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A Study on Customer Satisfaction Towards Bank ATM Cards

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ABSTRACT

Banking in India originated in the last decades of the 18th century. The first banks were The General Bank of India which started in 1786. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India. But, the banking functions became an effective force only after the first decade of 20th century. The first ATM machine was invented by Scot John Shepherd-Barron and used by Barclays Bank in 1967. Now a day's customers are mostly prefer ATMs because if they go to bank and withdrew money they need to spend more time. So it will be helpful for emergency withdrawals and also customer no needs to pay money as service charge. ATM / Debit card are used to purchase products any where. It reduces the people to carry money always.

INTRODUCTION

Banking in India originated in the last decades of the 18th century. The first banks were The General Bank of India which started in 1786, and the Bank of Hindustan, both of which are now defunct. The oldest bank in existence in India is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company. For many years the Presidency banks acted as quasi-central banks, as did their successors. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India.

DEVELOPMENT OF BANK IN INDIA

Banking in India is indeed as old as Himalayas. But, the banking functions became an effective force only after the first decade of 20th century. To understand the history of modern banking in India, one has to refer to the "English Agency Houses" established by the East Indian Company. These Agency House, were basically trading firms and carrying on banking business as part of their main business. Because of these dual function and lack of their own capital (Agency Houses depend entirely on deposits for their capital requirements) they failed and vanished from the scene during the third decade of 18th century.

The East Indian Company laid the foundations for modern banking in the first-half of the 19th century with the establishment of the following three banks:
(i)   Bank of Bengal in 1809
(ii) Bank of Bombay in 1840
(iii) Bank of Madras in 1843

These banks are also known as "Presidency Banks" and they functional well as independent units.

During the last part of 19th century and early phase of 20th century, the Swadeshi Moment induced the establishment of a number of banks with Indian Management. Punjab National Bank Ltd. In 1895, The Bank of India Ltd. In 1906, the Canara Bank Ltd. In 1906, The Indian Bank Ltd. In 1907, The Bank of Borada Ltd. In 1908, The Central Bank of India Ltd., in 1911and many other banks were established on the same line. But most of the weak banks went bankrupt due to wrong policy decision taken by the management and due to severe banking crisis during 1913-18, the period of World War I. However the stronger and well managed banks like those mentioned above survived the crisis.

INTRODUCTION TO ATM CARD

The history of ATM can be traced back to the 1960s, when the first ATM machine was invented by Scot John Shepherd-Barron and used by Barclays Bank in 1967. However, while Shepherd-Barron has the major claim to fame, there have been many other individuals who have also invented some version of the ATM. The machine itself has evolved over the years, with the earlier versions restricted to only one or few banking functions. There has been much debate, however, on who invented the first early versions of Automated Teller Machine. But the history of ATM can be visibly traced back to the year of 1967.

In 1939, a rudimentary cash dispenser was invented by Luther George Simijian and established by the City Bank of New York. However, the machine did not work much and had to be removed within six months of putting up the machine. The early versions of the ATM were restricted to cash withdrawal only. In the 1967 model, patented by Shepherd-Barron, the plastic cards did not exist and instead a voucher with a strip of radioactive substance was used for withdrawing cash. Consequently, the vouchers were matched with a particular personal pin code used by the bank to identify the customer. The ATM was inaugurated by renowned British actor, Reg Varney. The personal identification number was initially a six numbered password, and was later changed to a four numbered password. However, this automated teller machine was very different from the modern day teller machines, which is based on an electronic system between the different branches of the bank. Thus, the history of ATM has seen many changes.

Another co-patent to the invention of the ATM was Don Wetzel, the Vice President of Product Planning at Docutel. While the conceptualization began in 1968, the patent was issued only in 1973. This cash dispenser was first used by the New York based bank, namely, the Chemical Bank. As was the case with the ATMs of during those years, they were hardly a multi-functional unit.

HSBC bank is the first bank in India to offer ATM facility in

1987. Presently a number of Indian and foreign banks are offering ATM facility but mostly in cities. There is easy and privacy of operation through self service

REVIEW OF LITERATURE
This chapter attempts to make brief review of previous literature dealing the present study. Only a few case studies and articles seem to have been reviewed, the related reviews were collected from text books, magazines, journals, news papers.

Elizabeth K.Kiser says that this paper investigates depository institutions decisions whether or not to impose surcharges (direct usage fees on) non depositors who use their ATMs. In addition to documenting patterns of surcharging, we examine motives for surcharging including both direct generation of fee revenue and the potential to attract deposit customers who wish to avoid incurring surcharges at institutions ATMs. Consistent with expectations, we find that the probability of surcharging increase with both the institutions share of market ATMs and the time since surcharging was first allowed in the state, and decreases with increasing local ATM density. Further, we find deposits customers who are new use surcharges as a means to attract existing customers away from smaller local competitors1

James J. McAndrews inferred that Automatic Teller Machines (ATMs) have altered the relationship between banks and their depositors, as well as the competitive relationships among banks. In this paper, I survey the literature to describe the ways that ATMs have influenced these aspects of banking markets, and concluded with suggestions for further research2.

Robinb A.Prager says that this Frost & Sullivan research service titled World ATM markets provides and analyze the current scenario in all the main geographic regions of the world, the driver and restraints that could impact the market in the future, and market share of global manufactures in all geographic regions.

Expansive ATM terminal forecasts are provided for various geographic regions to address the growth potential and enable participants to tap emerging opportunities of this market. This analysis is available through the author's enterprise communications.

Growth partnership services program. With this program, clients receive industry –leading market research such as this, along with technical and econometric system. There was some interesting reporting especially when it comes to the ease of swiping the info from a credit or debit card3

STATEMENT OF THE PROBLEM
Hear the necessity for selecting a problem in research is defined. The problem is stated as to what extent the respondents are satisfied with ATM service and facilities, the difficulties faced by them in getting the required information and which factors are creating more influence on the respondents.

OBJECTIVES OF THE STUDY
This study is undertaken with the following objectives.

· To identify the satisfaction level of ATM card customer.
· To know the fact which influencing the customer for using ATM cards.
· To find the customer opinion about the service charges made by other ATM card.
· To study the problem faced by the customer while using the ATM card.
· To offer suggestion based on the findings of study.

CHI-SQUARE
Chi-square is used to test whether the two factors are independent or in other words this is to find weather the factor has influence over other factor. In this section the chi-square test used between personal factor and on study factor. The personal considerations are,
➢ Age
➢ Educational qualification
➢ Occupational Status

SAMPLE DESIGN
The study is based on the convenient random sampling, the researcher must decide the way of selecting a sample or what is popularly known as sample design. In other words a sample design is a definite plan determined before any data are actually collected for obtaining a sample from a given population.

Sampling can be either probability or non probability sampling, here in this study probability sampling or simple random sampling is used. In this type of sampling technique each and every item in the population has an equal chance of inclusion in the sample and each one of the possible samples, in case of infinite universe, has the same probability of being selected.

Sample size for the study is 120 respondents the sample were selected through convenience sampling method.

PERIOD OF THE STUDY
The primary data of the study covers customer satisfaction towards bank ATM's, the data collection was made during the month of August 2010 to February 2011. The data covers of 120 respondents from various respondents in Coimbatore city.

AREA OF THE STUDY
Coimbatore city have been included in the study. Coimbatore is the suitable place for the study due to the availability of people with all types of educational background. More over Coimbatore is traditionally a trading and industrial center and now it is emerging as more users of ATM card.

LIMITATIONS OF THE STUDY
The study was carried out to understand the Customer satisfaction of ATM cards. This study contains the following limitations. They are

➢ The behavior of the respondent is not constant. So it is difficult to ascertain accurate result or opinion.
➢ Period of the study was limited only to six months
➢ This study is based on information of 120 respondents only. So this finding and suggestion of the study cannot extent to all the cities.
➢ This study is based on primary data so all the limitations apply to primary data are consider as limitation for the study also.

TABLE 1
GENDER AND PURPOSE OF USING THE ATM CARD

PURPOSE	GENDER				
	UPTO 25	26 – 35	36 – 45	ABOVE 45	TOTAL
To take money	55	26	7	6	94
To purchase	10	8	2	0	20
To recharge	0	0	1	0	1
For on-line payment	3	2	0	0	5
Total	68	36	10	6	120

NULL HYPOTHESIS:
There is no significance relationship between gender and purpose of using ATM card

Chi-square result

Factor	Calculated value	Degree of freedom	Table value at 5%	Hypothesis
Gender	14.89468	9	16.919	Accepted

INTERPRETATION
It can be revealed from the table 1 that the calculated Chi square values are less than the table value, the Null Hypothesis is accepted at 5% level. So there is no significant rela-

tionship between gender and purpose of using ATM card of the respondents.

TABLE 2
EDUCATIONAL QUALIFICATION AND PURPOSE OF US-ING ATM CARD

EDUCATIONAL QUALIFICATION	PURPOSE OF USING ATM CARD				
	To take money	To purchase	To recharge	For online payment	TOTAL
School level	16	3	0	1	20
Under Graduate	29	6	0	0	35
Post Graduate	30	8	0	3	41
Professional	19	3	1	1	24
Total	94	20	1	5	120

NULL HYPOTHESIS
There is no significant relationship between educational quali-fication and purpose of using ATM card.

Chi-square result

Factor	Calculated value	Degree of freedom	Table value at 5%	Hypothesis
Education	7.5906	9	16.919	Accepted

INTERPRETATION
It can be revealed from the table.2 that the calculated Chi square values are less than the table value, the Null Hypoth-esis is accepted at 5% level. So there is no significant re-lationship between educational qualification and purpose of using ATM card.

TABLE 3
OCCUPATIONAL STATUS AND PURPOSE OF USING ATM CARD

PURPOSE OF USING ATM	OCCUPATIONAL STATUS					
	Student	Profes-sional	Business	Em-ployee	Others	Total
To take money	33	12	17	28	4	94
To purchase	2	4	6	4	4	20
To recharge	0	1	0	0	0	1
For on-line payment	1	3	1	0	0	5
Total	36	20	24	32	8	120

NULL HYPOTHESIS
There is no significant relationship between occupational sta-tus and purpose of using ATM card.

Chi-square result

Factor	Calculated value	Degree of freedom	Table value at 5%	Hypothesis
Purpose	25.51758	12	21	Rejected

INTERPRETATION
It can be revealed from the table 3 that the calculated Chi-square values are greater than the table value, the Null Hy-pothesis is rejected at 5% level. So there is significant rela-tionship between occupational status and purpose of using ATM card.

TABLE 4
OCCUPATIONAL STATUS AND OFTEN OF USING ATM CARD

OFTEN OF USING ATM	OCCUPATIONAL STATUS					
	Student	Profes-sional	Busi-ness	Em-ployee	Others	Total
Daily	8	5	6	6	1	21
Once in a week	20	8	9	9	25	63
Twice in a month	4	4	8	8	5	25
Once in a month	4	3	1	1	1	11
Total	36	20	24	32	8	120

NULL HYPOTHESIS
There is no significant relationship between occupational sta-tus and purpose of using ATM card.

Chi-square result

Factor	Calculated value	Degree of freedom	Table value at 5%	Hypothesis
Often	26.07779	12	21	Accepted

INTERPRETATION
It can be revealed from the table 4 that the calculated Chi-square values are greater than the table value the Null Hy-pothesis is rejected at 5% level. So there is significant rela-tionship between occupational status and often of using ATM card.

FINDINGS
PERCENTAGE ANALYSIS
➢ Out of 120 respondents 57% are belong to the Age group of below25 years.
➢ Majority of the respondents are Male.
➢ 34% of Post Graduate respondents are using the ATM card.
➢ 65% of respondents are not having add-on card for their ATM card.
  35% of respondents are having add-on card for their ATM card and out of 35% of respondents 48% are giving their add-on card to their parents.
➢ Majority of respondents are not directly depositing de-posit amount in ATM.
➢ Out 120 respondents 73% are facing problem like ATM machine is not working nearer to their place.
➢ Out of 120 respondents, 53% of respondents are not fac-ing any problem in receiving their ATM card back from the ATM machine.
➢ Majority of respondent's i.e.60% are facing problem like not receiving receipt at the time of request.
➢ Out of 120 respondents 68% are not feel any difficulty while operation the ATM machine.
➢ 90% of respondents are satisfied while taking money from ATM machine.

SUGGESSTIONS
❖ Banker must concentrate in avoidance of fake currency in ATM machine.
❖ Machine must service & maintained properly without any repair.
❖ There is no enough awareness regarding deposit of mon-ey in ATM. So banker must give more awareness for it.
❖ Withdrawal limit must be increase.
❖ Security of ATM center should have enough knowledge in operation of ATM machine. So it will help for uneducated people.
❖ Service charge must be canceled while taking money from other ATMs.

CONCLUSION
ATM refers to "Any Time Banking" to this slogan banker must increases their services. Now a day's customers are mostly prefer ATMs because if they go to bank and withdrew money they need to spend more time. So most of the customer pre-fers ATM card. But the customers are not aware of deposit-ing money in ATM there fore. Banker need to conduct many awareness programs. It will more useful for the customers who are interest in depositing money in ATM. Banker must also cancel the service charge or they need to increase more home ATM centre. So it will be helpful for emergency with-drawals and also customer no needs to pay money as service charge. ATM / Debit card are used to purchase products any where. It reduces the people to carry money always. The sug-gestions are implemented properly it will increase the satis-faction of the customer while using ATM / Debit card.