

A Comparative Study On Customers' Satisfaction Of Atm Service In Tirunelveli District

R.Arumugarajan,

Ph.D Part time Research Scholar,

Reg., No: 12246,

Manonmaniam Sundaranar University, Tirunelveli.

Dr.S.Arul Raj Ponnudurai.,

Associate Professor of Commerce & Principal.,

Nazareth Margoschis College, Nazerth.,

Affiliated to Manonmaniam Sundaranar University, Tirunelveli.

INTRODUCTION

An automated teller machine (ATM) is an electronic banking outlet that allows customers to complete basic transactions without the aid of a branch representative or teller. Anyone with a credit card or debit card can access most ATMs. The first ATM appeared in London in 1967, and in less than 50 years, ATMs spread around the globe, securing a presence in every major country and even tiny little island nations such as Kiribati and the Federated States of Micronesia. ATMs are convenient, allowing consumers to perform quick, self-serve transactions from everyday banking like deposits and withdrawals to more complex transactions like bill payments and transfers.

Understanding Automated Teller Machines (ATMs)

Since the first ATM appeared in 1967, the popularity of these machines has steadily been on the rise. There are more than 3.5 million ATM in use across the world. They are also known in different parts of the world as automated bank machines (ABM) or bank machines. There are two primary types of ATMs. Basic units only allow customers to withdraw cash and receive updated account balances. The more complex machines accept deposits, facilitate line-of-credit payments, transfers, and report account information. To access the advanced features of the complex units, a user must be an account holder at the bank that operates the machine. Analysts anticipate ATMs will become even more popular and forecast an increase in the number of ATM withdrawals. ATMs of the future are likely to be full-service terminals instead of or in addition to traditional bank tellers.

Parts of an ATM

Although the design of each ATM may be different, they all contain the same basic parts:

Card reader: This part reads the chip on the front or the magnetic stripe on the back of the card.

Keypad: The keypad allows the consumer to input information like the PIN, the type of transaction he or she intends to do, and the amount of the transaction.

Cash dispenser: Bills are dispensed through a slot in the machine, which is connected to a safe at the bottom of the machine.

Printer: If required, consumers can request receipts which are printed here. The receipt records the type of transaction, the amount, and the account balance.

Screen: The ATM issues prompts that guide the consumer through the process of executing the transaction. Information is also transmitted on the screen such as account information and balances.

KEY TAKE A WAYS

- ❖ Automated teller machines are electronic banking outlets that allow people to complete transactions without the help of a bank representative or teller.
- ❖ ATM transactions can be as simple as a deposit or balance inquiry, or more complex like a balance transfer or bill payment.
- ❖ In order to use an ATM, consumers need to have a debit or credit card, and a personal identification number.

Special Considerations: Using ATMs

Banks place ATMs in and outside of their branches. Other ATMs are located in high traffic areas such as shopping centers, grocery stores, convenience stores, airports, bus and railway stations, gas stations, casinos, restaurants, and other locations. Most ATMs that are found in banks are multi-functional, while others that are offsite tend to be those that provide simple services.

ATMs require consumers to use a plastic card—either a bank debit card or a credit card—to complete a transaction. Consumers are authenticated by a personal identification

number (PIN) before they can execute any transactions. Many cards come with a chip, which transmits data from the card to the machine. These work in the same fashion as a bar code that is scanned by a code reader.

ATM Fees

Account holders can use their bank's ATMs at no charge, but accessing funds through a unit owned by a competing bank usually incurs a fee. According to MoneyRates.com, the average fee to withdraw cash from an out-of-network ATM was \$4.66 as of February 2019. Some banks may reimburse consumers the fee, especially if there is no corresponding ATM available in the area.

ATM Ownership

In many cases, banks and credit unions own ATMs. However, individuals and businesses may also buy or lease ATMs on their own or through an ATM franchise. When individuals or small businesses such as restaurants or gas stations own ATMs, the profit model is based on charging fees to the machine's users. Banks also own ATMs with this intent, but in addition, the convenience of an ATM is a service that banks use to attract clients. ATMs also take some of the customer service burdens from bank tellers, saving banks money in payroll costs.

Using ATMs Abroad

ATMs make it simple for travelers to access their checking or savings accounts from almost anywhere in the world. When travelers use foreign ATMs, they receive a better exchange rate than they would at most currency exchange offices. Additionally, using an ATM is easier than cashing traveler's checks, and arguably, it makes travel safer, as the traveler doesn't have to carry a lot of cash. However, the account holder's bank may charge a transaction fee or a percentage of the amount exchanged. Most ATMs do not list the exchange rate on the receipt, making it challenging to track spending.

Technology Induced Innovations:

There has been a quantum in the expectations of the customers for newer products and alternative delivery channels. Consequently, banks are under increasing pressure to offer today, what customers would be expecting tomorrow. As a consequence of innovation and

spread of new technology, banks today have been able to offer the customer a choice to conduct his banking business across the counter, over the phone, or via a computer. The key to survival, therefore, is retention of customer loyalty by providing him with value added services tailored to his needs.

SCOPE OF THE STUDY

The scope of the study is confined to factors influence the satisfaction of customers towards ATM services in select banks in Tirunelveli District. In Tirunelveli District, there are many numbers of public and private sector banks in both urban and rural areas, having high amounts of transactions and services.

Statements of the Problem

Increased competition has also led the banks to think of much better services given to their customers than previously and with the help of that avoiding the customer switching from one to another. In the high competition market, the roles of customers' satisfaction get important day by day. After privatisation, these days the private sector banks have very vital growth in the banking sector. As there are focusing profit margins, they provide better service for each and every customer. Thus, for the purpose of survival, banks have to take much concern and care on the satisfaction of their customers.

METHODOLOGY

Both primary and secondary data were collected for the study. The primary data were collected using questionnaire and Purposive random sampling method was adopted to select the banks and simple random sampling was used to select the customers in both areas. The secondary data were collected from various websites, books, journals and magazines.

ANALYSIS AND INTERPRETATION OF DATA

Demographic profile is one of the important variables which decide about the practices and usage of the respondents. The following table clearly depicts the demographic profile of the respondents towards customers' Satisfaction on ATM services in the study area i.e. Tirunelveli District.

1. DEMOGRAPHIC PROFILE

TABLE - 1
DEMOGRAPHIC PROFILE
(Sample Size = 120)

VARIABLES	PARTICULARS	FREQUENCIES	(%)
Gender	Male	73	60.80
	Female	47	39.20

Age	Upto 20 Years	Open ended Question (Scale Variable)	20.80
	21-40 Years		60.00
	41 - 41 Years		19.20
Marital Status	Married	70	58
	Unmarried	40	42
Qualification	School / Diploma	45	37.50
	UG / PG	55	46.00
	Professional / Ph.D.	20	16.50
Monthly Family Income (INR)	Upto Rs.25,000	18	15.00
	Rs.25,001 – Rs.50,000	27	22.50
	Rs.50,001 – Rs.75,000	49	40.80
	Above Rs.75,000	26	21.70
Occupation	Salaried	31	28.30
	Business / Professional	42	35.00
	Student	26	21.70
	Home makers / Others	18	15.00

Source: Primary Data

It is concluded from the above table, that the Male respondents (60.80%) are more than female respondents (39.20%). With respect to the Age of the respondents, most of them (60.00%) belong to the age group of 21 – 40 Years.. 58% of the respondents are married. 46.00% of the respondents have UG / PG Qualification and 40.80% of the respondents are earning monthly income of Rs.50,001 to Rs.75,000. 28.30% of the respondents belong to Salaried employees followed by Business / Professionals (35.00%).

2. DIGITAL SERVICES OF BANKS

TABLE - 2

DIGITAL SERVICES OF BANKS

(Sample Size = 120)

VARIABLES	PARTICULARS	FREQUENCIES	(%)
Area of the Bank	Urban Area - Bank	62	51.70
	Rural Area - Bank	58	48.30
Period of Customer of the bank	Upto One Year	9	7.50
	1 – 3 Years	37	30.80
	3 – 6 Years	38	31.70
	Above 6 Years	36	30.00
Understanding of ATM Services of Banks	Usage of Technology to Bank	13	10.80
	Cashless Payment System	62	51.70
	Usage of Mobile Money	30	25.00
	Payment for Utilities through Digital Channels	15	12.50
Frequency of usage of ATM in a Month	Less than 3 times	14	11.70
	3 – 5 times	59	49.20
	More than 5 times	47	39.10

Percentage of Transactions (Payment & Receipts) by using ATM	1% – 25%	19	15.80
	26% – 50%	50	41.70
	51% – 75%	33	27.50
	Above 75%	18	15.00
Amount of Transaction (Payment & Receipts) by using ATM	Up-to Rs.1,000	25	20.80
	Rs.1,001 – Rs.5,000	40	33.30
	Rs.5,001 – Rs.10,000	23	19.20
	More than Rs.10,000	32	26.70

Source: Primary Data

From the above table, it is inferred that the majority of the respondents (51.70%) are the customers of New Private Sector Banks. 31.70% of the respondents are the customers of bank for 3 to 6 Years. As far as understanding of Digital Services of Banks is concerned, majority of the respondents (51.70%) said that they understood the Digital Services of Banks as Cashless Payment System. In terms of frequency of usage of Digital Services of the Bank, 49.20% of the respondents use 3 to 5 times in a week. In terms of Percentage of transactions (Payment & Receipts) by using digital services of bank, 41.70% of the respondents used digital services of bank for 26% to 50% of their transactions in a month. 33.30% of the respondents used digital services of bank for the amount of transaction between Rs.3,001 and Rs.5,000 in a Single transaction.

3. FACTORS INFLUENCING CUSTOMER ADAPTABILITY OF DIGITAL SERVICES OF BANKS – MEAN ANALYSIS

TABLE 4
**FACTOR INFLUENCING CUSTOMER SATISFACTION OF
ATM SERVICES OF BANK**

VARIABLES	N	Mean	SD
Accessibility	120	3.94	.863
Acceptability	120	4.26	.750
Affordability	120	4.12	.762
Speed of Transactions	120	4.13	.798
Convenience	120	4.38	.699
Safety and Security	120	4.10	.690
FACTOR INFLUENCING CUSTOMER SATISFACTION OF ATM SERVICES OF BANK	120	24.93	3.202

Source: Primary Data

Six questions relating to the factors influencing Customer' satisfaction of ATM Services of Banks options based on 5 point Likert scale, (Strongly Disagree to Strongly Agree) were given in the questionnaire to the respondents and the same is analyzed by using Mean (Descriptive statistics). From the above table, it is inferred that Convenience (M = 4.38) and Acceptability (M = 4.26) are the topmost factors for the Customers' Satisfaction of ATM Services of Banks.

The respondents perceived less on Accessibility ($M = 3.94$) with respect to the Customer satisfaction of ATM Services of Banks when compared with others. It is also inferred that the factors influencing Customer satisfaction of ATM Services of Banks is above the average level since all the Mean values of the variables are above 3.50 (70%) out of 5. The Overall Mean Score of the Factors influencing Customers' Satisfaction of ATM Services of Banks is 24.93 which is 83.10% ($24.93 / 30 \times 100$). This indicated that the respondents' perception on the factors influencing Customers' satisfaction of ATM Services of Banks is above 83%.

Table – 3

Comparative Analysis of Customers' Satisfaction on ATM Services

Factors Influencing the satisfaction of the customers on ATM Services	Urban			Rural		
	Means Scores	S.D	Rank	Means Scores	S.D	Rank
ATM Booths Availability	71.69	8.851	I	67.09	8.946	IV
Place of ATM	69.76	8.352	II	70.83	7.427	I
Service Quality of ATM	69.38	7.73	III	64.08	5.807	VII
Lighting of the ATM	69.19	6.902	IV	45.33	7.045	XIV
Safety Transactions	69.09	8.946	V	45.69	7.082	XI
Safeness for the customers	67.68	9.554	VI	45.56	9.060	XII
Quick Services	67.60	7.065	VII	48.66	7.787	X
Easy to do banking activities	66.00	8.608	VIII	67.13	8.960	III
No of Services	65.09	7.852	IX	64.89	8.726	VI
Security Guard Services	64.09	8.946	X	45.54	7.082	XIII
Infrastructures inside the ATM	64.03	6.667	XI	45.07	6.617	XV
Procedures for Operating Account	62.57	8.536	XII	43.42	5.143	XVI
Money and Service Availability	60.14	5.958	XIII	62.60	8.373	VIII
Waiting Time in front of ATM	47.85	6.605	XIV	50.50	4.62	IX
Operating time of ATM	46.04	6.648	XV	66.83	8.276	V
Parking Facilities in front of ATM	43.30	7.379	XVI	69.90	9.334	II
TOTAL	67.09	8.95		56.74	6.541	

Source: Computed data

Based on the means scores, in the urban area ATMs, availability of ATM (71.69) has first rank, followed by place of ATM (69.76), Service quality of ATM (69.38). These three have high level satisfaction and low level satisfaction areas are Waiting Time in front of ATM (47.85), Operating time of ATM (46.04) & Parking Facilities in front of ATM (43.30).

In the rural, customers highly satisfied with Place of ATM (70.83) followed by Parking Facilities in front of ATM (69.90) and Easy to do banking activities (67.13) and low

level satisfaction factors are Lighting of the ATM (45.33), Infrastructures inside (45.07) & Procedures for Operating Account (43.42).

Ho1: There is no significant difference in mean score of private banking and Public banking Customers' Satisfaction.

TABLE-4

URBAN AND RURAL CUSTOMERS' SATISFACTION ON ATM

Banking	Mean	S.D	t-value	p-value
ATM in Urban area	67.09	8.95	43.067	< 0.001**
ATM in Rural area	56.74	6.541		

Note: ** denotes significant at 1 % level

Since, p value is less than 0.001; the null hypothesis is rejected at 1 per cent level of significance. Hence it is concluded that there is a significant difference between Urban and Rural Customers' Satisfaction. Based on the mean score, the satisfaction of the customers shows that Urban (67.09) is higher than Rural (56.74). From this, it is clear that urban customers satisfied with ATM banking services than rural customers.

It is understood that nowadays customers think of efficient and speedy service, more modern services which are available at urban area than rural areas. Thus it is suggested that rural areas also should give priority to provide more and modern services.

FINDINGS

- Male respondents (60.80%) are more than female respondents (39.20%). With respect to the Age of the respondents, most of them (60.00%) belong to the age group of 21 – 40 Years.. 58% of the respondents are married. 46.00% of the respondents have UG / PG Qualification and 40.80% of the respondents are earning monthly income of Rs.50,001 to Rs.75,000. 28.30% of the respondents belong to Salaried employees followed by Business / Professionals (35.00%).
- Majority of the respondents (51.70%) are the customers of New Private Sector Banks. 31.70% of the respondents are the customers of bank for 3 to 6 Years. As far as understanding of Digital Services of Banks is concerned, majority of the respondents (51.70%) said that they understood the Digital Services of Banks as Cashless Payment System. In terms of frequency of usage of Digital Services of the Bank, 49.20% of the respondents use 3 to 5 times in a week. In terms of Percentage of transactions

(Payment & Receipts) by using digital services of bank, 41.70% of the respondents used digital services of bank for 26% to 50% of their transactions in a month. 33.30% of the respondents used digital services of bank for the amount of transaction between Rs.3,001 and Rs.5,000 in a Single transaction.

- Based on the means scores, in the urban area ATMs, availability of ATM (71.69) has first rank, followed by place of ATM (69.76), Service quality of ATM (69.38). These three have high level satisfaction and low level satisfaction areas are Waiting Time in front of ATM (47.85), Operating time of ATM (46.04) & Parking Facilities in front of ATM (43.30).
- In the rural, customers highly satisfied with Place of ATM (70.83) followed by Parking Facilities in front of ATM (69.90) and Easy to do banking activities (67.13) and low level satisfaction factors are Lighting of the ATM (45.33), Infrastructures inside (45.07) & Procedures for Operating Account (43.42).
- Satisfaction of the customers shows that Urban (67.09) is higher than Rural (56.74). From this, it is clear that urban customers satisfied with ATM banking services than rural customers.

SUGGESTIONS

It is understood that nowadays customers think of efficient and speedy service, more modern services which are available at urban area than rural areas. Thus it is suggested that rural areas also should give priority to provide more and modern services.

For Urban ATM

- Try to arrange some drinking facility and so on
- It is better to provide parking facility to their customers.
- Try to provide more and modern ATM machines in a single place.

For Rural ATM

- The ATM which is in Rural should be maintained properly.
- The operating procedures should be easy manner.
- The bank has to provide some Infrastructures

CONCLUSION

ATM we hereby conclude that ATM is the easiest way of depositing and withdrawing money. Transaction is possible any time, that's why in India some people call ATM as "all time money". If ATM machines are connected to internet then its possible to do transaction from any where, 24 hours a days and 365 days a year. With the security of ATM improving it has now become a safe mode of transaction. Hence it can be concluded that ATM is safe, fast, reliable, convenient, excisable and any time money machine. Efforts have to be made by this sector if it wants to survive in the present day world of competition. To achieve higher standards of efficiency and performance, It is understood that nowadays customers think of efficient and speedy service, more modern services which are available at urban area that rural areas. Thus it is suggested that rural areas is also should give priority to provide mores and modern services.

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