



Issues and Challenges Faced by ATM Customers of State Bank of India In South Tamilnadu

*R. Melba Kani ** Dr. A. Merlin Thanga Joy

* Research Scholar, School of Management Studies, Noorul Islam Centre for Higher Education, Kumaracoil, Kanyakumari District, Tamilnadu, South India

** Asst. Professor, School of Management Studies, Noorul Islam Centre for Higher Education, Kumaracoil, Kanyakumari District, Tamilnadu, South India

ABSTRACT

The Automated Teller Machine has become an integral part of our society. ATM is effectively reached out a large customer base at low cost. At present most banks have networking systems for their e-banking services like ATMs. A network connected ATMs of various banks had resulted in the improvement of customer services. This study aims at identifying the issues and challenges faced by customers. The paper highlights ATM services most preferred by customers as well as the awareness level and problems faced by customers regarding ATM services.

Keywords : Customer satisfaction, E-Banking, Awareness level, Technology, Network

1.1 Introduction

The banking has undergone a major change due to the adoption of E-banking. One of the latest channels of distribution to be used in the financial services organizations is electronic banking. Electronic banking in a country depends on many factors, such as success of internet access, new online banking features, household growth of internet usage, legal and regulatory framework.

E-banking can offer speedier, quicker and dependable services to the customers for which they may be relatively satisfied than that of manual system of banking. Online banking which provides various alternative e-channels to using banking services i.e. ATM, credit card, debit card, internet banking, mobile banking, electronic fund transfer, anywhere banking, any time banking, and electronic clearing services. The Indian banking and financial sector has also welcomed this change. Today, more and more Indian banks are trying to differentiate themselves in a fiercely competitive industry.

The most commonly used delivery channel introduced for financial services is the ATM. ATM is a cash rendering teller machine. This helps a bank customer to withdraw money from his account without having to go to the bank. 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 customer.

1.2 The Indian ATM Industry

The history of ATM can be traced back to the 1960s, when the first ATM machine was invented by John Shepherd-Barron he was managing director of De La Rue Instruments. That machine used by Barclays Bank (Barclays Bank in Enfield Town in North London, United Kingdom) in 27 June 1967 (Wikipedia Encyclopedia). ATMs represent the single largest investment in the electronic channel services for the banks. In India, HSBC set the trend and set up the first ATM machine in 1987. Banks have been deploying ATMs to increase their reach. While ATMs facilitate a variety of banking transactions for customers, their main utility has been for cash withdrawal and balance enquiry. At the end of October 2007, the number of ATMs deployed in India was 31,078. According to some es-

timates the total cash movement through ATMs across India was around Rs. 70,000 crore. As of October 2012 the total number of ATMs was 1,04,500. Public sector banks and the State Bank group with about 61,500 ATMs accounted for 59 per cent of the ATMs. The private sector and foreign banks put together have about 41,800 ATMs accounting for 40 per cent of the ATMs and the balance 1 per cent represents about 1,150 ATMs that have been deployed by co-operative banks/RRBs. The State Bank of India (SBI) is the oldest and largest bank in the country. Its origins go back to the first decade of the 19th century, when the Bank of Calcutta was established on 2 June 1806. The bank got its present name after an Act of Parliament in May 1955 and the State Bank of India was constituted on 1 July 1955. Today, SBI has a phenomenal 9,559 branches and its ATM network is spread across 6,473 of its own locations & total 8,000 ATMs including of those of its associate banks.

1.3 Literature Review

Jham et al (2008), found that private banks have been able to attract the younger customers with higher educational levels, who are comfortable with multi-channel banking, the customers of the national bank are older and more satisfied with the traditional facilities.

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.

Pandian et al (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

Agnihotri (2001), reveals that "IT way of getting cash" explained the working of ATM, ATM penetration per million persons in Asian countries and the system of security –how it works and also the frauds of ATM.

1.4 Statement of the Problem

The use of ATM is increasing day-by-day, it is important to study the issues and challenges towards use of ATM services in south Tamilnadu. The customers were facing different types of problems with which ATM is directly related. Machine complexity, machine breakdown, poor quality notes, network failure, unsuitable location, forgot ATM pin number, High frequency of use, safety and security are the major problems of ATM users. Customers do not like ATMs because of impersonality, vision problem, fear of technology and reluctance to change and adopt new mode of delivery of service.

1.5 Objectives of the Study

- ❖ To examine the awareness level of ATM services in south Tamilnadu
- ❖ To study the level of customer satisfaction on various aspects of ATM services in south Tamilnadu
- ❖ To identify the problems faced by customers while using ATM services in south Tamilnadu
- ❖ To offer suggestions to overcome the problems in ATM services in near future

1.6 Research Methodology

The following research design is followed for the study

1.6.1 Primary Sources

A well-structured questionnaire was prepared and distributed to the customers of State Bank of India in south Tamilnadu.

1.6.2 Secondary Sources

The various secondary information used for the research include various published and non-published works including books, periodicals, magazines, government reports, journals and websites, etc.

1.6.3 Sampling Method

Simple Random sampling method is followed

1.6.4 Area of the Study:

The area of the study is State Bank of India bank branches in south Tamilnadu, they are Kanyakumari district, Trinelveli district, Thothukudy district.

1.6.5 Sample Size:

The south Tamilnadu comprises in Kanyakumari district, Trinelveli district, Thothukudy district. There were in each district 40 customers are selected for simple random sampling method from State Bank of India. That is the sample size is 120 customers.

1.6.6 Tools Used for Analysis:

The data collected was analyzed through Percentages, Chi-square test and Weighted Average Method is applied for the analysis of data.

Table No. : 2

Awareness Level of ATM Services

Hypothesis	Factor Not aware		Awareness level of ATM services									
			Partly aware	Fully aware	Fully aware but unsecure feeling	Test	Calculated value	Degree of freedom	Level of significance	Tabulated value	Results	
H01	Gender	Male	22	16	19	10	Chi - Square	6.97	3	5%	7.815	Accepted
		Female	11	20	15	7						
H02	Age	Be-low20	3	2	4	5	Chi - Square	10.38	9	5%	16.919	Accepted
		20-30	6	10	9	8						
		30-40	8	7	16	7						
		Above 40	5	11	10	9						

1.7 Analysis and Interpretation of Data

Table No. :1

Demographics of Respondents

Particulars	Frequency	Percent	Cumulative percent	Particulars	Frequency	Percent	Cumulative percent
Gender			Education				
Male	67	56	56	12 th	17	14	52
Female	53	44	100	Graduate	27	22	74
Total	120	100		Post Graduate	62	52	88
Age			Professionals				
Below 20	14	12	12	Total	120	100	
20-30	33	27	39	Occupation			
30-40	38	32	71	Student	11	9	9
Above 40	35	29	100	Pvt. Employee	35	29	38
Total	120	100		Govt. Employee	18	15	53
Income			Business man				
Be-low10000	26	22	22	Professionals	27	23	89
10000-20000	25	21	43	Retired	7	6	95
20000-30000	30	25	68	Others	6	5	100
Above 30000	39	32	100	Total	120	100	
Total	120	100					

Source: Primary Data

Above table which indicates demographic wise distribution of respondents. Majority (56per cent) respondents are male & (52per cent) of customers are post graduate. Most of the ATM customers belong to the age group of 30 to 40 (32per cent). Percentage of Private employees is maximum 25 per cent and 39 respondents are having monthly income Rs. 3 lacks and above.

1.8 Hypothesis Testing:

H01 = There is no difference between gender of respondents and their awareness level about ATM services.

H02 = There is no difference between age of respondents and their awareness level about ATM services.

H03 = There is no difference between income of respondents and their awareness level about ATM services.

H04 = There is no difference between education of respondents and their awareness level about ATM services.

H03	Income	Below 10000	4	6	11	5	Chi - Square	15.8	9	5%	16.919	Accepted
		10000-20000	2	6	8	9						
		20000-30000	3	9	13	5						
		Above 30000	0	18	12	9						
H04	Education	12 th	21	12	18	11	Chi - Square	30.68	9	5%	16.919	Rejected
		Graduate	4	8	6	9						
		Post Graduate	0	7	3	7						
		Professionals	0	9	1	4						

Source: Primary Data

The above table clearly stated that Age, Gender, Income of Respondents doesn't affect their awareness level about ATM services but Educational level do.

1.9 Problems Face by Customers
Ranking of Problem Faced by Customers
Table No. :3

Sl. No	Problems	Total	Weighted total	Weighted Avg.	Ranks
1	ATM might give wrong amount of cash	120	1888	15.75	03
2	Network failure	120	2388	19.9	01
3	There is danger of my card getting stuck in the machine	120	1070	8.31	09
4	ATM card was damaged	120	120	1	12
5	Forgot ATM pin number	120	2054	17.116	02
6	ATM computer shows too such withdrawals on the same day	120	318	2.65	11
7	Lost ATM card	120	1036	8.6	08
8	Machine out of order	120	1058	8.816	07
9	Machine out of cash	120	1360	11.33	04
10	Wrong information in the statement	120	820	6.333	10
11	No print out of statement	120	1118	9.32	06
12	No power pack up	120	1218	10.15	05

Source: Primary Data

The table shows that most of the respondents faced network problem, while least preference is given to ATM card was damaged

2.0 Findings

- ❖ Most of the respondents (40 per cent) belong to the age group of 30 to 40 years
- ❖ Majority (56 per cent) of the respondents are males.
- ❖ Most of the respondents (52 percent) are post graduate.
- ❖ Nearly 32 per cent of the respondent's monthly income is above Rs. 30000
- ❖ 68 per cent respondents are availing ATM services for more than 2 years.
- ❖ 54 per cent of the respondents using ATM service 2 to 5 times in a month.
- ❖ Nearly 72 per cent of the respondents opined that ATM service was preferred for quick cash withdrawal.
- ❖ Majority of the customers (84 per cent) said that there is no inconvenience in operating ATM.

- ❖ Maximum days(20-30) taken by the bank solve ATM related problems
- ❖ Nearly 60 per cent of respondents are satisfied with the limit of withdrawal per day.
- ❖ Most of the respondents (96 per cent) are fully satisfied with Bank ATM services.
- ❖ Most of the respondents (62 per cent) are not satisfied with the queuing at ATM counter
- ❖ Most of the respondents face network related problem while using ATM

2.1 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.
- ❖ The respondents were not satisfied with the availability of complaint book, location aspect and number of ATMs in the city. They have made strong recommendations regarding these points when they were asked to do so.
- ❖ To provide adequate guidance to use ATM cards to avoid problems faced by customers
- ❖ Customer satisfaction is very important factor so proper security facility made at the ATM stations.
- ❖ Non-functioning or the failure of the ATM machine was the negative remark made by the ATM users.
- ❖ The positive association between the age of respondents and purpose of using ATM cards was well accepted by the study

2.2 Conclusion

It was found that ATM services of SBI south Tamilnadu were well received and utilized by the customers. It was revealed withdraw in cash through ATM was very convenient and majority of the respondents had used ATM services regularly. With regard to purpose more weightage was given to 'withdrawal' facility of ATM. The positive association between the age of respondents and purpose of using ATM cards was well accepted by the study. The study has demonstrated that a considerable number of customers have access to this machine and are consequently utilizing them for multi-purpose transactions, despite its challenges and shortcomings. It is important to note that most of the people using the machine are young person. The conclusion that may be reached here is that young people today are the drivers of emerging technology in a developing area. The well organized and planned performance of the SBI in the arena of ATM cards is clearly supported by this study.

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