

---

**AN EMPIRICAL STUDY ON CUSTOMER'S SATISFACTION OF ATM SERVICES IN  
BANGALORE CITY**

**MOHAN KUMAR M.S.**

Research Scholar, Tumkur University & Assistant Professor,  
Department of Commerce, St. Claret College, Bengaluru -560013, India

**SEEMA JOSEPH**

Assistant Professor,  
Department of Commerce, St. Claret College, Bengaluru -560013, India

**Dr. T. ASWATHA NARAYANA**

Associate Professor,  
Department of commerce, GFGC K R Puram, Bengaluru, India

---

***Abstract***

---

***Authors E-Mail ID's***

[mohankumarms21@gmail.com](mailto:mohankumarms21@gmail.com)

[sima.rose.shaijan@gmail.com](mailto:sima.rose.shaijan@gmail.com)

[aswathn@gmail.com](mailto:aswathn@gmail.com)

---

***Keywords:***

*ATM,*

*E-banking,*

*Customer satisfaction*

In the present day world, the revolutionary development of the information and communication technology has contributed towards the development of the banking sector. ATM is the most popular and widely used e-banking services in the Indian banking industry. This study is an attempt to analyze the level of customer satisfaction in ATM service provided by banks in India. The study based on the primary data was collected from 80 respondents in Bangalore city using random sampling method. The data was collected through structured questionnaire. The study reveals that the most significant problem faced by the customers regarding ATMs is the out of order and out of cash condition of the machine and the majority of respondents are fulfilling their requirement through using ATM service and they also happy with number of ATM available in their locality, but most of respondents are not happy with transaction cost charged by different banks for ATM service and addressing the grievances of the ATM customers.

*2395-7492© Copyright 2016 The Author. Published by  
International Journal of Finance And Marketing. This is an  
open access article under the All rights reserved.*

---

***Author Correspondence***

Department of Commerce, St. Claret College, Bengaluru -560013, India

---

## **INTRODUCTION**

The technology plays a major role in the development of banking industry. Information and communication technology is the major innovation in the field of technology which is used for access, process, storage and dissemination of information electrically. The present trend in banking has plastic card economy. Banking industry facing global competition, to survive in this competition the banks to adopt the technological changes and to reduce cost of operations, removes geographical barriers, provides 24 hours banking extended hours of business and efficiency in daily banking processes.

ATMs have made hard cash just seconds away all throughout the day every at corner of the globe and it allow us to do a number of banking functions- such as withdrawing cash from one's account, making balance inquiries and transferring money from one account to another using a plastic, magnetic-stripe card and personal identification number issued by the financial institution, ATM providing a variety of banking services to customers. It is very important to verify the customer satisfaction regarding the ATM service, because of this reason the study is undertaken.

## **STATEMENT OF THE PROBLEM**

Today, the banks are to be well equipped with developed technology in order to retain its customers as well as to attract more new customers. Providing ATM is one of the technical facilities offered by the banks to its valued customers, as the user of ATM is increasing day by day. It is important to make a study to gain insight about the customer satisfaction level with respect to various aspects of ATM services offered to them.

## **OBJECTIVES OF THE STUDY**

- To study the awareness level of customers towards ATM services provided by banks
- To study the existing practices of customers towards the use of ATM cards
- To study the opinion of customers towards the ATM services provided by banks
- To analyse the various problems faced by customers in ATM centres.
- To study the satisfaction level of customers towards the ATM services of banks
- To provide suggestions on the basis of the results of the study

## **REVIEW OF LITETURE**

**Sultan Singh & Ms. Komal (2009)** in the work entitled "Impact of ATM on Customer Satisfaction (A Comparative Study of SBI, ICICI & HDFC bank)" examine the present ATM facilities provided by SBI, ICICI & HDFC Bank and the factors affecting the choice of ATM services. The study based on primary data has been collected through questionnaire. A sample size of 360 respondents has been taken including 120 for each bank i.e. SBI, ICICI & HDFC bank. The study reveals that material satisfaction level is highest in SBI, then second is ICICI Bank and third is HDFC Bank. This is due to the size of the respective bank and number of years of its establishment

**Pijush Chattopadhyay & Dr. S Sarakelimath (2012)**, in their study entitled "Customer Satisfaction in ATM Services: a Study with the Reference to Indian Bank at Tiruchirappalli Corporation" examine the relationship between demographic variable and preference to use ATM. The data was collected from 300 customers from three sample cooperative bans in Pune city

through a structured questionnaire. Frequency and Percentage analysis and chi square tests are applied for data analysis and interpretation. The study reveals that a majority of the customers are highly satisfied with ATM services and essential|| services. The customers prefer ATM with time and cost utility which provides efficient services. Despite drawbacks in ATMs, it is still preferred as it benefits the bank, employees and customers.

**Dr. R. Seetha lakshmi & Dr. P. Kavitha (2013)** in their study “Customer Satisfaction in ATM Services: a Study with the Reference to Indian Bank at Tiruchirappalli Corporation” examine the customer satisfaction in ATM service provided by banks in India. The data was collected from 100 respondents through a structured questionnaire. Collected data was analyzed according to the objectives of the present research and result of the statistical analysis indicates that there is no relationship between the demographic factors and customer satisfaction. The study reveals that customer’s satisfaction in location and process of withdrawing the money under ATM scheme is high, whereas the satisfaction is comparatively low in the aspects of transaction charge and prompt delivery of ATM card and suggested that banks should proactively monitor customers’ preferences with regard to the transaction fee; delivering of ATM card promptly and issue of new cards due to loss of original cards in order to retain their customers

**P Srinivasa Rao, D Rajasekhar & N Vijaya Ratnam (2013)** in their study entitled “An Empirical Study of Customer's Satisfaction in ATM Service” examines the various dimensions of service quality and its effect on the customer satisfaction. The study based on primary data has collected from the 120 respondents who are the customers of Andhra bank and ICICI banks of Vijayawada city through structured questionnaire. The study reveals that the respondents of the Vijayawada are satisfied from the ATM services of public and private sector banks. Respondents also prefer convenience and comfort of the ATM locations in the city.

**Dr. Smita V. Bhide & Mrs. Shraddha M. Bhome (2014)** in the work “A Study of Customer’s Preference towards ATM Services in Co-Operative Banks in Thane City” examines the awareness and preference to use ATM services and the problems faced by customers while using ATM services offered by select Cooperative banks in Thane city. The data was collected from sample of 100 customers from three sample co operative banks in thane city. Frequency and Percentage analysis are applied for data analysis and interpretation. The study reveals that there is an increase in the usage of these machines and 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.

**Kanika Verma (2014)** in their study “Measuring Customer Satisfaction towards ATM Services - A Comparative Study of Union Bank of India and Yes Bank” examine the satisfaction level of customers of Union Bank of India and Yes Bank based on various aspects related to ATMs. The data was collected through survey from bank customer and later on will be analyze by statistical technique and tools like Descriptive Statistics, Percentage Method, and Ranking Method. The study reveals that majority of the respondents in both the banks dissatisfied with the ATM Grievance settlement. Hence it is suggested the banks to developed and improvise the proper mechanism to resolve the grievance settlement, as it leads to customer comfort and satisfaction.

**Ms. Varalakshmi Alapati & Ms. Shruthi V Nayak (2015)** in their study entitled “A Study on Customer Satisfaction with the ATMs of SBI and ICICI Bank and Role of ATMs for a Greener Environment” examine the level of customer satisfaction associated with various aspects of ICICI Bank and SBI ATM. The study covers sample size of 150 respondents with the structured

---

questionnaire in Manipal, Karnataka. The study reveals that banks should take up various measures to educate customers on the usage of ATMs. Quite a large number of both the bank's ATMs are unaware of the various facilities provided by the ATMs other than just cash withdrawal and balance statement. They should be made aware of the facilities like transfer of funds, biller payments, mobile recharge, donating to charity etc. so that the customers can make better use of the ATMs by deriving all its benefits.

### CONCEPT OF ATM

Automated teller machines (ATMs) were the first well-known machines to provide electronic access to customers. The banks are able to serve customers outside the banking hall. ATM is designed to perform the most important function of bank. It is operated by plastic card with its special features. The plastic card is replacing cheque, personal attendance of the customer, banking hour's restrictions and paper based verification.

### METHODOLOGY OF THE STUDY

The Study is based on a primary data collected through the structured questionnaire. It covers the sample size of 80 respondents selected randomly from Bangalore city. Frequency, Percentage Method, Ranking Method and weighted average Method are applied for data analysis and interpretation.

### DATA ANALYSIS & INTERPRETATION

**Table 01: Demographic Profile of the ATM Customers**

Aspects	Variable	Frequency	Percentage	Rank
<b>Gender</b>	Male	45	56.25	1
	Female	35	43.75	2
	<b>Total</b>	<b>80</b>	<b>100</b>	
<b>Age</b>	Below 20 years	4	5	4
	20-30 years	24	30	2
	30-45 years	44	55	1
	above 45 years	8	10	3
	<b>Total</b>	<b>80</b>	<b>100</b>	
<b>Occupation</b>	Self Employee	6	7.5	4
	Government Employee	12	15	2
	Private employee	46	57.5	1
	Retired	6	7.5	4
	Others	10	12.5	3
	<b>Total</b>	<b>80</b>	<b>100</b>	
<b>Education</b>	Under Graduate	10	12.5	4
	Graduate	28	35	1
	Post Graduate	22	27.5	2
	Professional	14	17.5	3
	Others	6	7.5	5
	<b>Total</b>	<b>80</b>	<b>100</b>	

<b>Income level</b>	Below 25,000	22	27.5	2
	25000-35000	46	57.5	1
	35000-50000	8	10	3
	above 50,000	4	5	4
	<b>Total</b>	<b>80</b>	<b>100</b>	

Table 01 gives a clear picture of the demographic profile of the sample respondents. It shows that the male respondents are more than the female respondents in using the ATM services of the banks. It also depicts that the majority of the respondents using ATM services falls in the age group of 30 to 45 years and private sector employees constitute a major portion of the ATM customers. Besides, the number of graduate customers is high as compared to the other educational groups. The respondents in the income group of Rs.25, 000 to Rs.35, 000 uses the ATM more than the other income groups. The table also throws light into the fact that people in the age group of below 20 years are the least users of ATM. The self-employed people and undergraduates are not in the habit of using ATMs. Surprisingly, the respondents above Rs.50, 000 income levels are the least users of ATM services.

**Table 02: E-Banking Services used by Customers**

Services	Frequency	Percentage	Rank
ATM	76	95	1
On-line Banking	44	55	3
Mobile Banking	24	30	4
Telephone Banking	4	05	6
Debit Cards	64	80	2
Credit Cards	16	20	5
Any other	0	0	7

**Graph 01: E-Banking Services used by Customers**

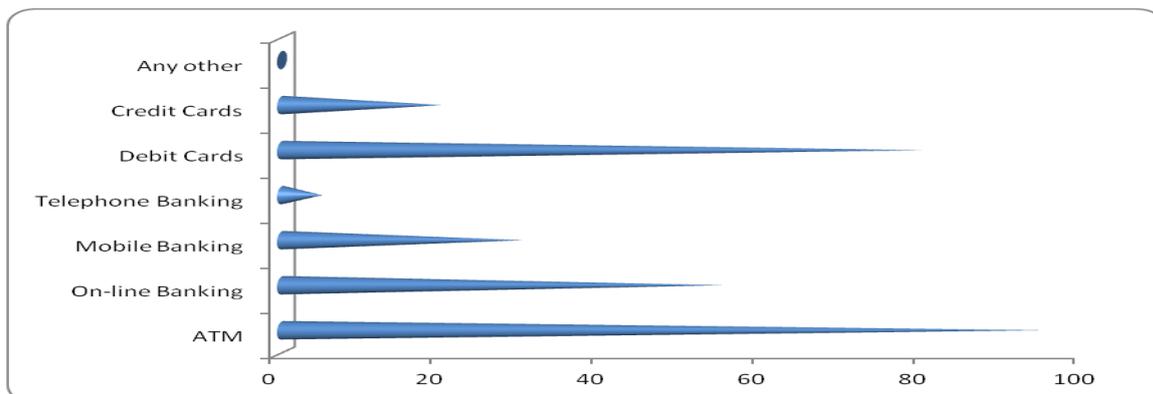


Table 02 clearly shows that the ATM services are the most sought services among all the other e-banking services offered by the banks to the customers. The above graph indicates that almost 95% of the respondents are using ATM services compared to other E-banking services. The graph also shows that there is only a nominal usage of telephone banking services by the customers.

**Table 03: Customer Purpose to use ATM facility**

Purpose	Frequency	%	Rank
Depositing Cash	20	25	6
Withdrawal of Cash	80	100	1
Request Cheque book	8	10	8
Utility bill payment	8	10	8
Transfer of funds	20	25	6
Check Account balance	24	30	4
Mini Statement	44	55	3
Pin Exchange facility	48	60	2
Tax Payment	4	5	10
Cheque Deposits	8	10	8

**Graph 02: Customer Purpose to use ATM facility**

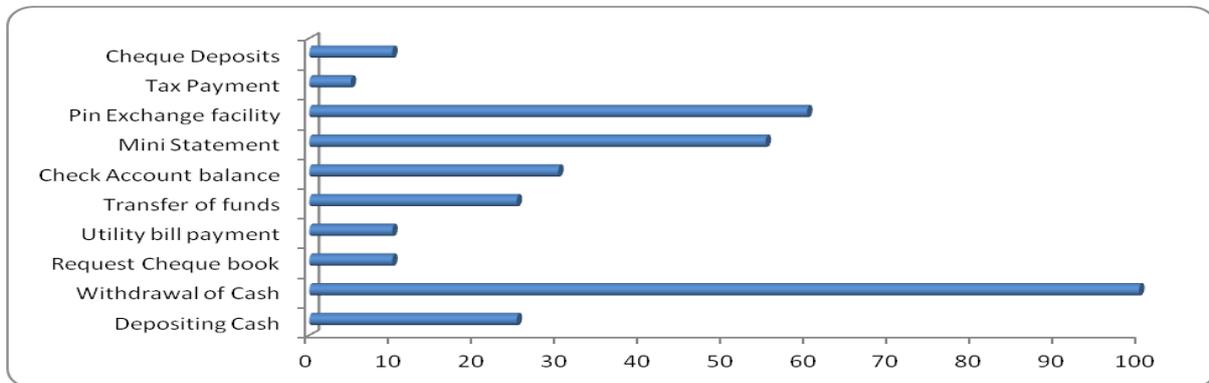


Table 03 indicates that the primary purpose of all the respondents to use the ATM facility is withdrawal of cash. Pin exchange facility, Mini statement and check account balance are the other priorities of the customers in using the ATM. The data also shows that customers do not prefer to use ATMs for tax payment, utility bill payment and cheque book request.

**Table 04: Frequency and Duration of Using ATM Services**

Aspects	Particulars	Frequency	Percentage	Rank
Frequency	Daily once or more	4	5	4
	Weekly once or more	52	65	1
	Monthly once or more	16	20	2
	Rarely once in a year	8	10	3
	Total	80	100	
Duration	Less than 1 Year	0	0	4
	1 to 5 year	32	40	2
	5 to 10 year	36	45	1
	10 years & above	12	15	3
	Total	80	100	

**Graph 03: Frequency and Duration of Using ATM Services**

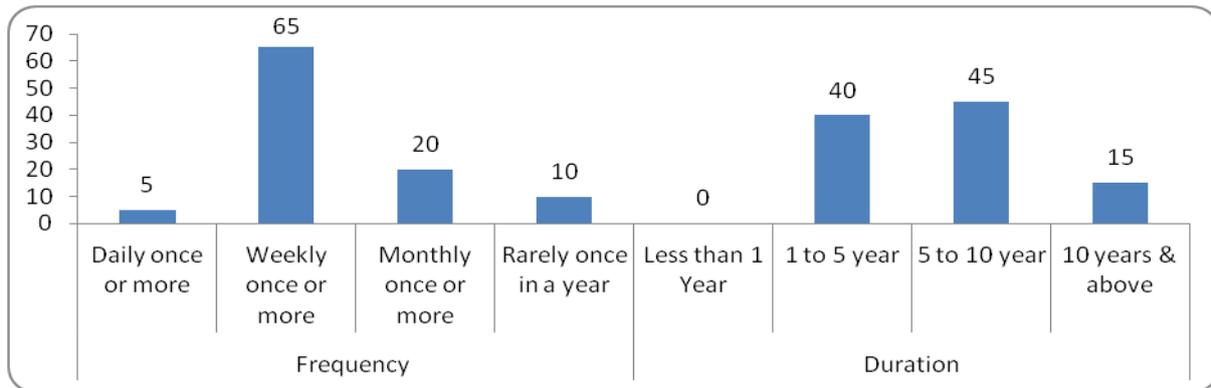


Table 04 shows that majority of the respondents use ATM facility at least once in a week or more. This indicates that the customers frequently depend on ATM services for the various purposes. At the same time, it is evident that the customers are not using ATMs on a daily basis and the majority of the respondents are using ATMs since 10 years. This indicates that there is increasing use of ATMs services by the customers over the last one decade.

**Table 05: Problems Faced By ATM Users**

Aspects	Frequency	Rank
Waiting in long queues	36	5
Cards get blocked	16	6
Limit on daily withdrawal	48	3
ATM working to slow	16	6
Incorrect amount of cash dispensed	0	7
Inability to print slips	44	4
Machine out of cash	60	2
Machine out of order	72	1

**Graph 04: Problems Faced by ATM Users**

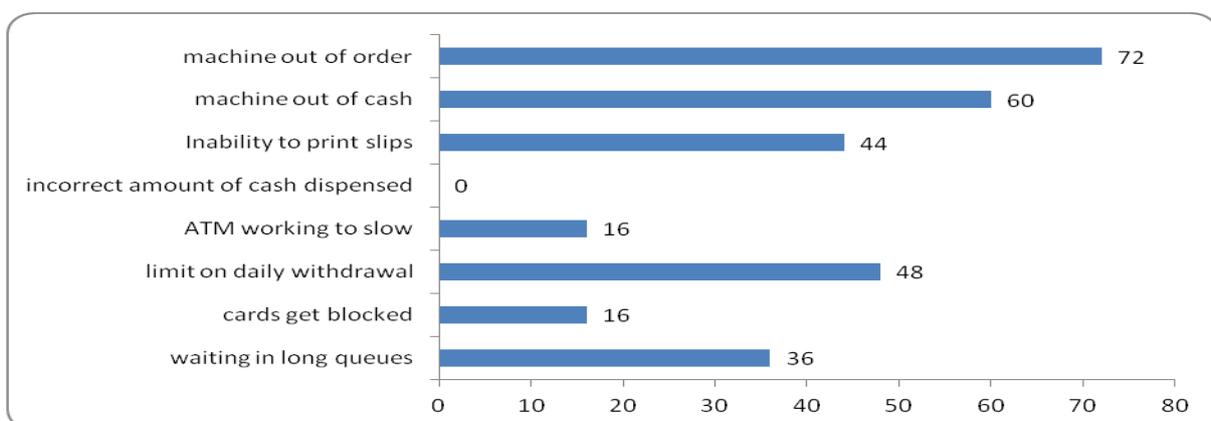


Table 05 clearly indicates that the most significant problem faced by the customers regarding ATMs is the out of order and out of cash condition of the machine. The limit on the daily

withdrawal of cash is another difficulty faced by the customers related to ATMs. But it is to be noted that not a single respondent has complained about the incorrect amount of cash dispensed which shows the machine accuracy.

**Table 06: Level of Customer Satisfaction with reference to Various Aspects**

Sl No.	Aspects	SA (5)	A (4)	M (3)	D (2)	SD (1)	SUM	Weighted Average	Rank
1	To reduce a transaction time	52	8	0	12	8	80	4.05	2
2	Fulfilling cash requirement	40	24	4	12	0	80	4.15	1
3	Safety of ATM Transaction	28	16	28	8	0	80	3.8	4
4	Sufficient number of ATMs	32	12	28	8	0	80	3.85	3
5	Safety & security of ATM Centre	12	16	32	8	12	80	3.1	5
6	Transaction cost	16	12	16	8	28	80	2.75	7
7	ATM grievances are settled within stipulated time	0	16	48	16	0	80	3	6

Table 06 reveals that the majority of customers are of the opinion that the ATMs are successful in fulfilling their cash requirement with the minimum transaction time. Besides, the customers are highly satisfied with sufficient number of ATMs in their locality and also with the safety of the ATM transaction. But it is very evident that a major portion of the respondents are not happy with the transaction cost charged by the banks for the ATM services. Therefore the banks need to concentrate on addressing the grievances of the ATM customers through efficient redressal measures to enhance the customer satisfaction.

## FINDINGS

The following are some the major findings found in course of the study:

- The majority of respondents belong to male category and in the age group of 30 to 45 years.
- The majority of respondents are graduates, working in private sectors and earning monthly income of Rs.25,000 to 35,000.
- Almost 95% of the respondents are using ATM services compared to other E-banking services.
- The primary purpose of all the respondents to use the ATM facility is withdrawal of cash.
- The majority of the respondents use ATM facility at least once in a week or more since from 10 years.
- The most significant problem faced by the customers regarding ATMs is the out of order and out of cash condition of the machine.
- The majority of respondents are fulfilling their cash requirements through ATM services and they are happy with number of ATMs available in their locality.

- Most of the respondents are not happy with the transaction cost charged by different banks for ATM services and their mechanism to address the grievances of the ATM customers.

## **CONCLUSION**

- The information and communication technology has tremendously contributed towards the development of the banking sector. E-banking services like mobile banking, internet banking, EFT, ECS, debit and credit cards have become the trend of the banking field. ATM is the most popular and widely used e-banking services in the Indian banking industry. The present study makes an attempt to find out customer satisfaction regarding the ATM service provided by different banks in Bangalore city. The study reveals that the most significant problem faced by the customers regarding ATMs is the out of order and out of cash condition of the machine and the majority of respondents are fulfilling their cash requirements through ATM service and they are also happy with the number of ATMs available in their locality, but most of respondents are not happy with the transaction cost charged by different banks for ATM service and their mechanism to address the grievances of the ATM customers.. Therefore the banks need to concentrate on addressing the grievances of the ATM customers through efficient redressal measures to enhance the customer satisfaction.

## **REFERENCE**

- 1) Dr .L. Leo Franklin & A.Vellimalarrub (2014), Customer Perception Towards Services Provided By Banks Specially A.T.M. Services, International Journal Of Core Engineering & Management, Volume 1, Issue 6, September, pp 196-208
- 2) Dr. R. Seetha lakshmi & Dr. P. Kavitha (2013), Customer Satisfaction in ATM Services: a Study with the Reference to Indian Bank at Tiruchirappalli Corporation, International Journal of Management Focus, April – June, pp 1-9
- 3) Dr. Smita V. Bhide & Mrs. Shraddha M. Bhome (2014), A Study of Customer's Preference towards ATM Services in Co-Operative Banks in Thane City, Variorum Multi-Disciplinary e-Research Journal Vol.,-05, Issue-I, February, pp 1-7
- 4) Kanika Verma (2014), Measuring Customer Satisfaction towards ATM Services - A Comparative Study of Union Bank of India and Yes Bank, Abhinav National Monthly Refereed Journal of Research in Commerce & Management, Volume 3, Issue 7, July, pp 33-38
- 5) Ms. Varalakshmi Alapati & Ms. Shruthi V Nayak (2015), A Study On Customer Satisfaction With The ATMs Of SBI And ICICI Bank And Role Of ATMs For A Greener Environment, International Journal in Commerce, IT & Social Sciences, Vol.2 Issue-1, January, pp 11-37
- 6) P Srinivasa Rao, D Rajasekhar & N Vijaya Ratnam (2013), An Empirical Study Of Customer's Satisfaction In ATM Service, International Journal of Management Research & Business Strategy, Vol 2, No 4, October

- 7) Pijush Chattopadhyay & Dr. S Saralelimath (2012), Customer Preference towards Use of ATM Services in Pune City, International Journal of Marketing, Financial Services & Management Research Vol.1 Issue 7, July, pp 230-242
- 8) Sultan Singh & Ms. Komal (2009), Impact of ATM on Customer Satisfaction (A Comparative Study of SBI, ICICI & HDFC bank), Business Intelligence Journal, August, Vol. 2, No. 2, pp 276-287