

**ATM SERVICE AND CUSTOMER'S SATISFACTION: WITH REFERENCE TO PUBLIC
SECTOR BANKS IN MEHSANA CITY OF NORTH GUJARAT**

Presented By

Mahammadali A. Masi

Visiting Faculty for Commerce

V. N. S. Bank Ltd. Arts & Commerce College, Vadnagar,

Ta: Vadnagar, Di: Mehsana – 384355 Gujarat

M: 09725846841 E-mail: mahammadali.masi@gmail.com

Abstract:

The purpose of this paper is to highlight the Automated Teller Machine service as well as the facility and problems faced by customers, when they use it. For this research, primary data was collected from 100 respondents through questionnaire. This data has been analyzed regarding to the objectives of this paper. ATM has become a whole part of our society. It is effectively reached out a large customer base at low cost and now banks have networking system. So most of banks have ATM for their e-banking services.

Key words: Automated Teller Machine, Public sector bank, E-Banking, ATM service, Customer satisfaction.

Introduction:

The Indian banking has developed from cash economy to cheque economy and plastic card economy. In todays, banks have no option to survive in competitive environment but they are adopting the technological changes. Now Core Banking System prepares banks to implement e-delivery channels like Automated Teller Machine, Internet Banking, Mobile Banking, Tele Banking etc. ATM is the most popular channel among them all. Which is used as primary and traditionally.

The ATM has completed five decades in the world. The first ATM was invented by John Shepherd-Barron in 1967. Many persons have contributed towards this invention. The first ATM was installed at Barclay's bank in North London and In India, the first ATM was installed in 1987 by HSBC bank at Andheri east in Mumbai. ATM is computerized device. Which provides the customers with very well services of financial transection without need

of human clerk. Now most of people are using ATM for their banking needs. It is used by customers to pay their utility bills, recharge their mobile phone pre-paid connection and other banking transaction.

Now days, banks are going into a self-service model and may also increase the facility for the customers.

Objectives of the Study:

The objectives of this study are as follows

- 1) To examine the purpose of using ATM by the customers.
- 2) To know the factors taken into consideration at the time of choosing ATM.
- 3) To know the accessibility and problem faced by the customers while they use ATM.

Methodology:

This study is related to Mehsana city of north Gujarat. The sample size is of 100 respondents. This data has been collected from various customers who are card holders of various public sector banks i.e. Bank of Baroda, Dena Bank, Punjab National Bank, Bank of India, SBI, Bank of Maharashtra etc. The minimum age of respondents is 21 years. In this research paper, the data has been analyzed in percentage method. A structured questionnaire consists different questions regarding efficiency, services, responsiveness, security and problem of customers.

Data Analysis:

Respondents Profile

Demographics		frequency	Percentage
Gender	Male	58	58
	Female	42	42
Age	21-30	32	32
	30-45	38	38
	45-60	25	25
	Above 60	5	5
Income per month	Less than 15000	15	15
	15000-25000	36	36
	25000-40000	31	31
	Above 40000	18	18

Source: Primary data

Above table shows the demographic profile of respondents. Total sample size is 100. This profile consists gender, Age and income per month etc.

Do you have a Bank Account?

Particulars	Frequency	Percentage
Yes	100	100
No	Nil	00

Source: Primary data

From the above table, it is clear that all the respondents have bank account.

Does your bank provide ATM services?

Particulars	Frequency	Percentage
Yes	100	100
No	Nil	00

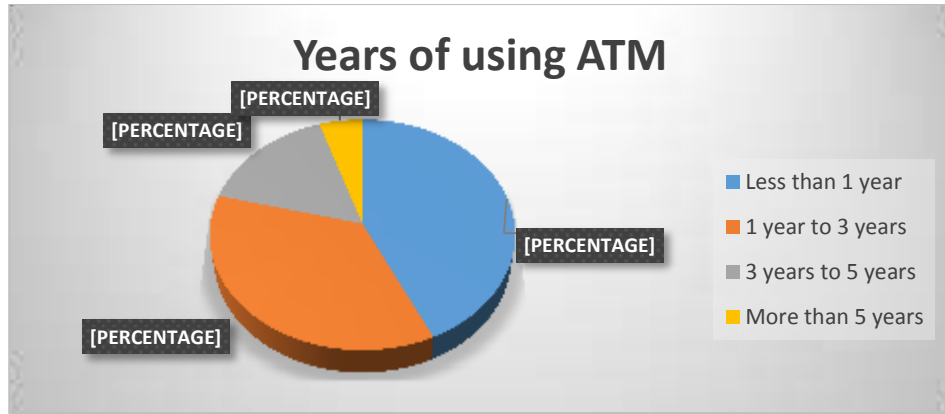
Source: Primary data

Above table reveals that all public sector banks provide ATM services and all customers of these banks already know that their banks provide ATM services.

How many years have you been using ATM services?

Particulars	Frequency	Percentage
Less than 1 year	43	43
1 year to 3 years	36	36
3 years to 5 years	16	16
More than 5 years	5	5
Total	100	100

Source: Primary data

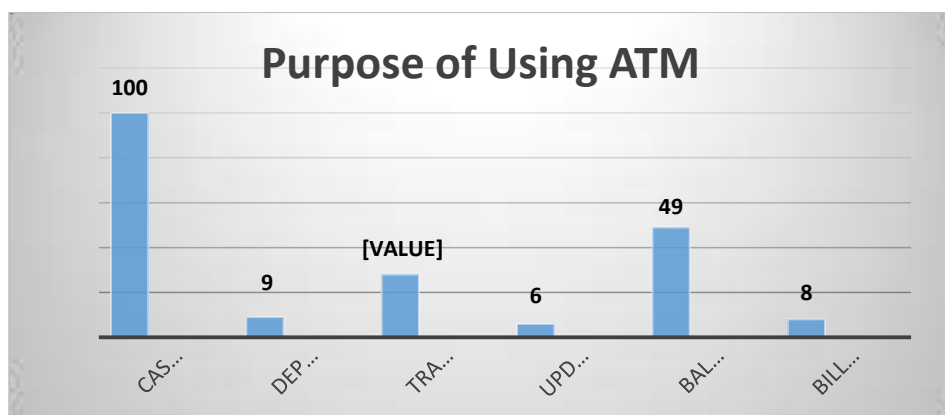


Above table shows that the number of customers who are using ATM are increasing year by year. Around 43% of the customers have started using ATM in the last one year. Only 5% of the customers have been using the ATM for more than 5 years.

Purpose of Using ATM

Purpose	Frequency	Percentage
Cash Withdrawal	100	100
Deposit of cash	09	09
Transfer of fund	28	28
Updating Passbook	06	06
Balance Enquiry	49	49
Bill Payment	08	08

Source: Primary data



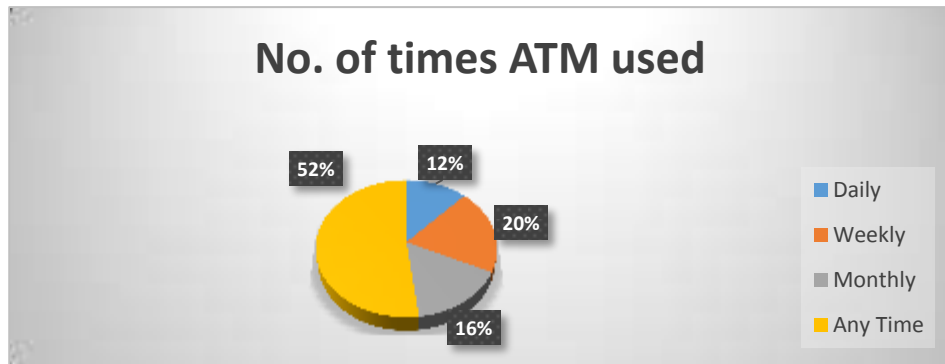
From the above table, it shows the purpose of using ATM. All the 100% respondents are using ATM for withdrawing cash, 49% respondents followed by enquiry of balance.

There are only 9% respondents using ATM for depositing cash and 6% respondents followed by Updating Passbook. The main reasons of less percentage of last two purposes are that only few banks have installed the depositing and updating machine in ATM. The businessmen are using ATM for transfer of funds and bill payments. Very few salary class employees use ATM for bill payment and other purpose.

How frequently do you use an ATM?

Times	Frequency	Percentage
Daily	12	12
Weekly	20	20
Monthly	16	16
Any Time	52	52
Total	100	100

Source: Primary data

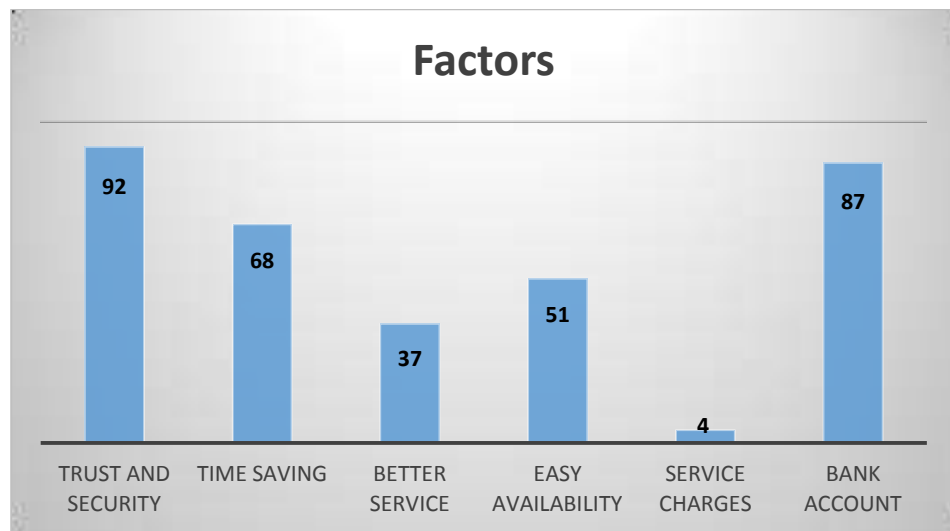


Above table shows that 12% respondents use ATM service daily, 20% respondents use weekly, 16% respondents use monthly and 52% respondents use any time. From the above table, it is inferred that ATM services are used by maximum respondents as per need.

Factors considered at the time of choosing ATM

Factors	Frequency	Percentage
Trust and Security	92	92
Time Saving	68	68
Better Service	37	37
Easy Availability	51	51
Service Charges	4	4
Bank Account	87	87

Source: Primary data



Above table shows that there are various factors considered by respondents at the time of choosing ATM services. From the above table it is studied that maximum 92% respondents consider trust and security. Only 4% respondents consider service charges at the time of choosing ATM. This is important factor for the bank. So the bank should be improved in this factor of service charges.

Accessibility and Problem

Accessibility and Problem	Yes	%	No	%
Get statement after transaction	56	56	44	44
Printed statement not available	34	34	66	66
Language and Direction on Screen easily understandable	95	95	05	05
Availability	76	76	24	24
Unsuitable location of ATM	27	27	73	73
Security and Privacy at the time of Withdrawal	70	70	30	30
Cards get blocked	6	6	94	94
Poor visibility of statement	59	59	41	41
Machine out of cash	78	78	22	22
Machine out of order	80	80	20	20
Old currency notes	38	38	62	62
Debit of amount without withdrawal	13	13	87	87
Long queue outside the ATM	35	35	65	65

Source: Primary data

Above table shows the accessibility and problems faced by customers at the time of using ATM. From the above table, it can be studied that 95% respondents are easily understanding language and direction on screen. Security and privacy are followed by 70 % respondents at the time of withdrawal. 76% respondents agree with availability of ATM in require place. According to 59% respondents the visibility of the statement is poor, 6% respondents' cards get blocked, 80% respondents say that machines are out of order, 78% respondents say that machines are out of cash. According to 27% respondents, location of ATM is unsuitable, According to 35% respondents there is long queue outside of the ATM, 13% respondents say that the account gets debited without receiving cash. According to 38% respondents old currency notes are received from ATM.

From the above table, it can be studied that 95 % respondents are using ATM in easy and simple way, but the biggest problem of respondents is machine out of cash, which is followed by machine out of order.

Suggestions:

- Sometime, the customer account gets debited without dispensing of cash. So this technical problem should be rectified.
- If the machine is out of cash or out of order, proper action is to be undertaken.
- ATM must be maintained properly by banks and always, it must be worked in proper condition.
- Sometime, card gets blocked, thus banks should be taken proper action against this technical problem.
- Banks should use sufficient and quality paper for receipt.
- Banks should be avoided issuing of old currency notes.

Conclusion:

It can be concluded that various factors are considered by the customers at the time of using ATM. Trust and security is one of the most important factor. Most of the respondents consider this factor. Which is followed easy availability and better services. Further the accessibility and problems are faced by customers at the time of using ATM. Finally it is studied, security and privacy is one of the most important factor. It is given more importance. Whereas the biggest problem is machine out of cash. Then after, machine out of order, debit of account without dispensing of cash and some other problems are faced by the customers at the time of using ATM. Banks must be taken proper ways toward these problems.

References:

- Tuli Richa, Khatri Abhijit & Yadav Anita (2012), “A comparative study of customer Attitude towards ATM of SBI and ICICI Bank,” International journal of Marketing and Technology, Vol. 2, Issue 8, pg. no. 463-475.
- Mohmmad S. (2012), “ A study of ATM usage in Banks in Lucknow , Kanpur and Varanasi,” International journal of Engineering & Management Sciences, Vol. 3, Issue 2, pg. no. 156-161.
- www.google.com
- www.answers.com