



# Understanding Customer Pain Points: Reducing Friction In Onboarding For Digital Banking Products With Special Refernce To Sbi Products With Special Reference To Parktown Branch, Chennai

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**Abstract** – The digital transformation of the banking sector has made customer onboarding a crucial factor in the successful adoption of digital banking services. Despite continuous technological advancements, many customers continue to experience difficulties during the onboarding process. This study examines the customer pain points associated with digital onboarding of banking products offered by the State Bank of India (SBI). The research is based on primary data collected from digital banking users using a structured questionnaire. The study adopts a descriptive research design and employs percentage analysis for data interpretation. The study is based on a sample size of 100 respondents selected from customers of the SBI Park Town Branch. The findings reveal that customers face challenges such as credential recovery issues, technical glitches, unclear system messages, and inadequate user guidance during onboarding. These issues are more prominent among elderly users and individuals with limited digital literacy, resulting in incomplete onboarding and increased dependence on physical branch visits. The study also highlights customer preference for biometric authentication, step-by-step written guides, and video tutorials to enhance usability and confidence. The study concludes that simplifying onboarding procedures and adopting user-centric digital design can significantly improve customer satisfaction and digital banking adoption.

**Keywords** – Digital Banking, Customer Pain Points, Onboarding Process, User Experience, SBI.

## I. INTRODUCTION

Digital transformation has fundamentally altered the structure of banking services worldwide. In India, increasing internet penetration and smartphone adoption have accelerated the shift from branch-based operations to platform-based service delivery. The State Bank of India (SBI), as the country's largest public sector bank, has implemented integrated digital platforms such as YONO to enhance customer convenience and operational efficiency. These initiatives reflect a broader strategic move toward digital-first banking ecosystems.

However, the availability of digital infrastructure alone does not guarantee effective adoption. Technology acceptance literature emphasizes that perceived usefulness and perceived ease of use significantly influence user behavior (Davis, 1989). While digital banking services offer efficiency benefits, operational challenges such as system instability, complex authentication procedures, and unclear navigation can undermine perceived ease of use (Reddy & Geetha, 2024). These barriers may not deter adoption entirely but can increase dependency on physical branches. Digital literacy further shapes user experience. Research indicates that variations in technological competence affect engagement with electronic banking systems (Zabiullah et al., 2018). Users with limited digital proficiency are more likely to encounter difficulties during

system registration and authentication processes. The onboarding stage—comprising account activation, credential creation, and verification—serves as the first structured interaction within the digital journey. Friction at this stage can influence long-term engagement and satisfaction. Although prior studies have explored digital banking adoption and customer perception (Kumar et al., 2023; Pathan, 2024), limited empirical attention has focused specifically on onboarding as a distinct analytical phase. Addressing this gap, the present study examines customer pain points in SBI's digital onboarding process and evaluates their implications for inclusive digital banking transformation.

## II. REVIEW OF LITERATURE

The existing body of literature on digital banking in India can be broadly categorized into four major themes: digital banking adoption and financial inclusion, technological challenges and security risks, customer perception and satisfaction, and digital literacy barriers.

### Digital Banking Adoption and Financial Inclusion

Digital transformation has significantly expanded banking outreach and improved financial inclusion in India. Studies indicate that digital platforms introduced by the State Bank of India have enhanced accessibility and reduced dependency on physical branches. Kumar et al. (2023)



argue that digital initiatives have strengthened inclusive banking by enabling remote access to financial services. However, Zabiullah et al. (2018) note that adoption remains uneven, particularly in rural and semi-urban regions, due to infrastructural and awareness constraints.

#### **Technological Challenges and Security Concerns**

The sustainability of digital banking systems depends heavily on technological reliability and cybersecurity frameworks. Reddy and Geetha (2024) emphasize that e-banking systems face operational risks, data security threats, and system vulnerabilities that require robust risk management strategies. Security concerns and system glitches can undermine customer trust and slow digital adoption. Effective authentication mechanisms and secure recovery systems are therefore essential to maintain confidence in digital platforms.

#### **Customer Perception and Satisfaction toward Digital Platforms**

Customer satisfaction plays a central role in determining the long-term success of digital banking applications. Studies focusing on YONO highlight its integrated features and convenience as key strengths. Pramod and Savitha (2023) report positive customer perception regarding ease of access and time-saving benefits. Similarly, Manda et al. (2020) describe YONO as a transformative digital ecosystem with strong growth potential. However, researchers also underline the importance of strengthening security trust and transparency to ensure sustained customer loyalty.

#### **Digital Literacy and User Experience Barriers**

Digital literacy significantly influences the usability and effectiveness of digital banking services. Pathan (2024) found high overall satisfaction among SBI customers but identified limited awareness about available digital features. Several studies stress that elderly users and first-time smartphone users experience navigation difficulties and require simplified interfaces and structured guidance. Lack of proper onboarding support can lead to incomplete digital adoption and increased branch dependency.

#### **Understanding Customer Perceptions in Digital Banking**

Yadav and Prakash (2024) provide a comprehensive review of how customers perceive digital banking adoption and preferences within the Indian context. This review synthesizes current literature on digital banking platforms, highlighting user motivations, adoption barriers, and the need for user-friendly interfaces in the digital onboarding journey.

#### **Transforming Indian Banking: Digitalization and Customer Experience**

Pandey (2025) explores digitalization's impact on customer experience and operational efficiency in Indian banks. The study examines how digital technologies influence customer satisfaction and the transformational

journey of banks — an important backdrop for understanding how onboarding fits into broader digital adoption.

#### **The Rise of Digital Banking in India — Trends, Challenges and Future Prospects**

Thunga et al. (2025) analyze current trends and challenges in digital banking in India, including infrastructure, user engagement, and technological adoption. Their research highlights persistent barriers to seamless digital services — such as onboarding — and discusses future prospects, making it relevant to your literature review.

#### **Research Gap**

While existing literature extensively examines adoption, financial inclusion, satisfaction, and security aspects of digital banking, limited research specifically addresses customer pain points during the onboarding phase, particularly at the branch level. The onboarding process is a critical first interaction that determines long-term digital engagement. Therefore, this study contributes to the literature by analyzing onboarding friction and proposing user-centric improvements within the SBI context.

### **III. RESEARCH METHODOLOGY**

**Research Design:** The study adopts a descriptive research design to examine customer pain points during the digital onboarding process. Descriptive research is appropriate as it systematically describes the characteristics, experiences, and perceptions of customers without manipulating variables. The study focuses on identifying usability issues, technical barriers, and support-related challenges faced during onboarding of digital banking products offered by the State Bank of India.

**Area of the Study:** The study was conducted among customers of the SBI Park Town Branch, Chennai. The branch was selected due to its diverse customer base, including salaried employees, students, business owners, and senior citizens. The location provides a mix of digitally literate and semi-digitally literate users, making it suitable for examining onboarding friction.

**Population of the Study:** The population comprises all customers of SBI Park Town Branch who use or have attempted to use SBI's digital banking platforms such as: YONO, Internet Banking, Mobile Banking (YONO Lite) UPI-based services.

**Sample Size and Sampling Technique:** A sample of 100 respondents was selected for the study. A convenience sampling method was adopted, as respondents were selected based on accessibility and willingness to participate. Though non-probability in nature, this method is appropriate for exploratory and branch-level studies where the objective is to understand user experiences rather than generalize to the entire population.



### Sources of Data

**Primary Data:** Primary data were collected through a structured questionnaire distributed via Google Forms. Some responses were also collected through direct interaction with customers visiting the branch. The questionnaire consisted of:

- Demographic questions (age, gender, education, occupation)
- Digital literacy assessment
- Onboarding experience evaluation
- Technical issue identification
- Credential recovery experience
- Customer support satisfaction
- Preference-based questions (biometric recovery, help format, etc.)

**Secondary Data:** Secondary data were collected from:

- Published research articles
- Journal publications
- Official SBI website and digital platform descriptions
- Government reports related to digital banking

**Tools for Data Analysis:** The collected data were analyzed using Percentage Analysis, Tabular Presentation, and Descriptive Interpretation. Percentage analysis was used to understand the distribution of responses and identify dominant trends in onboarding challenges. The results were presented using tables and interpreted logically to draw meaningful conclusions.

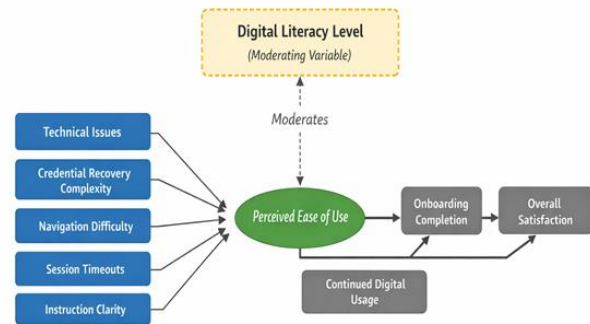
**Variables Considered in the Study:** The major variables examined include:

- Digital literacy level
- Ease of onboarding
- Technical issues (app crash, verification failure, slow loading)
- Navigation difficulty
- Credential recovery experience
- Customer support effectiveness
- Branch dependency

These variables were analyzed to determine their influence on overall onboarding satisfaction.

**Reliability and Validity:** The questionnaire was carefully structured to ensure clarity and relevance. Questions were framed in simple language to avoid ambiguity. A pilot-level informal review was conducted before full distribution to ensure reliability of responses. Content validity was maintained by aligning questions with the objectives of the study and existing literature themes.

**Limitations of the Study:** The study is limited to one branch (Park Town, Chennai). The sample size is restricted to 100 respondents. Convenience sampling limits generalizability. Findings are based on self-reported responses. Despite these limitations, the study provides meaningful insights into onboarding friction at the operational level.



Conceptual Model of Digital Banking Onboarding and TAM

## IV. CONCEPTUAL MODEL AND HYPOTHESIZED RELATIONSHIPS

### Conceptual Model

This study integrates onboarding friction variables within the Technology Acceptance Model framework (Davis, 1989; Venkatesh & Davis, 2000), incorporating usability (Nielsen, 1993), system reliability and trust (Pavlou, 2003), and user capability factors (Venkatesh et al., 2003) to explain sustainable digital adoption and continuance intention (Bhattacharjee, 2001).

### Proposed Constructs:

Independent Variables (Onboarding Friction Factors):

- Technical Issues (App crashes, slow loading, verification errors)
- Credential Recovery Complexity
- Navigation Difficulty
- Session Timeout Interruptions
- Clarity of Instructions

### Moderating Variable:

- Digital Literacy Level

### Mediating Variable:

- Perceived Ease of Use (TAM construct)

### Dependent Variables:

- Onboarding Completion without Branch Visit
- Overall Digital Satisfaction
- Continued Digital Usage Intention

**Structural Relationship Explanation:** The conceptual model assumes that onboarding friction factors negatively influence Perceived Ease of Use, which is a core determinant of behavioral intention under TAM. When users encounter technical instability or unclear guidance, their cognitive effort increases, thereby reducing perceived simplicity of the system. Digital literacy functions as a moderating variable. Users with advanced digital skills may tolerate minor technical issues without abandoning the process, whereas beginner-level users are more likely to



discontinue onboarding and seek branch assistance. Perceived Ease of Use subsequently influences:

- Completion of onboarding independently
- Overall satisfaction with digital platforms
- Intention to continue using digital banking services

Thus, onboarding friction indirectly affects long-term digital adoption through usability perception.

### Summary of Key Findings on Digital Onboarding Experience

Variable	Category	Percentage (%)
Digital Literacy Level	Beginner	34
	Intermediate	48
	Advanced	18
Faced Technical Issues	Yes	67
	No	33
Forgot MPIN/Username/Password	Yes	73
	No	6
	Not Sure	21
Encountered Navigation Issues	Yes	71
	No	12
	Not Sure	17
Completed Onboarding Without Branch Visit	Yes	25
	No	50
	Partially	25
Recommended SBI Digital Onboarding	Yes	100
	No	0

**Source:** Primary Data (Field Survey conducted at SBI Park Town Branch, Chennai, 2025)

This study examined friction in the digital onboarding process of the State Bank of India and identified a critical gap between digital availability and digital usability. Although customers demonstrated high overall satisfaction and strong institutional trust, operational barriers during onboarding remain substantial. A significant proportion of respondents belonged to middle-aged and elderly groups, with 34% identifying as beginners in digital literacy and 48% as intermediate users. This demographic profile suggests that onboarding systems must accommodate varying levels of technological proficiency. The high

incidence of technical issues (67%), including app crashes and verification failures, indicates systemic instability that undermines perceived ease of use. Frequent interruptions increase cognitive load and may discourage independent task completion.

Credential recovery emerged as a major friction point. With 73% of respondents reporting forgotten MPINs or passwords and 64% visiting branches for minor authentication issues, digital autonomy appears limited. While robust authentication enhances security, excessive procedural complexity may inadvertently create dependence on physical banking channels. This reflects an imbalance between security architecture and user-centered design.

Navigation challenges further reinforce usability concerns. Despite positive overall ratings, 71% encountered navigation difficulties and 66% reported unclear instructions. This discrepancy suggests that satisfaction may be influenced by brand credibility rather than seamless user experience. The inability of 50% of respondents to complete onboarding without visiting a branch highlights incomplete digital transition.

Session timeouts and device compatibility issues also contribute to exclusion risks. Elderly users, who require additional time for comprehension, are disproportionately affected by short session durations. Similarly, higher system requirements limit accessibility for users with older smartphones, potentially widening the digital divide.

Interestingly, all respondents expressed willingness to recommend SBI's digital services, indicating strong brand trust. However, trust alone cannot sustain digital transformation if onboarding inefficiencies persist.

Overall, the findings position onboarding as a strategic gateway in digital banking adoption. Friction at this stage does not necessarily prevent adoption but increases dependency, reduces confidence, and weakens perceived ease of use. Addressing authentication complexity, navigation clarity, and system reliability is essential to enhance digital independence and ensure inclusive digital banking growth.

### Cross-Tabulation between Digital Literacy Level and Technical Issues Faced During Onboarding

Digital Literacy Level	Faced Technical Issues (Yes)	Faced Technical Issues (No)	Total
Beginner (34)	30	4	34
Intermediate (48)	30	18	48
Advanced (18)	7	11	18
<b>Total</b>	<b>67</b>	<b>33</b>	<b>100</b>

**Source:** Primary Data (Field Survey, SBI Park Town Branch, Chennai, 2025)



### Hypothesis

H<sub>0</sub>: There is no significant association between digital literacy level and technical issues faced during onboarding.  
H<sub>1</sub>: There is a significant association between digital literacy level and technical issues faced during onboarding.

**Analytical Insight:** The cross-tabulation in Table 2 indicates that a higher proportion of beginner-level users (30 out of 34) reported technical difficulties compared to advanced users (7 out of 18). Conversely, advanced users reported fewer technical issues relative to their group size. This distribution suggests a possible association between digital literacy level and technical friction during onboarding. A Chi-square test of independence may be applied at a 5% significance level to determine statistical significance. If the calculated  $\chi^2$  value exceeds the critical value at  $df = 2$ , the null hypothesis would be rejected, indicating that digital literacy significantly influences the likelihood of encountering technical issues.

**Cross-Tabulation between Age Group and Overall Onboarding Difficulty**

Age Group	Easy	Neutral	Difficult	Total
18–25 (12)	6	4	2	12
26–35 (28)	10	14	4	28
36–50 (32)	9	17	6	32
Above 51 (28)	8	8	12	28
<b>Total</b>	<b>33</b>	<b>43</b>	<b>24</b>	<b>100</b>

**Source:** Primary Data (Field Survey, SBI Park Town Branch, Chennai, 2025)

### Hypothesis for Chi-Square Testing

H<sub>0</sub>: There is no significant association between age group and onboarding difficulty.  
H<sub>1</sub>: There is a significant association between age group and onboarding difficulty.

### Analytical Interpretation (Scopus-Level)

Table 3 indicates that onboarding difficulty increases with age. While younger users (18–25) report relatively fewer difficulties, respondents above 51 years show the highest proportion reporting “Difficult” onboarding (12 out of 28). In contrast, the 26–35 and 36–50 age groups predominantly reported a “Neutral” experience. This pattern suggests a potential age-based variation in onboarding experience, possibly influenced by digital

familiarity, cognitive processing speed, and adaptability to authentication procedures. If the calculated Chi-square value exceeds the critical value at  $df = 6$  ( $\alpha = 0.05$ ), the null hypothesis would be rejected, indicating that age significantly influences onboarding difficulty.

## V. CONCLUSION

This study examined customer pain points in the digital onboarding process of State Bank of India with specific reference to the Park Town Branch, Chennai. The findings reveal that while digital banking infrastructure is well established, operational friction during onboarding continues to hinder seamless digital adoption. The evidence clearly indicates that technological availability does not automatically translate into digital independence. A substantial proportion of respondents experienced technical issues, navigation difficulties, and credential recovery challenges during onboarding. These barriers significantly influenced perceived ease of use, which is a core determinant of technology acceptance.

The study confirms that digital literacy plays a critical moderating role. Beginner-level users reported disproportionately higher technical issues compared to advanced users, suggesting that onboarding systems are not sufficiently aligned with varying levels of user capability. Similarly, age-based variations demonstrate that elderly users encounter greater onboarding difficulty, reinforcing the need for inclusive interface design.

Although institutional trust remains strong—evidenced by universal willingness to recommend SBI’s digital services—the data reveal a structural gap between trust and usability. A considerable percentage of customers were unable to complete onboarding without branch assistance, indicating partial digital transformation rather than full digital migration. This dependency increases operational burden on physical branches and weakens the long-term sustainability of digital banking initiatives.

The study concludes that onboarding should be treated as a strategic gateway rather than a procedural formality. Simplifying authentication processes, enhancing instruction clarity, extending session duration, and integrating user-centric support mechanisms such as biometric recovery and guided tutorials can significantly improve perceived ease of use and digital satisfaction. Strengthening onboarding design will not only enhance customer experience but also promote inclusive and sustainable digital banking growth.

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