


Customer Preference towards Use of ATM Services

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Abstract

Automated teller machines have altered the relationship between banks and their customers and competitive relationships among banks. ATMs are self-service vendor machine it permits customers to do anywhere, anytime banking both the bank and customers stand to gain in several ways. In contrast, ATMs bring down the cost per transaction, increase efficiency by reducing the workload of staff, they help to increase accuracy, speed, save time, money and effort of customers. Thus ATM impacts customer services and leads to better customer satisfaction. They enable the bank to transact more business by offering various services in a cost-effective way on one side and to get more customer satisfaction on the other. To analyze the relationship between demographic variables and preferences to use ATM, a structured questionnaire was used to collect the data from a random sample of 50 customers from a syndicate bank in Bhadravati, percentage analysis and chi-square test are applied for data analysis and interpretation. Finally, it attempts to offer suitable suggestions and conclusions to enhance the awareness of ATMs and other related modern services provided by the banks.

Keywords: ATMs, Banking Premises, Customer Preferences and Information.

Introduction

Today Indian banks are as technology savvy; technology has greatly helped the banking sector to smoothen their interaction with the customer; banks are using the electronic technology to meet the ever-increasing competition in banking, which has converted the traditional brick and mortars banking into Electronic Banking with rapid advancement in ICT, alternate channels are made available to customers. ATMs have replaced tellers. This has considerably condensed the transaction cost for the banks, and their customer has the special of withdrawing money anytime, anywhere, whereas previously, he was restricted to the business hours of the bank. With the advent of the internet, online banking has a further simplified transaction. Customers can simply make funds transfer funds from one account to another account and make online purchases. With the advent of wireless mobile telephony, mobile banking as a means of any time anywhere banking has come to stay. Banks are also using mobile banking as a marketing medium to promote their product d services. Bank provides various electronic technologies for transacting banking business. The use of technology which allows customers to perform banking transactions electronically without visiting a brick and mortar institution on-line means direct linking of operation or gear to a computer system, so that any stimulus provided by that operation or equipment is immediately accepted by the computer system. Electronic services allow a bank's customers and other stakeholders to interact and transact with the bank flawlessly through various channels such as the Internet, Wireless devices, ATMs, On-line banking, Phone banking, and Tele-banking.

Other services offered under e-banking include electronic funds transfer, electronic clearing service, and electronic payment media, including the credit card, debit card and smart card. On-line banking helps consumers overcome the limitations of place and time as they can bank anywhere, anytime, as these services are available 24 hours, 365 days a year without any physical limitations of space like a specific bank branch, city, or region. They also bypass the paper-based aspect of traditional banking.

Table 1: Branches of ATM of Scheduled Commercial Banks

Types of Banks	Onsite ATM	Offsite ATM	Total
Public Sector Banks	78419	57679	136098
Private Sector Banks	26197	37143	63340
Foreign Banks	221	693	914

Source: Trends and progress in Banking 2019

Objectives of the Study

1. To study the awareness and preferences to use ATM services offered by banks.
2. To examine the problems usually encountered by a customer while using ATM services of a bank.
3. To study the range of value-added services offered by banks through ATMs.

Hypothesis

Ho: There is no association between age and preferences to use ATM

Ha: There is an association between age and preferences to use ATM

Research Methodology

Sources of Data

The study is based on both primary data and secondary data. Primary data was collected from a well-structured questionnaire and distributed to the customers of Syndicate bank in Bhadravathi at the ATM terminals to collect customer information. Secondary data was collected through books reference, journals, articles, RBI report, etc.

Sample Size / Sample Design: A well-structured questionnaire was used to collect the data from the 50 respondents who were ATM cardholders using a random sampling technique.

Tools and Technique: The data collected was analyzed through percentage and Chi-square tests to test the hypothesis to draw meaningful conclusions.

Scope of the Study: The study explores the customer preference towards the usage of ATM services in syndicate banks, Bhadravathi.

Analysis and Interpretation

Table 2: Socio-Economic Status of the Respondents and Customer Preference

Particulars	No. of Respondents	%
Gender of the Respondents		
Male	28	56
Female	22	44
Total	50	100
Age		
Below 30 years	15	30
30-40 years	21	42
40-50years	11	20
Above 50 years	3	6
Total	50	100
Education Level of the Respondents		
Below Graduate	9	18
Graduate	18	36
Post Graduate	22	44
Any other	1	2
Total	50	100
Occupation of the Respondents		
Business	4	8
Profession	2	4
Student	31	62
Govt. Employee	8	16
Others	5	10
Total	50	100
Monthly Income of the Respondents		
Below 5000	10	20
5001-10000	15	30
10001-20000	12	24
20001-30000	8	16
Above 30000	5	10
Total	50	100
Account status of the respondents		
Yes	50	100

No	0	0
Total	50	100
Type of Account maintained by the Respondents		
Savings A/C	47	94
Current A/C	1	2
Fixed Deposit	2	4
Recurring Deposit	0	0
Total	50	100
Respondents having ATM card or Not		
Yes	50	100
No	0	0
Total	50	100
Necessity of ATM to respondents		
Essential	28	56
Not so essential	14	2
Not required	8	16
Total	50	100
Reasons for prefer ATM facilities by Respondents		
Withdrawal Money	26	52
Easy to Carry	16	32
Safety	8	16
Shows Standard	0	0
Total	50	100
Use of ATM services by respondents		
Cash withdrawal	23	46
Cash deposit	3	6
Balance enquiry	8	16
Mini statement	5	10
Cheque book request	2	4
Utility payment	5	10
Mobile recharge	2	4
Others	2	4
Total	50	100
Usage of ATMs by the Respondents		
5-10 Times a month	28	56
11-20 Times a month	7	14
21-50 Times a month	2	4
Occasionally	14	28
Total	50	100
Showing problem faced by respondents		
Non-operational ATM	17	34
Receipt not issued	6	12
Cash over	15	30

Account debited not cash not dispensed	4	8
Transaction takes too much time	3	6
Less number of ATMs	5	2
Total	50	100
Respondents Satisfaction towards ATM Services		
Yes	41	82
No	9	18
Total	50	100
Respondents Preference for inclusion of Additional Facilities along with this ATM Services		
Thumb Impression	25	50
Voice Recognition	1	2
Photo scan	19	38
Eye recognition	5	10
Total	50	100
Respondents opinion towards comparison of ATM services with other Banks		
Excellent	7	14
Better	13	26
Same	30	60
Worst	0	0
Total	50	100
Respondents responses at the time of ATMs are lost		
Complaint the police station	8	16
Inform to Bank	38	76
Close the Account	4	8
Other	0	0
Total	50	100
Preference of respondent based on ATM location		
Any time	26	52
Off-site ATM	14	28
On-site ATM	10	20
Total	50	100
Reasons for opt ATM card from by Syndicate Bank		
Service	18	36
Security	12	24
Locality	8	16
More withdrawal	10	20
Total	50	100

Sources: Field Survey

From the above table, it is clear that out of 50 respondents, 56% of the male respondents are more

interested in using ATMs. Most of the respondents are students belongs to the age group of 30-40 years having post-graduation degree and maintained a saving account with the bank. 52% of the respondents give a reason to prefer to use ATM facilities for withdrawing of money, 46% of respondents use the money for cash withdrawal. 56% of the respondents are using the card 5-10 times per month for the withdrawal purpose, 34% of respondents faced a problem when the atm is not operational. 82% of the respondents satisfied with ATM services. 50% of the respondents prefer thumb impression as an additional facility along with these services. 76% of the respondents are informing the bank at the time of lost the ATMs, 36% of the respondents opt ATM card from this bank is for service purpose

Testing of Hypothesis

Ho: There is no association between age and preference to use ATM

Ha: There is an association between age and preference to use ATM

Table 3: User Preference for using ATM

Age	Yes	No	Total
Below 30 years	13	2	15
30-40	18	3	21
40-50	6	5	11
Above 50 years	1	2	3
Total	38	12	50

Table 4: Showing the X² Value of Syndicate Bank Customers

Of	Ef	(Of-Ef)	(Of-Ef)*(Of-Ef)	(Of-Ef) ² / Ef
13	10	3	9	0.9
18	12	6	12	1
6	3	3	9	3
1	4	3	9	2.25
2	1	1	1	1
3	2	1	1	0.5
5	3	2	4	1.33
2	1	1	1	1
$\sum (Of-Ef)^2 / Ef$				10.98

$$X^2 = \sum (Of-Ef)^2 / Ef$$

$$\text{Degree of freedom (df)} = (n-1)$$

Where, X² = chi-square test

Of = Observed frequency

Ef = Expected frequency

n = Number of items

df = Degree of freedom

$$X^2 = 10.98,$$

$$\text{Degree of freedom} = (c-1)(r-1)$$

$$= (2-1)(4-1) = 3$$

The table value of X² for 3 degree of freedom at 0.05 percent level of significance is 7.185. comparingcalculated, and table value of X² the calculated value is less than the table value confirming the association between the age and preference to use ATM services. Thus, the null hypothesis is rejected, and the alternate hypothesis is accepted.

Suggestions

Based on a detailed study of customer preference towards the use of ATM services towards services offered by syndicate banks. ATM services play a vital role in banking activities. The various suggestion for improving the effectiveness of the ATM services of the syndicate bank.

1. Banks must make concentrated efforts to educate female customers to use an ATM. For this purpose, banks must hold a training program for customers from time to time.
2. Banks may also draw up special insensitive schemes to introduce a customer to make maximum use of ATM.
3. Cash refilling at proper intervals must be made to ensure that cash does not get over in the cash stacks. This care should be taken on holiday.
4. The system of transacting through ATM must be speedy, accurate, and reliable.
5. Government or banker should give awareness programmers to the public to create their savings in bank deposits and the Technology in the banking sector.
6. The banker should establish more ATM centers as per customer accessibility.
7. The banker must keep sufficient funds in ATMs.

Conclusions

Technology in banking transactions provides better services to the customers. All the nationalized and commercial banks are also having Electronic Banking transactions in their banking institutions such as ATM facility, Mobile banking, Tele banking,

EFT, RTGS, etc. These are all the services helps to the customer for making their banking transaction in anywhere and anytime without visiting brick or mortar institutions. While ATM has become popular among the customers for cash withdrawals, other ATM services like utility payments are sub-optimally used. While more and more people are moving towards ATMs for their banking needs, it is still largely used as cash dispensers. A large number of customers still do not use other value added services on offer at ATM. Banks, therefore, have a task on hand to make ATM a self-serving model for customers.

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