

ATM Services of Public and Private Sector Banks: A Study on Customer Satisfaction

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Abstract: In the year 1992-93, the Indian Government took major steps to improve the banking sector of India; these reforms were major steps towards strengthening Indian banking under the leadership of PV Narasimha Rao Government, due to this amendment, today Indian Banking system is one of the world's efficient banking systems. As a result of this decision, computerization and technology implementation in banking is possible, thereby undergone enormous changes in Indian banks. In last two decades Indian banking transformed from paper based banking to paperless banking and credit goes to first generation reform in which computerisation was the major step which has made Indian customers dependent on e-banking, nowadays e-banking not only facilitating banking services but also brought large number of services into the reach of customers. A paramount and most useful product of e-banking is ATM; nowadays it is considered a complete bank in itself. Entry of e-banking along with ATM in India, banking practices changed drastically. The contribution of ATM into days is very paramount it has been recognized as pivotal of modern banking. Now scope Banking industry become very wide. Every day, the banks are bringing new products to the banking market to attract more and more customers and the expansion of banking is increasing. As far as concern banking services in rural areas there is a still lack of services. On the one hand, banking services through ATMs are being provided at every foot step in place non-rural areas. Even the government-run mobile banking has not proven to be as effective. Therefore, there is still huge potential for expansion in the retail banking sector of ATM Banking. This paper studies the satisfaction of various banks customers on the basis of three major services provided banks through ATMs of public and private sector banks, Study also makes the comparison of satisfaction.

Keywords: ATM banking, Indian banking, Liberalisation, Satisfaction, Technology.

I. INTRODUCTION

The last two decades witnessed the drastic growth of India's banking industry which is the result of first generation reform of Indian banking was undertaken in the year 1991-92 this reform of Indian banking introduced new technology, income

recognition, assets classification, capital adequacy norm, computerisation of banking practices and opened the ways for new private sector banks entry. The entry of new private sector bank into India was done in 1992-93 and this event proved to be the most important in the history of Indian banking because these banks came with very innovative techniques in the Indian economy later on Indian public sector banks started to follow them. In this context, new private sector banks began to expand their business, which was becoming more and more attractive to customers bay by day, at the same time a challenge was arise for public sector banks, then Indian public sector banks begun to follow innovative banking practices. Both types of banks started increasing the technology-based services on a fast pace, in which the ATM was a major contributor. The customer also preferred to go to ATM more than the bank, so that the atom could be expanded rapidly, but also for banks. On the other hand, it was also the cheapest way for banks, due to which the bank also started taking interest in providing services through ATM. The first ATM in India was established by HSBC Bank in 1986, after that its trend is increasing, with ATMs there are many problems along with facilities.

There will be advance changes under Indian banking services in the coming years, which are likely to be more qualitative than quantitative and the access of ATM banking is expected to a common man. According to the banking industry and the vision of Government of India for the coming year, more emphasis will be on financial inclusion along with digital banking experiments. With the expansion of banking services in Indian rural areas, it is necessary to increase the income of the people living in rural areas for which the government is constantly trying. In the budget of 2018, the government of India made several such provisions to increase the income of farmers and laborers. It is natural growing income of rural sector will demand more banking services and the banking sector will expand in rural areas, as in urban areas today, ATMs will be seen in every street in the villages of India. In rural areas private and foreign banks will also be able to see the activation as the increase in the income of the rural residents, it will force them for the entry in this area, they will attract consumers through various innovative schemes and facilities. All banks will endeavour to provide easy access to the services available to their customers at minimum time and cost, whereby the customers will feel more delighted. It is expected that in

the coming years, just after few years Indian banking will have a recognised place in the world, for which Indian Banks are strictly employing the standards set by the BIS (Banks for International Settlement) and Banks and customers both will remain fully secure and most of the transactions will be done through internet or ATM.

A. The Concept of ATM

ATM is electronic device established off the site and on the site of banks which provides banking services through a card. It is an electronic banking outlet, which allows customers of all banks to complete their banking transactions like withdrawal, bills payment, balance enquiry, print of statement, transfer of funds etc. without the support of a bank branch employee or teller. ATM may be defined as an electronic telecommunications apparatus that makes possible the customers of banks to make their financial transactions without any bank employee like human clerk, cashier, or bank teller. Therefore, nowadays nobody can imagine banking services without ATM that is why the popularity of this machine is increasing day by day.

II. LITERATURE REVIEW

So far large numbers of studies have been undertaken on this subject and many experts have evaluated role of ATMs from different and its impact on consumer satisfaction. Some of the important studies are as under:

Saravanan A. A., (2017) evaluated the Automated Teller Machine (ATM)'s impact on consumer's convenient and transaction cost in his study he found that ATM is more proffered mode of banking in comparison of visiting branch because transaction of ATM service is very low along with convenience. Ramesh kumar, N., (2016) studied awareness of technology and satisfaction level of consumers with special reference of ICICI bank. In his study he has established relationship between technological awareness and satisfaction of customers and he found that high level of awareness indicates the high level of satisfaction. Another study Goklaney, Sumit has studied the role of technology in the banking services and how technology is reducing geographical barriers. In his study he has highlighted that after first generation reform Indian banks have made special focus in technology based and innovative services. Agrawal & Jain have made efforts to evaluate technological advancement of Indian banking sector in comparison to other banking system and the main focus of the study was on to analyse the impact of innovative or e-banking on aggregate performance of a bank along nation. In his study he found that technology has direct impact on the profitability of a bank. Chattopadhyay, Pijush and S Saralelimath have examined the association connecting demographic factors and predilection to utilize ATMs, they also thrown the light on trends of ATMs usages on the basis of demographical factors and they found some demographical factors highly contribute in ATMs usages pattern. Kumar, Vijay M. has conducted a study the aim of his study was to

provide a introductory comparative exploration of the customer satisfaction in ATM services specially for public and private sector banks in India so that services may be modified as per the choice of consumers Singh, Sultan, Komal has calculated impact of ATM on customers' satisfaction. A comparison has also been made among three major banks i.e. State Bank of India, ICICI bank and HDFC bank. He has divided this study into two sections. First section presents the introduction of ATM, brief history of the three banks compiled through literature available in the field. Also a focus has been made on the various services provided by banks. Second section presents the result obtained on the basis of the data collected for the three banks under study. The sample size of the study was 360 equally divided among each bank. In the same series one more study was conducted by Siddik, M. Mohammed, in his study has tried to observed the effect of on site and off site ATM services on conservative banking practices he observed that in Indian financial market, E-services are reforming the way of doing business. Internet based business models are replacing conservative financial services system and most of banks are rethinking about new business model and innovative practices of banking. Bishnoi, Sunita has made remarkable efforts in her study to find out the perception of customers concerning ATM banking services satisfaction. During her study she found that for uninterrupted ATM services basic infrastructure and e-security are mandatory. Day by day number of consumers are increasing to fulfil the massive demand of financial services more infrastructure is primary requirement so government must focus on development of infrastructure.

III. OBJECTIVES

Objectives of paper are as under:

- To examine the customer satisfaction on cash withdrawal, Money transfer and Balance enquiry services of ATM.
- To analyse comparative customer satisfaction in public and private sector banks.

IV. HYPOTHESIS

Null Hypothesis (H_0): There is no significant difference between customer's satisfaction of public and private sector banks on various ATMs services.

A. Research Methodology

In order to achieve the objectives of the study below research methodology has been used:

B. Sampling and Sampling Method

Sample size of the study is 300 customers 150 customers from each category of bank i.e. public and private. Random sampling method has been adopted for selection of customers.

C. Data Collection and Data Analysis

This paper is basically based on Primary data it was collected through a well-designed questionnaire. To find inferences on customer’s satisfaction comparative statements have been prepared.

D. Analysis of Customers Satisfaction

i. ATM Cash Withdrawal Service

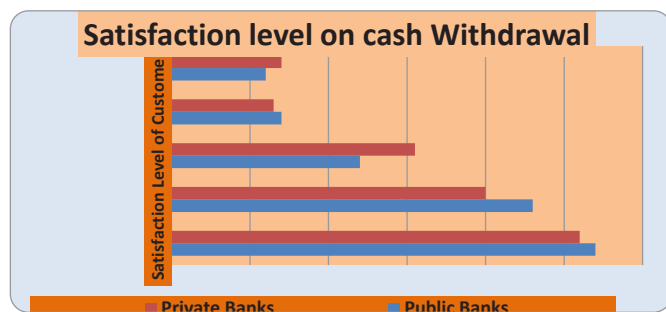
As far as concern of ATM services cash withdrawal is a key service amongst all services provided by ATM. Most of the people approach to for money withdrawal. Researcher has made an effort to assess the sastifaction level of customers of public and private sector banks on this key service.

TABLE I: CUSTOMERS SATISFACTION ON ATM CASH WITHDRAWAL SERVICE

Bank	Public Banks		Private Banks	
	Value	Percentage	Value	Percentage
Fully Satisfied	54	36	52	34.67
Satisfied	46	30.67	40	26.67
Neutral	24	16	31	20.67
Dissatisfied	14	9.33	14	9.33
Fully Dissatisfied	12	8	14	9.33

Source: Compiled through Questionnaire

Graph: 1



On cash withdrawal service of public sector banks 66.67 % customer either fully satisfied or satisfied but in the private sector banks this percentage is 61.33. It is very significant to note that the percentnage of dissatisfied or fully dissatisfied customers are very low 17.33 % in public sector and 18 % in private sector banks. On average customers are more satisfied with public sector banks ATM in comparision to private sector banks and more dissatisfied customers are in private sector banks.

Balance Enquiry Service: Second rank cannot be given to the balance enquiry service of ATM it is alsoa very important service provided by ATM. Customers repeatedly using this service. The survey of 300 customers is given in below table and a graph also prepared to show real picture and it is found that in both types of majority of the customers i.e. 67.33 in public sector and 63.33% in private sector are the satisfied customers. Only 14% in public and 12% in private sector banks customers are dissatisfied and average 24 % customers are neither satisfied nor dissatisfied.

TABLE II: CUSTOMERS SATISFACTION ON BALANCE ENQUIRY

Bank	Public Banks		Private Banks	
	Value	Percentage	Value	Percentage
Fully Satisfied	54	36	47	31.33
Satisfied	47	31.33	48	32.00
Neutral	35	23.33	37	24.67
Dissatisfied	9	6	12	8.00
Fully Dissatisfied	5	3.33	6	4.00

Source: Questionnaire

GRAPH: 2



If we see above graph number of customers are very high with fully satisfied and very low with fully dissatisfied catogiries. So, a big part of customers are satisfied with this type of service.

ii. Analysis of Money Transfer Function

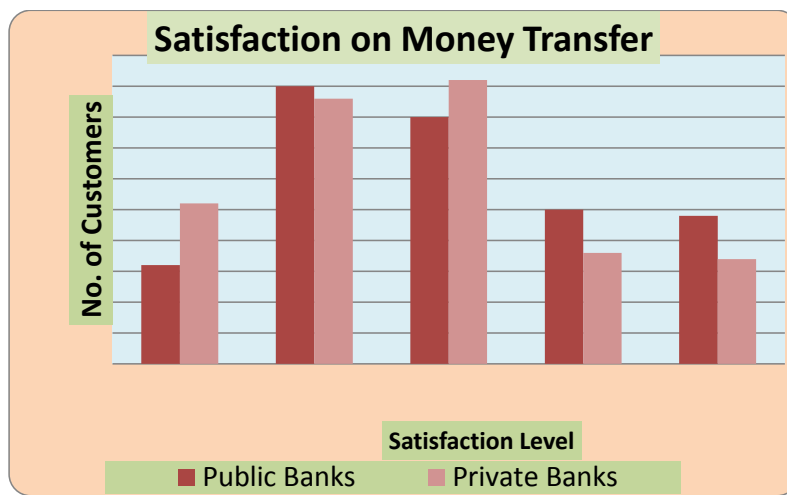
Money transfer function of ATM is very useful service for services class people because they are busy though out the week and cannot approach to branch for money transfer so they are using this services in their off duty hours. Banks provide this service in multiple ways like card to card transfer, account to account transfer and other transfer also. Present study shows the satisfaction level of customers on this service.

TABLE III: SATISFACTION LEVEL OF CUSTOMERS ON MONEY TRANSFER FUNCTION OF ATM

Level of Satisfaction	Public Banks		Private Banks	
	Value	Percentage	Value	Percentage
Fully Satisfied	16	10.67	26	17.33
Satisfied	45	30	43	28.67
Neutral	40	26.67	46	30.67
Dissatisfied	25	16.67	18	12
Fully Dissatisfied	24	16	17	11.33

Source: Questionnaire

GRAPH: 3



Above graph shows that in public sector banks 46.67% customers are either satisfied or fully satisfied same percentage in private sector banks is 46% but it is very low percentage as far as concern of the money transfer service. But in the both types of banks large number of customers are in the neutral category 26.67% in public sector. On this service 32.67% customers of public sector banks are either dissatisfied or fully dissatisfied and the same percentage in private sector banks is 23.33%. On average it is clear from above discussion that Customers are equally satisfied with both the sectors.

iii. Hypothesis Testing

In order to draw significant inferences of customers satisfaction on the basis of three major services cash withdrawal, balance enquiry and fund transfer in public and private sector banks t-test mean difference test has been applied with unequal mean. This test has been applied on aggregate average values of customers on the basis of five point scale and results of the analysis are as under:

Bank	Public Sector Banks				Private Sector Banks			
	Cash Withdrawal	Balance Enquiry	Fund Transfer	Total	Cash Withdrawal	Balance Enquiry	Fund Transfer	Total
Fully Satisfied	54	54	16	124	52	47	26	125
Satisfied	46	47	45	138	40	48	43	131
Neutral	24	35	40	99	31	37	46	114
Dissatisfied	14	9	25	48	13	12	18	43
Fully Dissatisfied	12	5	24	41	14	6	17	37

Source: Through Questionnaire

t-Test: Two-Sample Assuming Unequal Variances		
	Variable 1	Variable 2
Mean	30	21.73333
Variance	214.0556	221.5222

t-Test: Two-Sample Assuming Unequal Variances		
	Variable 1	Variable 2
Observations	5	5
Hypothesized Mean Difference	0	
Df	8	
t Stat	0.885692	
P(T<=t) one-tail	0.200811	
t Critical one-tail	1.859548	
P(T<=t) two-tail	0.401621	
t Critical two-tail	2.306004	

Calculated through Ms excel

It is depicted from above table that there is significant difference between in the satisfaction received by customers from various services of ATM as per the analysis t-value at 5% level of significance is 0.8856 whereas, the critical value is 2.30 so null hypothesis is rejected at 5% level of significance. Study shows that customers have different level of satisfaction from public and private sector banks.

V. CONCLUSION AND SUGGESTIONS

From the above analysis of consumer satisfaction of public and private sector banks's following inferences are drawn:

1. Customers of public and private sector banks are equally satisfied with cash withdrawal service but percentage of fully satisfied customers is very low. But customer of public Sector banks more satisfied than private sector banks because private sector banks have less number of ATMs in comparison to public sector banks. Private banks should establish more off site ATMs.
2. Most of the customers of both the types of banks are either satisfied or fully satisfied with balance enquiry service and very less number of customers are in fully dissatisfied catogiries.
3. Customers do not getting equal satisfaction from public and private sector banks for various services of ATM like cash withdrawal, balance enquiry and money transfer.
4. In public sector banks 46.67% customers are either satisfied or fully satisfied same percentage in private sector banks is 46% but it is very low percentage as far as concern of the money transfer service. It is also found that many customers have no knowledge about other features of ATM except than cash withdrawal.
5. Both the types of banks should make their customers fully satisfied and immediate action should be taken on the problems faced by customers especially for money transfer.

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