



A Study on Customer inclination towards ATM Services Provided By Public and Private Sector Banks in Jammu and Kashmir

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Abstract

This study looks at the attitudes and inclination of customers towards the use of the ATM. Qualitative analysis was used to gather the required data for this work. The outcome of this study showed that even though customers were happy about the ATMs and its operation, they were however characterized by frequent breakdowns, frequent light outs, location problems, quality of notes and other technical problems which created lots of inconveniences for customers of the bank. Some other issues that came up were result of accuracy, availability, reliability, suitability, ease of use and privacy among others.

It was realized that a diligent work on the part of the bank towards the maintenance of the ATM will go a long way to make customers satisfied towards its usage.

Key Words : *Banking Industry, Consumer Behavior, Customer Perception, ATM Services.*

Introduction

Banking is a key industry in the service sector and it will not be an exaggeration to call it the financial nerve centre of the economy. The Indian overseas banking system has the largest branch network spread over a vast area. In the era of cut throat competition, the survival of any bank depends upon the satisfied customers. Customer satisfaction is the state of mind that customers have about a bank when their expectations have been met or exceeded over lifetime of the service. Clearly defining and understanding, customer satisfaction can help any bank to identify opportunities for services, innovation and serve as the basis for performance appraisal and reward system. In order to retain customers, banks have to provide better and quality services.

There is no doubt that the delivery of bank services is changing rapidly and there is no denial that a computer-based technologically-oriented bank services will in the long term offer many opportunities to the banks as well as their customers. In view of this, the bank and for that matter, other banks are encouraged to have a response team which will address the problems of customers in a swift and timely manner to prevent the usual bureaucracies and inconveniences, customers go through in finding solutions to their issues. This will go a long way to build a system of trust and reliability between the customers and the bank thereby making it easier or customers to use these new technologies as and when they are introduced by the banks. The findings from this study have some significant implications for the practice of thorough education and marketing. While the attitudes of customers cannot be controlled by the bank authorities, they can be stimulated and understood; and management may work within the framework of existing attitudes and motives.

Objectives of the study

- (1) To find out customer perception towards ATM services provided by the bank.
- (2) To study the level of satisfaction of customers related to ATM services.



(3) To study the profile of customers using ATMs.

Review of Literature

In order to have better understanding about the present study in its proper perspective, the researcher has undertaken to present the corresponding studies through review of what has already been done in the field.

Wole Michael Olatokun (2009) tested the attributes of the theory of diffusion of innovation empirically, using Automatic Teller Machines (ATMs) as the target innovation. The population comprised banks customers who used ATMs. From the factor analysis, it was revealed that the respondents believed in their safety in using ATM; that ATMs were quite easy to use and fit in with their way of life; that what they observed about ATMs convinced them to use it and that ATM was tried out before they use it. To increase the diffusion of ATMs, it was recommended that banks should ensure enhanced salience of ATM to customers' needs, greater compatibility of ATM to customers banking norms and lifestyle, less complex and easy to use system and opportunity for adopters to experiment with the system before using ATM.

Singh and Saxena (2011) conducted a study on customer satisfaction regarding the use of ATMs and revealed that the ICICI Bank, being the largest private sector bank, must make its customers satisfied to sustain in this world of competition. They considered that the management of ICICI.

Mohammed, Shariq (2012) identified the factors affecting the customers demand for ATM services, by analyzing sample of 450 consumers' responses who have been interviewed personally through structured survey in 3 districts of Uttar Pradesh India. The results indicated that graduate and employed male customers who belong from higher income groups and having a bank account preferably in public sector bank are greatly emphasized to use of the banking services. Significant positive influence of the characterized socio-economic attributes on the use of ATM service was found.

Dr. K. shobha (2012) investigated the satisfaction levels of ATM cardholders with respect to various aspects of the service quality of ATM. This study provides information regarding the satisfaction level and problems faced while using ATM cards.

undaram and J. Premalatha (2012) studied the overall satisfaction level of the customers of the various banks in Vellore district, and concluded that customers felt that bankers must improve the safety, provide accurate, timely information and make the use of ATM services easy in order to retain the customers. They concluded that the majority of the customers are highly satisfied in using the ATM services of their banks.

Research Methodology

The present study is descriptive and cross sectional in nature.

- Data collection tool: Secondary data has been used to identify the characteristics of interest. After secondary data screening, whatever the variables we identified were further used to develop a liker's 5 point scale structured questionnaire. Through this questionnaire we collected the primary data.
- Sampling technique and size: convenience sampling has been used to collect the sample. The total sample size is 110.
- Data Analysis tool: First we tabulated the gathered primary data in Excel spread sheet as per our requirement. Pie chart has been used to draw a graph for analysis. ANOVA, through statistical software SPSS has been used to test the hypothesis.
- Area of study: The study has been done in the state of Jammu and Kashmir.

Hypothesis of the Study

H₀: There is no significant effect of customer inclination towards ATM Services.

H₁: There is significant effect of customer inclination towards ATM Services.

Scope of the study



This study is much helpful to the Banking industry for enhancing the customer satisfaction by adopting strategies which serves the purpose. An analysis of study proves useful, as the banking efforts are directed to attract and retain customers by offering them a basket of tailor made schemes supported by a state of the art distribution system.

Effects of education on the usage of Automated teller Machines

Information plays a major role in getting customers to use the ATM. From the study, it was realized that quite a good number of the customers got to know about the ATM and its function through enquiries they made from the staff of the bank. While as this was a good attempt that there were a number of curious customers who thought that they could find other ways of saving time or creating more convenience for themselves. It gave a clear indication that the bank was not taking advantage of the various channels of communication, it had at its disposal to disseminate the needed information about the ATM to its customers. This was worrying factor which caused a lot of the customers of the bank not be aware of most of the functions of the ATM. Those who found that information and were convinced opted for the ATM and used it to their benefit. A greater number of the respondents got to know all these through enquiries from either the bank or friends. This meant that most customers were hungry for information to the extent that they rather went the bank for it. The point is the bank could have made this information available to the customer's right from the beginning when they created accounts with them. The internet has made it easier for one to know things happening in other places which would not have been possible in the past. There were a number of the respondents who got to know of these functions by using them. This gave the indication that lots of the customers would not use the functions unless they know what it entails. There are only a few of them who would want to explore hence get to know the functions by using it. Those who actually used these functions were few. This means that lots of education and sensitization needs to be done as this would erase all the negative feelings about this device. Looking at this provision critically could give the bank the needed information to formulate the objectives of entering e-banking and for that matter the ATM operations, making strategic decisions on the services and functions to be provided and the appropriate delivery channels to deploy and manage the operations of the ATM efficiently. The bank should therefore look at the information-oriented services aimed at educating as well as allowing them to reach their customers and furnish them with all the needed information concerning the use of the ATM and other services. Lack of education on the part of the banks was one of the factors that prevented some of the customers from using the ATM.

Technological feature

Many studies revealed that Customers emphasized on the importance of technology factor to select banks Availability of functional and secured ATMs all times, and connectivity to other bank's ATMs are also considered to be one of the important choice determinants While studying the switching behavior of bank clients, availability of Technology based services is found to be a major reason for clients to switch banks.

Respondents Profile and observation

To investigate feature affecting customer bank, variety and decision, questionnaire was administered and responses were collected from 110 respondents from the population of Jammu and Kashmir having either current or saving account. A summary of customer profile include the variables like gender, marital status, education, age, profession, monthly income and status of usage.

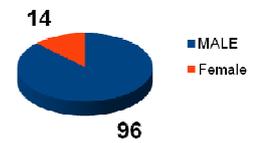
This study about customer inclination towards ATM services was conducted with the help of circulation of structured questionnaires among 110 banking customers of Jammu and Kashmir. The questions asked, were about ATM services like promptness of card delivery, location of



ATM and quality of note etc. The demographic result of these 110 respondents is mentioned here along with the pie charts.

Gender

Among 110 respondents 96 were male and 14 were female respondents.



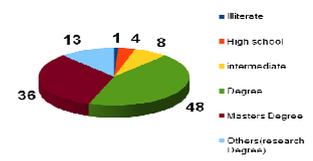
Marital status

There were 4 options given under this question as married, unmarried, widowed and divorced. The responses were taken from 40 married and 70 unmarried respondents. There wasn't any response from widowed or divorced person.



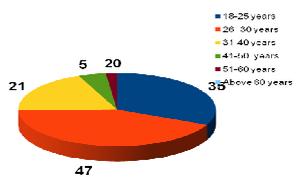
Education

The qualification of 110 respondents vary as 110 respondents include 13 research scholars, 36 Masters Degree holders, 48 Degree holders, 8 Intermediate students, 4 High school students and 1 illiterate respondent.



Age

The data has been collected from different age groups as framed in pie chart and table A-1.

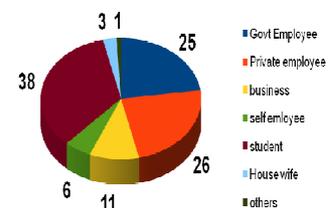


Age group	No. of respondents
18 - 25 years	35
26 - 30 years	47
31 – 40 years	21
41 – 50 years	5
51 – 60 years	2
Above 60 years	0

(Table A-1)

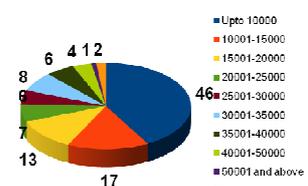
Profession

The respondents from whom data has been collected belong to different professions. There were 25 Government employees, 26 Private employees, 11 Business professionals, 6 Self employees, 38 Students, 3 House Wives, and 1 employer.



Monthly Income

The banking customers of different banks across Jammu and Kashmir State belong to different income groups depending on their job and profession. The demographic result of 110 respondents related to their income is mentioned in the table and pie chart.

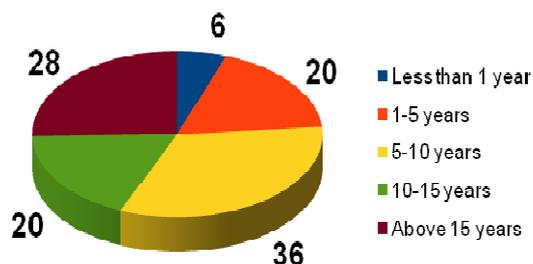




Monthly Income	Number of respondents	Monthly Income	Number of respondents
Up to 10,000	46	30,001 – 35,000	6
10,000- 15,000	-	35,001-40,000	8
15,001-20,000	17	40,001-50,000	4
20,001-25,000	13	50,001 and above	1
25,001-30,000	7	Nil	2

Status of usage

The demographic result related to the usage time of bank accounts of 110 respondents has been included in this paper. Among these 110 respondents 6 were using the bank account for less than 1 year, 20 were using for 1 – 5 years , 36 were using for 5 – 10 years, 20 were using for 10 – 15 years, and 28 were using for above 15 years.



Analysis and Interpretation

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	15.574	53	.294	1.659	.032
Within Groups	9.917	56	.177		
Total	25.491	109			

According to above table, the significant value of F (1.659) = .032 at 5 percent level of significance. Since the significant value .032 is less than the table value 0.05 and hence the null hypothesis is rejected and alternate hypothesis is accepted.. It results that there is significant effect of customer inclination on ATM services. It can be said that there is significant effect of customer inclination towards ATM services being provided by the public and private sector banks in Jammu and Kashmir.

Findings

- 1)The majority of the respondents are males as it is evident from the survey that among 110 respondents, 96 are males and 14 are females.
- 2)It is inferred that majority of the respondents belong to the age group of 26-30 years.
- 3)The majority of the respondents are master degree holders.

Recommendations

Based on the findings of this study and literature related to the attitudes of ATM usage in Jammu and Kashmir, the following recommendations are made:

Since this study has revealed that quite a number of customers have lost their trust in the operations of ATMs due to the lack of providing instant solutions to complaints made by them. The bank may begin to consider having a direct phone line to the cards department attached to the ATMs. This would help customers to report their challenges immediately they face without having to walk or travel all the way to the banking hall for their issues to be addressed. Practitioners in the services sector are in many cases aware of the growing importance of understanding the customers. The achievement of improved ability to meet customer's need is the key to competitive success and requires the investment in time and money. It was found in this study that the frequent power outages affect the usage of ATMs. The authorities of the bank are therefore encouraged to use other forms of energy such as Solar panels. This could bring a financial burden one time for the bank but considering the benefits and trust maintained between the bank and its customers in the long term, it will be worth considering such a device



to help in the continuous functioning of ATMs.. The bank and for that matter other banks, is therefore encouraged to find various ways of educating as well relaying information to the public on the benefits and functions of the ATM. The education of customers will enhance the confidence of customers in the usage of ATMs. The authorities of the bank are encouraged to educate customers on the various functions of ATMs other than for withdrawing purposes as this will go a long way to boost their morale in its usage. The evidence from this study suggests that customers are in favor of the implementation of the ATMs. This gives them the opportunity to have access to their monies anywhere and anytime. The bank is therefore encouraged to find ways and means of activating all the other functions of ATMs just as have been done in other countries in order to allow the various customers to save time during their banking transactions. This would go a long way to help in the introduction of the concept of branchless banking.

Conclusion

The entire study was focused on the matters related to the ATM services being Provided By Public and Private Sector Banks in Jammu and Kashmir. With the extensive usage of ATM cum debit card by all walks of people, ATMs are now found even in the remote and far flung villages of Jammu and Kashmir State. It is a matter of concern that the concept of modern banking among all segments of population even to those who are usually inhabited far away from the cities, it has played a key role in introducing modern technology to the people of country and made life easier for them. The study has been done on the basis of 110 respondents from whom data has been collected through structured questionnaires.

On the basis of this study, it is observed that both public and private sector banks have major challenges related to the ATM services.

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