



FINANCIAL INNOVATION: A STUDY ON CUSTOMER SATISFACTION TOWARDS INDIA POST ATM

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ABSTRACT This study is an initiative to measure the level of satisfaction of India Post ATM users located in in Kozhikode District of Kerala. Data were collected using structured questionnaire and variables like usage, satisfaction on operation and safety were tested against gender with Mann Whitney U test. The study found that the gender variable shows a difference in satisfaction. Though the study is limited to Kozhikode district, this article will give an idea regarding the aspect to which card holders are not satisfied and how this card is to be made attractive among all categories of customers.

KEYWORDS : India Post ATM, Financial Innovation and Satisfaction JEL :033, 016

INTRODUCTION

Today the developments in information technology lead the world in to the tip of finger. Now people are interested in technology driven services and how efficiently a firm can innovate and satisfy their customers will determine the level of its success. The introduction of any new financial products or services and the use of computer and communication technology is considered as financial innovation. It can be the modification of an existing product or service and even the adoption of an innovation implemented in some other industry. Banking is one of the sectors where we can notice the reflections of innovation on a large scale. Financial innovations like ATM, credit/debit card, internet banking, EFT reformed the quality of service provided by banks. While discussing about banking sector, the role of post office in savings mobilisation and thereby creating a formal banking habit can never be neglected.

Recently post offices modified the traditional way of functioning and concentrating more in the banking sector. To survive, it is diversifying the activities in to different field by adopting innovative services. ATM service provide 24 hr bank access without visiting the branches to get money. Though ATM is an outdated service for commercial banks, for India Post, it is still new. For savings account holders, India Post ATM is a new and innovative facility. Thus, this study aims to understand how far the holders of ATM card are satisfied with regards to the ATM services offered by India Post.

Need and Significance

In the present scenario people approaches banks not simply to keep their money safe, but they expect much more. The digital movement of India, is motivating people to use more and more e-banking facilities for the fulfilment of economic transactions. Among the digital payment modes ATM cards plays a vital role from the very beginning. In this context Post Offices also started to issue ATMs to its customers with much features. Even though post offices distributed the ATM cards to its customers, how far the people are satisfied in using those, is a matter of concern. Again, post offices are supposed to compete with commercial bank, which are providing most sophisticated technology and facilities to people with profit motive.

Statement of the problem

After introducing ATM cards by India Post to its customers, a study on customer satisfaction regarding various aspects of ATM has not been conducted. This article is an attempt to measure the satisfaction level of India Post ATM holders and aims to suggest possible solution to make it more attractive.

Objectives

1. To analyse the satisfaction of male and female India Post ATM holders.
2. To provide suitable suggestion to improve the ATM services offered by India Post.

Hypotheses

Following hypothesis were framed based on conceptual model developed based on literature review.

H₀: Satisfaction towards India Post ATM do not differ with the gender

A. Gender and satisfaction towards India Post ATM

H₁₁: There is a significant difference in gender and Operational Satisfaction

H₁₂: There is a significant difference in gender and Satisfaction on Security

Methodology

A self-developed structured questionnaire of five-point Likert scale was employed to explore the satisfaction of India Post ATM card holders. From the India Post ATM holder 100 customers located in Kozhikode district using India Post ATM were approached for primary data collection. Convenient sampling method was used Only India Post holders were approached to collect the data. Secondary data were collected from published articles and journals.

Conceptual Frame work

ATM: Automated Teller Machine is a machine that provides electronic access to banking services outside the banking premises.

Financial Innovation: Financial Innovation means positive changes in financial intermediation or financial system. (Borman & Saikia, 2017)

Customer Satisfaction: Customer satisfaction is the evaluation or appraisal of variables that relate to customer's judgement about the product or service ^(A.&L.,1994)

Model Developed for the study

For understanding the factors determining the satisfaction towards India Post ATM and for measuring the usage of it 14 questions were prepared. The following conceptual model has been used to study the paper.

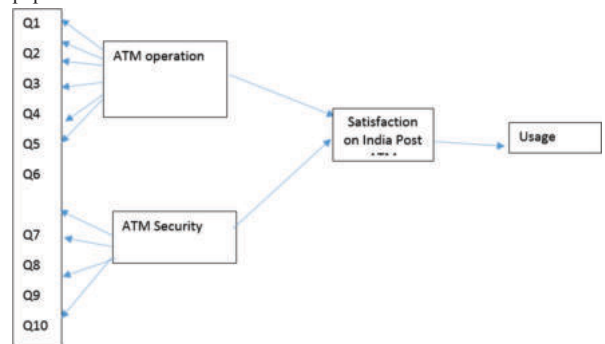


Figure: 1 Conceptual Research Model

Scope of the Study

It covers only India Post ATM card holders. Moreover, due to the non-availability of details of card holders, convenient sampling has been used. Purposefully India Post ATM holders were approached. The card holders of other banks and not having India Post ATM card were intentionally avoided.

Literature Review

While selecting the literature review at most care has been taken to ensure that the articles belongs only to Bank, ATM- quality, Satisfaction etc.

(Borman & Saikia, 2017) Focuses on financial innovation and related factors. Sample survey has been conducted at Golaghat town and taken ten commercial banks as the sample banks. It concludes that people are interested in innovative practices of bank for meeting their financial needs.

(Hasan, Asif, Arif, & Khan, 2013) It attempts to know the service quality of ATM and its impact on customer satisfaction. It also measures how far the customer satisfaction on ATM service is relevant on the retention of customers in the bank. Convenience sampling method has been used for data collection and ATM SERQUAL with Likert scale arranged in questionnaire for measuring the satisfaction.

(Idris) This study attempted to measure the perceived ease of use, perceived accessibility and perceived security. In relation with security perception they showed disagreement while they showed positive response to other matters.

Data Analysis and Interpretation

Following part give the details of data analysis and interpretation. Profile of the customers regarding gender are presented in table.

Table 1.1 Profile of Respondents

Group Name	Classification	Number	Percentage	Total
Gender	Male	76	76	100%
	Female	24	24	

Source: Primary data

Reliability Test

Reliability results are as follows and it is found above .7.

Table 2.1 Results of Cronbach's Alpha Reliability Test

Factor	No: of items	Cronbach's Alpha
Operational Satisfaction	6	.715
Security satisfaction	4	.740

Normality Results of scale variables like operational satisfaction and ATM Security satisfaction are not following the normal distribution. As it is having less than .05 value and not following the normality, non-parametric tests can only be conducted.

1. Objective based analysis

Objective 1: To analyse the Satisfaction on India Post ATM among card holders.

To examine the 'Satisfaction on India Post ATM Operations' and 'Satisfaction on India Post ATM Security' six and four variables were respectively analysed through mean and standard deviation using SPSS. Further, they are tested against gender using Mann-Whitney U test. As indicated below the mean and standard deviation of responses measuring 'satisfaction on India Post ATM operation and 'Satisfaction on India Post ATM security, ranges between 1.64 to 4.31 and .482 to 1.368 and 2.60 to 4.17 and .954 to 1.279 respectively.

Table 3.1 Mean and standard deviation of satisfaction

	'Satisfaction on India Post ATM Operations'	Mean	SD
Q1	I am satisfied in withdrawing cash from India Post ATM	1.64	.482
Q2	I am satisfied in knowing balance from India Post ATM	1.87	1.01
Q3	I am satisfied in depositing cash in India Post ATM	2.87	.544
Q4	I am satisfied on the information provided by India Post ATM	3.37	1.36
Q5	I am satisfied in modifying ATM PIN from India Post ATM	4.31	1.26
Q6	I am satisfied in using any bank ATM card at India Post ATM	3.98	1.11
	'Satisfaction on India Post ATM Security'	Mean	SD
Q7	I am satisfied in safety measures of India Post ATM	4.17	.954
Q8	I am satisfied in the security guard and his attention	3.54	1.07
Q9	India Post ATMs are not overcrowded and it is safe	4.14	.985
Q10	I am satisfied in warning given by India Post regarding security	2.60	1.27

Source : Primary Data

Table -3.2 Analysis report on gender and Satisfaction on India Post ATM

Variable	Response	Number	Mann-Whitney U Test (P Value)	
			Operational Satisfaction	Security Satisfaction
Gender	Male	76	<.001**	.015**

Source : Primary Data

Interpretation

The test result on difference in gender and variables like operational satisfaction and security satisfaction, 'P' value shows less than .05. Therefore, we will reject the null hypotheses and accept the alternative. Means there is significant difference between gender and the variables like Operational satisfaction and Security Satisfaction.

Findings and suggestion

If we compare the gender wise satisfaction, female users are less in having the India Post ATM, while they hold major portion of post office savings. Above all there is difference in satisfaction related to operational and security matters in gender.

CONCLUSION

Today post offices are digitalised by spending huge amount and even provided payment bank facility. While moving forward with such strategic decision evaluation of the performance and customer adoption must be studied seriously to ensure the investment is in right direction or not. This article considered only India Post ATM and that too in Kozhikode district of Kerala. More studies on different innovations at India Post on a large scale will definitely benefit Postal Department.

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