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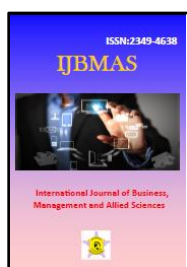
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Impact of ATM on Customer Satisfaction -A Comparative Study of SBI & ICICI bank in Warangal City

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ABSTRACT

The Automated Teller Machine has a tremendous rise in past few years in India with a convenient access to cash. Advanced technology and customer acceptance have made ATM's more potential in banking sector. The aim of this paper is to provide a preliminary comparative investigation of the customer's satisfaction towards ATM service of SBI and ICICI banks. The respondents selected for this study were the account holders and ATM users of SBI and ICICI banks of Warangal City, Telangana State. For the purpose of knowing the customers satisfaction and to analyze the data survey method was adopted. The Paper has explored the factors that drive customers to use ATM and highlights the problems customers face during the use of ATM and provides recommendations to manage the problems.

KEY WORDS: ATM, Customer Attitude, Services, Cardholders, Demographic Variables, Perception

INTRODUCTION

In banking industry, E-services are at revolutionary stage. Electronic based banking is replacing conventional banking system. Now, trend in banking has evolved from cash economy to plastic card economy. Fierce competition among banks along with the global forces has compelled the banks to adopt the technological changes to face the electronic age. It is also known as E-banking or internet banking or online banking which provides various alternative electronic channels to using banking services i.e. internet banking, mobile banking, ATM services, electronic fund transfer, credit card, debit card, and electronic clearing services etc. Among these services, ATM is the main channel of distribution to be explored due to the increase in its popularity.

This study aims at analyzing the satisfaction levels of the customers of State Bank of India and ICICI bank holding ATM cards with respect to some aspects such as prompt ATM services delivered by personnel, location, sufficient number of ATMs in city, regularity in working of ATMs, their overall impact on customer satisfaction etc. This study is a type of descriptive research using non probability sampling technique. Questionnaire was used to collect the data from a convenience sample of 40 respondents (customers) of the selected banks.

REVIEW OF LITERATURE

Singh and Saxena (2011) conducted a study on customer satisfaction regarding the use of ATMs and revealed that the ICICI Bank, being the largest private sector bank, must make its customers satisfied to sustain in this world of competition

Kumbhar Vijay (2011) this study intended at comparative investigation of the customer satisfaction in ATM service in public and private sector banks and observed that effectiveness of ATM services, perception and service quality dimensions.

Dr. R Renuka and Mr. Paulraj (2014) the study reveals that ATM services play key role to minimize customers time and energy. The study focused on the customer satisfaction towards ATM services offered by the banks and tries to suggest some ways out to improve their level of services.

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 provides more customer satisfaction.

IMPORTANCE OF THE STUDY

As we know that, the use of ATMs is increasing day-by-day, it is essential to know about the perceptions of customers about its various aspects and their problems while using ATM services, and find out the weak area which needs improvements.

OBJECTIVES OF THE STUDY

1. To identify the various aspects affecting customer satisfaction in ATM services.
2. To compare the satisfaction level of customers associated with various aspects of ATM services in the selected banks.
3. To provide suggestions to overcome the problems related to various aspects.

RESEARCH DESIGN AND METHODOLOGY

This study involves both primary and secondary data; primary data was gathering from ATMs users of State Bank of India and ICICI. The size of sample was taken 40 as per convenient sampling method by using 17 statements which is related to various aspects of ATMs services like location of ATMs, processing time, availability of cash, quality of notes, ATMs grievances, safety & security, sufficient numbers of ATMs etc. besides this, many published sources have been used for the better understanding of the study. Secondary sources include bank's annual reports, relevant research papers on ATMs, article, thesis etc. In this study, data will be collect from the way of survey from bank customers and later on will be analyze by statistical technique and tools like Descriptive Statistics, Percentage Method, and Ranking Method. The conclusion would be interpreted accordingly.

ANALYSIS AND INTERPRETATION

Table -1 : Demographic Profiles of ATM Users

PARTICULARS		TYPE OF BANKS		TOTAL
		PUBLIC SECTOR (STATE BANK OF INDIA)	PRIVATE SECTOR (ICICI BANK)	
Gender	Male	8	7	15
	Female	12	13	25
	TOTAL	20	20	40
Age	18-25	18	15	33
	26-35	1	2	3
	36-45	1	1	2
	46and above	0	2	2
	TOTAL	20	20	40
Education	Under Graduate	3	4	7

	Graduate	4	4	8
	Post Graduate	12	9	21
	Other	1	3	4
	TOTAL	20	20	40
Occupation	Govt. Employees	1	3	4
	Business	1	7	8
	Professional	0	2	2
	Students	18	8	26
	TOTAL	20	20	40

Source: Primary Data

Table 1 clearly shows the demographic profile of sample respondents. It reveals that female respondents are higher than male respondents using ATM services of public and private sector banks together. Majority of respondents using ATM services falls in the age group of 18-25 and post graduate are high as compared to other educational groups. Students are high in both sectors.

Table-2: Responses of Public Sector Bank

S.NO.	ASPECTS	SA (5)	A (4)	M (3)	D (2)	SD (1)	Sum	Weighted Average	Rank
1.	Promptness of the delivery of card	10	7	0	2	1	20	4.2	2
2.	Easily located ATM	5	11	0	3	1	20	3.8	3
3.	ATM's are found at all useful places like malls, Hospitals, stations. Etc	2	7	0	10	1	20	3.0	7
4.	Directions are clear to operate my ATM	5	15	0	0	0	20	4.3	1
5.	Keypad of ATM machine is working properly	3	10	0	7	0	20	3.5	4
6.	Processing time of ATM	1	16	1	2	0	20	3.8	3
7.	Availability of cash in my ATM	0	10	0	4	0	20	2.9	8
8.	ATM slip always shows updated balance	12	4	0	4	0	20	4.2	2
9.	Quality of notes	0	14	0	5	1	20	3.4	5
10.	ATM grievances are settled within stipulated time	3	9	1	5	2	20	3.3	6
11.	Safety & security	3	14	0	2	1	20	3.8	3
12.	Behavior of ATM guard	2	11	1	5	1	20	3.4	5
13.	Sufficient number of ATMs	2	7	0	7	4	20	2.8	9
14.	Working condition	0	10	1	7	2	20	3.0	7
15.	Complaint book	0	4	1	11	4	20	2.3	10
16.	Availability of Power backup/Generator/Inverter	11	5	1	3	0	20	4.2	2
17.	Overall performance	1	14	5	0	0	20	3.8	3

Source: Primary Data

In table 2, on the basis of weighted sum, ranking is done against various aspects of ATM in order to know which aspect contributes the most towards maximizing the satisfaction and which one gives a negative effect. According to the response of the respondents researcher analyzed that directions to operate ATM services gave 1st rank, its means that respondents of sectors are most

satisfied with this aspect followed by updated balance, availability of power backup, promptness of the delivery of card, locations of ATM, processing time, safety and security, overall performance, keypad of ATM, quality of notes, behavior of ATM guard, grievances settled with stipulated time, easily found at useful places like malls, hospitals etc., availability of cash, sufficient number of ATM ended with the complaint book.

Table -3: Responses of Private Sector Bank

S.NO.	ASPECTS	SA (5)	A (4)	M (3)	D (2)	SD (1)	Sum	Weighted Average	Rank
1.	Promptness of the delivery of card	6	12	0	0	2	20	4.0	3
2.	Easily located ATM	6	9	1	0	4	20	3.7	5
3.	ATM's are found at all useful places like malls, Hospitals, stations. Etc	5	8	2	0	5	20	3.4	7
4.	Directions are clear to operate my ATM	4	15	0	0	1	20	4.1	2
5.	Keypad of ATM machine is working properly	4	13	1	0	2	20	3.9	4
6.	Processing time of ATM	0	14	2	2	2	20	3.4	7
7.	Availability of cash in my ATM	0	4	2	6	8	20	2.1	14
8.	ATM slip always shows updated balance	8	12	0	0	0	20	4.4	1
9.	Quality of notes	1	3	5	5	6	20	2.4	12
10.	ATM grievances are settled within stipulated time	0	2	6	6	6	20	2.2	13
11.	Safety & security	0	9	2	4	5	20	2.8	11
12.	Behavior of ATM guard	2	6	8	2	2	20	3.2	9
13.	Sufficient number of ATMs	2	9	2	1	6	20	3.0	10
14.	Working condition	0	4	2	5	9	20	2.1	14
15.	Complaint book	0	2	0	1	17	20	1.4	15
16.	Availability of Power backup/Generator/Inverter	4	10	0	0	6	20	3.3	8
17.	Overall performance	0	13	5	2	0	20	3.6	6

Source: Primary Data

In table 3, on the basis of weighted sum, ranking is done against various aspects of ATM in order to know which aspect contributes the most towards maximizing the satisfaction and which one gives a negative effect. According to the response of the respondents researcher analyzed that aspects related to ATM slip always shows updated balance getting 1st rank, followed by directions to operate ATM, promptness related to delivery of cards, working condition of keypad, easily location of ATM, overall performance, easily found at useful places like malls, hospitals etc.

Table - 4: Comparison of Public and Private Sector Bank

S.NO.	ASPECTS	Public Sector (State Bank Of India)		Private Sector (ICICI Bank)	
		Weighted Average	Rank	Weighted Average	Rank
1.	Promptness of the delivery of card	4.2	2	4.0	3
2.	Easily located ATM	3.8	3	3.7	5

3.	ATM's are found at all useful places like malls, Hospitals, stations. Etc	3.0	7	3.4	7
4.	Directions are clear to operate my ATM	4.3	1	4.1	2
5.	Keypad of ATM machine is working properly	3.5	4	3.9	4
6.	Processing time of ATM	3.8	3	3.4	7
7.	Availability of cash in my ATM	2.9	8	2.1	14
8.	ATM slip always shows updated balance	4.2	2	4.4	1
9.	Quality of notes	3.4	5	2.4	12
10.	ATM grievances are settled within stipulated time	3.3	6	2.2	13
11.	Safety & security	3.8	3	2.8	11
12.	Behavior of ATM guard	3.4	5	3.2	9
13.	Sufficient number of ATMs	2.8	9	3.0	10
14.	Working condition	3.0	7	2.1	14
15.	Complaint book	2.3	10	1.4	15
16.	Availability of Power backup/Generator/Inverter	4.2	2	3.3	8
17.	Overall performance	3.8	3	3.6	6

Source: *Primary Data*

In table 4, On the basis of weighted mean and ranking of promptness in delivering card, location of ATMs, clear direction for operating the ATM services, processing time, availability of cash, quality of notes, grievances settlement within stipulated time, safety & security, behavior of ATM guard, working condition, availability of complaint book at ATM centers, facility of power backup / generator / inverter and overall satisfaction, the performance of public sector bank is much better than the private sector bank, which indicates that the customers of public sector bank are satisfied as compared with the satisfaction level of customers of private sector bank for the above said factors. While for the remaining factors like availability of ATM center at useful places, working keypad, ATM slip shows updated balance, sufficient numbers of ATMs, the performance of private sector bank is much better than the public sector bank. The findings reveals that ATM services of public sector bank are providing more satisfactory services as compared to public sector bank in this study. Therefore private sector banks should concentrate their attention on ATM services quality to improve customer satisfaction.

CONCLUSIONS AND SUGGESTION

Majority of the respondents in both the banks dissatisfied with the ATM Grievance settlement. Hence, it is suggested the banks to developed and improvise the proper mechanism to resolve the grievance settlement, as it leads to customer comfort and satisfaction. Comfort and convenience is very important in any business that majority of the respondents are dissatisfied with the ATM., locations, therefore it is suggested that the banks Administration should arrange the ATMs at all the useful places like malls, hospitals shopping malls, etc., so that customer have a comfort and convenience. Majority of the customers are dissatisfied with the sufficient number of ATMs in city, working conditions, cash availability, quality of notes hence, it is suggested the banks to provide all the facilities based on the customers data base and potential customers in the city. Complaint book is most important at the ATM counters, it is found 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. 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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