

A Study On Customer Satisfaction Of Atm Services Of State Bank Of Travancore With Special Reference To Aluva Branch

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ABSTRACT ATMs are a mean of convenience for the banking customers. ATM ensures quick services with low transaction cost to the customer. In addition to these advantages, there are some problems also connected with ATMs. In order to reduce such problems and to ensure security in ATM transactions, the bank should give complete awareness regarding ATM usage to its customers. This study measures the level of ATM awareness given by SBT and therefore it helps to take corrective actions in future if necessary. The study is conducted to know whether the customers are satisfied in the bank 's ATM services or not, and difficulties faced by them. The data was collected through questionnaires and analyzed using simple statistical technique of percentage. As per this study majority of the respondents are satisfied in its overall performance regarding ATM facility.

KEYWORDS: Customer satisfaction, ATM services, Problems in ATM counters, Level of customer satisfaction

INTRODUCTION

Customer service can be seen as an activity which provides time and place utilities for the customers, which also involves pre-transactions and post-transactions relating to exchange process with the customer. Quality in service helps in developing and meeting customer's expectations. Service quality is difficult to measure because, it depends on customer's perception which in turn is determined by the person doing the service. The technical outcome of the service is the overall image of the company whose employees are carrying out the services.

Banking system is the backbone of the economy and information technology in turn has become the backbone of banking activity. Technology, which was playing a supporting role in banking. Banks are now facing challenges on cost reduction, innovation and technology. Internet banking, mobile banking, ATMs etc are the buzz words that banks use to attract customers. ATMs

are a mean of convenience for the customers. HSBC bank was the first bank to introduce the ATM concept in India in 1987. Forty years ago cash was only available from 9-3 pm Monday to Friday and Saturdays from 9 - 12.30 pm, and as cash was king queues outside branches on a Saturday morning to get weekend money were common. Now you can get money anytime, anywhere. When it was first introduced, the ATM was meant to reduce the unnecessary traffic in the banking hall, make customers have a quick access to their money and make life convenient to a certain level. However, the situation today has changed drastically. The main objective of the study is to determine the degree of satisfaction amongst respondents who patronize the service of ATM. To achieve this, it is necessary to determine the most important factors that customers take into consideration in assessing this service.

It has been observed that the introduction of ATM resulted in reduced need for physical bank. Besides these, there are some problems also while using ATM cards. This is a study which is based on the perception of student customers of State Bank of Travancore (SBT) in Aluva branch, about the ATM services offered by the bank. It aims to measure the level of customer satisfaction and also to outline the problems created by ATMs. It also focuses on the measurement of level of ATM awareness given by SBT to its customers and also try to find out the most important factor which attracts the student customers to use the services from SBT's ATM counters itself. Besides these, this study also intends to measure the service quality of the ATM facility. The scope of this study is restricted to only one technology enabled banking service of SBT that is ATM. It is deemed to be a self-service as customer themselves produce the service without the direct involvement of bank employees. It conducts a detailed study of various problems and difficulties arising in connection with the ATM usage among 100 customers of SBT in Aluva branch. It covers the level of customer satisfaction and awareness regarding ATM and also include an analysis of the most important factor which accelerates the level of customer satisfaction of ATM among the respondents in this study.

OBJECTIVES

The study intent to cover the following objectives:

To find out whether the customers are satisfied in the bank's ATM services or not.

To outline the problems and difficulties arising out of SBT's ATMs.

To find out the level of awareness given by SBT to its customers regarding ATM facility.

To find out the most important factor which attract customers towards SBT's ATM counters itself.

LITERATURE REVIEW

The review of extensive literature observed that though there were many studies conducted regarding the satisfaction of ATM service but no major studies happened in Kerala regarding the role of State Bank of Travancore. Hence to fill the research gap a modest attempt has been made in this study. Several studies has been undertaken on the customers satisfaction of ATM facilities of various banks. Studies have also been done on the problems created by ATMs. An attempt is made here to present a brief review of such studies.

Al-Hawari et al. (2006) compiled a list of five major items about ATM service quality that includes convenient and secured locations, functions of ATM, adequate number of machines and user-friendliness of the systems and procedures. Brownlie (1989) has recommended that some consumers have positive attitudes towards ATMs based on dominant perceptions of convenience/accessibility/ease of use. Davies, Moutinho and Curry (1996) examine the factors that influence customers' satisfaction about ATM service quality. These factors include costs involved in the use of ATM, and efficient functioning of ATM. Howcroft (1991) notes that dissatisfaction among customers is associated with frequent Interruption and breakdown of ATM. Intense competition and technology-based new services are shaping

customers' loyalty. These have resulted into switching of banks by customers based on competitive services.

Jain and Gupta (2004). The higher level of perceived service quality results in increased customer satisfaction. When perceived service quality is less than expected service quality customer will be dissatisfied. Joseph and Stone (2003) conducted a research and find out that secure and convenient location, adequate number of ATM, user-friendly system and functionality of ATM play important role in customer satisfaction. Kamala (2008) has made a detailed survey regarding the customer satisfaction towards ATM services in Tirunelveli city of Taminadu. She observed that the respondents were conscious about more innovative techniques in ATM services. Khan (2010) concluded that the key dimensions of automated banking service quality include reliability, ease of use, privacy, convenience and responsiveness. He concludes that ATM facility resulted in speed of transactions and saved time for customers. Kaul (2007) in his article explained the importance and benefits of ATM, the players in the Indian market and presented various information concerning the growth of ATM. Kumbhar Vijay (2011) in his study aimed at comparative investigation of the customer satisfaction in ATM service in public and private sector banks, observed that other than cost effectiveness of ATM service perception about all service quality dimensions is approximately same in public and private sector banks.

DATA AND METHODOLOGY

The study is based on both primary data and secondary data and it is both descriptive and analytical. Primary data for the study is collected through structured questionnaire .Data is collected from 100 customers of State Bank of Travancore, Aluva branch. The sample for the study is selected based on convenience sampling. Secondary data for the study is collected mainly from websites. Data collected through questionnaires are analyzed using percentage. Analysis and chi-square test tables and pie diagrams are used for presenting such data. Major findings and conclusions are derived through this in depth analysis.The study covers a period of four months for collecting

required information from the customers and processing them to reach the inferences.

DATA ANALYSIS AND INTERPRETATION

ANALYSIS OF CUSTOMER SATISFACTION OF SBT'S ATM SERVICES

Banking is a service industry which is characterized by high customer contact. Therefore, customer satisfaction is extremely important for its survival in the long run. Thus, it becomes necessary for the banks to know about the customer's level of satisfaction regarding their products and services. A detailed analysis of customer satisfaction of ATM of State Bank of Travancore is conducted with the following objectives:

To find out whether the customers are satisfied in the bank's ATM services or not.

To outline the problems and difficulties arising out of SBT's ATMs.

To find out the level of awareness given by SBT to its customers regarding ATM facility.

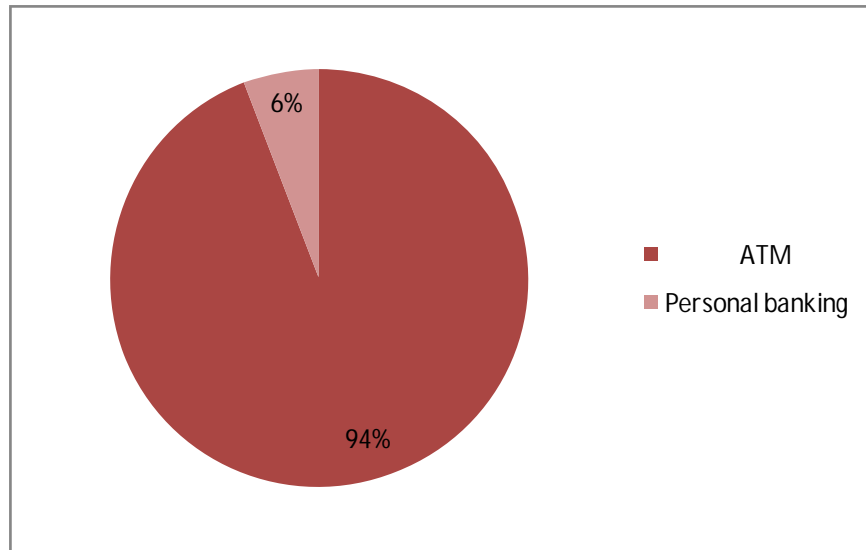
To find out the most important factor which attract customers towards SBT's ATM counters itself.

TABLE 1: PREFERENCE BETWEEN ATM AND PERSONAL BANKING

Preference	No. of respondents	Percentage
ATM	94	94
Personal banking	6	6
Total	100	100

Source: Primary data

FIGURE 1: PREFERENCE BETWEEN ATM AND PERSONAL BANKING



Source: Primary data

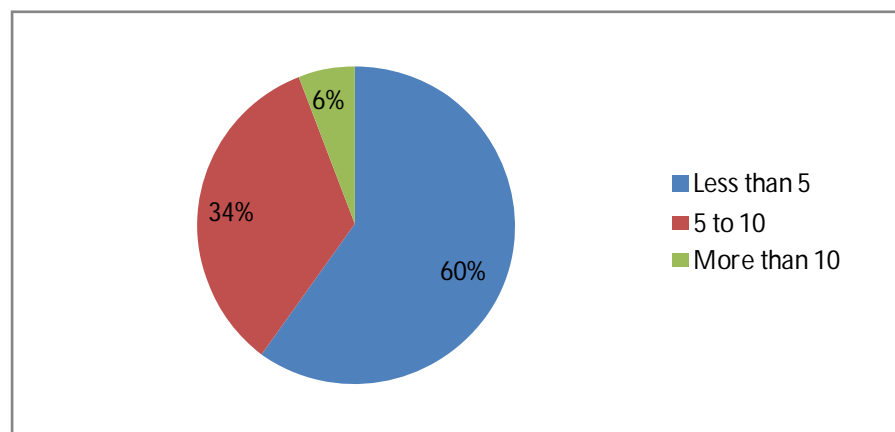
The table1 shows that 94% of the respondents prefer ATM facility more than personal banking and only 6% prefer personal banking

TABLE 2:NUMBER OF ATM TRANSACTIONS IN A MONTH

No. of times	No. of respondents	Percentage
Less than 5	60	60
5 to 10	34	34
More than 10	6	6
Total	100	100

Source: Primary data

FIGURE 2: NUMBER OF ATM TRANSACTIONS IN A MONTH



Source: Primary data

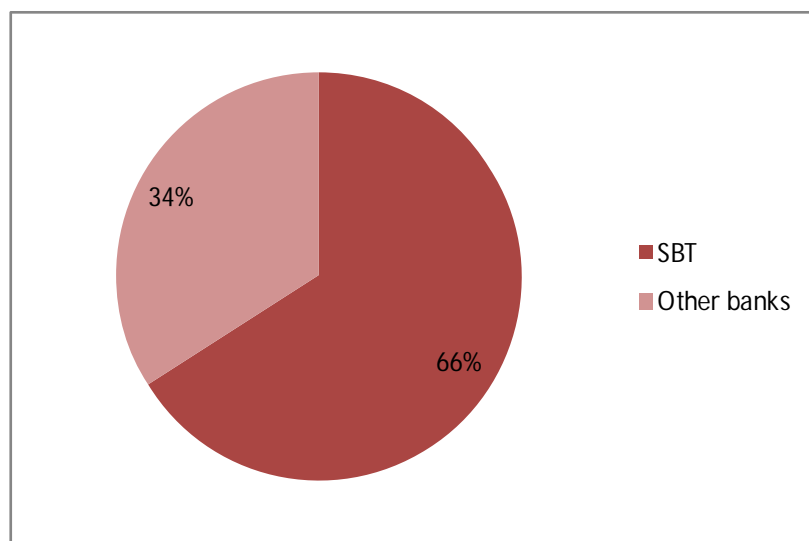
It is clear that majority of the respondents (60%) makes less than 5 ATM transactions in a month. 34% makes between 5 to 10 transactions and only 6% makes more than 10.

TABLE 3: PREFERENCE BETWEEN SBT'S AND OTHER BANK'S ATM COUNTERS

ATM counters	No. of respondents	Percentage
SBT	66	66
Other banks	34	34
Total	100	100

Source: Primary data

FIGURE 3: PREFERENCE BETWEEN SBT'S AND OTHER BANK'S ATM COUNTERS



Source: Primary data

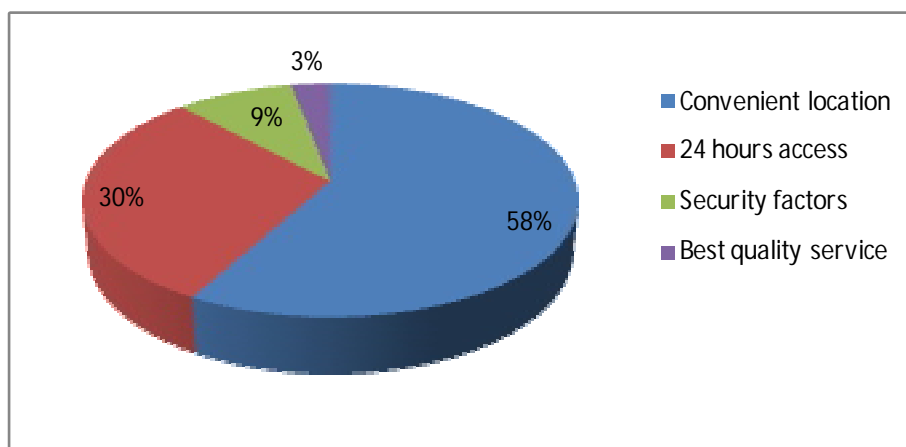
It reveals that out of 100 student customers of SBT, 66% of respondents prefer SBT's ATM counters itself than other banks and rest of them that is 34% prefer other bank's ATM counters than SBT.

TABLE 4: MOTIVATIONAL FACTORS TOWARDS SBT’S ATM COUNTERS

Factors	No. of respondents	Percentage
Convenient location	38	58
More no. of counters	-	-
24 hours access	20	30
Security factors	6	9
Best quality service	2	3
Others	-	-
Total	66	100

Source: Primary data

FIGURE 4: MOTIVATIONAL FACTORS TOWARDS SBT’S ATM COUNTERS



Source: Primary data

As shown in this table out of 100 respondents, 66 of them (66%) prefer SBT’s ATM counters over other banks. Out of this 66 respondents, 38 of them (58%) are attracted towards SBT’s ATM counters due to convenient location. 20 respondents (30%) are attracted due to 24 hours access, 6 of them (9%) due to security factors and remaining 2 that is 3% are due to best quality service.

TABLE 5: AVAILABILITY OF SBT’S ATMS AT CONVENIENT PLACES

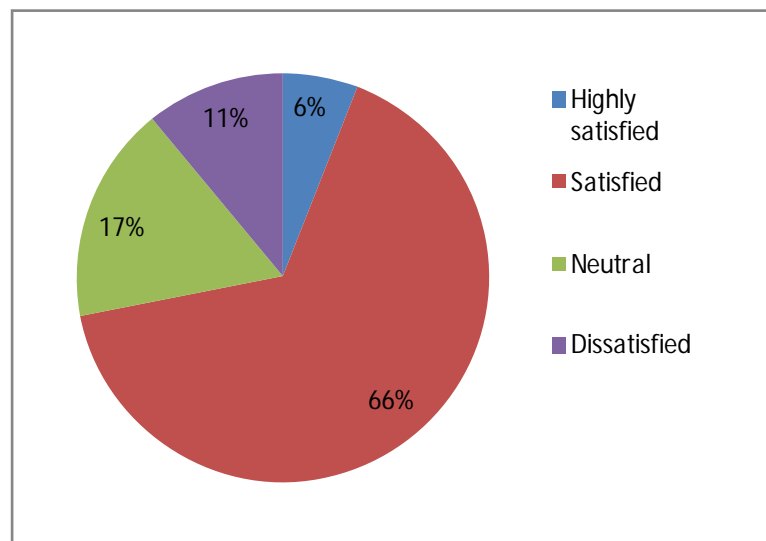
	No. of respondents	Percentage
Highly satisfied	6	6
Satisfied	66	66
Neutral	17	17
Dissatisfied	11	11
Total	100	100

Source:

Primary

data

FIGURE 5 : AVAILABILITY OF SBT’S ATMS AT CONVENIENT PLACES



Source: Primary data

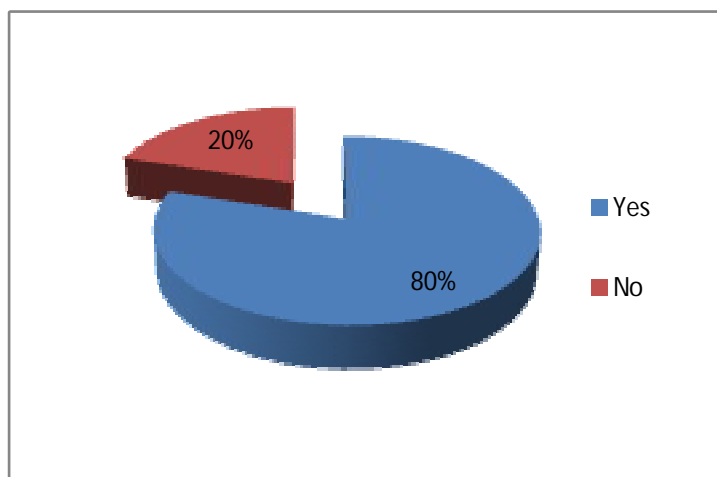
As per this table out of 100 respondents, 6 customers (6%) are highly satisfied in the availability of SBT’s ATMs at convenient places. 66 respondents (66%) are satisfied and 17 (17%) are in neutral status. Remaining 11 respondents (11%) are dissatisfied.

TABLE 6: RESPONDENTS FACING PROBLEMS IN SBT’S ATMS

Status	No. of respondents	Percentage
Yes	80	80
No	20	20
Total	100	100

Source: Primary data

FIGURE 6: RESPONDENTS FACING PROBLEMS IN SBT’S ATMS



Source: Primary data

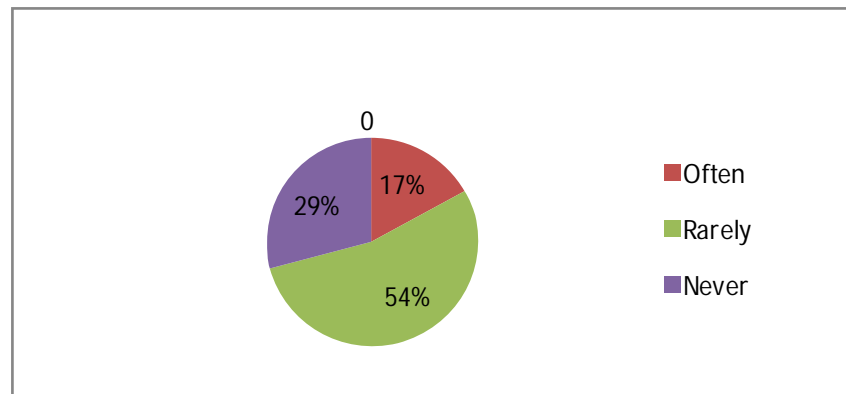
This table shows that, out of 100 respondents, 80 are (that is 80%) facing some problems and difficulties while using SBT’s ATMs. Remaining 20 respondents (20%) do not face any such problems.

TABLE 7: SHORTAGE OF MONEY IN ATM COUNTERS

Problem	Problem arising in	No of respondents	%
Shortage of money in counters	Often	14	17
	Rarely	54	54
	Never	29	29
Total		80	100

Source: Primary data

FIGURE 7: Shortage of money in ATM counters



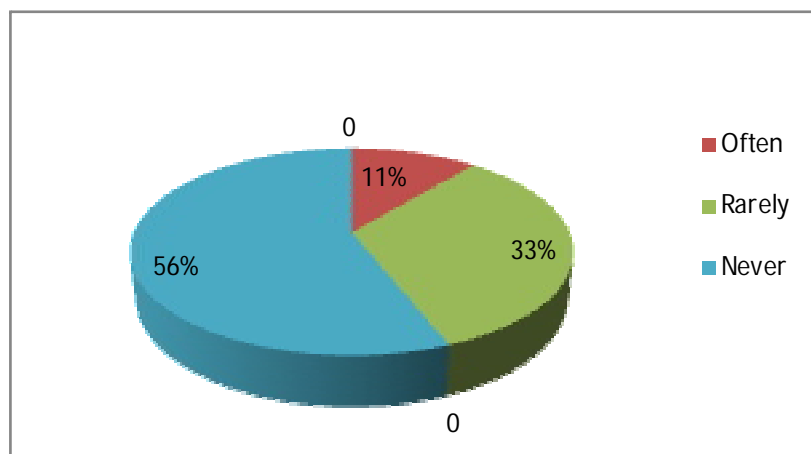
Source: Primary data

Table shows that out of 80 respondents facing problems while using SBT’s ATMs, 14 of them (17%) are facing shortage of money in ATM counters often and 43 respondents (54%) rarely. 23 respondents (29%) never such problems

TABLE 8: AMOUNT DEBITED BUT NOT WITHDRAWN

Problem	Problem arising in	No of responder	%
Amount debited but not withdrawn	Often	9	11
	Rarely	26	33
	Never	45	56
	Total	80	100

FIGURE 8: Amount debited but not withdrawn



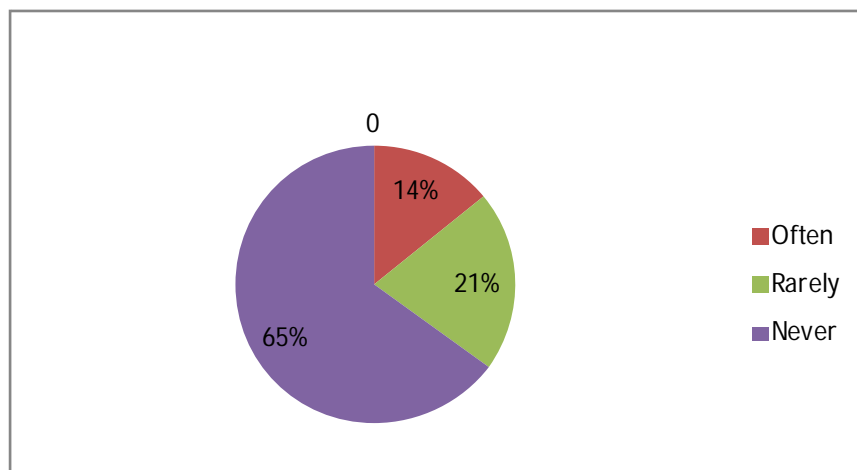
Source: Primary data

As per this table 9 respondents (11%) often facing the problem of amount debited but not withdrawn and 26 of them (33%) face the same rarely. Rest of them (56%) never had such problem.

TABLE 9: PROBLEMS IN FUND TRANSFER

Problem	Problem arising in	No of respondents	%
Problems in fund transfer	Often	11	14
	Rarely	17	21
	Never	52	65
	Total	80	100

FIGURE 9: PROBLEMS IN FUND TRANSFER



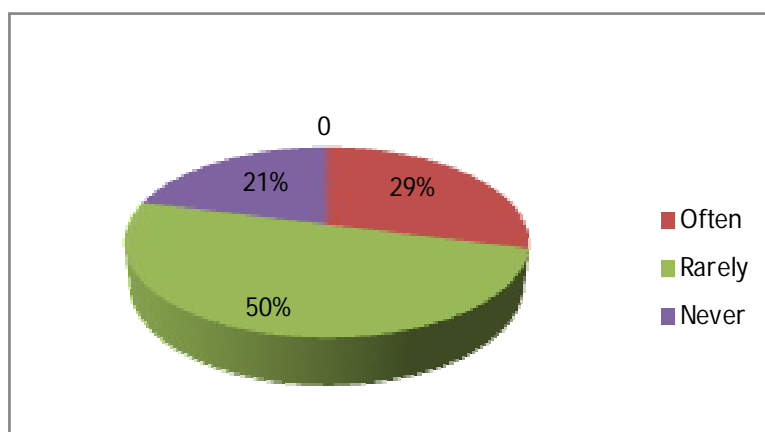
Source: Primary data

Out of 80 respondents, 11 respondents (14%) often face problems while transferring funds through SBT's ATM while 17 of them (21%) face it rarely. Remaining 52 customers (65%) never had the same.

TABLE 10: ATM OUT OF ORDER / SYSTEM COMPLAINT

Problem	Problem arising in	No of respondents	%
ATM out of order/system complaint	Often	23	29
	Rarely	40	50
	Never	17	21
	Total	80	100

FIGURE 10: ATM OUT OF ORDER / SYSTEM COMPLAINT



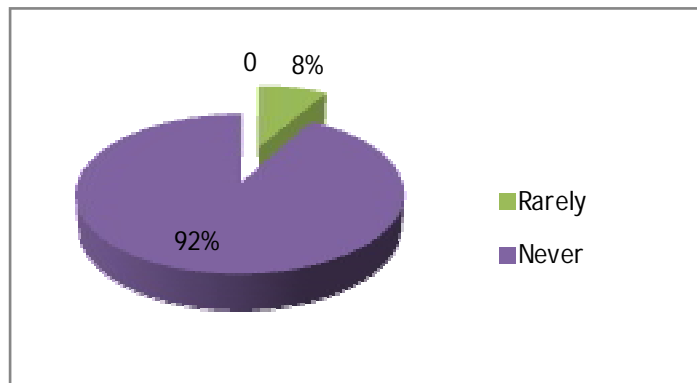
Source: Primary data

Table reveals that 23 customers (29%) often face system complaints or ATM out of order while 40 of them (50%) face it rarely. 17 respondents (21%) never had such difficulty.

TABLE 11: INSECURE TRANSACTIONS

Problem	Problem arising in	No of respondents	%
Insecure transactions	Often	9	11
	Rarely	26	33
	Never	45	56
	Total	80	100

FIGURE 11: Insecure Transactions



Source: Primary data

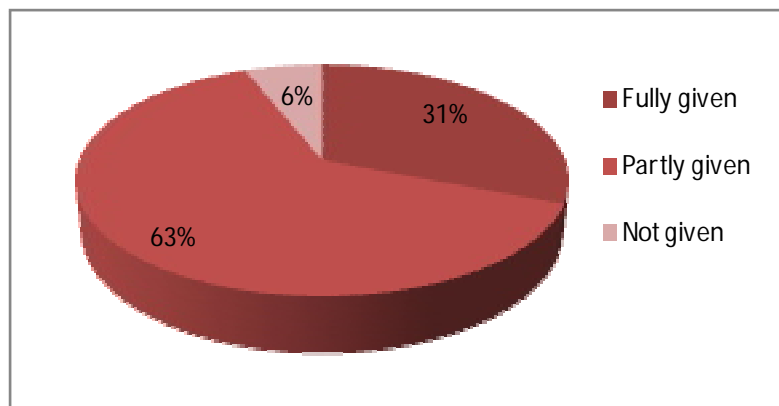
According to this table, 6 respondents (8%) rarely face insecure transactions in SBT’s ATMs whereas 74 of them (92%) never had such problems.

TABLE 12: ATM AWARENESS GIVEN BY SBT

Awareness	No. of respondents	Percentage
Fully given	31	31
Partly given	63	63
Not given	6	6
Total	100	100

Source: Primary data

FIGURE 12: ATM AWARENESS GIVEN BY SBT



Source: Primary data

Table depicts that, out of 100 respondents, 31 persons (31%) said that SBT has given full awareness regarding ATM. 63 respondents (63%) opined that the bank has given only partial awareness and rest of them (6%) said that no awareness is given to them.

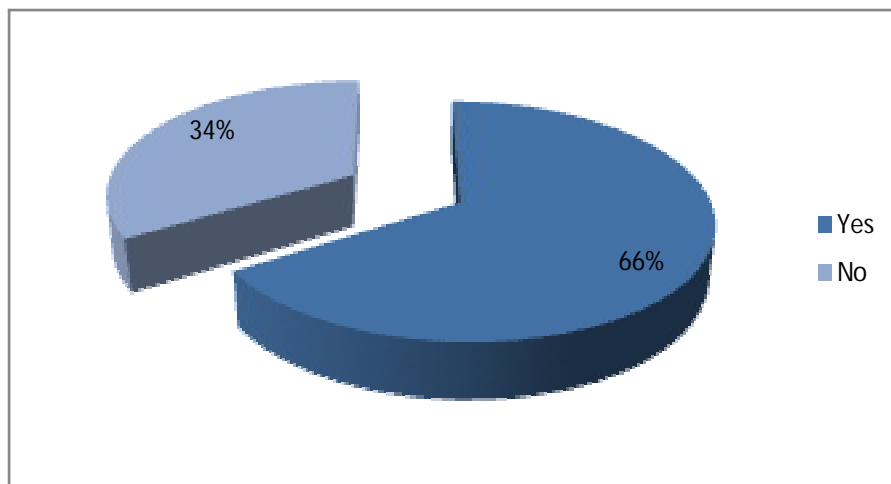
TABLE 13: FULFILLMENT OF ATM EXPECTATIONS BY SBT

Status	No. of respondents	Percentage
Yes	66	66
No	34	34
Total	100	100

Source: Primary

data

FIGURE 13: FULFILLMENT OF ATM EXPECTATIONS BY SBT



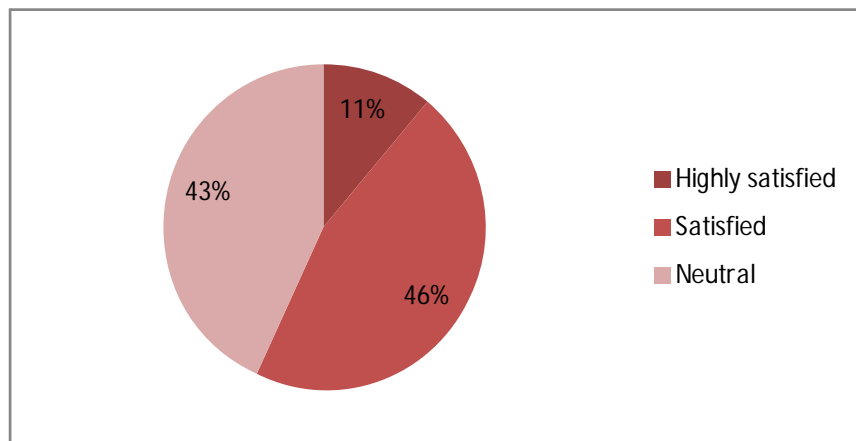
Source: Primary data

According to table 14, out of 100, 66 respondents (66%) said that, SBT has fulfilled their expectations regarding ATM services and 34 persons said that it is not fulfilled.

TABLE 14: OVERALL SATISFACTION IN SBT'S ATM FACILITY

Level of awareness	No. of respondents	Percentage
Highly satisfied	11	11
Satisfied	46	46
Neutral	43	43
Dissatisfied	-	-
Total	100	100

FIGURE 14 : OVERALL SATISFACTION IN SBT'S ATM FACILITY



Source: Primary data

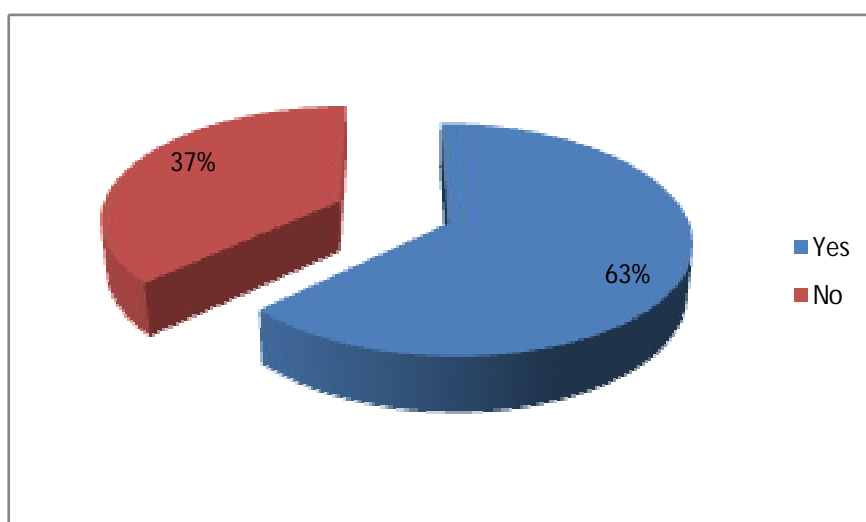
As per this table, 11 respondents (11%) are highly satisfied in SBT's ATM services while 46 respondents (46%) are satisfied and 43 of them (43%) are in neutral status. None of them are dissatisfied.

TABLE 15 : RECOMMENDATION FOR SBT’S ATM TO OTHERS

Status	No. of respondents	Percentage
Yes	63	63
No	37	37
Total	100	100

Source: Primary data

FIGURE 15: RECOMMENDATION FOR SBT’S ATM TO OTHERS



Source: Primary data

Table reveals that, 63 respondents (63%) will recommend SBT’s ATM facility to others while 37 of them (37%) will not recommend the same.

FINDINGS, SUGGESTIONS & CONCLUSION

State Bank of Travancore, which is a subsidiary of State Bank group, is the premier bank of Kerala with over 584 branches across the state. It has the largest ATM network in India. This study based on SBT is conducted with the following objectives;

1. To find out whether the customers are satisfied in the bank’s ATM services or not.
2. To outline the problems and difficulties arising out of SBT’s ATMs.

3. To find out the level of awareness given by SBT to its customers regarding ATM facility.
4. To find out the most important factor that attracts people towards SBT's ATM counters.

FINDINGS

The inferences drawn from the study are as follows;

There are 29 male respondents and 71 female respondents. Majority of the respondents (63%) are the ATM users of SBT between 1 to 5 years. 94% of respondents are savings a/c holders.

Majority of the respondents (94%) gives more preference to the bank's ATM facility than personal banking. Majority of the respondents (60%) makes less than 5 transactions in a month. 34% of the respondents make between 5 to 10 transactions and only 6% makes more than 10 transactions. 66% of respondents, which is majority of them, prefer SBT's ATM counters itself. Majority of the respondents (58%) prefer SBT's ATM counters due to its convenient locations and least of them (3%) prefer due to best quality service. Therefore the most important factor which attracts customers to SBT's ATM counters itself is its 'convenient location'. Only 6% of respondents are highly satisfied in the availability of ATM counters at convenient places. Even though majority of them (66%) are satisfied, 11% are dissatisfied.

It is found that majority of respondents (80%) are facing various problems and difficulties while using ATM. 17% of respondents often face shortage of money in ATM counters whereas most of the respondents (54%) face the same rarely. 11% of respondents often had the problem of 'amount debited but not withdrawn' while 33% face it rarely. 14% often have problems in fund transfer whereas 21% have it rarely. 29% of respondents often face system complaints or 'ATM out of order' while 50% of them (majority) have it rarely. Only 8% of respondents rarely face insecure transactions. According to the opinions of 100 respondents, the bank has given full awareness regarding ATM to only 31% of respondents. Majority respondents (63%)

have only partial awareness and remaining 6% have no awareness. According to the opinion of majority of respondents (66%), SBT has fulfilled their expectations regarding ATM service.

Coming to overall satisfaction of SBT's ATM facility, majority (46%) are satisfied and 11% are highly satisfied. 43% of them are in neutral status. None of them are completely dissatisfied. Majority of respondents (63%) are willing to recommend SBT's ATM counters to others.

CONCLUSION

The State Bank of Travancore plays an indispensable role in providing ATM services. As per this study, majority of the respondents are satisfied in its overall performance regarding ATM facility. Even though majority of respondents face various problems in its ATM services, the degree of occurrence is not so high. Shortage of money in ATM counters, amount debited but not withdrawn, problems in fund transfer, system complaint and insecure transactions are such problems. Convenient location' of the bank's ATM counters attracts more customers to use the same. The bank is not completely successful in giving awareness regarding ATM services. In conclusion, the performance of State Bank of Travancore in ATM services and its overall customer satisfaction level is satisfactory.

SUGGESTION

Try to add more counters in rural areas. Make sure that all the ATM counters are properly working. Try to add at least 2 systems in each counter. ATM awareness should be given to the maximum possible extent. Try to improve the technical quality of the service.

SCOPE FOR FURTHER RESEARCH

Based on the findings of the present study, the scope for further research is highlighted below. The present study only focused on the customers of Aluva branch in Ernakulam district and so research can be conducted by extending the geographical location to other districts in Kerala.

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APPENDIX I

QUESTIONNAIRE

A STUDY ON CUSTOMER SATISFACTION OF ATM SERVICES OF STATE BANK OF TRAVANCORE(SBT) WITH SPECIAL REFERENCE TO ALUVA BRANCH

Name:

Age:

Sex: Male Female

1. How long have you been using SBT's ATM?
Less than 1 year 1 to 5 years More than 5 years
2. Which type of account do you hold?
Savings A/c Current A/c Recurring A/c Any other
(Please Specify)
3. Do you prefer ATM facility more than personal banking?
Yes No
4. Approximately how many times you will use ATM service in a month?
Less than 5 5 to 10 More than 10
5. Which of the following you will prefer the most?
SBT/s ATM counters Other bank's ATM counters
6. If SBT's counters, which of the following factors motivates you the most to use the same?
Convenient location More number of counters 24 hours access
Security factors Best quality service
Others(Specify)
7. How would you rate availability of ATM's at convenient places?
Highly satisfied Satisfied Neutral
Dissatisfied
8. Do you face any problem(s) or unease while using SBT's ATM services?
Yes No
9. If yes, how will you rate the following? (Please put a tick mark)

	Often	Rarely	Never
1. Shortage of money in ATM counters			
2. Amount debited but not withdrawn			
3. Problem in fund transfer			
4. ATM out of order			
5. Insecure transaction			
6. Any other(Please specify)			

10. Do you think that awareness of ATM facilities have provided by the bank?

Fully given Partly given Not given

11. Are your expectations regarding ATM services met by the bank?

Yes No

12. How will you rate the overall satisfaction with SBT's ATM facility?

Highly satisfied Satisfied Neutral
Dissatisfied

13. Will you recommend SBT's ATM counters to others?

Yes No

14. Please give suggestions if any to improve ATM facility of the bank.

1.

2.

3.