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### **An Empirical Study on Customer Behavior Towards Atm Counters in Coimbatore**

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#### **ABSTRACT**

A technology in banking sector has made our life very easy. Money transaction is very much part of people's life today. In present scenario modern day banking sector is more advanced and digitally connected. Banking sector provides various services to the customers at 24x7 bases such as ATM, Net banking, Mobile Banking etc., in which ATM service plays a very important role to the customer point. Even though there are huge development still there are more issues arise while serving the customer for example machine repair, cash surplus, queue and other reasons make the customer uncomfortable at that point of service and made them to wait. This tends to the interest of this study and the study was limited to a specific region in Coimbatore city because of the vast population size. Customer's opinions were possibly affected by some inconvenience at ATM counters. This paper attempts to find out the customer behaviour and Satisfaction level towards ATM counters in Coimbatore city.

**KEY WORDS:** ATM, Banking sector, customer behaviour, Coimbatore city

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## INTRODUCTION

Customer – oriented and customer focus will gain primary and accent will be providing customized products and services to all customers at competitive rates. There has been a significant improvement in the functioning of financial entities with respect to their application of new technology. One such innovation is the ATM. The private banks are those introduced the ATM's first. Subsequently, ever PSU banks also followed suit with one increasing number of ATM's. One can witness ATM's everywhere right from Gobichettipalayam, a southern most town of Tamil Nadu to Hazaribagh in Jharkand. With the help of an ATM, a customer can do the following operations:

1. Account balance inquiry
2. Cash withdrawal
3. Cash deposit
4. Bill payment
5. Mini – statement request
6. Money transfer
7. Stop payment request

With the arrival of ATM, the customer could save considerable time for the purpose of withdrawing cash, depositing cash and for transacting the above said operations. A customer can access the ATM's installed at various places in the country at anytime day and night.

## REVIEW OF LITERATURE

Elliot Boateng et.al.<sup>1</sup> states that ATM centres should be opened in shopping Malls, Market centres and various campuses. ATM has a positive impact on customer's satisfaction than the traditional way of banking. Also most of the non-users of ATM have the intent of diverting to the usage of ATM.

Saralelimath<sup>2</sup> pointed out that ATM bring down the cost per transaction, increase efficiency by reducing workload of staff, they help to increase accuracy, speed, save time, money and efforts of customers. She also state that younger customers of the bank use ATM services more than the older generation.

Srinivasa Rao<sup>3</sup> pointed that most of the customers are dissatisfied with the ATM Grievance settlement. Bank customers are increasing day-by-day correspondingly the number of ATM counters should be increased.

Davies et.al.<sup>4</sup> examined the factors that influence customers' satisfaction on ATM services includes costs involved, and the efficient functioning of ATM.

Moutinho<sup>5</sup> argued that ATM facility resulted in speed of transactions and saved time for customers.

Lovelock<sup>6</sup> identified that secured and convenient location, adequate number of ATMs, user-friendly system, and functionality of ATM are the important factors for the customer satisfaction.

## **STATEMENT OF PROBLEM**

In spite of the lot of improvements in the ATM services it's still debatable whether the ATM habits have fully satisfied the customer's needs. As the use of ATM is increasing day-by-day, it is important to study the insight about the level of customer behaviour and satisfaction to identify the problem areas.

## **OBJECTIVES OF THE STUDY**

The purpose of the paper is to understand the attitude and satisfaction of customers in ATM counters situated in various places of Coimbatore. The overall objectives are as follows:

- To study the nature of the users of an ATM's
- To study which bank ATM's card is widely used
- To study what features does the customers use frequently in an ATM
- To study in general the problem faced by the customers in using an ATM
- To study about the customers satisfaction towards ATM card services

## **HYPOTHESIS OF THE STUDY**

The hypothesis have been developed to identify

- The educational qualification does not influence the opinion on satisfaction
- Waiting to receive service in ATM centres has no significant difference among various bank ATM cards.

## **RESEARCH METHODOLOGY**

A well-structured questionnaire was prepared and distributed to the customers in Coimbatore City at the ATM terminals. The information collected from 185 customers and was analysed through percentages, chi-square tests and ANOVA are applied to interpret the data.

## **ANALYSIS AND FINDINGS**

The above Table No. 1 shows the demographic and personal details of customers, majority of our customers belongs to male category, maximum number of customers belongs to less than 35years of age and married, and most of the customers in our study are employed earns 3000 to 12000 rupees per month.

**Table No. 1: Demographic details of the respondents**

GENDER	FREQUENCY	PERCENT
Male	142	76.8
Female	43	23.2
<b>AGE</b>		
< 25 years	66	35.7
25 – 35	54	29.2
35 – 45	33	17.8
45 – 55	23	12.4
> 55	9	4.9
<b>MARITAL STATUS</b>		
Married	103	55.7
Unmarried	82	44.3
<b>OCCUPATIONAL STATUS</b>		
Agriculture	1	0.5
Business	31	16.8
Professional	33	17.8
Employed	101	54.6
Others	19	10.3
<b>INCOME LEVEL</b>		
Up to 3000	16	8.6
3000-6000	47	25.4
6000-9000	43	23.2
9000-12000	40	21.6
Above 12000	30	16.2
Not applicable	9	4.9

Table No. 2 shows that the customers have various leading bank ATM cards and the majority of the customers having SBI, ICICI cards and many of them having multiple bank ATM cards for their financial transaction.

**Table No. 2 : Customer Preference of Bank ATM**

Bank ATM Cards	Frequency	Percentage
Axis	10	5.4
SBI	53	28.6
ICICI	55	29.7
HDFC	15	8.1
Canara	13	7.0
Other cards	39	21.1
	185	100

The majority of 72.4% customers in our study using debit card and 15.1 % of them preferring credit cards, and 12.4% of customers using both debit and credit cards. Maintaining minimum balance is a crucial one among customer were 56.8% says the bank fixed high minimum balance and 32.4% are said it is medium and only 10.8% mentioned the minimum balance fixed by bank is low.

For various purpose the customer are need to go for bank but after the ATM machine service 64.3% of the customers prefer ATM counters for cash withdrawal, 28.6% use ATM for cash deposit

and 5.4% use it to money transfer and very few 1.6% of the customer intentionally using ATM for knowing their bank balance.

In our study the customers were asked, how they feel when they need to spend more time to get ATM service, in a modern era there are more number of ATM counters available for service in all over areas. 65.9% spend only less than 5 minutes to get service and 23.8% waiting 23.8% to get service, and remaining of the customers spending more time when they prefer own bank ATM counters

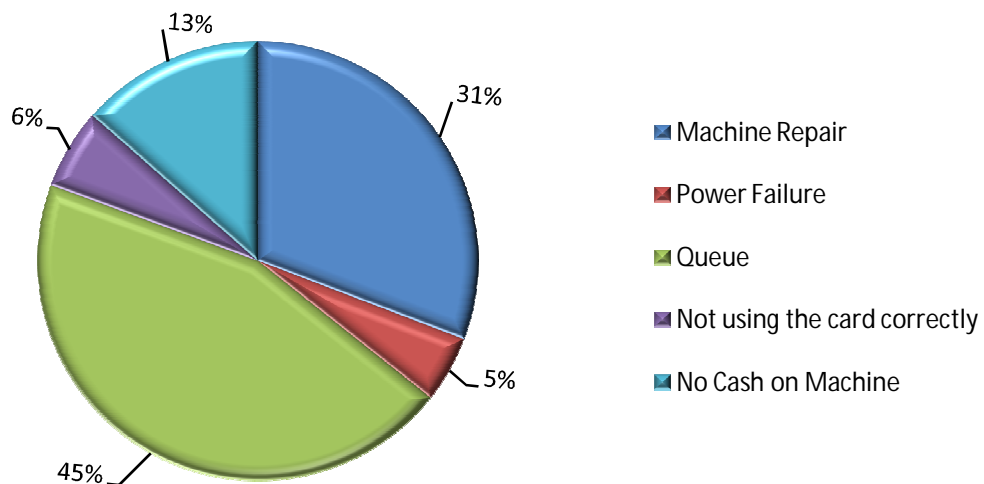
Nowadays, all banks has restricted the number of ATM card service in same bank and other bank ATM counters, around 69.7% prefer other bank ATM counters and 30.3% prefer same bank ATM counters to avoid service charges.

To study the customer preference behavior, when they are in situation to spend more time because of various reasons which are possible in most of the time in all bank ATM counters were asked to mention what is the major reason and that is presented in the following Table No. 3.

**Table No. 3 : Various Causes faced by customers in ATM Counters**

Causes	Frequency	Percentage
Machine Repair	57	30.8
Power Failure	9	4.9
Queue	83	44.9
Not using the card correctly	11	5.9
No Cash on Machine	25	13.5
	185	100.0

### Reason to Wait for ATM Service



**Graph No. 1: Percentage of Reason Made Customers to Wait in ATM Counters**

The customer was questioned to know the opinion of satisfaction after they face above said causes while approaching ATM counters and it is shown in the following Table No. 4. It is observed

that 44.3% of the customers are satisfied and 40.5% of them were highly satisfied, 9.2% are neither satisfied nor dissatisfied and remaining 5.9% are not satisfied.

**Table No. 4 : Opinion of Satisfaction Level**

Opinion of Satisfaction Level	Frequency	Percentage
Highly Satisfied	75	40.5
Satisfied	82	44.3
Neutral	17	9.2
Not Satisfied	11	5.9
	185	100.0

### **HYPOTHESIS 1:**

The chi-square test is applied to test the null hypothesis, whether educational qualification has any influence in the opinion of satisfaction level in customer’s behavior in ATM counters

Chi-square value = 6.423

Table value = 9.488

Significance level=5%

Thus the chi-square value is lesser than the table value at 5% level of significance; therefore the hypothesis is accepted that the educational qualification has no influence on opinion of satisfaction level.

### **HYPOTHESIS 2:**

The ANOVA test is applied to test the null hypothesis, whether various reasons for waiting to service made no difference among the customers in the opinion of satisfaction level.

**Table No. 5 : Waiting to Receive Service Vs Opinion of Satisfaction level**

Source	Sum of squares	Df	Mean Square	F	Sig,
Between groups	13.419	5	2.684	4.043	0.002*
Within groups	118.819	179	0.664		
Total	132.238	184			

From the Table 4 the significant value is lesser than 5% so we statistically reject the null hypothesis that there is a difference in customer’s opinion on satisfaction level which is made by waiting to get serviced in ATM counters.

### **CONCLUSION**

Most of the customers are satisfied with the ATM service but the causes which made the customers wait for getting ATM service influenced their behavior in opinion of level of satisfaction. The educational qualification does not influence the opinion of level of satisfaction. So the bank should take necessary steps to avoid those issues in ATM counters and need to set more ATM

machines to avoid long queue in much needed places whereas the surplus cash at ATM counters also need to be solved then the bank can avoid the customers arriving bank for withdrawal.

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