

CUSTOMER SATISFACTION TOWARDS ATM SERVICES – A STUDY OF BANK CUSTOMERS IN NAVI-MUMBAI

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Abstract:

Banking reforms made customers to access their services more conveniently. Among the services offered by the banks, ATM services play key role to minimize customers' time and energy. Having satisfied customers and to retain them for a longer period of time it is necessary to provide ATM services on round the clock as well as anywhere in the nation. The study focus on the customer satisfaction towards ATM services offered by the banks and tries to suggest some ways out to improve their level of services to keep the force on. The study area is restricted to Navi Mumbai city of Maharashtra.

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Introduction:

Today banks carry out most of the activities taking place in both money and capital market, because banks are fully computerized with the help of computer, we can overcome the drawbacks of the manual systems which have been followed over many decades. Among the various services, ATM service is more preferable and convenient to the people, because the modern world is fully computerized and it is easy to access to them from anywhere. Through the ATM service, withdrawal, deposit, balance enquiry and many more facilities are processed in quick manner as they are designed by the telecommunication industry as a more efficient way to send computer data over a single network.

The study wish to probe into the facts so as to understand the services provided by the banks and also to know the strength and weakness of the ATM services provided by the banks. The study is to have an insight in which the customer's satisfaction with the ATM services and also to identify the customer's opinions / expectations with regards to the same. The Navi – Mumbai socio – economic survey -2005 Report prepared by Kirloskar Consultants at the behest of CIDCO reveals that Navi-Mumbai is a cosmopolitan modern and literate city, slowly earning the reputation of the emerging educational capital of India. So it is very much interesting to know the customers satisfaction towards the ATM services rendered by the banks.

Statement of the Study:

Navi -Mumbai becomes a commercial city of India. Due to various modern infrastructure facilities and job opportunities in Navi – Mumbai, people from Mumbai and other parts of Maharashtra started migrating to this area. Since it is a capital city, people live in this city are highly qualified and well settled with high income. Almost all the people in this study are salaried people, they hardly find time to go to bank for banking transactions. Since the ATM services were provided across the city, it is easy for them to transact their banking activities. ATM cards are commonly used in this study area. The study is an attempt to understand the customer's satisfaction towards ATM services in Navi – Mumbai.

Objectives of the Study:

The study attempts to examine the following aspects.

1. To study the growth and progress of ATM services
2. To understand the various services rendered through ATM
3. To evaluate the attitude of customers towards ATM services
4. To measure the customer satisfaction towards ATM services
5. To offer some suggestion to improve the working conditions of ATMs

Literature Review:

James Shoba Kamala (2008) in her study entitled ‘A study on customer’s satisfaction on ATM in Tirunelveli city of Tamil Nadu’ has made a detailed survey regarding the customer satisfaction towards ATM services. She observed that the respondents were conscious about more innovative techniques in ATM services.

Business Line (2005) entitled ‘ Customers want more personalized ATM services’, the survey conducted for NCR by AC Nielsen ORG-MARG, revealed that more than 50 percent of those surveyed preferred the ATM channel for communication or information on products and services, while 32 percent voted it as the preferred method of basic information. Another 21 percent said that they would even take pre-approved, personalized offers directly from the ATM. G.S.Sureshchander (2003) in his article titled ‘Customer perceptions of service quality in the banking sector of a developing economy: a critical analysis’ said that technological factors needed to be upgraded.

Hypothesis:

“Customers in Navi – Mumbai are satisfied with the ATM services provided by the Banks”

Research Methodology:

The population of the study is the ATM cardholders of the Navi- Mumbai city. The study is based on survey method.

Primary Data: Primary data is collected directly from the bank customers in that area with the use of structured questionnaire.

Secondary Data: Secondary data is collected from published books, bulletins, reports, surveys, journals, reviews, magazines and newspapers etc.

Sample of the Study: The universe of the population is the bank customers in Navi- Mumbai. A sample of 100 customers selected on random basis. However, appropriate representation is given to all classes of customers of ATMs holders.

The statistical applications including the use of Mean, Chi-square, charts and graphs are used wherever applicable.

Data Analysis and Interpretation

This part contains the details regarding the respondents such as age, education, income, occupation and marital status. The number of respondents and percentages are the same in the following figure and the same applies to all figures in this chapter.

Figure 1: Respondents by Age

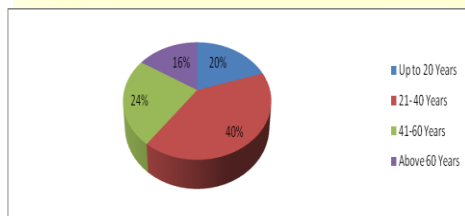
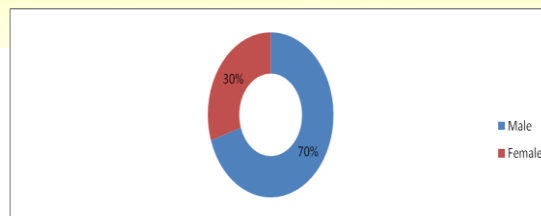


Figure 2: Respondents by Gender

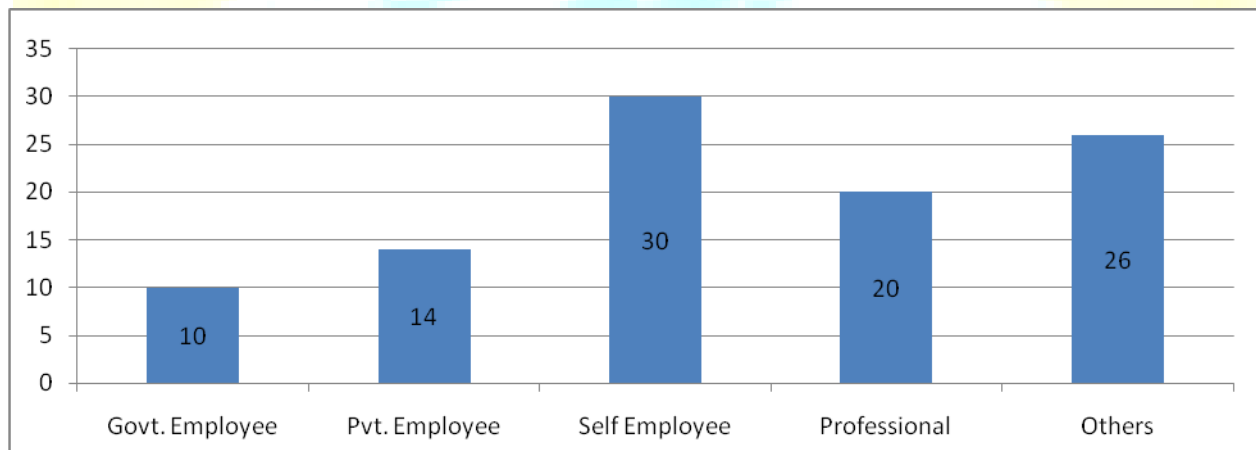


Source: Field Survey

The above figure describes the age wise classification of respondents. Out of 100 respondents, 20 respondents (20%) are up to 20 years, 40 respondents (40%) come under the age group of 21-40 years, 24 respondents (24%) fall under the age group of 41-60 years and the remaining 16 respondents are above 60 years. It is understood from the above data, youngsters are more dominated in the study.

The above figure 2 exhibits the gender wise classifications of respondents. Out of 100 respondents, 70 respondents (70%) were male and the remaining 30 respondents (30%) were female. In this distribution male members are dominated.

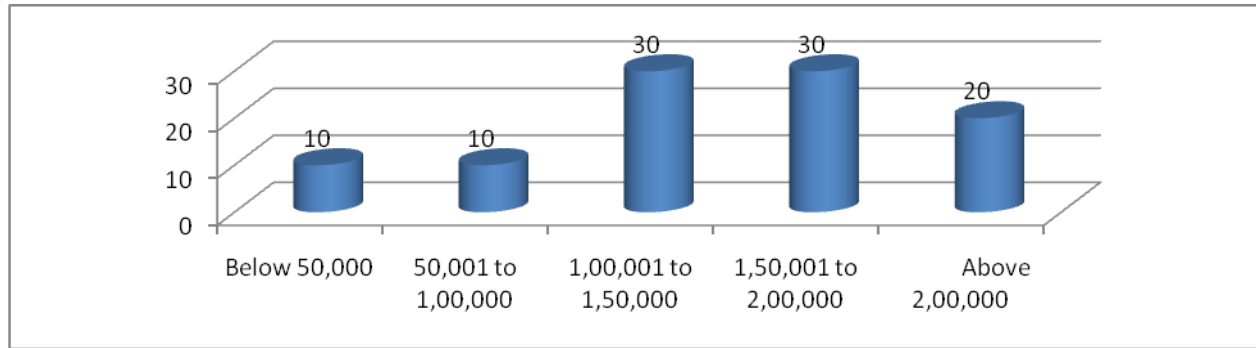
Figure 3: Respondents by Occupation (in %)



Source: Field Survey

The above figure 3 illustrates the occupation of respondents. Out of 100 respondents, 10 respondents (10%) are Government employee, 14 respondents (14%) are private employee, 30 respondents (30%) are self employed, 20 respondents (20%) are professionals and the remaining 26 respondents (26%) belong to various other categories. The other category includes students, housewives and retired peoples.

Figure 4: Respondents by Annual Income



Source: Field Survey

The above figure 4 represents annual income of respondents. Among 100 respondents, 10 respondents each (10%) annual income is below Rs. 50,000 and Rs.50,001 to 1,00,000 respectively. 30 respondents each (30%) annual income falls between Rs.1,00,001 to 1,50,000 and Rs.1,50,001 to 2,00,000 respectively and the remaining 20 respondents (20%) annual earning is above Rs.2,00,000.

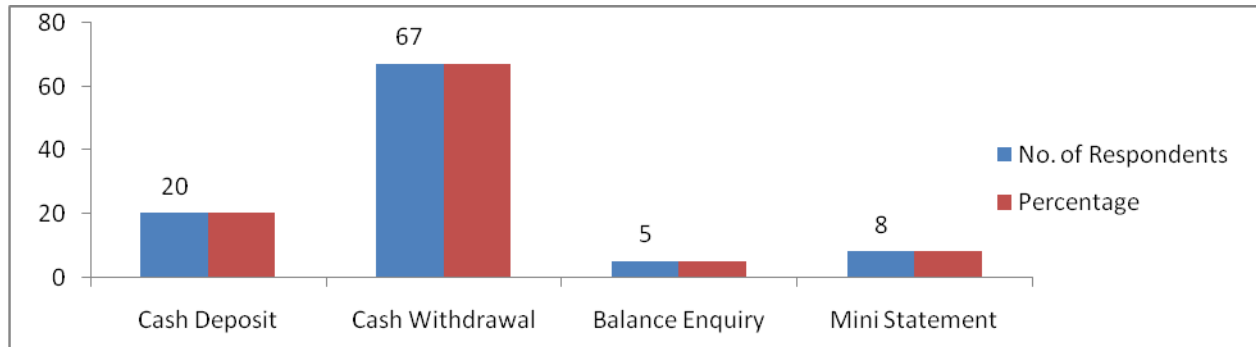
Table 1: Respondents Tenure in Availing of ATM Services

Tenure (in years)	Less than 1 year	1 Year to 3 Years	3 to 5 Years	Above 5 years
No. of Respondents/ percentage	10	70	15	5

Source: Field Survey

The above table 1 reveals the respondent's tenure in availing of ATM service. Among 100 respondents, 10 respondents are availing the service for below one year. 70 respondents make use of this service between 1-2 years. Another 15 respondents are using this service between 3-5 years and the remaining 5 respondents have been using it for more than 5 years.

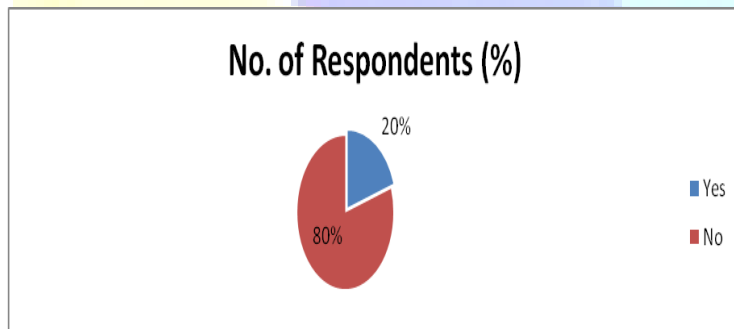
Figure 5: Respondent's Purpose of Using ATM Service



Source: Field Survey

Though there are many other facilities available in the ATM services, the study mainly focused on the above four points. As per the figure 5, 20% respondents used the ATM for the purpose of cash deposit, 67% respondents used the ATM for the purpose of cash withdrawal, 5% respondents used the ATM for balance enquiry and the remaining 8% respondents used the ATM for getting mini statement.

Figure 6: Respondent's opinion on Inconvenience in Operating ATM



Source: Field Survey

The figure 6 depicts the respondents view on inconvenience in operating ATM. Out of 100 respondents, 20% felt that there are some inconveniences in operating ATM and the remaining 80% respondents didn't feel any such inconvenience.

Testing of Hypothesis

“Customers in Navi – Mumbai are satisfied with the ATM services provided by the Banks”

The above hypothesis is tested in this study by applying chi-square test. For that, the respondents’ agreement on problems in ATM Machine is taken in to account. The respondents agreements on problems in ATM machine are tabulated in the following table in the form of agree, disagree and can’t say. The total respondents are classified on the basis of their gender and there after the actual testing were done.

Table 2: Respondent’s Agreement on Problems in ATM Machine

Gender/Agreement	Agree	Disagree	Can’t say	Total
Male	20	40	10	70
Female	10	15	5	30
Total	30	55	15	100

Source: Field Survey

Chi square Test

Observed Frequency (O)	Expected Frequency (E)	O-E	(O-E) ²	$\frac{(O-E)^2}{E}$
20	$70 \times 30 / 100 = 21$	-1	1	0.0476
10	$30 \times 30 / 100 = 9$	+1	1	0.1111
40	$70 \times 55 / 100 = 38.5$	+1.5	2.25	0.0584
15	$30 \times 55 / 100 = 16.5$	-1.5	2.25	0.1364
10	$70 \times 15 / 100 = 10.5$	-.5	0.25	0.0238
5	$30 \times 15 / 100 = 4.5$	+.5	0.25	0.0555
Total				0.4328

For a contingency table, 2x2 table degree of freedom is

$$d.f. = (c-1) (r-1) = (3-1) (2-1) = 2$$

At 5% level for one degree of freedom, the value of chi-square is 3.84

At 5% level for two degree of freedom, the value of chi-square is 5.99

Calculated value of X^2 is 0.4328 which is less than the table value. Therefore the hypothesis is accepted.

Hence we conclude that the customers in the Navi-Mumbai are satisfied with the ATM Services provided by the banks.

Table 3: Types of inconveniences Faced by Respondents

Types of Inconveniences	No. of Respondents (%)
Machine Maintenance & Network Failure	(60%)
Non Availability of Cash	(12%)
No Problem (Any others)	(28%)
Total	(100%)

Source: Field Survey

The above table 3 represents the type of inconvenience faced by respondents. Out of 100 respondents, 60% respondents opined that they faced inconvenience due to machine maintenance and network failure during their time of operating ATM. 12% respondents felt that the inconvenience occurred because of non availability of cash and the remaining respondents (28%) said that they did not noticed any inconvenience during ATM use.

Table 4: Respondents Awareness about Limit in Withdrawal per Day

Awareness	No. of Respondents	Percentage
Yes	100	100
No	-	-
Total	100	100

Source: Field Survey

The above table 4 exhibits that all the respondents were fully aware about the limit in withdrawal of money per day.

Customer Satisfaction with the Functioning of ATM

Satisfaction of ATM holder is a difficult task to the bankers. Bankers have to offer different services to their customers through ATM, so that they can retain the customers in the future too.

Table 5: Respondents Satisfaction with ATM

Response	No. of Respondents	Percentage
Satisfied	100	100
Dissatisfied	-	--
Total	100	100

Source: Field Survey

The above table 5 depicts that all respondents (100%) are fully satisfied with the ATM services.

Frequency of using the ATM

The frequency of using the ATM is an important factor to be considered while studying the customer satisfaction towards ATM services. The usage of ATM is differing from one person to another.

Table 6: Respondent's Frequency in Using ATM

Frequency	No. of Respondents	Percentage
Once a Month	-	-
2-5 Times	56	56
6-10 Times	8	8
11-15 Times	26	26
16-20 Times	10	10
Daily	-	-
Total	100	100

Source: Field Survey

Table 6 describes respondent's frequency in using ATM per month. Out of 100 respondents, 56 respondents (56%) used ATM for 2-5 times, 8 respondents (8%) operates ATM for 6-10 times, 26 respondents (26%) used ATM services for 11-15 times in a month and the remaining 10 respondents (10%) used ATM services for 16-20 times in a month. It is significant that there is no respondent is used the ATM services daily as well as once in a month.

Findings

The object of ATM services is to satisfy the bank customers in the study region. It first influences the attitudes that in turn influence the behavior. ATM Services by and large satisfy the customer to some extent. The following are the finding of the study.

- Most of the respondents (40%) belong to the age group of 21 to 40 years.
- Majority (70%) of the respondents are males.
- Most of the respondents (30%) are business people.
- Nearly 30% of the respondent's annual incomes are between Rs. 1,00,000 to Rs. 2,00,000.
- 70% respondents are availing ATM services for more than 2 years.
- 56% of the respondents using ATM service 2 to 5 times in a month.
- Nearly 74% of the respondents opined that ATM service was preferred for quick cash withdrawal.
- Majority of the customers (80%) said that there is no inconvenience in operating ATM.
- Machine maintenance is one of the inconveniences that are frequently faced by majority (60%) of the respondents.
- Nearly 56% of respondents are satisfied with the limit of withdrawal per day.
- Most of the respondents (80%) experienced that there is no difference between ATM balance and bank pass book balances.
- All the respondents (100%) are fully satisfied with Bank ATM services.

Suggestions

The ATM services rendered by the various banks intention are to facilitate their customers to delight to some extent and to minimize the virtual banking services. The recent innovative facility provided by the bank to its customer is ATM. The main purpose is to satisfy the varied need of Bank customers. The place where ATM located is quit convenient to suit the needs of customers. Although they are satisfied with the services, there are some suggestions to enhance the quality of ATM services.

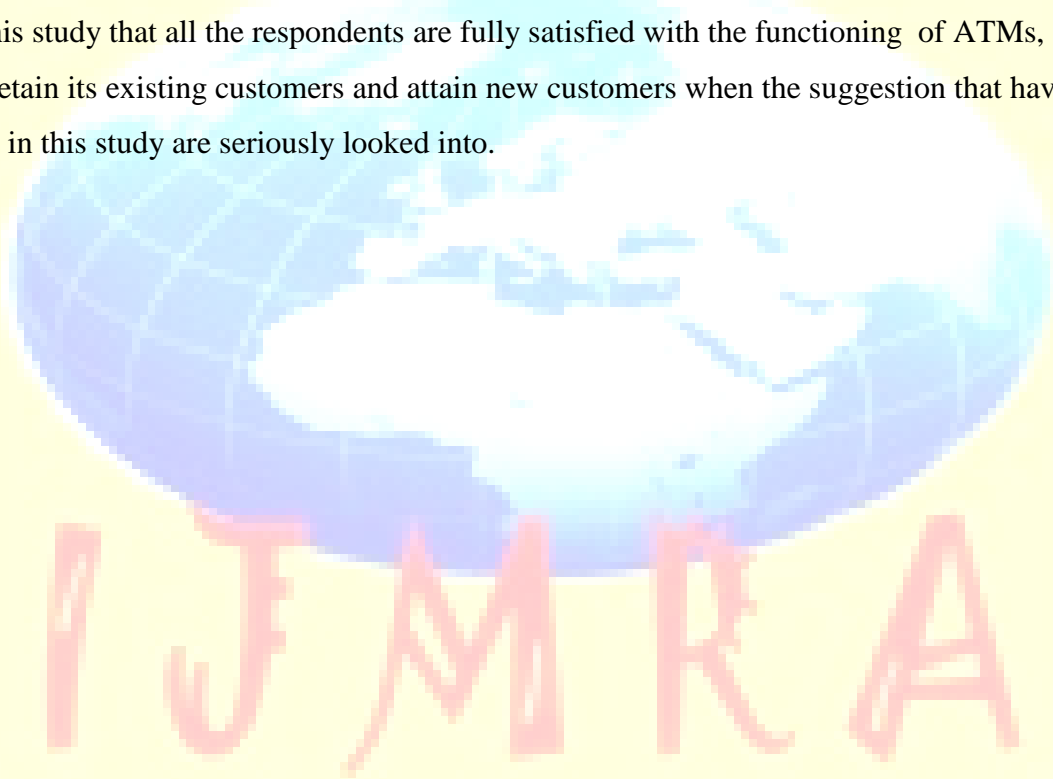
The following suggestions are offered.

- ❖ The limit in withdrawing cash per day may be increased.
- ❖ Transactions and withdrawals are made every now and then thus additional ATM's may be installed in order to minimize customer's transaction time.
- ❖ Network connections are to be made effectives so that they can integrate well with other WAN and LAN technology.

- ❖ It was responded that the ATM services should be extended to the rural population.
- ❖ A proper display board should depict all the necessary information on the operation procedures of the ATM.
- ❖ It was also suggested that a VOCAL demonstration and feedback information of the operation procedures should be introduced in addition to the vision effect.
- ❖ It was also suggested that overdraft facility should be introduced on the ATM counter.

Conclusion:

The ATM facility has been extended to all accounts holders of all the banks. Though it is clear from this study that all the respondents are fully satisfied with the functioning of ATMs, Bank could retain its existing customers and attain new customers when the suggestion that have been offered in this study are seriously looked into.



APPENDIX -I

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