



REVIEW OF RESEARCH

ISSN: 2249-894X

IMPACT FACTOR : 5.2331(UIF)

VOLUME - 7 | ISSUE - 4 | JANUARY - 2018



AN OPERATIONAL EVALUATION OF CUSTOMER'S SATISFACTION IN ATM SERVICES

(With reference to public and private sector Banks in Guntur city, Andhra Pradesh, INDIA)

Dr. T. Niloufer Usha Rani

Lecturer in Commerce, Dept. of Commerce.

Andhra Christian (AC) College, Guntur Andhra Pradesh. India.

ABSTRACT—

The Objective of this paper is to study the customer satisfaction of public and private sector ATMs in Guntur city, the study reveals the various dimensions of SERVQUAL (service quality) and its effect on the customer satisfaction. Therefore the primary data was collected from the 70 respondents who are the customers of SBI and



HDFC banks of Guntur city through a structured questionnaire. Data was tabulated and analyzed and draw the conclusions and the researcher gave recommendations based on the findings of the study.

KEYWORDS: ATM, Banks, Customer satisfaction (SERVQUAL)

INTRODUCTION:

The Indian banking system consists of 27 public sector banks, 26 private sector banks, 46 foreign banks, 56 regional rural banks, 1,574 urban cooperative banks and 93,913 rural cooperative banks, in addition to cooperative credit institutions. Public-sector banks control more than 70 per cent of the banking system assets, thereby leaving a comparatively smaller share for its private peers. In August 2017, Global rating agency Moody's announced that its outlook for the Indian banking system was stable. In November 2017, Global rating agency Moody's upgraded four Indian banks from Baa3 to Baa2 (**Banking sector overview 2017 RBI**).

Technology has been one of the most important factors for the development of mankind. Information and communication technology is the major advent in the field of technology which is used for access, process, storage and dissemination of information electronically. The trend in banking has evolved from cash economy and transformed to cheque economy which has further been converted to plastic card economy. The influence of technology over product innovations in banks is enormous. Banks gain competitive advantage over their rivals by providing electronic banking services as technology induced services reduce cost of operations, removes geographical barriers, provides 24 hours banking, extended hours of business and efficiency in daily banking processes. Without even interacting with the bankers, customers can transact banking activity from any corner of the world. On June 27 1967 the first "cash Machine" colloquially called as "Hole on the Walls" and was described as "Mini-Banks" which was designed to allow customers access to cash 24 hours a days, outside of the restrictive opening times of banks. Now the practice is the quite different as the customer can get money anytime and anywhere.

Indian customers like the ATM services because it provides satisfaction and render services when customers want it; it is flexible in terms of time and in terms of distance because customers want services nearest to them and ATMs are able to solve that problem because Indian banking sectors are all obliged to

deploy ATMs and locate them in all territories of the country including all rural villages. Considering the best services of ATMs in terms of quick delivery of services, flexibility in terms of time (24h/7days), convenience and reliable method of banking, we were motivated by the competence and the effective role of ATMs service for both customers and banks further, it is also ATM service preference and satisfaction for customers took our most interest. The proposed study is relating to the customer satisfaction and ATM operations

GROWTH IN AUTOMATED TELLER MACHINES (ATMS)

The banks increased their penetration further with the total number of ATMs reaching 0.18 million in 2015. However, there was a decline in growth of ATMs of both PSBs as well as PVBs. PSBs recorded a growth of 16.7 per cent during 2014-15 maintaining a share of around 70 per cent in total number of ATMs. FBs continued to record a negative growth in number of ATMs.

Table 1. Number of ATMs of SCBs located at Various Locations

Bank group	(At end-March 2012)				
	Rural	Semi-urban	Urban	Metro-politan	Total
Public sector Banks	6,673 (11.5)	15,135 (26.0)	19,213 (33.)	17,172 (29.5)	58,193 (100.0)
Nationalised Banks*	3,383 (10.9)	6,800 (21.9)	10,186 (32.8)	10,681 (34.4)	24,836 (100.0)
State Bank Group	3,290 (12.1)	8,335 (30.7)	9,027 (33.3)	6,491 (23.9)	27,143 (100.0)
Private sector Banks	1,937 (5.4)	7,520 (20.8)	11,525 (31.90)	15,097 (41.8)	36,079 (100.0)
Old Private Sector Banks	523 (9.1)	2,025 (35.1)	1876 (32.5)	1,347 (23.3)	5,771 (100.0)
New Private Sector Banks	1414 (4.7)	5,495 (18.1)	9,649 (31.8)	13,750 (45.4)	30,308 (100.0)
Foreign Banks	29 (2.1)	22 (1.6)	268 (19.0)	1,095 (77.4)	1,414 (100.0)
Total	8,639 (9.0)	22,677 (23.7)	31,006 (32.4)	33,364 (34.9)	95,688 (100.00)
Growth over previous year	(20.7)	(25.4)	(28.9)	(32.4)	(28.4)

Note: 1) Figures in parentheses indicate percentage share of total ATMs under each bank group.
2) Figures in square brackets are percentage variation over the previous year.

REVIEW OF LITERATURE:

- 1) **Gakwavu Patrick Medard and D.Venkatesan (2016)** in their article "Impact of ATM Service Quality on Customer Satisfaction" This study aims at analyzing the Automated Teller Machine (ATM) service quality on customer satisfaction. The study reveals that there were internal consistency between factors and from the Cronbach's alpha coefficient, it is observed that there is a strong relationship between ATM service quality and customer satisfaction.
- 2) **Prof. Karunesh Saxena (2011)** in his study "Analytical study of customer satisfaction at HDFC Bank with special reference to ATMs" aims at analyzing the satisfaction levels of the customers of HDFC Bank holding ATM cards in Udaipur city with respect to service quality of ATM, personnel, location, sufficient

number of ATMs in city and found that customers are highly satisfied with ATM services provided by the ICIC bank in Udaipur city.

- 3) **Uppal; RK and Rosy Chawla** in their article entitled "E-delivery channel based banking services: stated with globalization trends world over, E-channels facilitates bank customers by providing 24 hours a day 7 days week services, it is more a improved customer satisfaction.

Need for the study:

Banks are increasing their technology – based services to remain competitive. The ATM is an innovative service delivery mode that offer many financial services like 24 hours cash with drawl, cash deposit and payments. Etc. As the use of ATM services is increasing day-by-day, it is important to know the customers perceptions and their thinking about its various features and their problems while using ATM services. Hence there is an urgency to enquire it therefore the researcher has purposively selected this area.

OBJECTIVES OF THE STUDY:

- ❖ To study the demographic profile of the respondents;
- ❖ To examine the level of customer satisfaction in ATM services of State Bank of India (SBI) and HDFC Bank in Guntur;
- ❖ To offer the recommendations to improve service quality of select banks based on the finding of the study.

METHODOLOGY:

The research study consists of both primary and secondary data; Primary data was collected from the knowledgeable and potential respondents of sample banks in Guntur city. The size of the sample was taken 70 at random (35 from SBI and 35 from HDFC) a questionnaire has been designed using 18 statements, which is related to customer satisfaction dimensions. Besides this, many secondary sources have been used for supplementary purpose. It includes RBI reports and published research reports of banks. The sampling technique was adopted for the study was convenience sampling technique. The primary data was collected during November – December 2017.

Table 2. Demographic Factors of respondents of select banks

		Type of Banks		Total
		Public sector (SBI)	Private Sector (HDFC)	
Gender	Male	29	21	50
	Female	06	14	20
	Total	35	35	70
Age	18-25	04	06	10
	26-35	16	12	28
	36-45	11	10	21
	46 and above	4	7	11
	Total	35	35	70
Education	Under Graduates	03	04	07
	Graduates	11	07	18
	Post Graduates	14	20	34
	Technical	05	03	08
	Others	2	01	03
	Total	35	35	70
	Govt. Employees	10	05	15

Occupation	Business	06	16	22
	Retired	05	02	07
	Private employees	11	09	20
	Farmers	03	01	04
	Others	0	02	02
	Total	35	35	70
Marital status	Married	23	29	52
	Unmarried	12	06	18
	Total	35	35	70
Income levels	Below 20,000	05	02	07
	20001-35000	24	19	43
	35001-50,000	03	11	14
	50001 and above	03	03	06
	Total	35	35	70

Source; Field survey

Table 2 demonstrates the demographic factors of sample respondents. It is evident from the table that male respondents are higher than the female respondents using ATM services taking public and private sector banks together. Majority of respondents using ATM services falls in the age group of 26-35, followed by 36 -45, and post graduates are high as compared to other educational groups, private employees are high in public sector banks where as business people in the case of HDFC bank. Regarding marital status married people are dominating in both the banks, and respondents having income levels of Rs. 20001-35,000, followed by 35,001 – 50000 respondents income levels in both banks.

Table 3. Level of Customer Satisfaction with reference to various aspects

S.No	Particulars	Public sector SBI		Private sector HDFC		Total
		Yes	No	Yes	No	
1	Promptness of the delivery of card	27 (77.1)	08 (22.9)	31 (88.6)	04 (11.4)	70
2	I can easily locate my bank ATM in the city	31 (88.6)	04 (11.4)	21 (60)	14 (40)	70
3	ATM's of my bank are found at all useful places like malls, Hospitals, stations. Etc.	20 (57.1)	15 (42.9)	18 (51.4)	17 (48.6)	70
4	Directions are clear to operate my ATM.	30 (86)	05 (14)	24 (68.6)	11 (31.4)	70
5	Keypad of ATM machine is working properly	28 (80)	07 (20)	30 (86)	05 (14)	70
6	I am happy with the processing time of ATM	27 (77.1)	08 (22.9)	24 (68.6)	11 (31.4)	70
7	I always found availability of cash in my ATM	16 (46)	19 (54)	20 (57)	15 (43)	70
8	I always received the slip	07 (20)	28 (80)	04 (11.4)	31 (88.6)	70
9	My ATM slip always shows	32	03	34	01	70

	updated balance in my account	(91.4)	(8.6)	(97)	(3)	
10	I found Quality of notes in my ATM always	34 (97)	01 (3)	33 (94)	02 (6)	70
11	My ATM grievances are settled with in stipulated time by my bank	14 (40)	21 (60)	16 (46)	19 (54)	70
12	I am happy with safety & security when I enter my pin/password in my ATM	20 (57)	15 (43)	25 (71.4)	10 (28.6)	70
13	The behaviour of ATM guard is good	19 (54.2)	21 (45.8)	24 (69)	11 (31)	70
14	Sufficient number of ATMs	14 (40)	21 (60)	19 (54)	16 (46)	70
15	I found ATMs are always in working condition	18 (51)	17 (49)	21 (60)	14 (40)	70
16	Complaint book is available at ATM room	07 (20)	28 (80)	12 (34)	23 (66)	70
17	Availability of Power backup/Generator/Inverter	29 (83)	06 (17)	30 (86)	05 (14)	70
18	Overall performance of my ATM is good	21 (60)	14 (40)	24 (69)	11 (31)	70

Source: Field survey

IMPORTANT FINDINGS OF THE STUDY:

- 1) It is dissatisfying to observe from the statement majority of the respondent of about 48.6 percent of HDFC in relation to lower 42.9 per cent of SBI respondents stated negative to the statement that ATMs of my bank are found at all useful places like malls, Hospitals, stations etc. as compared to 57.1percent and 51.4 percent of respondents respectively stated positive to the statement.
- 2) It can be concluded from the analysis that 77.1 percent of SBI in relation to huge 68.6 percent of HDFC bank respondents stated that positive to the statement that I am happy with the processing time of ATM; as compared to 22.9 per cent of SBI and 31.4 percent of HDFC bank respondents stated that negative to the statement.
- 3) It is apparent from the analysis that majority of respondents 54 percent of SBI respondents as compared to 43 percent of HDFC respondents stated that negative to the statement that I always found availability of cash in my ATM as against 46 percent of SBI and 43 percent of HDFC bank respondents who turned positive.
- 4) It is found from the table that 80 percent of SBI respondents against 88.6 percent of HDFC respondents stated negative to the statement that I always received the slip, against to the above tendency 20 percent of SBI and 11.4 percent of HDFC respondents who stated positive to the same statement.
- 5) It is dissatisfying to observe from the statement that majority of the respondents in both the banks about 60 percent of SBI in relation to 54 percent of HDFC respondents stated that negative to the statement that "ATM grievances are settled within a stipulated time by the bank, as compared to 46 percent of HDFC and 40 percent of SBI respondents who stated yes to the given statement
- 6) It is found from the analysis that majority of respondents of 71.4 percent of HDFC in relation to 57 percent of SBI respondents stated that positive to the statement that I am happy with safety and security when I enter my password in my ATM, compared to 43 percent of SBI and 28.6 percent of HDFC bank respondents who turned negative to the statement.

- 7) It is dissatisfying to observe from the analysis that majority of respondents in SBI 60 percent in relation to lower 46 percent of HDFC bank respondents stated negative to the statement that sufficient number of ATM's are in the city as compared to 40 percent of SBI and over 54 percent of HDFC sample respondents who turned positive to the above statement.
- 8) It is found from the analysis that majority of respondents 60 percent of HDFC compared to 51 percent of SBI respondents stated positive to the statement that ATM's are always in working condition, whereas 49 percent of SBI and 40 percent HDFC bank respondents stated negative.
- 9) It is dissatisfying to observe from the analysis that majority of the respondents in both banks 80 percent of SBI in relation to 66 percent of HDFC respondents stated negative to the statement that complaint book is available at ATM room, while 20 percent of SBI against 34 percent of HDFC respondents stated yes to the mentioned statement.

SUGGESTIONS

- 1) One of the important issue that Majority of the respondents in both the banks dissatisfied with the ATM Grievance settlement. Hence it is suggested the banks to improvise the proper mechanism to resolve the grievance settlement, as it leads to customer comfort and satisfaction.
- 2) Comfort and convenience is very important in any business that majority of the respondents are dissatisfied with the ATM locations, therefore It is suggested the banks administration should arrange the ATM/s at all the useful places like malls, hospitals shopping malls etc. so that customer have a comfort and convenience
- 3) Majority of the customers 60 percent in SBI are dissatisfied with the Sufficient of ATMs in city hence it is suggested the banks to arrange the sufficient number of ATMs, based on the existing customers data base and potential customers in the city.
- 4) Complaint book is most important at the ATM counters, it is found from the analysis that 80 per cent of SBI respondents and 66 per cent of HDFC banks respondents stated that no compliant book is available at ATM counter hence it is suggested the banks put the complaint book in ATM counter then the customers utilize and make the complaint and also suggestions to the banks for effective functioning in the sample area.
- 5) Another important statement availability of cash in ATM majority of respondents in both the banks stated that negative hence it is suggested the banks administration make sure that sufficient amount should be kept in ATMs so that as it leads to customer satisfaction.

REFERENCE:

- 1) Manpreet Kaur "Customer satisfaction in ATM service: An Empirical study of banks in Chandigarh" International Journal of Research in commerce & Management, June 2013 Vol No. 4 (2013) Issue No. 6.p.4
- 2) Report on trend and progress of Banking in India 2010-11, Data are taken from Quarterly Statistics on Deposits and Credit of Scheduled Commercial Banks March 2011, pp.96-97.
- 3) Gakwavu Patrick Medard and D.Venkatesan 2016, International Journal of Multidisciplinary and Current Research, April 2016, Vol.4 (March/April 2016 issue)
- 4) Kumbhar Vijay M. (2011) "Customer satisfaction in ATM service: an empirical evidences from public and private sector banks in India" Management research practice, Vol. 3, issue-2, pp 24-35.
- 5) Uppal R.K. and Rosy chawlai "E-delivery channels" the ICFAI journal of management Reseach2009, Vol-8, No.7 pp 8-9.
- 6) Jayant kumar " E banking some economic implications. The ICFAI university, Vol.10 issue 1 pp 42-43
- 7) Manvindar singh pahwa "Analytical study of customer satisfaction at HDFC bank with special reference to ATMs IPEDR Vol. 12 (2011) IACSIT press, Singapore.