

**A STUDY ON CUSTOMERS PERCEPTION TOWARDS
ATM SERVICES OF BANKS' WITH SPECIAL REFERENCE
TO COIMBATORE CITY**

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ABSTRACT

ATMs were introduced to the world in 1983. These modern marvels of technology were well received by consumers because they made it possible for them to access money from their credit cards or debit cards 24 hours per day with a quick and simple system. ATMs also made it possible for consumers to travel in a safer manner because they no longer had to carry large amounts of cash with them. The study entitled on customers perception towards ATM services of banks is concerned with the preference, awareness level, existing practices and opinion of customers towards ATM services provided by banks. And also the study analysis the problems faced by the customers and satisfaction level of them towards the ATM services of banks. It is conducted in Coimbatore city and the sample size is 100. Convenience sampling method has been used for the purpose of making analysis. Simple percentage analysis has been adopted in the study. It is concluded that most of the customers are satisfied with the ATM services provided by the banks. But still many customers have faced many problems such as non-functioning of ATM machines, unavailability of ATM centres, wrong deductions of amount. The main problem they have come across is the security problems like the absence of security personnel and non-functioning of auto door locks. Hence all these problems must be taken into consideration to provide the customers with even better ATM services.

Key Words: ATM services, Banks, awareness level, opinion of customers, problems, customer satisfaction.

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INTRODUCTION

ATMs (Automatic Teller Machines) were introduced to the world in 1983. These modern marvels of technology were well received by consumers because they made it possible for them to access money from their credit cards or debit cards 24 hours per day with a quick and simple system. ATMs also made it possible for consumers to travel in a safer manner because they no longer had to carry large amounts of cash with them. Instead, they could access money anywhere in the world with the help of the ATM. Although ATMs made certain aspects of life safer, it did make it easier for counterfeiters and thieves to take advantage of unsuspecting consumers.

ATM means neither “avoids travelling with money” nor “any time money” but certainly implies both. Slim ATM cards are fast replacing confounding withdrawal forms as a convenient way of getting your money from banks. In a way, they are rewriting the rules of financial transaction. Automated teller machines (ATMs) were the first well-known machines to provide electronic access to customers. With advent of Automatic Teller Machines (ATM), banks are able to serve customers outside the banking hall. ATM is operated by plastic card with its special features. The plastic card is replacing cheque, personal attendance of the customer, banking hour's restrictions and paper based verification.

ATMs have made hard cash just seconds away all throughout the day at every corner of the globe. ATMs allow us to do a number of banking functions – such as withdrawing cash from one's account, making balance inquiries and transferring money from one account to another using a plastic, magnetic-stripe card and personal identification number issued by the financial institution. While ATMs facilitate a variety of banking transactions for customers, their main utility has been for cash withdrawal and balance enquiry.

OBJECTIVES OF THE STUDY

- To study the customers preference towards ATM services provided by banks.
- To study the awareness level of customers towards ATM services provided by banks.
- To study the existing practices of customers towards the use of ATM cards.
- To study the opinion of customers towards the ATM services provided by banks.
- To analyse the various problems faced by customers in ATM centres.
- To study the satisfaction level of customers towards the ATM services of banks.
- To provide suggestions on the basis of the results of the study.

METHODOLOGY OF THE STUDY

Area of the study refers to Coimbatore city. The sample taken for the study is 100. The study has used primary and secondary data. Primary data was collected by questionnaire method. Secondary data was collected from respective books, journals, magazines and websites. Convenience sampling method has been used in the study for the purpose of making analysis. Simple percentage analysis has been adopted in the study.

LIMITATION

The sample units are 100 and confined to only Coimbatore city. Hence the results cannot be generalized.

REVIEW OF LITERATURE

Shariq Mohammed, Soofia Shariq and Mumtaz¹ have made an attempt to analyse the usage of customers regarding ATM services, to know the factors that influence the customer to avail the particular ATM service and to suggest some remedial measures to banks which are providing ATM services. The study found that there is no significant association between gender of people, occupation, income and ATM service. It was also found that the customers are influenced by their friends, advertisements and bank employees. The study concluded that the ATM card is being used by almost all the sections of people. So the banks should concentrate on increasing the number of ATM centres by providing user friendly schemes.

Sultan Singh and Komal² made a Study on impact of ATM on customer satisfaction. The objective of the study were to analyze the present ATM facilities provided by SBI, ICICI & HDFC Bank, to examine the factors affecting the choice of ATM and to examine the impact of ATM on customer satisfaction by appraising the problems faced by the customers. The study found that the satisfaction level is highest in SBI and it is high in ICICI and HDFC. This is due to the size of the respective bank and number of years of its establishment.

Rafiqul Islam, Samir Kumar and Sheel Pallab Kumar Biswas³ made a study on customer satisfaction of ATM Service. The objective of the study were to examine the level of customer satisfaction associated with various aspects of HSBC ATM and to make policy

recommendations to improve the service quality of HSBC ATM. From the analyses it was found that HSBC ATM has many positive features but the customers are not well aware of all these and the customers are facing various problems like machine complexity, machine breakdown, poor quality notes etc.

Shoba and Prema Sundar⁴ have attempted to examine the level of customer satisfaction on various aspects of ATM services and to analyze the problems faced while using ATM card. The study found that majority of the customers have association from 1 to 5 years with the banks. It was concluded that the banks have to improve their services for attracting more customers.

Ramola Premalatha and Sundaram⁵ attempted to analyse the satisfaction level of customers towards ATM services, to study the convenience of customers regarding the use of ATM cards and to know their attitude towards the safety, assurance and flexibility of using ATM service. The study found that the customers are satisfied with the withdrawal of cash from ATM service and not satisfied with the safety measures taken at ATM centres.

ANALYSIS AND INTERPRETATION

Table 1: Table showing Personal profile of the respondents

Category	Classification	Number of respondents	Percentage
Gender	Male	62	62%
	Female	38	38%
Age group	Below 20 years	26	26%
	20 - 40 years	41	41%
	40 - 60 years	17	17%
	60 years and above	16	16%
Marital Status	Married	37	37%
	Unmarried	63	63%
Income level	Below Rs.20,000	9	9%
	Rs.20,001 – 30,000	20	20%
	Rs.30,001 – 40,000	31	31%
	Above Rs.40,000	40	40%
Educational	School level	13	13%

Qualification	UG level	52	52%
	PG level	27	27%
	Professional level	8	8%
Occupation	Agriculture	14	14%
	Business	47	47%
	Employment	22	22%
	Professional	17	17%

The above table shows that, out of the total respondents taken for study, Majority (62%) of the respondents are male, Most (41%) of them are in the age group between 20 and 40 years, Majority (63%) of them are unmarried, Most (40%) of them have their income level of above Rs. 40,000, Most (52%) of them are undergraduates and Most (47%) of them are business people.

Table 2: Table showing the customers preference, awareness and existing practices towards ATM services provided by banks.

Category	Classification	Number of respondents	Percentage
ATM/ Debit card possessed	State Bank of India	37	37%
	Canara bank	26	26%
	Axis bank	11	11%
	HDFC	11	11%
	Other banks	15	15%
Awareness	Advertisements	17	17%
	Family members	42	42%
	Friends & Relatives	28	28%
	Agents/Representatives	13	13%
Awareness through their Advertisements	TV & Radio	10	58.83%
	Newspapers & Magazines	6	35.29%
	Posters & Banners	1	5.88%
Number of banks	Two banks	35	63.64%
	Three banks	14	25.46%
	Four banks	3	5.45%
	More than four banks	3	5.45%
Purpose	Cash withdrawal	82	82%

	Cheque deposits	5	5%
	Checking balance	10	10%
	Availing mini statement	3	3%
Time period	Once in a day	12	12%
	Once in 3 days	25	25%
	Once in a week	44	44%
	Once in a month	19	19%
Whether Banks charge for the withdrawal from other banks' ATM	Yes	63	63%
	No	37	37%
Whether ATM cards serve as debit cards	Yes	89	89%
	No	11	11%
Whether service charges imposed for debit purchases	Yes	42	70%
	No	18	30%
Benefits provided	Credit points	33	55%
	Special discounts	18	30%
	Gifts	9	15%

The above table depicts that, out of the total respondents taken for study Most (37%) of the respondents possessed State Bank of India ATM cards, Most (42%) of them are aware of the ATM services of banks through their family members and the customers (17%) those who are aware of ATM services of banks through the advertisements are aware through televisions (10%). Out of the respondents those who are using more than one ATM services majority (63.65%) of them are in the possession of two banks' ATM services. Out of the total respondents majority (82%) of the customers are using ATM services for withdrawing money, most (55%) of the respondents use the ATM services once in a week, majority (63%) of the respondents state that the banks charge for the withdrawal from other banks ATM, majority (89%) of their ATM cards serve as Debit cards and they make debit purchases. Out of the respondents those who are making debit purchases from ATM/Debit card Majority (70%) of them state that service charges are imposed for debit purchases and majority (55%) of them state that they have availed the benefit of credit points for their debit purchases.

Table 3: Table showing about the Problems faced by the respondents and measures taken by the banks to solve the problems

Category	Classification	Number of respondents	Percentage
Whether customers have faced problems in the use of ATM card	Yes	82	88%
	No	18	18%
Whether customers complaint to the bank on missing the card	Yes	20	86.96%
	No	3	13.04%
Measures taken by banks on for complaints of missing the card	Blocking of account	8	40%
	Issuing a new card quickly	11	55%
	No measures taken	1	5%
Problems faced in the ATM centres	Non functioning of ATM machine	42	50%
	Not getting the receipt	10	11%
	Card gets blocked	12	13%
	Wrong deduction	10	13%
	Non-functioning of auto door locks	2	2%
	Absence of security personnel	12	13%
Whether the respondents complaint to the bank about problems faced	Yes	27	75%
	No	9	25%
Safety measures provided in the ATM centres	Security camera	42	42%
	Security person	30	30%
	Auto lock doors	21	21%
	Appointment of security persons	7	7%
Category	Classification	Number of respondents	Percentage
Response of banks for the complaints of customers	Excellent	1	3.7%
	Very good	8	29.64%
	Good	16	59.26%
	Bad	1	3.7%
	Very bad	1	3.7%

The above table depicts that out of the respondents taken for study majority (82%) of the respondents have faced problems. Out of the customers those who face the problem of missing

the ATM card majority (86.96%) of them have made complaint to the bank and majority (55%) of them were issued with the new card, majority (50%) of the respondents stated that they have faced the problem of non-functioning of machine in the ATM centres and (75%) made complaint to the bank about it. Out of the total respondents taken for study majority of the respondents have said that the security cameras have been provided as safety measures in the ATM centres. Out of the respondents those who complaints to the bank about the problems majority of the customers are of the opinion that the response of banks to the complaints is good.

Table 4: Table showing opinion of respondents regarding the Performance of the ATM services of banks

Banks/opinion	Excellent	Very good	Good	Bad	Very bad
State Bank of India	51%	32%	16%	1%	0%
Axis Bank	19%	40%	36%	4%	1%
HDFC	13%	39%	43%	3%	2%
Canara Bank	19%	37%	29%	15%	0%

The above table shows that out of the total respondents taken for study majority (51%) of the respondents are of the opinion that the performance of State Bank of India's ATM service is excellent. Out of the total respondents majority (40%) of the customers feel that the performance of Axis bank's ATM is very good. Out of the total respondents majority (43%) feel that the performance of HDFC's ATM is good. Out of the total respondents majority (37%) of the customers opine that the performance of Canara Bank's ATM service is very good.

Table 4: Table showing the satisfaction level of customers

Factors / Level of satisfaction	Very Highly Satisfied	Highly Satisfied	Satisfied	Dissatisfied	Very Highly Dissatisfied
Availability of ATM centres	19%	40%	38%	2%	1%
Functioning of ATM Machines	23%	28%	36%	12%	1%
Benefits provided by banks for debit card purchases	11%	38%	36%	14%	1%
Response of banks for complaints regarding ATM/Debit card problems	23%	28%	36%	12%	1%

The above table shows that out of the total respondents taken for study Majority (40%) of the respondents are highly satisfied with the availability of ATM centres, majority (36%) of the customers are satisfied with the functioning of ATM machines, majority (38%) of the customers are highly satisfied with the benefits provided by banks for debit card purchases and majority (36%) of the customers are satisfied with the response of banks for complaints regarding ATM/Debit card problems.

FINDINGS OF THE STUDY

Following are the major findings of the study:

Majority of the respondents are male, unmarried, undergraduates and they are doing business. They belong to the age group between 20 and 40 years and have monthly income of above Rs.40, 000.

Majority of the respondents possessed State Bank of India ATM / Debit cards and are aware of ATM cards through their family members and TV. Majority of the respondents are using ATM services in more than one bank and are using ATM services once in a week. Majority of the customers are using ATM services for Cash withdrawal and they have stated that their banks are charging for withdrawal from other bank's ATM. Majority of the respondents'

ATM cards serves as debit cards and they are using for debit purchases. They state that the banks impose service charges while making debit card purchases.

Majority of the respondents have complained to the bank on lost of their card and they have been issued with a new card quickly. Majority of the customers have faced problem of non-functioning of machine in ATM centres. The customers have complained to the bank about it and had good response from the bank. The customers are happy with the security camera which is fixed in ATM centres to ensure safety.

Majority of the customers have availed an excellent service from the State Bank of India ATM centres. Majority of the customers are of the opinion that the Axis bank and the Canara bank ATM centres provide very good service and the service of HDFC ATM centre is good.

Majority of the respondents are highly satisfied with the availability of ATM centres, majority of the customers are satisfied with the functioning of ATM machines, majority of the customers are highly satisfied with the benefits provided by banks for debit card purchases and majority of the customers are satisfied with the response of banks for complaints regarding ATM/debit card problems.

SUGGESTION

- Banks should reduce the service charges for debit card purchases and withdrawal from other banks ATM.
- Banks should increase the security in ATM centres to avoid theft and other fraudulent activities.
- The number of cash withdrawals in a day should be increased.
- The problem of non-functioning of ATM machines should be solved quickly.
- The number of machines should be maximised in busy centres.
- The wrong deductions of amount in the account of the customers should be eradicated.
- The features in ATM services should be increased.
- ATM services should be availed in remote places.

CONCLUSION

From the study it is concluded that most of the customers are satisfied with the ATM services provided by the banks. But still many customers have faced many problems such as unavailability of ATM centres, non-functioning of ATM machines, wrong deductions of amount etc. The main problem they have come across is the security problems like the absence

of security personnel and non-functioning of auto door locks. Hence all these problems must be taken into consideration by banks to provide the customers with better ATM services.

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