THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

A Study on Customer Satisfaction towards ATM Services

G. Latha
Research Scholar, Department of Business Management
Sri Venkateswara University, Tirupati, A.P., India
Y. Suneetha
Department of Business Management
Sri Venkateswara University, Tirupati, A.P., India
M. Giri Kumari
Academic consultant, Department of Business Management
Sri Padmavathi Mahila Visvavidyalayam, Tirupati, A.P., India

Abstract:
A study was undertaken to identify the impact of ATM services on customer satisfaction with respect to students in three major banks. To fulfill the objective of the study data has been collected from both primary and secondary data. This paper has been divided into two sections. First section presents the introduction of ATM, brief history of three Banks compiled through the literature available in the field with the help of secondary data. Second section presents the result obtained on the basis of the data collected from three banks which includes the purpose of visiting ATM centres and problems facing at ATM centres. The relationship between demographic profile of customers and services provided by three banks were also examined under this study. A sample of 100 respondents have been taken through structured questionnaire to analyze the data.

Keywords: ATM, Customer satisfaction, Fees, Problems, ATM services, Banks

1. Introduction

The revolutions in the technology are having great impact on banking industry with the introduction of e-services. The influence of technology over product innovations in banks is enormous. Among all the e-channels of banking services, ATM is most acknowledged. The history of ATM can be traced back to the 1960s, when the first ATM machine was invented by John Sepherd-Barron. The first ATM was installed in 1969 by Chemical Bank at its branch in Rockville Centre, New York. The first bank to introduce ATM concept in India was the Hong Kong and Shanghai Banking Corporation (HSBC) in the year 1987 followed by Bank of India in 1988. An Automated Teller Machine (ATM) or cash machine is an electronic device that allows bank customers to make cash transactions without visiting the branch, help of bank employee and waiting in lines. ATM services are used by bank customers to process account transactions. The present study was undertaken in three banks namely Industrial Credit and Investment Corporation of India (ICICI), State Bank of India (SBI) and Andhra Bank (AB).

- **SBI** : State Bank of India is a multinational banking and financial services company based in India which was founded in the year 1956. It is a government owned corporation with its headquarters in Mumbai, Maharashtra. It had 14,816 branches in India and more than 27,000 ATMs.
- **Andhra Bank** : Andhra Bank is a medium sized public sector bank (PSB) with a network of 2000+ branches and 63,800 ATMs across the country It was founded in the year 1923 by Bhogaraju Pattabhi Sitaramayya and its headquarters located at Hyderabad.
- **ICICI** : ICICI Bank was established in 1996 by the Industrial Credit and Investment Corporation of India, an Indian financial institution, as a wholly owned subsidiary. ICICI Bank Limited is an diversified financial services company headquarted in Mumbai, Maharashtra. It is the second largest bank in India by assets and third largest by market capitalization. The bank has a network of 3,539 branches and 11,162 ATMs in India and has a presence in 19 countries, including India.
- **Customer Satisfaction and Banking Industry**: The most important asset of any organization is its customers. Satisfied customers are the life blood of any organization. Customer satisfaction refers to the extent to which customers are happy with the products and services provided by a business. Customer satisfaction is a measurement of how pleased customers are with a particular product or service. Satisfied customers are likely to make repeat purchases and often refer others. It is the outcome felt by buyers who purchased, used the products and services.   The level of customers satisfaction can be measured by using survey techniques and questionnaires. Customer satisfaction has a vital role in

sustaining and improving hold on the business. To survive in a competitive environment for banking industry, there is a need to assure and ensure customer satisfaction and to gain competitive advantage and attain high market share. Therefore the present study was undertaken to assess the customer satisfaction in three major banks.

2. Literature Review
A study was undertaken by Shamsher Singh (2011) to understand the impact of ATM services on the customer satisfaction in Indian Banking Sector primarily in urban area by using structured questionnaire to ascertain the satisfaction levels. Statistical tools like ANOVA and factor analysis was used to identify significant factors to analyze customer satisfaction. The results revealed from the study that there is a positive impact on customer satisfaction towards ATM services and suggested that banks should augment and diversify their offerings through ATM to build a strong and sustained relationship with customers.
According to Muhammad Asif Khan (2010) , in his study to identify the significant dimensions that shape customers perception of ATM service quality and the effect of ATM service quality on customers satisfaction in Pakistani banking sector. In the analysis of literature five key service quality factors were identified : convenience, efficient operation, security and privacy, reliability and responsiveness. The research results from the above study reflect a positive and statistically strong relationship between ATM service quality and customer satisfaction.
P.Srinivasa Rao, D.Rajasekhar and N.Vijaya Ratnam (2013), quotes in a study on an empirical study of customers satisfaction in ATM services, found that majority of the customers are dissatisfied with ATM Grievance settlement and ATM locations. It was also found that there were no complaint books available at ATM counters. From the secondary data also it was observed that number of ATMs are less in rural areas when compared ot urban and metropolitan places.
According to Dharmesh Motwani, Devendra Shrimali (2012), in a study on consumer adoption & satisfaction towards ATM service: A comparative study of Udaipur City, majority of customers are aware about cash withdrawal services of ATMs followed by balance enquiry but there is no difference between the satisfaction level of public and private bank customers towards ATM services.
An exploratory research was undertaken by Kiranmahur (2011) on Customer Satisfaction of ATM services in HSBC bank with respect to various aspects like promptness of card delivery, the performance of HSBC ATM, service quality of ATM personnel.
To analyze the satisfaction levels of customers of ICICI Bank holding ATM cards in Udaipur city, an exploratory research was undertaken by Manvinder Singh Pahwa and Karunesh Saxena (2011) on Analytical study of Customer Satisfaction at ICICI Bank with special reference to ATMs using random sampling technique. The findings of the study are majority of the respondents have knowledge of the features of ATM.

3. Need For The Study
The present survey is a means to measure how satisfied the customers are with the products and services offering by the banks and helps to study the experience and expectation of the expectations of the customers also to find whether the ATM services are according to the needs or not.

4. Satement Of The Problem
This study will help to understand customers satisfaction towards ATM services. This study will also help banks to understand how a consumer selects, organizes and interprets the quality of services offered by banks. In this background, this study tries to identify the problem areas and to analyze customer satisfaction towards ATM services of three banks.

5. Objectives Of The Study
- To examine the existing ATM services of banks
- To find the impact of customer demographics on satisfaction towards ATM services
- To identify the purpose and problems of ATM services

6. Hypothesis
H1: There is no significant relationship between demographics of Customers towards ATM Services.

7. Scope Of The Study
The scope of this study is wide and valuable. This study is an attempt to study customer satisfaction of students towards ATM services which is very essential for banks. The present study covers purpose of using ATM services, problems facing by the customers and impact of demographics of customers towards ATM services.

8. Research Methodology
- **Research design** : The main aim of this survey is to know the customer satisfaction towards ATM services of three different banks and to find out the factors which contribute to the satisfaction level of customers with regard to the cash transactions through ATM services. Therefore, descriptive research was adopted to find out the customers satisfaction and impact on characteristics of customers. Target population of this study involves the users of ATMs of three banks namely, ICICI, SBI and AB.
- **Population** : The population defined for this study was limited to the ATM users of ICICI, SBI and AB in Tirupati.
- **Sampling size:** 100 users were selected after considering time and cost

- **Sampling method** : Convenience method of sampling is used to collect the data from the respondents
- **Data Sources** : The data was collected from both primary and secondary sources. Primary data is collected through questionnaire and interview schedule and secondary data was collected from books, magazines and websites etc,.
- **Statistical tools** : The collected data has been analyzed by using frequencies, percentage analysis, Chi-square and Weighted Average Scores have also been calculated to know the respondents preferences and problems facing at various services of ATMs and then ranking was done to determine the most contributing factor towards satisfaction of customers.

9. Limitations of the Study

The study is limited to only students of Tirupati region in Chittoor Dt of A.P., India and therefore the findings of the study cannot be extended to other areas. All the findings and observations made in the study are purely based on the respondents answers which may be biased.

10. Data Analysis and Interpretation

Variable	Characteristics	Frequency	Percentage
Gender	Male	65	65.0
	Female	35	35.0
Age	18 - 20 YEARS	38	38.0
	21 - 23 YEARS	36	36.0
	ABOVE 24 YEARS	26	26.0
Education	BA/BCOM/BSC	24	24.0
	BTECH/MTECH	26	26.0
	MA/MCOM/MSC	33	33.0
	PHD	17	17.0
Bank	State Bank of India (SBI)	39	39.0
	Andhra Bank (AB)	37	37.0
	Industrial Credit and Investment Corporation of India (ICICI)	24	24.0
Experience	LESS THAN 1 YEAR	17	17.0
	1 - 2 YEARS	49	49.0
	3 - 4	23	23.0
	MORE THAN 4 YEARS	11	11.0

Table 1 : Demographic profile of respondents
Source : Primary Data

Table 1 demonstrates the demographic factors of sample respondents. It shows that male (65%) respondents are higher than the female (35%) respondents who are using ATM services. Majority of the respondents using ATM services falls in the age group of 18 – 20 years. Regarding education, M.A., M.Com. and M.Sc., students are dominating over other educational qualifications with 33%.   The respondents are primarily from SBI category (39.0%) followed by AB category (37.0%) and ICICI category (24%). 49% of the respondents are using ATM services fall under 1 - 2 years followed by 3 – 4 years (23%).

11. Weighted Average Index Method

Weights	8	7	6	5	4	3	2	1	Total	Weighted total	Weighted Average	Rank
Rank Services	1st	2nd	3rd	4th	5th	6th	7th	8th				
Cash/cheque deposit	5	2	15	10	14	25	15	14	100	369	10.54	5
Cash withdrawal	45	15	12	8	5	5	5	5	100	627	17.91	1
Balance Enquiry	10	28	8	25	12	10	5	2	100	538	15.37	3
Mini Statement	20	38	20	5	3	8	4	2	100	617	17.62	2
Money Transfer	5	5	5	10	8	30	30	7	100	344	9.82	6
Purchasing	10	8	25	22	6	2	2	35	100	465	13.28	4
Mobile banking	5	4	10	3	4	0	39	35	100	272	7.77	8
Cheque book request	0	0	0	17	48	20	0	0	100	337	9.62	7

Table 2: Purpose of visiting ATM centres
Source : Primary Data

Classification of respondents on the basis of purpose of visiting ATM centres and their preferences mentioned in table No. 2
The table reveals the ranks given by the respondents according to their preference. 1st rank is given to cash withdrawal with 627 weighted total, 2nd rank to the mini statement with 617 points, 3rd rank to the balance enquiry with 538 points, 4th rank to the purchasing with 465 points, 5th rank to cash/cheque deposit with 369 points, 6th rank to money transfer with 344 points, 7th rank to cheque book request and 8th rank to mobile banking. It can be concluded that majority of the respondents are satisfied with the using of ATM services for cash withdrawal followed by mini statement.

Weights	8	7	6	5	4	3	2	1	Total	Weighted total	Weighted Average	Rank
Rank Services	1st	2nd	3rd	4th	5th	6th	7th	8th				
Machine out of order	30	15	20	12	8	15	0	0	100	602	17.2	1
Card blocked	5	0	25	13	20	10	14	3	100	466	13.31	4
Poor Statement visibility	5	8	4	6	2	25	33	17	100	316	9.02	6
No printing statement of transaction	10	20	17	25	20	4	4	0	100	547	15.62	3
No availability of cash	38	25	17	8	2	4	4	0	100	591	16.88	2
Only Rs.100	7	2	5	8	10	12	20	36	100	292	8.34	7
Queues at ATM	3	8	2	8	10	12	25	32	100	290	8.28	8
No availability of cash deposits facility	2	8	10	20	28	10	12	10	100	408	11.65	5

Table 3: Problems facing at ATM centres
Source : Primary Data

Classification of respondents on the basis of problems facing at ATM centres mentioned in table No. 2. The table reveals the ranks given by the respondents to the problems facing at ATM centre. 1st rank is given to machine out of order with 602 weighted total, 2nd rank to no availability of cash with 591 points, 3rd rank to the balance enquiry with 547 points, 4th rank to the card blocked with 466 points, 5th rank to no availability of cash/cheque deposit facility with 408 points, 6th rank to poor statement visibility with 316 points, 7th rank to availability of only Rs.100 with 292 points and 8th rank to queues at ATM with 290 points . It can be concluded that machine out of order is the major problem facing by majority of the respondents followed by no availability of cash at ATM centres.

12. CHI Square Test

		satisfaction			Total
		low	moderate	high	
BANK	SBI	4	13	22	39
	AB	2	15	20	37
	ICICI	4	13	7	24
Total		10	41	49	100

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.983[a]	4	.200
Likelihood Ratio	6.209	4	.184
Linear-by-Linear Association	3.116	1	.078
N of Valid Cases	100		

Table 4: Bank wise opinion of the respondents satisfaction towards ATM services

Table 4 explains that 22 % of the respondents from SBI are highly satisfied, whereas 20% of the respondents among AB are highly satisfied and 13% of the respondents are moderately satisfied towards ATM services. It can also be inferred from the chi square tests table that there is no significant relationship between banks and satisfaction of respondents.

		satisfaction			Total
		low	moderate	high	
AGE	18 - 20 YEARS	5	12	21	38
	21 - 23 YEARS	7	11	18	36
	ABOVE 24 YEARS	3	15	8	26
Total		15	38	47	100

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.437[a]	4	.169
Likelihood Ratio	6.287	4	.179
Linear-by-Linear Association	1.567	1	.211
N of Valid Cases	100		

Table 5: Age wise opinion of the respondents satisfaction towards ATM services

The table 5 explains that, among 18 -20 years age group, 21% of the respondents are highly satisfied whereas 18% of the respondents are highly satisfied from 21-23 years age group and 15% of the respondents are moderately satisfied among above 24 years age group. With the help of chi-square test, it can be inferred that there is no significant relationship between age of respondents and satisfaction towards ATM services.

		satisfaction			Total
		low	moderate	high	
EDUCATION	BA/BCOM/BSC	5	6	13	24
	BTECH/MTECH	6	5	15	26
	MA/MCOM/MSC	8	10	15	33
	PHD	2	11	4	17
Total		21	32	47	100

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	11.218[a]	6	.082
Likelihood Ratio	10.679	6	.099
Linear-by-Linear Association	1.016	1	.314
N of Valid Cases	100		

Table 6: Education wise opinion of the respondents satisfaction towards ATM services

From the above table 13% of the respondents from BA/B.Com/B.Sc group are highly satisfied whereas 15% of the respondents from B.Tech/M.Tech and M.A/M.Com/M.Sc group are highly satisfied and 11% of the respondents from Ph.D group are moderately satisfied with the ATM services. The above chi-square test reveals that there is no significant relationship between education and satisfaction level towards the ATM service.

		satisfaction			Total
		low	moderate	high	
EXPERIENCE	LESS THAN 1 YEAR	3	6	8	17
	1 - 2 YEARS	11	6	32	49
	3 - 4	3	11	9	23
	MORE THAN 4 YEARS	1	7	3	11
Total		18	30	52	100

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.006[a]	6	.009
Likelihood Ratio	17.421	6	.008
Linear-by-Linear Association	.454	1	.500
N of Valid Cases	100		

Table 7: Experience wise opinion of the respondents satisfaction towards ATM services

From the above table 7, it can be explained that 32 % of the respondents from 1-2 years experience group are highly satisfied whereas only 3% of the respondents are highly satisfied from more than 4 years age group. With the help of chi-square test, it is that there is no significant relationship between experience and satisfaction towards ATM services. Majority of highly satisfied respondents are from 1 -2 years group.

		satisfaction			Total
		low	moderate	high	
gender	male	8	15	42	65
	female	10	13	12	35
Total		18	28	54	100

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.826[a]	2	.012
Likelihood Ratio	8.877	2	.012
Linear-by-Linear Association	8.282	1	.004
N of Valid Cases	100		

Table 8 : Gender wise opinion of the respondents satisfaction towards ATM services

The table 8 explains that 42% of the male respondents are highly satisfied and only 12% of the female respondents are highly satisfied with the ATM services. Chisquare also reveals that there is no significant relationship between gender and satisfaction towards ATM services.

13. Conclusion
The sample of the study is confined to students who are using ATM services of three banks namely SBI, AB and ICICI. In the study it is found that majority of the respondents are using ATM services for withdrawing cash which is followed by mini statements. Very few respondents are using ATM services for mobile banking and check book requests. Majority of the respondents opined that   machine out of order is the major problem which is followed by no availability of cash. But respondents are not bothering much with the queues at ATM centres and having only 100 rupee notes from the ATM services. Demographic profile of the respondents is also not contribution much impact on satisfaction towards ATM services.

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