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 which 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 30 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 online 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.

| 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 |
| 40-50 years               | 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 | 47 | 94 |
|-----------------------------------------------|----|----|
| Savings A/C                                  | 1  | 2  |
| Current A/C                                  | 2  | 4  |
| Fixed Deposit                                | 0  | 0  |
| Recurring Deposit                            |    |    |
| **Total**                                    | **50** | **100** |

| Respondents having ATM card or Not | 50 | 100 |
|------------------------------------|----|----|
| Yes                                | 0  | 0  |
| **Total**                          | **50** | **100** |

| Necessity of ATM to respondents      | 28 | 56 |
|--------------------------------------|----|----|
| Essential                            | 14 | 2  |
| Not so essential                     | 8  | 16 |
| **Total**                            | **50** | **100** |

| Reasons for prefer ATM facilities by Respondents | 26 | 52 |
|--------------------------------------------------|----|----|
| Withdrawal Money                                | 16 | 32 |
| Safety                                           | 8  | 16 |
| Shows Standard                                  | 0  | 0  |
| **Total**                                       | **50** | **100** |

| Use of ATM services by respondents             | 23 | 46 |
|------------------------------------------------|----|----|
| Cash withdrawal                                | 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               | 28 | 56 |
|------------------------------------------------|----|----|
| 5-10 Times a month                             | 7  | 14 |
| 11-20 Times a month                            | 2  | 4  |
| 21-50 Times a month                            | 14 | 28 |
| **Total**                                      | **50** | **100** |

| Showing problem faced by respondents          | 17 | 34 |
|------------------------------------------------|----|----|
| Non-operational ATM                            | 6  | 12 |
| Receipt not issued                             | 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 | 41 | 82 |
|-----------------------------------------------|----|----|
| Yes                                           | 9  | 18 |
| **Total**                                     | **50** | **100** |

| Respondents Preference for inclusion of Additional Facilities along with this ATM Services | 25 | 50 |
|-------------------------------------------------------------------------------------------|----|----|
| Thumb Impression                                                                          | 1  | 2  |
| Voice Recognition                                                                         | 19 | 38 |
| Photo scan                                                                                | 5  | 10 |
| Eye recognition                                                                            |    |    |
| **Total**                                                                                 | **50** | **100** |

| Respondents opinion towards comparison of ATM services with other Banks | 7  | 14 |
|------------------------------------------------------------------------|----|----|
| Excellent                                                               | 13 | 26 |
| Better                                                                  | 30 | 60 |
| Same                                                                    | 0  | 0  |
| **Total**                                                               | **50** | **100** |

| Respondents responses at the time of ATMs are lost | 8  | 16 |
|-----------------------------------------------------|----|----|
| Complaint the police station                         | 38 | 76 |
| Inform to Bank                                       | 4  | 8  |
| Close the Account                                    | 0  | 0  |
| **Total**                                            | **50** | **100** |

| Preference of respondent based on ATM location      | 26 | 52 |
|------------------------------------------------------|----|----|
| Any time                                             | 14 | 28 |
| Off-site ATM                                         | 10 | 20 |
| **Total**                                            | **50** | **100** |

| Reasons for opt ATM card from by Syndicate Bank      | 18 | 36 |
|------------------------------------------------------|----|----|
| Service                                               | 12 | 24 |
| Security                                              | 8  | 16 |
| Locality                                              | 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 $X^2$ Value of Syndicate Bank Customers

| Of | Ef | (Of-Ef) | (Of-Ef)^2 | (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 |

$X^2 = \sum \frac{(Of-Ef)^2}{Ef}$

Degree of freedom ($df$) = (n-1)

Where, $X^2$ = chi-square test

Of = Observed frequency

Ef = Expected frequency

n = Number of items

$X^2 = 10.98$,

Degree of freedom = $(c-1)(r-1)$

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

The table value of $X^2$ for 3 degree of freedom at 0.05 percent level of significance is 7.185. comparing calculated, and table value of $X^2$ 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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