived by PNB customers.

The Overall Satisfaction score further confirms this trend, with SBI achieving a mean score of 4.15, while PNB records 3.8.

VII. HYPOTHESES TESTING

7.1 t-Test: SBI vs PNB Overall Satisfaction

t-value = 3.62

p-value < 0.05

Inference: The difference in overall satisfaction between SBI and PNB is statistically significant.

VIII. MAJOR FINDINGS

- High Satisfaction with Security: Customers perceive SBI and PNB have strong security measures.
- Ease of Use: SBI's e-banking interface received better ratings.
- Service Responsiveness: Both banks need faster resolution of grievances.
- PNB Needs Improvement: Lower scores recorded for PNB's app speed and service support.

IX. SUGGESTIONS

- User Interface Enhancements: Simplify mobile and internet banking navigation.
- Customer Support: Introduce 24×7 chat support and faster grievance redressal.
- Educational Campaigns: Conduct seminars and awareness programs on e-banking features.
- Regular Updates: Both banks should upgrade systems frequently to reduce downtime.

X. CONCLUSION

E-banking has become an essential component of modern banking, offering customers convenient, secure, and time-efficient access to financial services. The present study highlights the increasing significance of electronic banking in enhancing customer satisfaction and operational effectiveness in public sector banks. The findings reveal that State Bank of India (SBI) marginally outperforms Punjab National Bank (PNB) in terms of overall customer satisfaction among e-banking users in Indore. SBI customers reported higher satisfaction across major parameters such as ease of use, security, service quality, and responsiveness, indicating a more efficient and user-oriented digital banking framework.

However, the difference in satisfaction levels between SBI and PNB is not substantial, suggesting that both banks have developed reasonably effective e-banking systems. Customers place high importance on convenience and transaction security, which emerge as the primary drivers of e-banking adoption. Secure platforms, user-friendly interfaces, and reliable access significantly influence customer trust and satisfaction. Despite these strengths, service responsiveness—particularly in complaint handling and customer support—remains an area requiring improvement, especially for PNB. The study concludes that continuous technological advancements, improved responsiveness, effective grievance redressal mechanisms, and enhanced customer awareness programs are crucial for improving satisfaction levels. By addressing these areas, public sector banks can strengthen customer confidence, increase adoption of digital services, and remain competitive in the evolving digital banking landscape.



XI. LIMITATIONS OF THE STUDY

- Limited to Indore district only.
- Sample size may not represent all user groups.
- Responses based on self-reported feedback which may carry bias.

XII. FUTURE SCOPE

Future research may:

- Expand to multiple cities and bank types (private, cooperative banks).
- Use longitudinal data to analyze satisfaction trends over time.

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APPENDICES

Appendix A – Questionnaire Sample

Gender:

Age:

How often do you use e-banking? (Daily/Weekly/Monthly)

Rate the security of e-banking (1–5)

Rate overall satisfaction (1–5)

