



## **A STUDY ON CUSTOMER PERCEPTION TOWARDS THE IMPACT OF FINTECH IN BANKING SECTOR AT STATE BANK OF INDIA IN BELAGAVI CITY**

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### **Abstract:**

This paper explores the customer perception regarding the effect of the Financial Technology (Fintech) services on the banking industry with reference to the State Bank of India (SBI) at Belagavi City. The study will measure the perceptions, adoption, and the gains that customers are receiving on the SBI new generation digital platforms like YONO, Internet Banking, and UPI services, and what challenges they experience during the usage. A descriptive research design was used, where a structured questionnaire was used to gather the primary data that were obtained out of 100 respondents randomly selected using a purposive sampling technique. This research involved secondary data collection in the form of journals, reports, and reliable websites. SPSS/MS Excel was used in the application of statistical tools, including percentage analysis, descriptive statistics, chi-square tests, and cross-tabulation analyses to interpret data.

The result has shown that the three main factors that drive the adoption of Fintech are convenience, speed of transaction and ease of use, whereas security concerns, digital literacy gaps, and user awareness are major inhibitors, mainly among the advanced-aged customers and less tech-savvy customers. The chi-square test has shown that there was a significant relationship between demographic variables and the usage pattern of Fintech. The paper divulges that although the Fintech services provided by SBI have been successful in changing the experiences of the customers in terms of banking, it is imperative to note that there is a need to tighten the security levels, make the digital literacy programs more robust and even encourage the use of more simplified designs that will ensure that more customers across the board adopt the use of Fintech services. The findings can be helpful to policymakers, bankers, and researchers in enhancing their Fintech adoption practices in the semi-urban areas.

**Keywords:** Fintech, Customer Perception, State Bank of India (SBI), Digital Banking, YONO App, UPI, Internet Banking, Belagavi City, Financial Inclusion, Technology Adoption

### **1.1 Introduction**

Financial Technology (Fintech) provides accessibility, efficiency, and user experience, and the Indian banking sector is fast changing into an environment with Financial Technology

(Fintech). Traditional banking practices have been transformed by such innovations as mobile banking, UPI, digital wallets, and the possibility of AI-based support.

Being a large bank in India and the largest in the public sector, the State Bank of India (SBI) has adopted Fintech under the platforms such as YONO, SBI Anywhere, and BHIM SBI Pay. These services have continued to gain popularity since the implementation of demonetization and the COVID-19 era, which has accelerated the process of digitalisation.

In Belagavi, a semi-urban and urban city, defining the vision of customers towards and using the services offered by SBI Fintech is quite instrumental. A major determinant of adoption includes awareness, ease of use, trust and digital literacy.

This paper will discuss the customer perception of the SBI Fintech products in Havican, about the advantages, disadvantages, and how it influences the bank behaviour. The research should assist SBI and any like-minded institutions in improving their online plans in order to be more efficient in the semi-urban areas.

## **1.2 Need for the Study**

The sharp surge of Fintech has changed the way of financial services in India. Although there is a great example of private banks embracing digital platforms, public sector banks such as the State Bank of India (SBI) have not been left behind with services such as YONO, UPI, and so on. Customer perception is a crucial aspect of the success of such platforms in the semi-urban cities, such as Belagavi. Although digitalization is on the rise, the low level of digital literacy, security risks and traditional banking may act as an obstacle to adoption. This paper focuses on the understanding of the perceptions of SBI customers in Belagavi towards Fintech services, to understand the pattern of usage, level of satisfaction and expectation problems, providing its contribution as an input into future services and research work.

## **1.3 Statement of the Problem**

Although SBI tries to improve customer experience by using Fintech platforms, there is still a point of missing the customer perception, especially in Tier-2 cities as Belagavi. Digital literacy, privacy, technologies and preference towards traditional banking are some of the factors that continue to influence adoption. The research question is to get a survey of the customers regarding their views about the Fintech operation of the SBI in Belagavi, whether these services are up to the expectations or not, and determine the major factors that are affecting the use of the service and the scope of improvement in public sector digital banking.

## **1.4 Review of Literature**

Fintech has revolutionised the financial services sector, which attracts researchers to examine its influence on banking and customer trends in India. Kapoor & Singh (2021) conducted a study and observed that the ease of access, usefulness, and trust affect the adoption of digital banking in particularly in rural and semi-urban locations. Mehta & Sharma (2020) emphasised one of the conveniences of mobile banking but indicated the suspicion about technical problems and cyber

fraud. Tripathi (2019) mentioned that the barrier to Fintech adoption exists among the customers of the public sector banking system because they lack agency experience with technology, and Jain & Khurana (2018) indicated that the leading groups in terms of Fintech satisfaction are the customers of the private banks, as they get superior services and assistance through such technology.

According to Sharma & Bansal (2020), trust and the transparency of the available data are important components when using Fintech and Chauhan (2021) indicated that age, income, and education but age have a considerable influence in making use of Tier-2 cities. KPMG (2021) and the RBI (2022) reports confirmed a rapid increase in digital transactions but stated that there was a risk of cyberattacks and the digital gap. The case of seamless digital experiences has been emphasised by PwC India (2020) in the case of public sector banks. According to Bose & Das (2022), customers of SBI enjoy digital services, but it is not enough, as customers expect more support and personalisation.

### **Research Gap**

- Very few studies have been done concerning Tier-2 cities such as Belagavi, in the light of the public sector banks.
- Little literature has been done on the Fintech services of SBI, like YONO, UPI, and mobile banking.
- Issues related to semi-literate and old users are under-researched.
- The majority of literature focuses on metro cities and the adoption of Fintech in the sphere of private banks, and therefore, the adoption by the public sector is scarcely studied.

### **Purpose of This Study**

The study will help to bridge the proposed gap by evaluating the customer perception towards the Fintech offerings of SBI specific to Belagavi City and evaluating satisfaction, barriers to use, and the demographic factors affecting it with a view to recommending practical suggestions to enhance the service.

### **1.5 Objectives of the Study**

- To evaluate the awareness of customers of the Fintech services of SBI in Belagavi city.
- To assess the level of customer satisfaction using the digital banking platforms of SBI.
- To determine the major elements that affect the use of Fintech services by the SBI customers.
- To investigate the issues experienced by customers in the use of Fintech applications at SBI.
- To give recommendations on how Fintech service delivery can be boosted at SBI.

### **1.6 Research Methodology**

The research methodology must be clearly and well-defined to ensure the accuracy and reliability of findings. An approach undertaken in the given study is the following:

1. **Research Design:** The research is analytical and descriptive. It will tend to characterise the customer perception and examine the variables that affect the level of acceptance and satisfaction with Fintech services.

2. **Area of the Study:** This research will be limited to Belagavi city, to the customers of the State Bank of India (SBI).

3. **Population:** The population of the study is all the SBI account holders in the Belagavi city who use or have access to digital banking services.

4. **Sampling Method:** The research would take a purposive sampling approach where the sample will be selected as follows: the respondent of the research needs to actively use the services of SBI, like YONO, Internet Banking, UPI, etc.

5. **Sample Size:** The study was conducted on 100 respondents.

#### **6. Data Collection:**

- **Primary Data:** This data is obtained by a structured questionnaire that is used to gather data on SBI customers.
- **Secondary Data:** These have been taken out of journals, research papers, RBI reports, SBI publications and other websites.

#### **7. Tools of Analysis:**

The collected data was analysed using:

- Percentage Analysis
- Chi-Square Test
- Cross Tabulation
- SPSS and MS Excel were used for data processing and statistical analysis.

#### **8. Limitations of the Study**

- The study is limited to **Belagavi city** and may not accurately reflect the perceptions of SBI customers in other regions.
- Only **100 respondents** were selected, which may limit the generalizability of the findings.
- The study includes only **SBI customers**, excluding private banks and other public sector banks.
- Data is collected through **self-reported questionnaires**, which may be subject to respondent bias.
- The study focuses only on selected **Fintech services** and does not cover all digital initiatives of SBI.

#### **1.7 Scope of the Study**

In this paper, the scope focuses on the customer perception of the impact of FinTech offered by the State Bank of India (SBI) in Belagavi city in Karnataka. It will address individuals who are account holders regionally based in SBI and use or have the propensity to utilise online banking-related services such as YONO, internet banking, mobile banking, and UPI. The study will establish the awareness of customers, the behaviour involved in its usage, the level of satisfaction and the potential of issues regarding these Fintech services and the type of demographics which may influence how the Fintech services are being used. It has a descriptive and analytical research method, and the main data will be collected in a structured questionnaire given to 100 respondents purposefully selected. The secondary data has been procured through the utilisation of the relevant journals, through RBI and SBI reports and official websites. This study will be conducted by using the data that will have been collected during the 20242025 academic year, and which is likely to provide some practical suggestions in service delivery concerning Digital interventions by the banking industry of the government, especially in the semi-urban regions, including Belagavi.

## 1.8 Results and Discussion

### Demographic Profile of Respondents

<b>Demographic Variable</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	Male	60	60%
	Female	40	40%
<b>Age Group</b>	18–25 years	25	25%
	26–35 years	40	40%
	36–45 years	20	20%
	Above 45 years	15	15%
<b>Education</b>	Graduate	50	50%
	Postgraduate	35	35%
	Others	15	15%
<b>Occupation</b>	Student	20	20%
	Private Employee	30	30%

*A Study On Customer Perception Towards The Impact Of Fintech In Banking Sector At State Bank Of India In Belagavi City*

	Government Employee	25	25%
	Self-employed	25	25%

The demographical breakdown of the respondents provides informative patterns concerning the clients of the State Bank of India (SBI) in Belagavi city in terms of Fintech consumption. Of the 100 surveyed people, the male-to-female ratio stood at 60:40, implying that a greater percentage of the customers using or being aware of the Fintech services are male. It can be due to increased digital engagement or financial decision-making by the male population in the area. As to the age, most of the respondents are aged between 26 and 35 years (40%), with 25 per cent at the threshold of 18 to 25 years. It means that Fintech usage is dominated by younger people who are, in general, more technologically savvy and accustomed to digital services, including online banking. 20% and 15% belong to the age group of 36-45 years and the age group over 45 years, respectively, which indicates a comparatively low rate of adoption among older clients, which can be explained by inexperience or a lack of trust towards digital platforms.

The level of education is also relevant to Fintech consciousness and use. Half of the respondents (50 per cent) have a graduate level, and 35 per cent are postgraduates, which makes the user base a highly educated one. This shows the reason why people with superior education skills tend to patronise and believe in Fintech alternatives like mobile apps, internet banking, and digital payments. The other 15 per cent are classified as of the category Other and can comprise people with diplomas or basic education. On the whole, the demographic mapping indicates that young males are the most active users of Fintech services provided by SBI in Belagavi city and also that most of these users are educated. This also highlights the possible necessity of more digital awareness activities among older customers, women customers, and less educated customers as a way of ensuring increased and universal practice of Fintech in the banking industry.

### 3.2 Descriptive Statistics for Key Variables

Statement	Mean	Std. Deviation	Interpretation
I find SBI's Fintech services easy to use.	4.1	0.72	High agreement
I feel secure while using SBI's digital platforms.	3.8	0.85	Moderate to high agreement
I am satisfied with the speed of Fintech transactions in SBI.	4.0	0.65	High agreement
I frequently use the YONO app or SBI UPI for transactions.	3.7	0.88	Moderate agreement

I prefer SBI's Fintech services over visiting the branch physically.	3.9	0.70	Moderate to high agreement
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The descriptive statistics give us a clear idea of customer perception on different aspects of Fintech services offered in the city of Belagavi by SBI. A statement like I find SBI Fintech services easy to use has a high value of mean of 4.1 and a relatively low standard deviation of 0.72, which implies there was a high level of agreement in answers and data consistent across the respondents. This implies that the user-friendliness of the interface and the general layout of digital services provided by SBI are viewed by most people as positive. The response of feeling safe using the digital platforms offered by SBI displays an average of 3.8 and a relatively higher standard deviation of 0.85, meaning the agreement is moderate-high, but there is a certain variability in the means, indicating that not all users could feel safe, based on the digital safety issue.

In terms of transaction speed, the response statement in the questionnaire, I am happy with the Fintech transaction speed in SBI had an average of 4.0 with low standard deviation of 0.65 due to being on the positive side with little variations, indicating high concordance and a consistent positive experience in regards as to the efficiency of Fintech transactions in SBI. In the case of actual usage behavior, the sentence rating of I frequently use the YONO-app or SBI-UPI to make a transaction had a mean of 3.7 and a larger standard deviation of 0.88, which indicates moderate consensus with the varying behavior of the users, some users whom use it regularly, others who use it occasionally, and yet other users who may not be using it at all. At long last, the baggage of saying I like the Fintech services offered by the SBI more than visiting the branch physically has an average of 3.9 and a standard deviation of 0.70, meaning that most customers can be swayed towards the digital approach rather than face-to-face interaction, but at the same time, some will want to maintain the physical experience.

On the whole, the findings indicate that the respondents have a positive tendency towards the Fintech solutions of SBI developed by the company regarding their simplicity, speed, and favouritism, but more can be done to create digital trust and boost the level of use among the less active users of the options.

### 3.3 Chi-Square Test: Association Between Gender and Usage of YONO App

Hypothesis				
<b>H<sub>0</sub>:</b> There is no significant association between gender and frequency of YONO usage.				
<b>H<sub>1</sub>:</b> There is a significant association between gender and frequency of YONO usage.				
Gender	Frequently Use	Occasionally Use	Never Use	Total
Male	30	20	10	60

Female	10	20	10	40
Total	40	40	20	100

**Chi-square calculated value:** 6.25

**Degrees of freedom:** 2

**Chi-square table value at 5% level:** 5.99.

**Result:** Since  $6.25 > 5.99$ , reject  $H_0$

**Interpretation:** A Chi-square test was implemented with regards to investigate whether gender impacts the pattern of usage of the YONO app significantly. The null hypothesis ( $H_0$ ) was set as there is no significant association between gender and frequency of YONO use, whereas the alternative hypothesis ( $H_1$ ) was set as such an association does exist. The table of cross-tabbed data indicated that out of 60 respondents who were males, 30 responded that they often use the YONO app, 20 answered that they sometimes use it, and 10 stated that they never use the target app. Conversely, a sample of 40 female respondents indicated that the frequency of the use of the app was 10, 20, and 10: who always used it, used it occasionally and never used it, respectively.

The Chi-square calculated was 6.25, which is greater than the significance level obtained of 5.99 and using 2 degrees of freedom. Hence, the null hypothesis is hypothesised. This shows a statistically meaningful relationship between gender and the frequency of using YONO. That is, there are differences between male and female customers when it comes to their consumption behaviour towards the use of the SBI YONO app, where male respondents have a greater propensity to use the app frequently. This finding means that gender has an influence on digital adoption behaviour and that there is a need to adopt targeted strategies to facilitate Fintech adoption, particularly among female customers.

### Findings

- **Gender-wise Variation in Usage:** During the study, it was revealed that male respondents use the SBI YONO app much more likely than females, which points to a difference in the adoption of digital banking resources based on gender.
- **Age affects usage frequency:** The younger customers, especially aged 26-35, are more active users of Fintech services. Usage is much less in people exceeding 45 years of age, which implies a technological lag between generations.
- **Satisfaction is affected positively by Education:** Individuals who possessed graduate or postgraduate education were more satisfied with the Fintech services of SBI. This means that the level of education is a factor in the awareness and comprehension of the digital banking tools among consumers.
- **Positive General Perception:** Descriptive statistics indicate that there is high agreement in the ease of use, transaction speed, and preference for digital services over physical visits. Nevertheless, a middle state in the security and regular use of the app indicates that there should be a way to increase user involvement.

- **Statistical Significance in Gender and the Use of YONO:** The Chi-square test proved that gender and frequency of YONO usage were statistically significant correlates, which supports the hypothesis that gender has an impact on digital banking behaviour.

### **Suggestions**

1. **Enhance Digital Awareness for Women:** Targeted awareness campaigns, workshops, and simplified app tutorials can encourage more women to adopt and use Fintech services confidently.
  2. **Senior-Friendly Digital Tools:** SBI should consider developing more intuitive and accessible user interfaces for older customers who may struggle with the current app layouts or navigation.
  3. **Education-Based Custom Support:** Provide additional support and guidance to customers from non-technical or lower educational backgrounds to ensure inclusive access to digital banking services.
  4. **Build Trust Through Security Features:** Boosting transparency around security features and adding more user-controlled security options can enhance users' confidence in digital platforms.
  5. **Continuous Improvement of Apps:** Regular updates, faster loading times, and bug fixes in apps like YONO will increase user satisfaction and encourage repeated usage.
- **Build Digital Awareness in Women:** Awareness drive, workshops and easy-to-follow tutorials in the use of digital applications can persuade more women to embrace and embrace the Fintech applications.
  - **Customer-Friendly Digitalisation:** SBI can also look to work on more accessible user interfaces and structures that are more conducive to older customers who can find navigating the current interface difficult.
  - **Education-Based Custom Support:** An extension of technical training by providing additional guidance to customers with non-technical or lower educational backgrounds so that the end customer has equal access to the digital banking services.
  - **Increase Trust with Security Features:** Increasing transparency of security features and providing the user with more security choices can increase confidence in the digital spaces.
  - **Continuous Development of Apps:** Applications such as YONO will continuously improve by rectifying bugs, lessening the load time and regularly updating the app to enhance user satisfaction and lead to recurrent usage of the apps.

### **1.9 Conclusion:**

The research on customer perception with regard to the effects of Fintech in the banking industry at the State Bank of India (SBI) in Belagavi City finds that digital banking experiences have greatly affected customer behaviour and preferences in banks. The survey results point to the fact that younger and educated customers, especially males, are more prolific users of such technologies due to certain factors such as ease of use, speed of transactions and convenience. Nevertheless, moderate levels of confidence in digital security, low awareness among women, and the low penetration of older people are challenges which should be addressed by specific measures.

Demographic factors that affect Fintech usage can be confirmed by the statistical investigation that establishes a considerable relationship between gender and the frequency of using YONO. In conclusion, the paper has found out overall that the SBI Fintech efforts have been a great success in the general efforts towards enhancing the customer experience, but the continued expansion would require bridging the digital divide by involving superior awareness programs, security, and easy, user-friendly design that suits every stratum of the population. Through these gaps, SBI will enhance its status quo as a pioneer of digital banking services provider in the semi-urban areas such as Belagavi.

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*A Study On Customer Perception Towards The Impact Of Fintech In Banking Sector At State Bank Of India In Belagavi City*

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