AN EMPIRICAL INVESTIGATION ABOUT CUSTOMER PERCEPTION WITH RESPECT TO PRIVATE AND PUBLIC BANKS ATM SERVICE

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ABSTRACT

Banks are the financial institutions, which provide a long term service to their customers. ATM is a tool or technology which is widely used by almost all the private and public banks to serve their customers at its best. Customer opinion varies according to their level of perception about the service performances. Current paper is an attempt to analyze about the level of customer satisfaction & user friendliness and to identify the difficulties faced during the usage of private and public banks ATM. The study was based on Chennai region and collected 176 valid responses by adopting judgmental sampling method. It is found from the study that customers fundamentally do not have much disparity between private and public banks ATM service performances. To be specific, both private and public banks must focus on printed statements & cash availability in ATM machines for avoiding the customer difficulties. The present paper also determined that privacy and safety level on private and public banks ATM usage would fetch more customer satisfaction.

Key words: *Customer perception, ATM, Banks, Customer satisfaction, ATM problems*

1. INTRODUCTION

Banks are the financial institutions which provide financial backing to the customers. Banks operate as an agency for customers in monetary terms. It also provides various services like cash deposits, lending of loans, insurance facilities, gold loans, etc. Similar to services, banks also provide several channels for customer service, such as, ATMs (Automated Teller Machine), call centres, internet banking, mobile banking, etc.

Among the wide channels of services, customers use ATMs in more frequently for their monetary operations in the recent days. Actually, bank ATMs provide numerous facilities for customers, such as, cash withdrawals, money deposits, balance enquiries, accessing of account information, updating of profiles, KYC, printing of pass books, etc. As the customers are using the ATM cards frequently the ATM outlets operated by different banks has also been increased drastically over the period. Almost, plenty of ATM outlets are available in every small city and town. ATMs actually reduce the burden of customers carrying more cash and it also decreases the risk arising out of it. In India, the surplus number of ATM outlets serves customers in a better way and it also provides a nature of good customer service by banks.

However good the service is being provided by private and public banks, the customer perseverance of the same is distinct. Consumer behaviour largely depends on individual demographic profiles and social-cultural aspects. To be specific, individual customer perception about the service (or) performance depends on their own experience with the private and public bank ATM outlets. Individual experience differs and accordingly the individual customer perception will even vary. Truong, Nisar, Knox and Prabhakar (2017) also suggested that customer perception persuades customer satisfaction and behavioral intentions with respect to service quality.

As the number of private and public ATMs has increased, many banks do not find the technique for identifying the future customer expectations to develop their services to the next level. At hence, this research study is a significant attempt to analyze the customer perception about the ATM service provided by the banks and to find out the expectations of the customers.

Current study analyzes about customer perception on ATM outlet services rendered by both private and public banks. The study also portrays about the difficulties faced by customers during ATM usage and it also examines about the level of customer satisfaction with the facilities provided by private and public banks. The study also portrays the importance of 'ATM usage friendliness' and in extension to this, the research questions are as follows,

1. What is the frequency of difficulties perceived by customers on private and public banks ATM usage?

2. What is the level of customer satisfaction about private and public banks ATM ambience, safety and privacy level?

3. What perception do customers have on private and public banks ATM outlets friendliness?

2. REVIEW OF LITERATURE

To invite customers inside the bank, they have to make enormous efforts. Banks have to identify the factors which influence customers have more transactions with them. In a similar view, Almossawi (2001) stated that to plan marketing strategy for attracting new customers, commercial banks need to identify criteria on which potential customers determine their bank selection decision. The author has also found that location of ATMs as a significant factor in bank selection by customers.

Retailers and bankers have a common interest in satisfying their mutual customers (Robinson, 1985). In every step bankers think about the customers' expectations and sketch their services accordingly. As an earlier step of the research made before two decades by Robinson (1985) found that retailers and bankers want the system to be very easy for operation, flexible, secure, conscious and accepting a wide range of cards. In the same decade, from a Canadian context, Marshall and Heslop (1988) identified certain factors which actually predict the users and non-users of ATM cards. Authors found that, convenience shopping orientation, attitudes towards ATM technologies, social shopping orientation, familiarity with other new technologies and education as the major factors which predict the ATM users and non-users.

In the last decade, Albesa (2007) identified the factors (convenience, social relationships, knowledge of the channel and privacy) considered by customers for the mode of banking transactions. In the Australian banking customers' context, Rugimbana and Iversen (1994) made an attempt to find the association between customer perception and ATM attributes such as (convenience, reliability and suitability). In a recent study, Othman, Hamzah

and Hassan (2020) suggested that reliability, convenience and functionality as the significant variables which influence customer satisfaction in using banks ATM service.

Repeated research studies have been made in the context of customer demographic profiles and on ATM features. This research study actually fills the gap by attempting to study on other aspects of private and public bank ATMs, such as, customer perception about ATM outlets problems being faced, customer satisfaction, and features & about ATM performances.

In context with the above research gaps identified, the objective of the study is to examine the frequency of difficulties perceived by the customers on private and public banks ATM usage and to study the customers 'level of satisfaction' with respect to different factors like private and public banks ATM ambience, safety and privacy level. The current research study also focuses to evaluate the customer perception about different types of private and public banks ATM outlet friendliness.

As discussed in the review of literature in the current paper, both the private and public banks constantly focus on ATM performances and also on the deployment of ATMs.

Chart 1: Growth Rate of ATM outlet service in India
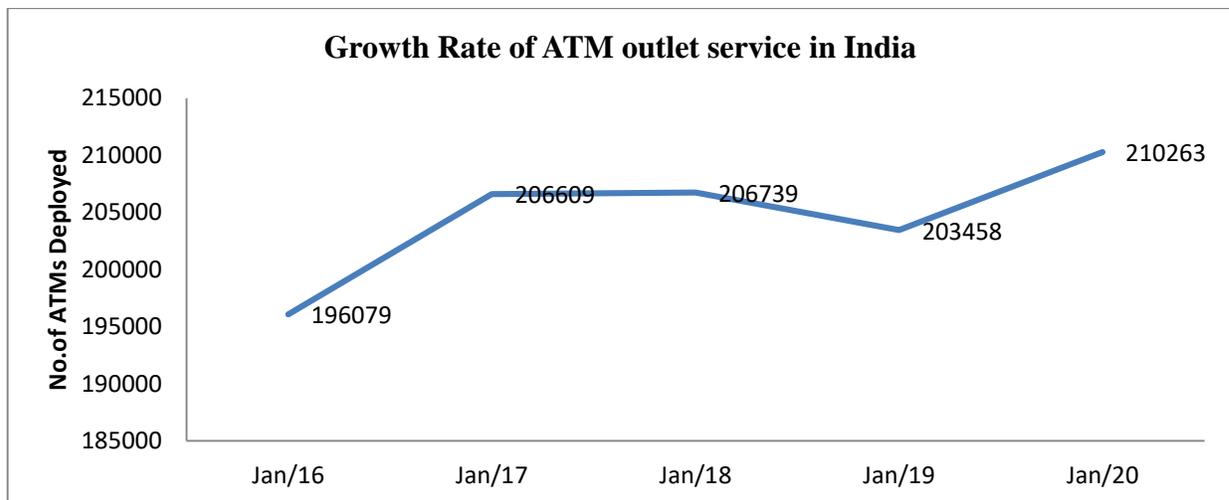
Source: RBI Database

Above chart 1 portrays the number of private and public banks ATM which are deployed in India and it proves that ATM outlets has drastically increased in number over the period of five years from % to %. It proves that both private and public banks have started serving their customers at the maximum of their ability and in view of that banks have deployed a number of ATMs in and around the country.

3. RESEARCH METHODOLOGY

3.1. Variables Conceptualization

3.1.1. ATM problems

Customers use ATM services for their convenience and they prefer to use it, as because of its user friendliness. But the ATMs certainly have some issues or problems during customers' utilization of private and public banks ATM. After an in depth review, five factors have been identified as a major problems that are encountered while using private and public banks ATM outlet services, such as, 'Cash not – available', 'process delay', 'printed statement not available' / 'poor quality of printing', 'card struck up', 'incorrect processing'.

As the banks have their fixed working hours and it is not possible for customers to withdraw money from bank after working hours, customers are at ease to use ATMs for their cash withdrawals. In substantiating to that, Gregson (1994) stated that customers actually feel very convenient for withdrawing money from ATMs. As mentioned by Rugimbana and Iversen (1994) most of the customers' perception about ATMs is, as 'cash dispensers'. But, in today's scenario, 'cash not available' at ATMs for customers in the essential time, pertains as an important problem for customers and that is a potential area for further research.

The other important problem for customers in the recent past is 'process delay'. As to avoid process delays in ATMs, the menus has been redesigned in such a way that, in each transactions, customers can insert their plastic cards for once and do as many operations as they want (Curran and King, 2008). But, researches in the process delays of other areas

such as fast money withdrawals, immediate printed statements, input operations and so on are inadequate and that forms a gap in research.

Similar to the above problem, customers frequently end up in not getting a printed statement after their transactions. Normally, customers need the statements for their confirmation and for their future purpose, but many private and public banks ATM do not provide printed statements. Likewise, the other common problems that are being faced by customers are the 'incorrect processing' and 'cards being struck up' during the transactions. These problems are very common among customers in the recent days

3.1.2. Level of Customer Satisfaction

Customers feel satisfied only when they get their expectations met by the service providers. Customer satisfaction depends on a lot of factors which are provided by the service providers and they judge & perceive private and public banks ATM performance in many aspects. After an in-depth review, some factors such as bank ATMs ambience, privacy and safety level play a vital role on deciding the level of customer satisfaction.

Privacy actually plays a vital role on electronic technologies. In addition to the electronic technologies, privacy plays a strong influence on the channel selection process of companies (Albesa 2007). But, there is a large gap for privacy to be researched in the context of private and public banks ATM.

Like privacy, ambience is the other factor considered for finding out the level of customer satisfaction on private and public banks ATM performance. Ambience actually kindles the customers to go inside the ATM outlets and it impresses the customers to utilize the ATMs further more. From Indian retail banking sector context, Gupta and Dev (2012) found some factors for customer satisfaction and among that ambience actually plays a significant role. However, the ambience is researched in many aspects; there is a gap on ambience to be researched with respect to private and public banks ATM outlets.

In addition to privacy and ambience, safety also plays a crucial part on level of customer satisfaction and it motivates the customers to operate the service very frequently. Baisya

and Sarkar (2004) identified safety as a significant measure for customer choice. In the internet and mobile banking context, Laukkanen (2007) suggested efficiency, convenience and safety as the determining factors for customer value perceptions. In connection to that Singh and Kaur (2013) also determined some factors, such as, ease of use, reliability, accessibility, security, low transaction cost and time consumption for improving customer satisfaction on e-banking services. Therefore, safety is researched in many areas, but, researches related to private and public banks ATM services are inadequate. All the three variables such as ambience, privacy and safety level in the study are used to measure the level of customer satisfaction among private and public banks ATM outlets.

The research study majorly focused on both private and public banks ATM which were selected at random from Chennai district, with particular reference from Vandalur, Tambaram, Anna Nagar, T. Nagar, Thiruvottriur and Madhavaram. Structured questionnaire was used to collect data from the ATM users. A total of 200 questionnaires were circulated among the private and public bank ATM outlet users on judgment basis and out of the collected 176 were considered to be fit for the further analysis.

3.2. Descriptive Analysis
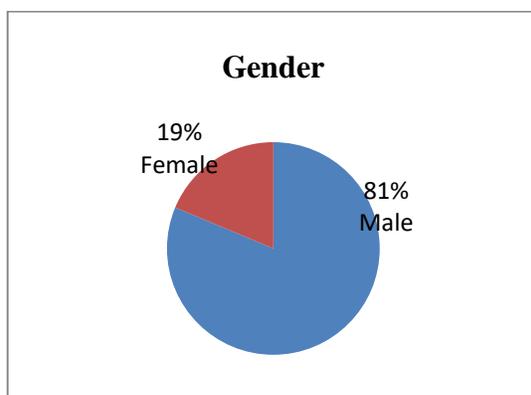
Chart 2: Gender of Respondents   **Chart 3: Educational Qualification of Respondents**
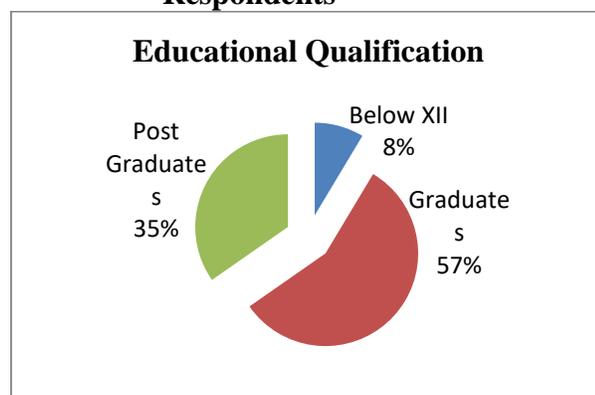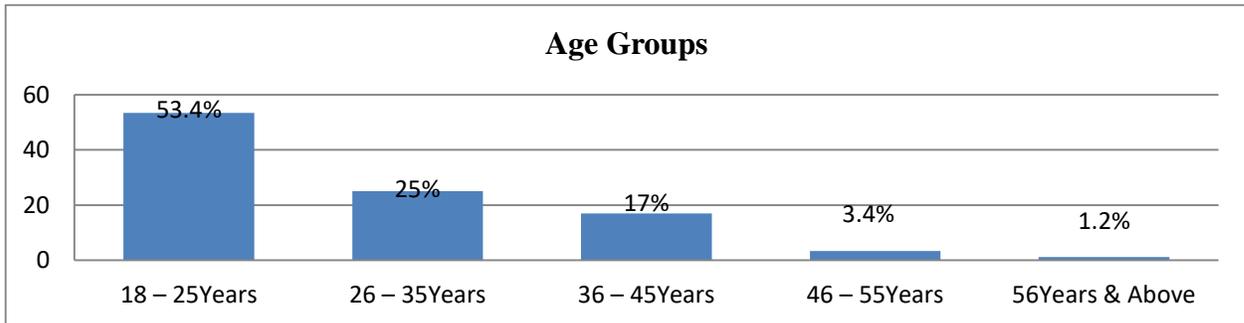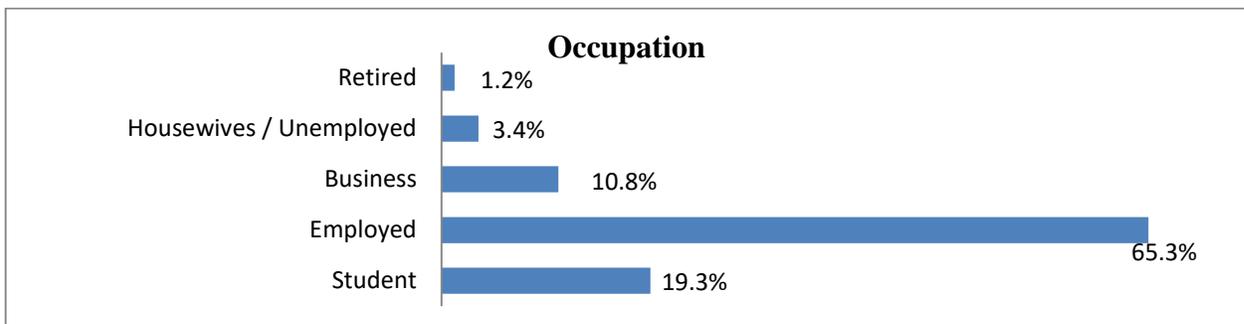
Chart 4: Age Group Distribution of Respondents

Chart 5: Occupation Distribution of Respondents

Charts 2, 3, 4 and 5, depict the demographic characteristics of 176 respondents. The analysis shows that 81% of respondents are male, whereas, 19% are female. Of the total respondents, 53% are in the age group of 18 – 25years, followed by 25% of respondents in 26 – 35years. About 57% & 35% of respondents are graduates & post graduates respectively. 65.3% of the respondents in the research study are employed.

3.3. Analysis

Table 1: Independent Sample t-test Showing Customers Encountering Problems among Private and Public Bank ATMs

Type of Bank ATMs	PRIVATE	PUBLIC	t-value	p-value
ATM problems	Mean Scores	Mean Scores		
Cash not available	3.13	3.10	1.234	0.219
Process delay	2.54	2.82		

Printed statement not available / Poor quality of printing	3.18	3.39		
Card struck up	2.07	2.21		
Incorrect processing	1.89	2.10		
Total Mean Score	12.81	13.62		

Since the p-value is 0.219 (in tables 1), it is identified that there is no significant difference between private and public bank ATMs with respect to customers experiencing ATM problems. Based on the mean scores, public bank ATM customers (13.62) experience more problems than the private bank ATM customers. On comparing the ATM problems individually, private bank customers experience 'cash not available' (3.13) more than the other problems and with respect to public bank ATMs, customers' encounter 'printed statement not available / Poor quality of printing' (3.39) more than the other problems.

Table 2: Independent Sample t-test Showing Customers Level of Satisfaction of Private and Public Bank ATMs

Type of Bank ATMs	PRIVATE	PUBLIC	t-value	p-value
Level of Satisfaction	**Mean Scores**	**Mean Scores**		
Level of Satisfaction on Ambience	4.02	3.77		
Level of Satisfaction on Safety	3.89	3.77	1.781	0.077
Level of Satisfaction on Privacy	3.84	3.66		
Total Mean Score	11.75	11.20		

From the above table 2, it is depicted that the p-value is 0.077. Thus, it is concluded that, there is no significant difference between customers' 'level of satisfaction' with respect to private and public bank ATMs. But, based on the mean scores private (11.75) bank ATM customers have a better 'level of satisfaction'. Even though it is better than public bank ATMs, both types of bank ATM customers have a moderate 'level of satisfaction' among the bank ATM services. The research study has considered three factors for predicting the 'level of satisfaction' with respect to ATM services; they are ambience, safety level and privacy.

With the comparison of mean scores, it is found that in private bank ATMs; ambience (4.02) has a better 'level of satisfaction' than with safety (3.89) and privacy (3.84). In the context of public bank ATMs, ambience and safety level have (3.77) better 'level of satisfaction' among customers over the privacy (3.66). Thus, there is only a marginal difference between the 'level of satisfaction' among customers in both the sectors (private and public) bank ATMs and even among the level of satisfaction factors, such as, ambience, safety and privacy.

Table 3: Independent Sample t-test Showing Customers User Friendliness among Private and Public Bank ATMs

Type of Bank ATMs and User Friendliness	Mean Scores	t-value	p-value
Private Bank ATM User Friendliness	3.98	0.335	0.738
Public Bank ATM User Friendliness	3.93		

Table 3 indicates the p-value as 0.738 and it is not significant at the 5% level. At hence, it is concluded that there is no significant difference between private and public bank ATM's user friendliness with respect to public bank ATMs user friendliness. Based on the mean scores, private bank ATMs user friendliness (3.98) is little better than the public banks' ATMs user friendliness (3.93). But, as the difference between the two sectors mean scores are too marginal, it proves that both the (private & public) sector bank ATMs are very user friendly for customer utilization but banks must sustain & improve more to delight the customers furthermore.

4. DISCUSSION AND CONCLUSION

The present study was performed to study about consumer perception about private and public bank ATMs performances. As bank ATMs are more popular and it is more sophistically used by the majority of customers, this research is an attempt to study about both the positive and negative (level of satisfaction, user friendliness and ATM problems) aspects. It is understood from the study that customers basically do not have much difference between private and public sector banks ATM outlet performances.

From the research study results, it is understood that the private and public banks can concentrate more to rectify the 'printed statement not available' / 'poor quality of printing' problem. The banks can also provide a better quality of printed statements to their customers for a stronger relationship. The service providers can load more cash in regular intervals so as to avoid the problem of 'cash not available'. In this busy world, every customer is at their pressure & commitments and nobody wants to wait for more than the required time. Thus, banks can alter the process more customized and try to make ATM machines work more promptly and extend their relationship to the next level.

Relating to level of satisfaction, both private and public banks provide a good ambience, safety and privacy level to their customers. But then, little more focus can also be paid to safety and privacy level on ATM usage. Private and public banks can develop & deploy the system much simpler, which makes all customers to use the ATMs individually/personally without anybody's intervention. Private and public banks can also provide some customizations for customers based on their usage level and that would increase the friendliness on ATM usage.

As customers are to be treated as 'Kings', it is also the requirement for the private and public banks to concentrate on these aspects. By adopting these strategies into existence, private and public banks can provide better customer service and improve the level of satisfaction to the next ladder. The research study had some limitations with respect to sample size and the study sample included only with selected locations. Thus, it is not the whole representative of Chennai district. There was also a time constraint for data collection from the subjects. In the future study, the sample can be increased and some more aspects can also be included for identifying the 'level of satisfaction' and ATM problems.

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