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AN EMPIRICAL STUDY OF CUSTOMER'S SATISFACTION IN ATM SERVICES

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The trend in banking has evolved from cash economy and transformed to cheque economy which has further been converted to plastic card economy. The study reveals the various dimensions of SERVQUAL (service quality) and its effect on the customer satisfaction. In this regard, primary data was collected from the 120 respondents who are the customers of Andhra Bank and ICICI banks of Vijayawada city through a structured questionnaire. Data was tabulated and analyzed with the help of statistical tools to achieve the objective of the study.

Keywords: ATM, Banks, Customer satisfaction (SERVQUAL)

INTRODUCTION

Technology has been one of the most important factors for the development of mankind. Information and communication technology is the major advent in the field of technology which is used for access, process, storage and dissemination of information electronically. The trend in banking has evolved from cash economy and transformed to cheque economy which has further been converted to plastic card economy. Fierce competition from inter and intra bank group along with the global forces have compelled the banks to adopt the technological changes to face the electronic age. The influence of technology over product innovations in banks is enormous. Banks gain competitive advantage over their rivals by providing electronic banking services as

technology induced services reduce cost of operations, removes geographical barriers, provides 24 hours banking, extended hours of business and efficiency in daily banking processes. Without even interacting with the bankers, customers can transact banking activity from any corner of the world. On June 27, 1967 (Manpreet Kaur, 2013) the first "cash Machine" colloquially called as "Hole on the Walls" and was described as "Mini-Banks" which was designed to allow customers access to cash 24 hours a days, outside of the restrictive opening times of banks. This is the origin of the Alternative delivery channel for Bank services, via ATM which is the first such delivery channel Banks started using. Forty years ago, cash was only available from 9.00 to 3.00 p.m. Monday to Friday and Saturdays

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from 9.00 – 12:30 p.m., and as cash was king queues outside branches on a Saturday morning to get weekend money were common. Now the practice is the quite different as the customer can get money anytime and anywhere.

On the most modern ATM's the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip, that contains a unique card number and some security information such as an expiration data or CVVC. Authentication is provided by the customer entering a Personal Identification Number (PIN). The newest ATM as Royal Bank of Scotland operates with a card to withdraw cash up to \$100. The customer should register first their mobile phone number and bank will give a six-digit code to enter into ATM to withdraw the cash.

Using an ATM, customer can access their bank accounts in order to make cash withdrawals, debit card cash advances, and check their account balances as well as purchase prepaid cell phone credit, if the currency being withdrawn from the ATM is different from that which the bank account is denominated in (e.g., withdrawing Japanese Yen from a bank account containing US Dollars). The money will be converted at an official wholesale exchange rate. Thus, ATM's often provide one of the best possible official exchange rates for foreign travelers and are also widely used for this purpose.

REVIEW OF LITERATURE

1. Kumbhar Vijay (2011) in his article entitled, "Customer's satisfaction in ATM service: empirical evidence from public and private sector banks in India" this study aimed at

Table 1: Number of ATMs of SCBs located at Various Locations¹

| Bank group | (At end-March 2012) | | | | |
|---------------------------|---------------------|--------------|---------------|---------------|----------------|
| | Rural | Semi-urban | Urban | Metro-politan | Total |
| Public sector Banks | 6,673(11.5) | 15,135(26.0) | 19,213(33.) | 17,172(29.5) | 58,193(100.0) |
| Nationalised Banks* | 3,383(10.9) | 6,800(21.9) | 10,186(32.8) | 10,681(34.4) | 24,836(100.0) |
| State Bank Group | 3,290(12.1) | 8,335(30.7) | 9,027(33.3) | 6,491(23.9) | 27,143(100.0) |
| Private sector Banks | 1,937(5.4) | 7,520(20.8) | 11,525(31.90) | 15,097(41.8) | 36,079(100.0) |
| Old Private Sector Banks | 523(9.1) | 2,025(35.1) | 1876(32.5) | 1,347(23.3) | 5,771(100.0) |
| New Private Sector Banks | 1414(4.7) | 5,495(18.1) | 9,649(31.8) | 13,750(45.4) | 30,308(100.0) |
| Foreign Banks | 29(2.1) | 22(1.6) | 268(19.0) | 1,095(77.4) | 1,414(100.0) |
| Total | 8,639(9.0) | 22,677(23.7) | 31,006(32.4) | 33,364(34.9) | 95,688(100.00) |
| Growth over previous year | (20.7) | (25.4) | (28.9) | (32.4) | (28.4) |

Note: 1. Figures in parentheses indicate percentage share of total ATMs under each bank group.

2. Figures in square brackets are percentage variation over the previous year.

¹ Report on trend and progress of Banking in India 2011-12, Data are taken from Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks March 2012, pp.86.

| Table 2: Demographic Factors of Respondents | | | | |
|--|-------------------|-----------------------------|------------------------|------------|
| | | Type of Banks | | Total |
| | | Public sector (Andhra Bank) | Private Sector (ICICI) | |
| Gender | Male | 42 | 31 | 73 |
| | Female | 18 | 29 | 47 |
| | Total | 60 | 60 | 120 |
| Age | 18-25 | 04 | 10 | 14 |
| | 26-35 | 25 | 25 | 50 |
| | 36-45 | 13 | 14 | 27 |
| | 46 and above | 18 | 11 | 29 |
| | Total | 60 | 60 | 120 |
| Education | Under Graduates | 20 | 14 | 34 |
| | Graduates | 10 | 9 | 19 |
| | Post Graduates | 16 | 21 | 37 |
| | Technical | 12 | 12 | 24 |
| | Others | 2 | 4 | 6 |
| | Total | 60 | 60 | 120 |
| Occupation | Govt. Employees | 16 | 12 | 28 |
| | Business | 06 | 17 | 23 |
| | Retired | 05 | 07 | 12 |
| | Private employees | 16 | 12 | 28 |
| | Farmers | 03 | 04 | 07 |
| | Others | 14 | 08 | 22 |
| | Total | 60 | 60 | 120 |
| Marital status | Married | 45 | 42 | 87 |
| | Unmarried | 15 | 18 | 33 |
| | Total | 60 | 60 | 120 |
| Income levels | Below 20,000 | 12 | 20 | 32 |
| | 20001-35000 | 34 | 29 | 63 |
| | 35001-50,000 | 6 | 5 | 11 |
| | 50001 and above | 8 | 6 | 14 |
| | Total | 60 | 60 | 120 |

comparative investigation of the customer satisfaction in ATM service in public and private sector banks, concluded that private sector banks are providing more satisfactory ATM service than public sector banks.

2. Prof. Karunesh Saxena (2011) in his study, "Analytical study of customer satisfaction at ICICI Bank with special reference to ATMs" aims at analyzing the satisfaction levels of the customers of ICICI Bank holding ATM cards in Udaipur city with respect to service quality of ATM, personnel, location, sufficient number of ATMs in city and found that customers are highly satisfied with ATM services provided by the ICIC bank in Udaipur city.
3. Uppal and Rosy Chawla (2009) in their article entitled, "E-delivery channel based banking services: stated with globalization trends world over, E-channels facilitates bank customers by providing 24 hours a day 7 days week services, it is more a improved customer satisfaction.

NEED FOR THE STUDY

As the use of ATM services is increasing day-by-day, it is important to know the customers perceptions and their thinking about its various features and their problems while using ATM services, and find out the recommendations.

OBJECTIVES OF THE STUDY

- To study the socioeconomic profile of the sample respondents;
- To examine the level of customer satisfaction in ATM services of Andhra Bank and ICICI Bank in Vijayawada;

- To offer the recommendations to improve service quality of Andhra Bank and ICICI banks based on the finding of the study.

RESEARCH METHODOLOGY

The study engages both primary and secondary data, Primary data was collected from the knowledgeable and potential respondents of Andhra Bank and ICICI banks of Vijayawada city. The size of the sample was taken 120 at random a questionnaire has been designed using 17 statements, which is related to customer satisfaction dimensions. Besides this, many secondary sources have been used for supplementary purpose. Secondary sources include bank's annual reports, relevant web-based materials and prior research reports of both the banks.

Table 2 demonstrates the demographic factors of sample respondents. It shows that male respondents are higher than the female respondents using ATM services taking public and private sector banks together. Majority of respondents using ATM services falls in the age group of 26-35 and postgraduates are high as compared to other educational groups, private employees are high in public sector banks where as business people in the case of ICICI bank. Regarding marital status married people are dominating in both the banks, and respondents having income levels of Rs. 20,001-35,000 as high as compared to other income levels in both banks.

FINDINGS OF THE STUDY

- 1) The analysis concluded that as high as 88.3% of ICICI bank respondents in relation to 78.3% of Andhra Bank respondents stated Positive to the statement of promptness of the delivery of card as compared to 21.7%

Table 3: Level of Customer Satisfaction w.r.t. Various Aspects

| S.No. | Particulars | Public Sector Andhra Bank | | Private Sector ICICI Bank | | Total |
|-------|--|---------------------------|-----------|---------------------------|-----------|-------|
| | | Yes | No | Yes | No | |
| 1 | Promptness of the delivery of card | 47 (78.3) | 13 (21.7) | 53 (88.3) | 07 (11.7) | 120 |
| 2 | I can easily locate my bank ATM in the city | 41(68.3) | 19(31.7) | 37(61.6) | 23(38.4) | 120 |
| 3 | ATM's of my bank are found at all useful places like malls, Hospitals, stations. Etc | 28(46.6) | 32(53.4) | 21(35) | 39(65) | 120 |
| 4 | Directions are clear to operate my ATM | 54(90) | 6(10) | 49(81.7) | 11(18.3) | 120 |
| 5 | Keypad of ATM machine is working properly | 42(70) | 18(30) | 46(76.7) | 14(13.3) | 120 |
| 6 | I am happy with the processing time of ATM | 32(53.3) | 28(46.7) | 41(68.3) | 19(31.7) | 120 |
| 7 | I always found availability of cash in my ATM | 40(66.6) | 20(33.4) | 53(88.3) | 07(11.7) | 120 |
| 8 | My ATM slip always shows updated balance in my account | 57(95) | 03(05) | 58(96.7) | 02(3.3) | 120 |
| 9 | I found Quality of notes in my ATM always | 58(96.7) | 02(3.3) | 59(98.3) | 01(1.7) | 120 |
| 10 | My ATM grievances are settled with in stipulated time by my bank | 25(41.7) | 35(58.3) | 32(53.3) | 28(46.7) | 120 |
| 11 | I am happy with safety & security when I enter my pin/password in my ATM | 34(56.7) | 26(43.3) | 38(63.3) | 22(36.7) | 120 |
| 12 | The behaviour of ATM guard is good | 32(53.3) | 28(46.7) | 42(70) | 18(30) | 120 |
| 13 | Sufficient number of ATMs | 26(43.3) | 34(56.7) | 33(55) | 27(45) | 120 |
| 14 | I found ATMs are always in working condition | 39(65) | 21(35) | 52(86.7) | 08(13.3) | 120 |
| 15 | Complaint book is available at ATM room | 20(33.3) | 40(66.4) | 25(41.7) | 35(58.3) | 120 |
| 16 | Availability of Power backup/Generator/Inverter | 31(51.6) | 29(48.4) | 37(61.6) | 23(38.4) | 120 |
| 17 | Overall performance of my ATM is good | 39(65) | 21(35) | 41(68.3) | 19(31.7) | 120 |

and 11.7% of sample respondents stated that negative to the above statement.

- 2) It can be concluded from the above analysis that 68.3% of respondents of Andhra bank in relation to 61.6% of ICICI bank respondents stated Positive to the statement that I can easily locate my bank ATM in the city. Whereas 37.7% of ICICI and 31.4% of Andhra bank respondents tuned negative.
- 3) It is dissatisfying to observe from the

statement majority of the respondent of about 65% of ICICI in relation to lower 53.4% of Andhra Bank respondents stated negative to the statement that ATMs of my bank are found at all useful places like malls, Hospitals, stations, etc., as compared to 46.6% and 35% of respondents, respectively stated positive to the statement.

- 4) It is apparent from the analysis that 90% of Andhra Bank respondents in relation to 81.7% of ICICI bank respondents stated that positive

- to the statement that directions are clear to operate ATM. Against to this meager 18.3% of ICICI and 10% of Andhra bank respondents stated that negative to the statement.
- 5) The analysis concludes that as high as 76.7% of ICICI in relation to 70% of Andhra bank respondents stated that positive to the statement Keypad of ATM machine is working properly, as compared to 30% of Andhra bank and lowest 13.3% of ICICI banks respondents stated negative to the above statement.
 - 6) It can be concluded from the analysis that 53.3% of Andhra Bank in relation to huge 68.3% of ICICI bank respondents stated that positive to the statement that I am happy with the processing time of ATM; as compared to 46.7% of Andhra Bank and 31.7% of ICICI bank respondents stated that negative to the statement
 - 7) It is apparent from the analysis that a huge 88.3% of ICICI bank respondents as compared to 66.6% of Andhra Bank respondents stated that positive to the statement that I always found availability of cash in may ATM as against 33.3% of Andhra Bank and 11.7% of ICICI Bank respondents who turned negative.
 - 8) It is pertinent to conclude from the analysis that whopping 96.7% of ICICI in relation to 95% of respondents stated positive to the statement that ATM slip always shows updated balance in the account, whereas a meagre 5% of Andhra bank and 3.3% of ICICI Bank respondents turned negative.
 - 9) It is found from the analysis that majority of respondents whopping 98.3% of ICICI against 96.7% of Andhra Bank respondents stated positive to the statement, that found quality of notes in ATM always against a meagre 3.3% of Andhra bank and 1.7% of ICICI bank respondents who turned negative.
 - 10) It is dissatisfying to observe from the statement that majority of the respondents in both the companies about 58.3% of Andhra bank in relation to 46.7% of ICICI respondents stated that negative to the statement that, "ATM grievances are settled within a stipulated time by the bank, as compared to 53.3% of ICICI and 41.7% of Andhra Bank respondents who stated yes to the given statement.
 - 11) It is found from the analysis that majority of respondents of 63.3% of ICICI in relation to 56.7% of Andhra Bank respondents stated that positive to the statement that I am happy with safety and security when I enter my password in my ATM, compared to 43.3% of Andhra bank and 36.4% of ICICI Bank respondents who turned negative to the statement.
 - 12) It is surprising to observe from the analysis that 53.3% of Andhra Bank respondents in relation to whopping 70% of ICICI bank respondents turned negative to the statement that the behavior of ATM guard is good, as compared to 47.7% of Andhra Bank respondents and 30% of ICICI bank respondents who turned negative.
 - 13) It is dissatisfying to observe from the analysis that majority of respondents in Andhra Bank 56.7 in relation to lower 45% of ICICI bank respondents stated negative to the statement that sufficient number of ATM's are in the city as compared to 43.3% of Andhra Bank and over 55% of ICICI sample respondents who

turned positive to the above statement.

- 14) It is found from the analysis that majority of respondents of as high as 86.7% of ICICI compared to 65% of Andhra Bank respondents stated positive to the statement that ATM's are always in working condition, whereas 35% of Andhra Bank and 13.3% ICICI bank respondents stated negative.
- 15) It is dissatisfying to observe from the analysis that majority of the respondents in both banks 66.4% of Andhra bank in relation to 58.3% of ICICI respondents stated negative to the statement that complaint book is available at ATM room, while 33.3% of Andhra Bank against 41.7% of ICICI respondents stated yes to the mentioned statement.
- 16) It can be concluded from the analysis that the 61.6% of ICICI respondents in relation to 51.6% of Andhra bank respondents stated positive to the statement that there is availability of power backups/generators/inverter, where as 48.4% of Andhra bank and comparatively less 38.4% of ICICI respondents stated negative to the statement.
- 17) It is found from the analysis that the 68.3 % of ICICI respondents in relation to 65% of Andhra bank respondents stated positive to the statement overall performance of ATM is good whereas 35% of Andhra bank and 31.7% of ICICI respondents turned negative to the statement.

SUGGESTIONS

- 1) Majority of the respondents in both the banks dissatisfied with the ATM Grievance settlement. Hence it is suggested the banks to improvise the proper mechanism to

resolve the grievance settlement, as it leads to customer comfort and satisfaction.

- 2) Comfort and convenience is very important in any business that majority of the respondents are dissatisfied with the ATM locations, therefore It is suggested the banks administration should arrange the ATM/s at all the useful places like malls, hospitals shopping malls, etc., so that customer have a comfort and convenience.
- 3) it is also evident from the secondary data that number of ATMs are less in rural areas as compared to urban and metropolitan places, it is always a good proposal if each of the bank branch is attached with a ATM.
- 4) Majority of the customers 56.7% in Andhra bank are dissatisfied with the Sufficient of ATMs in city, hence, it is suggested the banks to arrange the sufficient number of ATMs, based on the customers data base and potential customers in the city.
- 5) Complaint book is most important at the ATM counters, it is found from the analysis that 66.4% of Andhra bank customers and 58.3% of ICICI banks respondents stated that no compliant book is available at ATM counter hence, it is suggested the banks to put the complaint book in ATM counter, then the customers utilize and make the complaint and also suggestions to the banks for effective functioning.

CONCLUSION

It is concluded the study based on the findings, that respondents of the Vijayawada are satisfied from the ATM services of public and private sector banks. Respondents also prefer convenience and comfort of the ATM locations in the city. The most

important issue the bank administration should concentrate on proper mechanism on Grievances settlement; besides that, customers' data is increasing day by day correspondingly the number of ATMs should be increased, so it leads to customers' satisfaction.

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