

## **A Study of Customer's Preference towards ATM Services in Co-Operative Banks in Thane City**

**Dr. (Mrs.) Smita V. Bhide:** Associate Professor, HOD, Statistics, VPM'S Joshi-Bedekar College, Thane

**Mrs. Shraddha M. Bhome:** Asst. Professor, Self Financing Courses, VPM's Joshi Bedekar College, Thane

### **Abstract**

ATM is one of the most popular delivery channels as it permits customers to do Anywhere, Anytime banking. Both, the bank and customers stand to gain in several ways. While ATMs 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. Thus, ATM impacts the customer services and leads to better customer satisfaction. To analyse the relationship between demographic variable and preference to use ATM, a structured questionnaire is used to collect the data from a convenience sample of 100 customers from three sample cooperative banks in Thane city. Frequency and Percentage analysis are applied for data analysis and interpretation. Also, charts and tables are prepared for better understanding of the findings.

**Keywords:** Cooperative Bank, Customer Preference, Customer satisfaction, ATM, delivery channel.

### **Introduction:**

In today's era traditional banking is transforming into virtual banking and ATM is perfect example to it. ATM is a user friendly, computer driven system, which operates 24 hours a day, 7 days a week. A totally menu-driven system, it displays easy-to-follow, step-by-step instructions for the customers. Today all major Banks are offering ATM services which are not only enhancing bank customers' satisfaction, but also expanding the banking business.

Under the edge of ATM following services are offered by Indian Banks:-

1. Accessing Accounts (Mini Statement / Balance Enquiry/ Cash Withdrawal)
2. Paying Bills
3. Cheque book request
4. Mobile recharging
5. Fund Transfer
6. Access to loan / credit card statements
7. Mobile Banking
8. Deposit cash & cheque

So it can be said that ATM enables the customers to access bank accounts without visiting the branch and waiting on lines. Due to technology advancement efficiency of banks have improved retail banking and quality of services. Technology not only benefits banks but also other stakeholders like employees and customers. Thus, delivery channels like ATM have been put up by banks and have become popular with customers. However, all banks are not able to put up ATMs at the same pace.

### **Objectives of Study:**

1. To study the awareness and preference to use ATM services offered by select Cooperative banks in Thane city.

*Variorum Multi-Disciplinary e-Research Journal*  
*Vol.,-05, Issue-I, February 2014*

2. To study the problems faced by customers while using ATM services offered by select Cooperative banks in Thane city.
3. To identify the association between age and preference to use ATM services by select Cooperative banks in Thane city.
4. To identify the impact of customers' demographics on their awareness level about ATM Services.

**Research Methodology:**

**Secondary Sources:** The various secondary information sources used for the present research include the journals and magazines and also include websites of banks.

**PRIMARY SOURCES:** A well-structured questionnaire was prepared and distributed to the customers of various banks in Thane District at the ATM terminals. The five point liker scale is used for data collection

**Tools Used For Data Analysis:** The data collected was analyzed through Percentages, frequencies and chi - square tests are applied for the analysis of data. Charts are also prepared.

**Hypothesis:**

- 1. Ho:** There is no significant association between the age and various dimensions of satisfaction level of customers.
- 2. Ho:** There is no significant difference between genders with regard to various dimensions of satisfaction level of customers.
- 3. Ho:** There is no significant difference among Educational qualification of the respondents and satisfaction level of customers.

**Literature Review:**

1. ET Bureau (2011), —The Reserve Bank of India has asked banks to use technology more effectively with a focus on bringing down costs and improving customer services in its information technology (IT) vision document for 2011-17. Further, the committee, in the report, specifies the role of IT in banking —with the major objective being balancing the three Cs — cost, control and customer services.
2. Vijesh R et al (2011), in the research paper mentions the benefits of providing valuable services through delivery channels “Deliver the services simpler, Deliver the services Fast, Deliver the services securely, acquire new customers, retain their existing customers, keep customers highly satisfied on the services provided, Lower operational cost, Lower transaction processing cost, Wider customer base irrespective of geographical barrier, Higher profits on bottom-line.
3. Sachin Kumar (2011), the article throws light on the popularity of ATMs in India today based on the data released by National Payments Corporation of India (NCPI). The number of ATMs installed increased by 29% to 69,324 from January 10 to January 11. Similarly, the cash withdrawal increased by 142 % to Rs. 27,655 crores in January 11 from Rs. 11,429 crores in January 2010. The number of transactions including balance inquiry and cash withdrawal has increased by 121% touching Rs. 12.5 crores by January 11. This enhanced popularity is due to the increase in number of services (money transfer, mobile and electricity bill payment, income tax payment, cash deposit and air ticket booking) offered by banks through ATM.

4. Nivedan Prakash, in his article points the benefits of implementing core banking solution as —The foundation of a successful consumer banking strategy is to have a technology platform that can offer anytime, anywhere banking through multiple delivery channels like Internet banking, ATM, mobile banking, etc. A perfect CBS offers all of these with a lower TCO and higher ROI. Further, —With the exception of a few large co-operative banks such as Saraswat Bank and Shamrao Vithal Bank, there is little evidence of a comprehensive CBS implementation in the co-operative or small bank sector. However, there is momentum. Most co-operative banks still operate in branch banking mode, and are not expected to upgrade to sophisticated systems unless pushed by the regulator, and other agencies such as the FIU-India which tracks terrorist financing and money laundering activities, which would require the which would require the banks to centralize their customer information.
5. Jham et al (2008), this study on Customer Satisfaction in the Indian Banking Sector, reports on the different satisfaction levels of the customers. The findings suggest that —while private banks have been able to attract the younger customers with higher educational levels, who are comfortable with multi-channel banking; the customers of the national bank are older and more satisfied with the traditional facilities.

#### **Security Hints for Use of ATM:**

Here are some security tips the card owner must follow while using the ATM :

- Don't write down your PIN. If you must write it down, do not store it in your wallet or purse.
- Make your PIN a series of letters or numbers that you can easily remember, but that cannot easily be associated with you personally.
- Avoid using birth dates, initials, house numbers or your phone number.
- Store your ATM card in your purse or wallet, so that it won't get scratched or bent.
- After your transaction, take your receipt, card and money away.
- Count your money properly & check the receipt properly.
- Notify immediately about stolen or lost card to your financial institution.
- It's important to use well-lit ATM's at night.

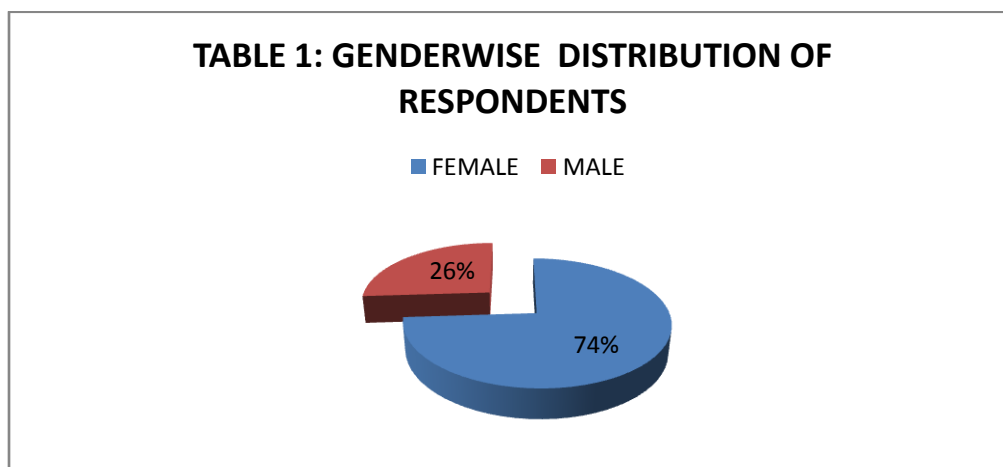
As most of the ATMs are open for 24 hrs. , & also all of them are not guarded, it is important to provide security to the machine. One of the technologies is explained here. The Electronic Signature Lock (ESL) is a patented technology that can be implemented in hardware, firmware, or software and used to protect digital resources, funds transfer, or physical access. It can identify computer terminal users locally or remotely without having to modify or attach anything to the terminal. It is completely transparent to the users and can be used surreptitiously without their knowledge and still uniquely identify them.

The ESL is attached to or integrated into the protected resource, such as a computer or automatic bank teller machine (ATM). It will identify the local or remote terminal users as impostors even if they know all the pass words, access codes, and protocols for accessing the protected resources, if they are not who they say they are, just as if their fingerprints had been taken

*Variorum Multi-Disciplinary e-Research Journal*  
*Vol.,-05, Issue-I, February 2014*

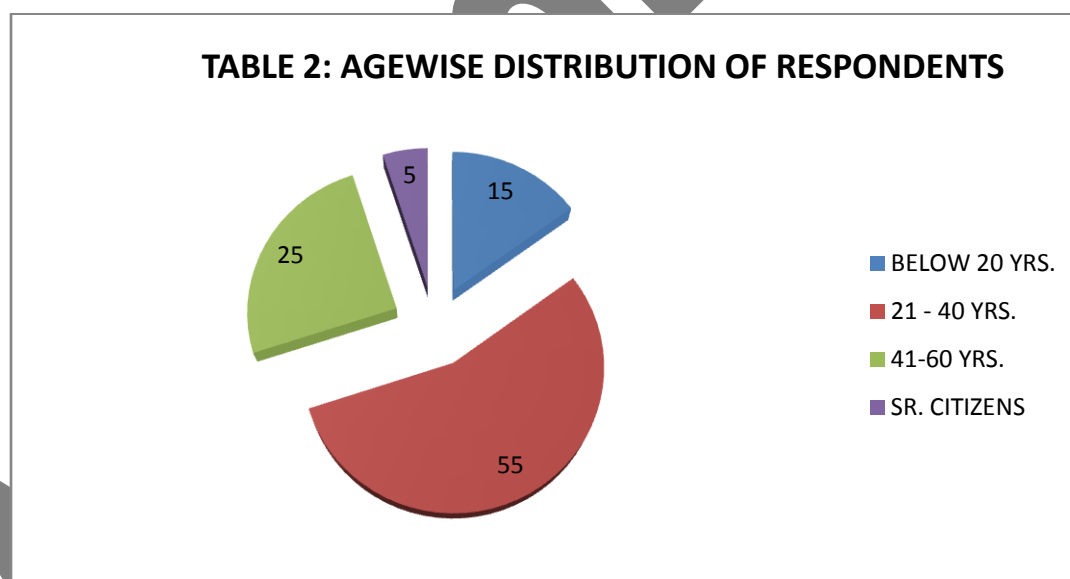
remotely and surreptitiously. Face recognition or finger print recognition are also the techniques used for the security of an ATM. In these techniques the related data is stored in the database.

**Analysis and Interpretation:**

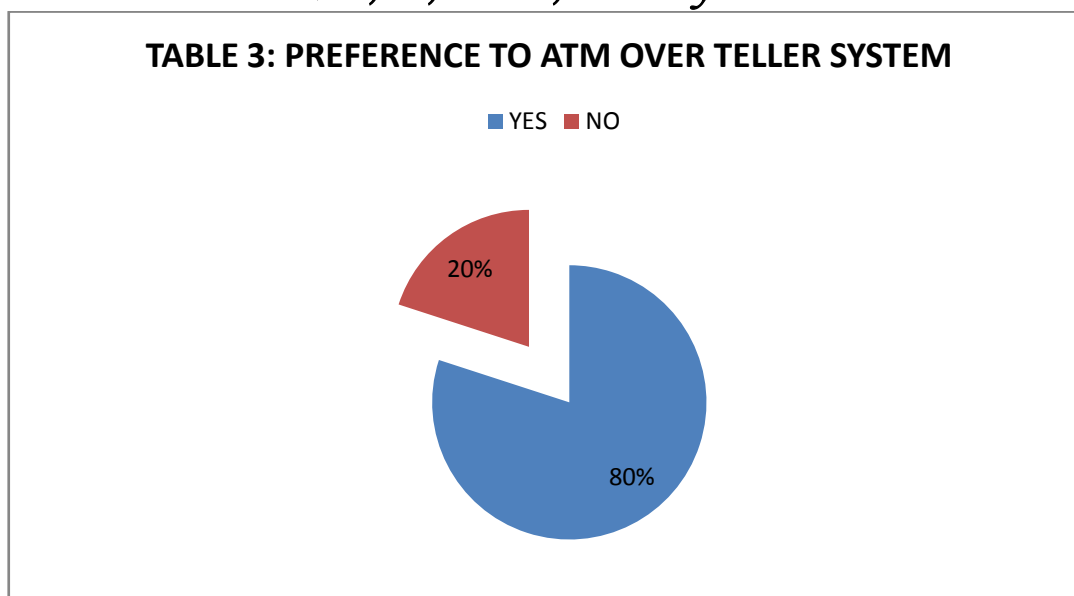


Source: Primary data conducted by researcher

Out of data collected by the researcher 74% female and 26% male are the respondents who use ATM services offered by co-operative banks in Thane.



Out of the respondents the age group 21 -40 years are using more ATM facilities i.e. 55% than all the other age groups.



Out of the total respondents 80% respondents' are in favour of using the ATM services over the use of teller system. Most of them are women.

**Table 5: Frequency of Use of ATM Services**

Response	Frequency	Percentage	Rank
Daily	34	34	1
Weekly	30	30	2
Fortnightly	22	22	3
Monthly	14	14	4

The above table shows that the respondents are using ATMs daily and weekly over Fortnightly and monthly. 34% are in favour of using the service daily as the rate of interest is calculated daily by the banks.

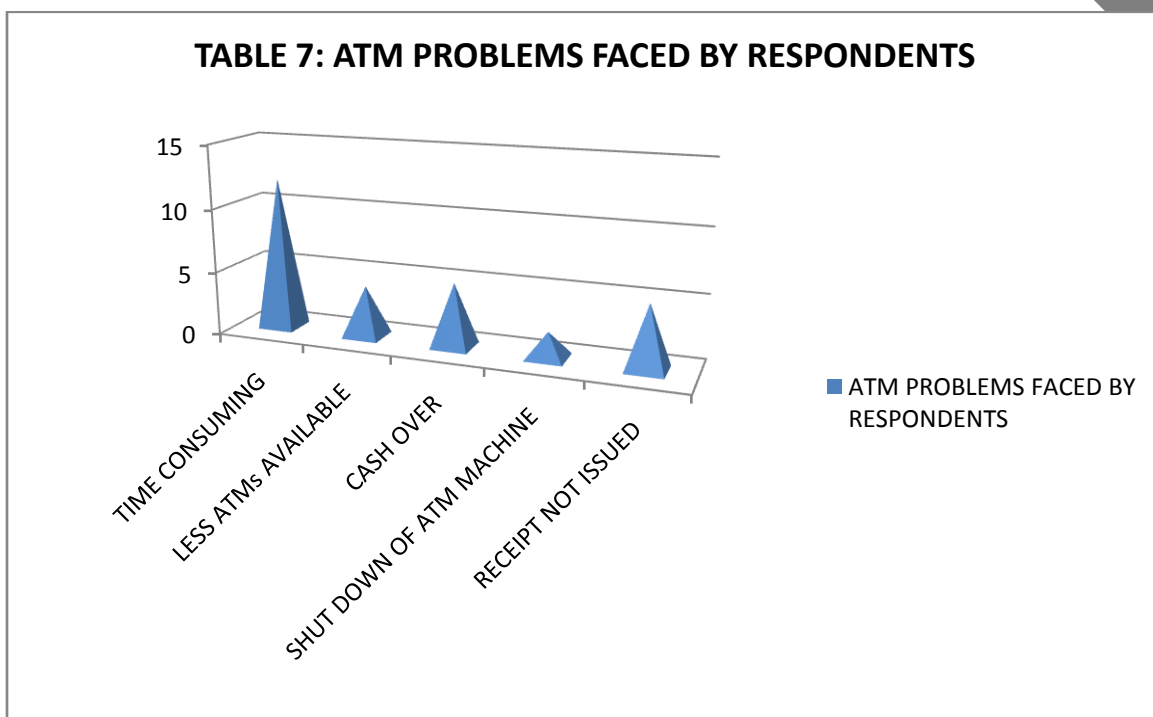
**Table 6: Purpose of Use of ATM**

Response	Frequency
Cash withdrawal	100

*Variorum Multi-Disciplinary e-Research Journal*  
*Vol.,-05, Issue-I, February 2014*

Balance Check	100
Mini Statement	100
View Transactions	52
Fund Transfer	31

The majority rather all the people are using ATM card for the purpose of cash withdrawal, checking the balance of account and to acquire the mini statements. Only 52% respondents are using the cards for viewing the past transactions and 31% use for transfer of funds.



**Findings of the Study:**

1. There is an increase in the usage of these machines that banks have started offering are now being used by consumers.
2. Waiting in long queues is one of the bigger problems faced by ATM users. This shows the need of additional machines to be installed at these high-demand areas.
3. ATM depleted cash at a faster rate than what banks had assumed. This hints the inadequate cash management and the need for better forecasting of daily cash requirements at various locations.

**Suggestions:**

1. Banks must make concentrated efforts to educate female customers to use ATMs.

*Variorum Multi-Disciplinary e-Research Journal*  
*Vol.,-05, Issue-I, February 2014*

2. ATMs must be maintained properly by banks. Banks must ensure that uptime is near 100 %. Air conditioners, UPS systems, key boards, Monitors etc. must always be in proper working condition.
3. Cooperative Banks must offer a better variety of services through ATMs. At present they are very limited in number.

**References:**

- [1] RBI asks banks to use tech to cut costs, improve service, ET Bureau Mar 2, 2011
- [2] R. Vijesh, V.Vijay Anand, N. Panchanatham 2011, Technology Management in Bank – Risk on Alternate Channels - A Global
- [3]India riding the ATM wave, Sachin Kumar, Hindustan Times, Mumbai, March 06, 2011, <http://www.hindustantimes.com/News-Feed/BusinessBankingInsurance/India-riding-the-ATM-wave/Article1-670273.aspx>
- [4]NivedanPrakash,[http://www.agileft.com/index.php?option=com\\_content&view=article&id=180:psus-and-regional-banks-steer-the-cbs-market&catid=48:news&Itemid=50](http://www.agileft.com/index.php?option=com_content&view=article&id=180:psus-and-regional-banks-steer-the-cbs-market&catid=48:news&Itemid=50)
- [5] Vimi Jham & Kaleem Mohd. Khan, Customer Satisfaction in the Indian Banking Sector – Study, IIMB Management Review, Volume 20, Number 1 Article by March, 2008