



A Study of Customer Perception Towards State Bank Of India

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Abstract:

This study examines customer perception towards State Bank of India (SBI) with reference to banking services, customer satisfaction, and service quality. Customer perception plays an important role in determining the success and sustainability of banking institutions in a competitive financial environment. The study analyzes factors such as accessibility, reliability, digital banking facilities, staff behavior, and grievance redressal mechanisms. Data collected from customers help in understanding their expectations and experiences with SBI services. The findings indicate that customer satisfaction is influenced by efficient service delivery, technological adoption, and trust in the institution. The study also highlights areas where improvements can enhance customer loyalty and overall banking experience. The research provides useful insights for strengthening customer-centric strategies in the banking sector.

Keywords: *Customer Perception, State Bank of India (SBI), Customer Satisfaction, Banking Services, Service Quality*

Introduction

The banking sector plays a significant role in the economic development of a country by facilitating financial transactions and promoting savings and investments. Customer perception has become a critical factor in determining the success and competitiveness of banking institutions. In recent years, customers have become more aware of service quality, technological advancement, and convenience in banking operations. State

Bank of India (SBI), being one of the largest public sector banks in India, serves millions of customers through its extensive branch and digital network. Understanding customer perception helps identify customer expectations, satisfaction levels, and areas requiring improvement. Factors such as service quality, employee behavior, accessibility, digital banking services, and trust significantly influence customer opinions.

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Positive customer perception contributes to customer retention and long-term loyalty. With increasing competition from private and digital banks, SBI must continuously enhance its services to maintain customer confidence. This study aims to analyze customer perception towards SBI and evaluate factors affecting customer satisfaction. The findings of this study may assist in developing effective customer-oriented banking strategies.

Review of Literature

Kumar and Gupta (2018) conducted a study on customer satisfaction in public sector banks and examined the factors influencing customer perception towards banking services. Their research highlighted that service quality, prompt response to customer queries, staff behavior, and accessibility of banking facilities significantly affect customer satisfaction levels. The study emphasized that customers expect reliable and efficient services, and banks that consistently meet these expectations are more likely to retain customer loyalty. The researchers suggested that public sector banks should continuously improve customer service standards to remain competitive.

Sharma (2019) analyzed customer perception towards digital banking services with special reference to State Bank of India. The study found that the increasing use of internet banking and mobile banking applications has transformed customer expectations.

Factors such as convenience, security, ease of transaction, and availability of online services were identified as key determinants of customer satisfaction. The research concluded that effective digital banking services contribute positively to customer trust and strengthen the relationship between customers and the bank.

Patel and Mehta (2020) conducted a comparative study between public and private sector banks to understand variations in customer perception. Their findings revealed that customers generally associate public sector banks with trust, safety, and reliability, while private sector banks are often preferred for faster services and innovative banking practices. The study suggested that public sector banks, including SBI, need to adopt modern customer-oriented approaches and technological improvements to meet changing customer expectations.

Rao and Reddy (2021) examined the factors affecting customer loyalty in the Indian banking sector. Their study identified employee behavior, problem-solving ability, complaint handling mechanisms, and technological support systems as major factors influencing customer retention. The research indicated that customer satisfaction directly contributes to customer loyalty and positive word-of-mouth promotion. The authors recommended strengthening customer relationship management practices to improve banking experiences.

Singh (2022) investigated customer expectations and service performance in State Bank of India. The study highlighted that customers increasingly value personalized banking services, efficient communication, and advanced digital facilities. The findings demonstrated that SBI's digital transformation initiatives have improved customer experience and overall satisfaction. However, the study also pointed out the need for continuous service innovation and regular feedback mechanisms to maintain long-term customer trust and competitiveness in the banking sector.

Research Gap

Existing studies on customer perception in the banking sector have primarily focused on customer satisfaction, service quality, digital banking adoption, and comparative analysis between public and private sector banks. Several researchers have examined factors such as technological advancement, employee behavior, and service efficiency in influencing customer experiences. However, limited studies have specifically explored customer perception towards State Bank of India by integrating both traditional banking services and emerging digital banking practices within a single framework. Additionally, previous research often concentrated on broad banking trends without giving sufficient attention to changing customer expectations, trust, accessibility, and personalized service delivery in the current competitive

environment. There is also a need to understand how customer perception varies across different service dimensions and influences overall customer satisfaction and loyalty. Therefore, this study attempts to bridge this gap by providing a comprehensive analysis of customer perception towards State Bank of India and identifying the key factors affecting customer experience and service preference.

Objectives of the Study

The study was conducted with the following objectives:

1. To analyze customer perceptions towards SBI banking services.
2. To examine demographic characteristics of SBI customers.
3. To identify factors influencing customers to choose SBI.
4. To evaluate customer satisfaction levels regarding SBI services.
5. To study customer experiences and problems faced while using SBI services.
6. To provide suggestions for improving customer satisfaction.

Research Methodology

The present study adopts a descriptive research design to examine customer perception towards the services provided by State Bank of India (SBI). Descriptive research is considered appropriate because it enables a systematic understanding and analysis of customer opinions, satisfaction levels, and experiences regarding banking services. This research design helps in

identifying customer preferences and evaluating various factors that influence their perception towards SBI.

The study is based on both primary and secondary sources of data. Primary data were collected directly from respondents through a structured questionnaire designed to obtain information related to customer experiences, service quality, satisfaction levels, digital banking usage, and overall perception of SBI services. The questionnaire method ensured the collection of relevant and first-hand information for the study.

In addition to primary data, secondary data were gathered from various published and unpublished sources such as books, research journals, annual reports, banking publications, articles, official websites, and other related documents. These secondary sources provided theoretical support and background information necessary for understanding customer perception in the banking sector.

For the purpose of the study, a sample size of 50 respondents was selected to collect opinions and responses regarding banking services offered by SBI. The respondents represented customers with different experiences and service expectations, enabling a broader understanding of customer perception.

The study employed the convenience sampling technique for selecting respondents. Under this method, respondents were chosen based on their accessibility and willingness to participate

in the survey. This approach facilitated easy and efficient collection of data within the available time and resources.

Concept of Data Analysis and Interpretation

Data analysis and interpretation are essential components of any research study, as they help transform collected information into meaningful findings and conclusions. Data analysis refers to the systematic process of organizing, classifying, summarizing, and evaluating collected data to identify relationships, patterns, and useful insights. Interpretation is the process of explaining and understanding the meaning of the analyzed data in relation to the objectives of the study. Together, these processes enable researchers to draw valid conclusions and provide recommendations based on empirical evidence.

Effective data analysis supports organizations in understanding customer behaviour, preferences, and expectations, which assists in improving strategic planning and decision-making processes. It also helps identify trends and patterns in customer responses, evaluate organizational performance, and measure the effectiveness of services and operational activities. Through proper interpretation of data, organizations can recognize strengths and weaknesses and implement suitable improvements to enhance overall performance.

In the banking sector, data analysis and interpretation play a significant role in

assessing customer perception, service quality, financial performance, and operational efficiency. Banks use analytical findings to understand customer needs, improve service delivery, strengthen customer relationships, and develop customer-centric policies. For this study on customer perception towards State Bank of India (SBI), data analysis and interpretation are used to examine customer opinions, evaluate satisfaction levels, and identify factors influencing their banking experience. The results obtained through analysis provide meaningful insights for enhancing customer satisfaction and improving banking services.

Demographic Profile of Respondents

Table 1: Gender-wise Classification of Respondents

Gender	Number of Respondents	Percentage (%)
Male	25	50%
Female	25	50%
Total	50	100%

The above table shows the gender-wise distribution of respondents included in the study. Out of the total 50 respondents, 25 respondents (50%) are male and 25 respondents (50%) are female. The data indicates an equal representation of both genders in the survey, ensuring balanced participation and minimizing gender bias in understanding customer perception. This balanced distribution provides a comprehensive view of customer opinions and experiences regarding banking

services and contributes to obtaining reliable findings for the study.

Table 2: Age-wise Classification of Respondents

Age Group	Number of Respondents	Percentage (%)
Below 15 years	8	16%
15–25 years	12	24%
25–35 years	25	50%
Above 35 years	5	10%
Total	50	100%

The above table presents the age-wise distribution of respondents participating in the study. Out of the total 50 respondents, 8 respondents (16%) belong to the age group below 15 years, 12 respondents (24%) belong to the 15–25 years category, 25 respondents (50%) fall within the 25–35 years age group, and 5 respondents (10%) are above 35 years of age. The findings indicate that the majority of respondents belong to the 25–35 years age group, demonstrating higher participation of young adults in banking activities. This suggests that individuals in this age category are more actively engaged in banking services and financial transactions, making them an important customer segment for State Bank of India.

Table 3: Occupation-wise Classification of Respondents

Occupation	Number of Respondents	Percentage (%)
Students	15	30%
Employed	18	36%
Self-employed	10	20%
Unemployed	7	14%
Total	50	100%

The above table shows the occupation-wise distribution of respondents included in the study. Out of the total 50 respondents, 15 respondents (30%) are students, 18 respondents (36%) are employed, 10 respondents (20%) are self-employed, and 7 respondents (14%) are unemployed. The findings indicate that employed individuals constitute the largest customer segment among the respondents. This suggests that employed customers actively utilize banking services for salary transactions, savings, investments, and other financial activities. The participation of different occupational groups also reflects diverse customer experiences and expectations towards the services provided by State Bank of India.

Table 4: Educational Qualification of Respondents

Educational Qualification	Number of Respondents	Percentage (%)
SSLC	7	14%
PUC	13	26%
Degree Holders	20	40%
Others	10	20%
Total	50	100%

The above table presents the educational qualification of respondents participating in the study. Out of the total 50 respondents, 7 respondents (14%) have completed SSLC, 13 respondents (26%) have completed PUC, 20 respondents (40%) are degree holders, and 10 respondents (20%) belong to other educational categories. The findings reveal that the majority of respondents are degree holders, indicating that individuals with graduate-level education actively utilize banking services. This suggests that higher educational attainment may contribute to greater awareness and usage of banking facilities, including digital banking, savings, investments, and financial management services offered by State Bank of India.

Table 5: Monthly Income of Respondents

Monthly Income	Number of Respondents	Percentage (%)
Below ₹10,000	2	4%
₹10,000–25,000	8	16%
₹25,001–50,000	17	34%
₹50,001–60,000	11	22%
Above ₹60,000	12	24%
Total	50	100%

The above table presents the monthly income distribution of respondents included in the study. Out of the total 50 respondents, 2 respondents (4%) earn

below ₹10,000 per month, 8 respondents (16%) fall within the income range of ₹10,000–25,000, 17 respondents (34%) earn between ₹25,001–50,000, 11 respondents (22%) belong to the ₹50,001–60,000 category, and 12 respondents (24%) earn above ₹60,000 per month. The findings indicate that the majority of respondents belong to the middle-income category, particularly within the ₹25,001–50,000 income group. This suggests that customers with moderate income levels actively engage in banking activities and regularly utilize the services offered by State Bank of India for savings, transactions, and financial management.

SBI Banking Usage Pattern

Table 6: Current Users of State Bank of India (SBI)

Current Usage of SBI	Number of Respondents	Percent age (%)
Yes	33	66%
No	17	34%
Total	50	100%

The above table presents the distribution of respondents based on their current usage of State Bank of India (SBI) services. Out of the total 50 respondents, 33 respondents (66%) currently maintain accounts and actively use SBI banking services, while 17 respondents (34%) do not use SBI at present. The findings indicate that a majority of respondents are existing customers of SBI, reflecting the bank's strong customer base and wide acceptance among users. This also suggests that SBI continues to maintain

customer trust through its banking services, accessibility, and expanding digital banking facilities. The presence of a considerable proportion of active users provides valuable insights into customer perception and satisfaction towards SBI services.

Table 7: Duration of Banking Relationship with State Bank of India (SBI)

Duration of Banking Relationship	Number of Respondents	Percent age (%)
Less than 6 months	5	10%
6 months to 1 year	25	50%
1 to 2 years	14	28%
More than 2 years	6	12%
Total	50	100%

The above table shows the duration of the banking relationship maintained by respondents with State Bank of India (SBI). Out of the total 50 respondents, 5 respondents (10%) have been associated with SBI for less than 6 months, 25 respondents (50%) have maintained a banking relationship for 6 months to 1 year, 14 respondents (28%) have continued their relationship for 1 to 2 years, and 6 respondents (12%) have been associated with SBI for more than 2 years. The findings indicate that the majority of respondents have maintained their banking relationship with SBI for a period of 6 months to 1 year. This suggests a

considerable level of recent customer engagement and reflects active usage of SBI banking services among customers during the initial stages of their banking experience.

Table 8: Loan Preferences among SBI Customers

Type of Loan	Number of Respondents	Percentage (%)
Home Loan	20	40%
Education Loan	9	18%
Business Loan	13	26%
Other Loans	8	16%
Total	50	100%

The above table presents the loan preferences of respondents availing financial services from State Bank of India (SBI). Out of the total 50 respondents, 20 respondents (40%) preferred home loans, 9 respondents (18%) opted for education loans, 13 respondents (26%) selected business loans, and 8 respondents (16%) availed other categories of loans. The findings reveal that home loans are the most preferred loan category among the respondents. This preference indicates SBI's strong position in the housing finance sector and reflects customer confidence in obtaining long-term financial assistance through the bank. Business loans also constitute a significant share, suggesting demand for entrepreneurial and commercial financing.

Education loans and other loan categories further demonstrate the diverse financial requirements of SBI customers. Overall, the results highlight the broad acceptance of SBI loan products and customer trust in the bank's lending services.

Factors Influencing Customers to Choose SBI

The study identified several factors that influence customers in selecting State Bank of India (SBI) as their preferred banking institution. Among the respondents, the majority (54%) stated that brand trust and government ownership were the primary reasons for choosing SBI. This indicates that customers perceive SBI as a reliable, secure, and trustworthy bank due to its established reputation and strong public sector identity. Trust in the institution plays a major role in attracting and retaining customers, especially in financial decision-making.

Further, approximately 12% of respondents selected SBI because of its banking features and service facilities. Customers appreciated the availability of various banking products, digital banking services, branch networks, and customer support systems that enhance convenience and accessibility. Another 14% of respondents preferred SBI because of its pricing policies and affordable service charges, suggesting that cost-effectiveness and reasonable banking charges influence customer preferences.

Additionally, 20% of respondents reported choosing SBI due to other factors, including branch accessibility, ease of transactions, convenience, and personal experiences with banking services. Overall, the findings indicate that trust remains SBI's strongest competitive advantage, supported by service quality, affordability, and accessibility, which together contribute to positive customer perception and long-term customer relationships.

Customer Satisfaction and Service Experience

Customer satisfaction is considered one of the most important indicators for evaluating the performance and effectiveness of banking institutions. The present study reveals that customers generally hold positive perceptions regarding the services provided by State Bank of India (SBI). Customer satisfaction is influenced by several factors that contribute to their overall banking experience and determine their continued relationship with the bank.

Among the major factors affecting customer satisfaction, government trust emerged as a significant reason for customer preference, as respondents viewed SBI as a secure and dependable public sector bank. Customers also expressed satisfaction with better interest rates, which make SBI attractive for savings, deposits, and loan-related services. In addition, the availability of a wide ATM network enables customers to access banking facilities conveniently

across different locations, enhancing service accessibility.

Another important factor contributing to customer satisfaction is the easy accessibility of branches, allowing customers to receive banking support and services efficiently. Respondents also appreciated the availability of diverse banking products, including savings accounts, loans, digital banking services, investment options, and other financial solutions designed to meet varying customer needs. Overall, the findings indicate that respondents highly value SBI's nationwide presence, reliability, and customer-oriented services, which strengthen customer confidence and contribute to a positive banking experience.

Problems Faced by Customers

Although the overall findings of the study indicate positive customer perception and satisfaction towards the services provided by State Bank of India (SBI), respondents also identified certain challenges that affect their banking experience. Understanding these issues is important for improving service quality and strengthening customer relationships.

Among the reported concerns, poor customer service (30%) emerged as one of the major problems faced by customers. Respondents indicated that delays in response, lack of personalized attention, and inefficiencies in handling customer queries negatively influenced their satisfaction levels. Another significant

issue highlighted by 30% of respondents was long waiting times, particularly during branch visits and service processing, which reduced convenience and affected overall service experience.

Additionally, 30% of respondents reported concerns regarding hidden charges and unexpected service fees, indicating the need for greater transparency in banking transactions and communication of service costs. The remaining 10% of respondents identified other issues, including technical difficulties, documentation procedures, and accessibility-related concerns.

These findings suggest that while SBI maintains a strong customer base and positive public perception, there remains scope for improvement in customer service delivery and operational efficiency. Reducing waiting times, improving customer support systems, ensuring transparent communication regarding charges, and adopting more customer-centric approaches can significantly enhance customer satisfaction and create a better overall banking experience.

Findings of the Study

1. The study found that the respondents were equally represented by gender, with 50% male and 50% female participants, ensuring balanced customer opinions in the survey.
2. The majority of respondents (50%) belonged to the age group of 25–35 years, indicating active participation of young adults in banking activities and financial services.
3. Occupational analysis revealed that employed respondents constituted the largest segment (36%), followed by students, self-employed individuals, and unemployed respondents.
4. Educational qualification data showed that most respondents (40%) were degree holders, suggesting that educated individuals actively utilize banking services and financial products.
5. Monthly income analysis indicated that the majority of respondents belonged to the middle-income category, particularly within the ₹25,001–50,000 income group.
6. The study revealed that 66% of respondents currently maintain accounts with State Bank of India (SBI), demonstrating the bank's strong customer base and market presence.
7. Most respondents (50%) had maintained a banking relationship with SBI for a period ranging from 6 months to 1 year, indicating active customer engagement.
8. Home loans emerged as the most preferred loan category (40%), reflecting customer trust in SBI's housing finance services and long-term financial support.
9. Brand trust and government ownership were identified as the strongest factors influencing customers to choose SBI, with 54%

of respondents selecting these reasons.

10. Customers expressed overall satisfaction with SBI services due to factors such as government trust, attractive interest rates, wide ATM availability, branch accessibility, and diverse banking products.
11. Despite positive customer perception, respondents reported certain challenges including poor customer service, long waiting times, hidden charges, and other operational issues.
12. The study concluded that customer trust, service accessibility, and service quality remain key determinants influencing customer perception and satisfaction towards State Bank of India.

Suggestions

Based on the findings, the following suggestions are offered:

1. State Bank of India (SBI) should strengthen its customer service quality by providing timely responses, personalized assistance, and efficient grievance redressal mechanisms to improve customer satisfaction.
2. The bank should take measures to reduce waiting time at branches by increasing service counters, improving queue management systems, and promoting digital banking channels.
3. SBI should ensure greater transparency regarding charges and

fees by clearly communicating service costs and avoiding customer confusion related to hidden charges.

4. The bank may further enhance its digital banking services by improving mobile banking applications, internet banking features, and transaction security to meet evolving customer expectations.
5. Regular customer feedback mechanisms and satisfaction surveys should be conducted to identify customer needs and improve service delivery.
6. SBI should continue to maintain and strengthen its brand trust and reliability, which emerged as the strongest factor influencing customer preference.
7. Additional efforts can be made to improve customer awareness regarding banking products and financial services, enabling customers to make informed financial decisions.
8. The bank should expand customer support facilities and provide better accessibility across branches and ATM networks to improve convenience.
9. Employee training programs should be strengthened to enhance professional behavior, communication skills, and service efficiency.
10. SBI should focus on adopting a more customer-centric approach by introducing innovative banking

solutions and maintaining long-term customer relationships through quality service experiences.

Conclusion

The present study examined customer perception towards State Bank of India (SBI) and evaluated the factors influencing customer satisfaction, banking preferences, and service experience. The findings indicate that SBI continues to maintain a strong position in the banking sector due to its brand reputation, government ownership, reliability, and extensive banking network. A majority of respondents expressed positive opinions regarding SBI services and highlighted factors such as trust, better interest rates, wide ATM availability, branch accessibility, and diverse banking products as major contributors to customer satisfaction. The study also found that home loans are the most preferred loan category, reflecting customer confidence in SBI's financial services. However, certain challenges including poor customer service, long waiting times, hidden charges, and operational inefficiencies were reported by customers, indicating areas for improvement. Therefore, SBI should focus on enhancing service quality, improving customer support, strengthening transparency, and expanding digital banking facilities to meet changing customer expectations. Overall, the study concludes that customer trust remains SBI's strongest competitive advantage, and continuous customer-

oriented improvements will support long-term customer satisfaction and sustainable growth.

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