

Research Paper

Management



Consumer Adoption & Satisfaction towards ATM Service: A Comparative Study of Udaipur City

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ABSTRACT

21st century is enhancing the complexities of life so customers are demanding more convenience from service industry & banking sector is also not exception to it. In this regard ATM is one of the best services offered by Banks which offers a convenient way to customers to avoid frustrating queues in banks. Due to increasing competition it is essential for banks to know about the customer adoption of ATM service & their satisfaction level for the same. The paper is based on descriptive research design & questionnaire is used to collect the primary data from banking customers. This paper highlights the ATM services most preferred by customers as well as the awareness level & satisfaction of customers regarding ATM services Banks. Conclusions of paper reveal the impact of customers' demographic on the awareness level about ATM Services

Keywords : Customer Adoption, Consumer Satisfaction, ATM

Introduction:

In today's era traditional banking is transforming into virtual banking and ATM is perfect example to it. ATM is a user friendly, computer driven system, which operates 24 hours a day, 7 days a week. A totally menu-driven system, it displays easy-to-follow, step-by-step instructions for the customers. Today all major Banks are offering ATM services which are not only enhancing bank customers' satisfaction, but also expanding the banking business.

Under the edge of ATM following services are offered by Indian Banks:-

1. Accessing Accounts (Mini Statement / Balance Enquiry/ Cash Withdrawal)
2. Paying Bills
3. Cheque book request
4. Mobile recharging
5. Fund Transfer
6. Access to loan / credit card statements
7. Mobile Banking
8. Deposit cash & cheque

So it can be said that ATM enables the customers to access bank accounts without visiting the branch and waiting on lines.

Literature Review:

Pandian & Sharma (2012) said that in this modern world where money plays an important role for survival. ATM helps the people to take money whenever needed by them and also during emergency conditions

Shariq & Tondon (2012) observed that the customers prefer ATM use over other e-banking services. Nearly 95% of respondents use ATM services, followed by internet banking, and phone banking.

Tuli, Khatri & Yadav (2012) analyzed that most important factor which influence customer to use the ATM services is it's convenience in use & availability of machines.

Singh & Komal (2009) found that Size of respective bank, year of establishment, & performance of bank are the major factors which are responsible for the customer satisfaction towards ATM service of banks.

Kumbhar (2011) observed that other than cost effectiveness of ATM service perception about all service quality dimensions is approximately same in public and private sector banks. Overall results shows that cost effectiveness of ATM service were core service quality dimension and it were significantly affecting on overall customer satisfaction in ATM service provided by commercial banks.

Objectives:

The purposes of this research paper are as follow:-

1. Study the awareness of customers regarding ATM services of Banks.
2. Identify the preference of ATM services used by customers
3. Check the significant difference between the satisfaction levels of public & private bank customers towards ATM Services.
4. Identify the impact of customers' demographics on their awareness level about ATM Services.

Research Methodology

- (a) Research Design: - To serve the purpose of research paper descriptive research design was used. Primary data was collected with the help of close ended questionnaire.
- (b) Sample Design: - Our target population involves the users of ATM of Public & Private Sector Banks. 120 respondents of SBI (30), PNB (30), HDFC (30), & IDBI (30) were selected through convenience sampling from Udaipur.
- (c) Analysis: - The data collected was analyzed with the help of various statistical tools like Chi-square test, ANOVA (F-test), Weighted Arithmetic Mean etc.

Analysis & Interpretations

a) Demographics of Respondents

Descriptive statistics are illustrated in Table 1, which indicates demographic wise distribution of respondents. 62% respondents are male & majority of customers are graduate (47%). Major number of ATM customers belongs to the age group of 25 to 35 (35%). Percentage of Private employees is maximum (23%) & 35% of respondents are having monthly income between Rs. 30,001 to 40,000.

Table-1: Demographics of Respondents

Particulars	Frequency	Percent	Cumulative Percent	Particulars	Frequency	Percent	Cumulative Percent
Gender				Monthly Income			
Male	74	62	62	Less Than Rs. 10,000	6	5	5
Female	46	38	100	Rs. 10,001 - Rs. 20,000	20	17	22
Total	120	100		Rs. 20,001 - Rs. 30,000	34	28	50
Education				Rs. 30,001 - Rs. 40,000	60	30	82
Intermediate	12	10	10	More Than Rs. 40,000	18	15	100
Graduate	56	47	57	Total	120	100	
Post Graduate	24	20	77	Profession / Occupation			
Professional	28	23	100	Govt. Employee	18	15	15
Total	120	100		Pvt. Employee	28	23	38
Age Group				Professional	24	12	66
Below 25	26	22	22	Businessman	16	13	63
25-35	42	35	57	Student	18	15	78
36-50	40	33	90	Retired	6	5	83
51-60	12	10	100	Other	20	17	100
Total	120	100		Total	120	100	

b) Awareness on various services

Table 2 highlights the mean awareness score for each of the four major services offered by ATMs.

Table-2: Awareness Score on Various Services

Service	Awareness Level			Total Score	Mean Score	Rank
	Fully Aware	Partly Aware	Not Aware			
Cash Withdrawal	88	32	0	328	54.67	1
Balance Enquiry	82	22	16	306	51.00	2
Mini Statement	78	16	26	292	48.67	4
Prepaid Recharge	32	58	30	242	40.33	6
Bill Payment	28	32	60	208	34.67	8
Mobile Banking	12	38	70	182	30.33	11
PIN Change facility	72	32	16	296	49.33	3
Single card for all accounts	24	38	58	206	34.33	9
Cheque book request	12	42	66	186	31.00	10
Money Transfer	36	38	46	230	38.33	7
Deposit Cash & Cheque	42	58	20	262	43.67	5

In order to calculate total awareness score, the numbers of respondents whose opinions are "fully aware", "Partly aware" & "Not aware" are multiplied by 3, 2 & 1 respectively. The mean score is calculated by dividing the total score by total number of weights (6). Data reveals that among eleven major services, Cash Withdrawal service has got the highest score followed by the Balance Enquiry & Pin Change Facility.

c) Preference of various services

Table 3 gives the ranking of ATM Services used by customers

Table-3: Preference of Various Services

Preference of ATM Services															
Weights	11	10	9	8	7	6	5	4	3	2	1	Total	Weighted Total	Weighted Avg.	Rank
Rank	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th				
Services															
Cash Withdrawal	82	14	14	5	1	0	0	0	0	4	0	120	1223	18.53	1
Balance Enquiry	16	31	8	27	16	12	0	0	0	10	0	120	978	14.82	3
Mini Statement	22	48	22	8	3	0	1	12	4	0	0	120	1070	16.21	2
Prepaid Recharge	0	0	0	0	1	0	7	9	48	22	33	120	299	4.53	11
Bill Payment	0	24	16	32	1	2	12	16	12	3	2	120	827	12.53	4
Mobile Banking	0	0	8	18	15	13	42	22	1	1	0	120	702	10.64	7
PIN Change facility	0	1	28	12	17	13	20	16	8	2	3	120	750	11.36	6
Single card for all accounts	0	0	4	0	42	36	4	0	28	4	2	120	660	10.00	8
Cheque book request	0	0	0	2	1	11	13	10	12	31	40	120	332	5.03	9
Money Transfer	0	0	0	4	7	1	3	20	4	42	39	120	317	4.80	10
Deposit Cash & Cheque	0	2	20	12	16	32	18	15	3	1	1	120	762	11.55	5

Table shows that generally customers use mobile banking services to keep eyes on account. Transfers & Payments are on next priority, while least preference is given to customer care services.

d) Hypothesis Testing: -

H01 = There is no significant difference between the satisfaction levels of public & private bank customers towards ATM Service.

Table-4: Satisfaction Level of Consumers

Bank		Satisfaction Level Towards ATM Service					
		Highly Satisfied	Satisfied	Neither Satisfied Nor Dissatisfied	Dis satisfied	Highly Dissatisfied	
Public	SBI	11	18	10	14	7	60
	PNB						
Private	HDFC	17	19	8	10	6	60
	IDBI						
Total		28	37	18	24	13	120

ANOVA (F-ratio)			
Calculated Value	Degree of Freedom	Level of Significance	Tabulated Value
0	(1,8)	5%	5.32

The result of the study shows that the null-hypothesis holds to be true, which shows that there is no significant difference between the satisfaction levels of public & private bank customers towards ATM service.

H02 = Gender of respondents doesn't affect their awareness level about ATM Services.

H03 = Age of respondents doesn't affect their awareness level about ATM Services.

H04 = Income of respondents doesn't affect their awareness level about ATM Services.

H05 = Education of respondents doesn't affect their awareness level about ATM Services.

Hypothesis	Factor		Awareness Level for all Services			Test	Calculated Value	Degree of Freedom	Level of Significance	Tabulated Value	Result
			Fully Aware	Partly Aware	Not Aware						
H02	Gender	Male	36	28	10	Chi - Square	27.21	2	5%	5.991	Rejected
		Female	10	9	27						
H03	Age	Younger (<35 Years)	32	20	16	Chi - Square	5.93	2	5%	5.991	Accepted
		Older (≥35 Years)	14	17	21						
H04	Income	Relatively Low (< Rs. 30,000)	18	16	26	Chi - Square	8.93	2	5%	5.991	Rejected
		Relatively High (≥ Rs. 30,000)	28	21	11						
H05	Education	Intermediate	4	6	2	Chi - Square	21.32	6	5%	12.592	Rejected
		Graduate	18	18	20						
		Post Graduate	4	9	11						
		Professional	20	4	4						

The result of the study shows that the null-hypothesis holds to be valid for Age, but it has been proved wrong in the case of Gender, Income & Educational level. So it can be clearly stated that Age of Respondents doesn't affect their awareness level about private banking services but Gender, Income & Educational level do.

Conclusions:

1. Majority of customers are aware about the Cash withdrawal services of ATMs. Balance enquiry service is ranked on second position on awareness scale.

2. In the same manner majority of customer prefer ATMs for withdrawal purpose while second preference is given to mini statement facility.

3. There is no significant difference between the satisfaction level of public & private bank customers towards the ATM service.

4. The awareness level about ATM services is affected by demographics of customers.

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