A Study on ATM Users of State Bank of India (SBI) In Salem District

A.A. Saravanan
Assistant professor of commerce, Vivekanandha College of arts and science for women (Autonomous)
Thiruchengod, Tamil Nadu, India

Abstract-- The Automated Teller Machine (ATM) has become an integral part of our life and society. ATM is effectively reached out a large customers base at lowest cost. At present most of the banks have networking systems for their e-banking services like ATMs. A network connected ATMs of various banks had resulted in the improvement of customers’ benefits and customers services. This study aims at identifying the users and challenges faced by customers of State Bank of India (SBI). The paper highlighted ATM services most preferred by customers as well as the awareness level, providing facilities and problems faced by customers regarding ATM services of State Bank of India (SBI) in Salem District.

Keywords-- Customers Satisfaction, E-Banking Services, E-Banking Awareness level, Technologies, Network and On-line transaction.

I. INTRODUCTION

The banking has undergone a major change due to the adoption of Electronic banking (E-banking). One of the latest channels of distribution to be used in the financial services organizations is E-banking. E-banking in a country depends on many factors, such as success of internet access, new on-line banking features, household growth of internet usage, legal and regulatory framework. E-banking can offer speedier, quicker and dependable services to the customers for which they may be relatively satisfied than that of manual system of banking. On-line banking which provides various alternative e-channels to using banking services i.e. ATM, credit card, debit card, internet banking, mobile banking, electronic fund transfer, anywhere banking, any time banking, and electronic clearing services. The Indian banking and financial sector has also welcomed this change.

Today, more and more Indian banks are trying to differentiate themselves in a fiercely competitive industry. The most commonly used delivery channel introduced for financial services is the ATM. ATM is a cash rendering teller machine. This helps bank customers to withdraw money from his account without having to go to the bank. 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.

II. THE INDIAN ATM INDUSTRY

The history of ATM can be traced back to the 1960s, when the first ATM machine was invented by John Shepherd-Barron he was managing director of De La Rue Instruments. That machine used by Barclays Bank (Barclays Bank in Enfield Town in North London, United Kingdom) in 27 June 1967 (Wikipedia Encyclopedia). ATMs represent the single largest investment in the e-channel services for the banks. In India, HSBC set the trend and set up the first ATM machine in 1987. Banks have been deploying ATMs to increase their reach. While ATMs facilitate a variety of banking transactions for customers, their main utility has been for cash withdrawal and balance enquiry. At the end of October 2007, the number of ATMs deployed in India was 31,078. According to some estimates the total cash movement through ATMs across India was around Rs. 70,000 crores. As of October 2013 the total number of ATMs was more than 1, 04,500. Public sector banks and the State Bank group with about 61,500 ATMs accounted for 59% of the ATMs. The private sector and foreign banks put together have about 41,800 ATMs accounting for 40% of the ATMs and the balance 1% represents about 1,150 ATMs that have been deployed by co-operative banks/RRBs. The SBI is the oldest and largest bank in the country. Its origins go back to the first decade of the 19th century, when the Bank of Calcutta was established on 2 June 1806. The bank got its present name after an Act of Parliament in May 1955 and the State Bank of India was constituted on 1 July 1955. Today, SBI has a phenomenal 9,559 branches and its ATM network is spread across 6,473 of its own locations & total 8,000 ATMs including of those of its associate banks.

III. REVIEW OF LITERATURE

Agnihotri (2001) reveals that “Information Technology (IT) way of getting cash” explained the working of ATM, ATM penetration per million persons in Asian countries and the system of security–how it works and also the frauds of ATM? Jhametal (2008) found that private banks have been able to more 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.

Kumbhar (2011) observed that other than cost effectiveness of ATM service, perception about all service quality dimensions is approximately same in public and private sector banks. Overall results shows that cost effectiveness of ATM service were core service quality dimension and it were significantly affecting on overall customers satisfaction in ATM service provided by commercial banks.

Pandianetal (2012) said that in this modern world where money plays an important role for survival. ATM helps the people to take money whenever needed by them and also during emergency conditions.

IV. STATEMENT OF THE PROBLEM

The use of ATM services is increasing day-by-day, it is important to study the issues and challenges towards use of ATM services of State Bank of India (SBI) in Salem District. The customers were facing different types of problems with ATM services is the ATM. ATM is a cash rendering teller machine. That explained the working of ATM, ATM important to study the issues and challenges towards use of ATM services of State Bank of India (SBI) in Salem District. The customers were facing different types of problems with ATM services. That explains the working of ATM, ATM important to study the issues and challenges towards use of ATM services of State Bank of India (SBI) in Salem District. The customers were facing different types of problems with ATM services.

V. OBJECTIVES OF THE STUDY

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1. To examine the awareness level and providing facilities of ATM services of State Bank of India (SBI) in Salem District.
2. To study the level of customers satisfaction on various aspects of ATM services of State Bank of India (SBI) in Salem District.
3. To identify the various problems of faced by customers while using ATM services of State Bank of India (SBI) in Salem District.
4. To offer suggestions to overcome the problems in ATM services of State Bank of India (SBI) in near future.

VI. RESEARCH METHODOLOGY

This study covers both primary data as well as secondary data. Primary data as well structured questionnaire was prepared and distributed to the customers of State Bank of India (SBI) in Salem District. Secondary data collected from the various published and unpublished reports including books, periodicals, magazines, government reports, journals and websites, etc.

A. Sampling Method

Table 1: Demographics of Respondents

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Frequency</th>
<th>Percent (%)</th>
<th>Cumulative percent</th>
<th>Particulars</th>
<th>frequency</th>
<th>Percent (%)</th>
<th>Cumulative percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td>Educational Level</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>67</td>
<td>56</td>
<td>56</td>
<td>HSL (+12)</td>
<td>17</td>
<td>14</td>
<td>52</td>
</tr>
<tr>
<td>Female</td>
<td>53</td>
<td>44</td>
<td>100</td>
<td>Graduate Level</td>
<td>27</td>
<td>22</td>
<td>74</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100</td>
<td></td>
<td>Post Graduate Level</td>
<td>62</td>
<td>52</td>
<td>88</td>
</tr>
</tbody>
</table>

| Age Group       |           |             |                    | Professional Level |          |             |                    |
| Below 20        | 14        | 12          | 12                 | Total             | 120       | 100         |                    |
| 21-30           | 33        | 27          | 39                 | Occupation Level  |           |             |                    |
| 31 – 40         | 38        | 32          | 71                 | Students Level    | 11        | 09          | 09                 |
| Above 40        | 35        | 29          | 100                | Pvt. Employee     | 35        | 29          | 38                 |
| Total           | 120       | 100         |                    | Govt. Employees   | 18        | 15          | 53                 |

| Income Level    |           |             |                    | Business Man      | 16        | 13          | 66                 |
| Below Rs. 10,000| 26        | 22          | 22                 | Professionals     | 27        | 23          | 69                 |
| Rs. 10,001-20,000| 25    | 21          | 43                 | Retired           | 07        | 06          | 95                 |
| Rs. 20,001-30,000| 30    | 25          | 68                 | Others            | 06        | 05          | 100                |
| Above Rs.30,000  | 39        | 32          | 100                | Total             | 120       | 100         |                    |
| Total           | 120       | 100         |                    |                  |           |             |                    |

Source: Primary Data

Simple Random sampling method was followed.

B. Area of the Study

The area of the study was State Bank of India (SBI) bank branches in Salem District.

C. Sample Size

The primary data collected by interview method through the structured questionnaire. For the purpose of the study the data has been collected in different places of the Salem district ATM centers and State Bank of India (SBI). One hundred and twenty ATM holders were randomly selected for the study as sample. That is the sample size is 120 ATM user of State Bank of India (SBI) in Salem District.

D. Tools used for Analysis

The data collected was analyzed through Percentages, Chi-square test and Weighted Average Method is applied for the analysis of data.

E. Analysis and Interpretation of Data
Above table which indicates demographic wise distribution of respondents. Majority (56%) of the respondents are male & (52%) of customers are post graduate level. Most of the ATM holders belong to the age group of 31 to 40 (32%). Percentage of Private employees is maximum 29% and 39 respondents are having monthly income above Rs. 30,000.

### F. Hypothesis Testing

1. **H01** = There is no relationship between gender of respondents and their awareness level about ATM services.

2. **H02** = There is no relationship between age group of respondents and their awareness level about ATM services.

3. **H03** = There is no relationship between income level of respondents and their awareness level about ATM services.

4. **H04** = There is no relationship between education level of respondents and their awareness level about ATM services.

### Table 2: Awareness Level of ATM Services

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Factor/Not Aware</th>
<th>Partially Aware</th>
<th>Fully Aware</th>
<th>Fully Aware but unsure feeling</th>
<th>Test</th>
<th>Calculate d Value</th>
<th>Degree of Freedom</th>
<th>Level of Significance</th>
<th>Tabulate d Value</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ho1</td>
<td>Gender</td>
<td>Male</td>
<td>22</td>
<td>16</td>
<td>19</td>
<td>10</td>
<td>Chi-Square 6.97</td>
<td>3</td>
<td>5%</td>
<td>7.815</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Female</td>
<td>11</td>
<td>20</td>
<td>15</td>
<td>07</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ho2</td>
<td>Age Group</td>
<td>Below 20</td>
<td>03</td>
<td>02</td>
<td>04</td>
<td>05</td>
<td>Chi-Square 10.38</td>
<td>9</td>
<td>5%</td>
<td>16.919</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21–30</td>
<td>06</td>
<td>10</td>
<td>09</td>
<td>08</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>31 – 40</td>
<td>08</td>
<td>07</td>
<td>16</td>
<td>07</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above 40</td>
<td>05</td>
<td>11</td>
<td>10</td>
<td>09</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ho3</td>
<td>Income Level</td>
<td>Below Rs. 10,000</td>
<td>04</td>
<td>06</td>
<td>11</td>
<td>05</td>
<td>Chi-Square 15.8</td>
<td>9</td>
<td>5%</td>
<td>16.919</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs. 10,001-20,000</td>
<td>02</td>
<td>10</td>
<td>08</td>
<td>09</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs. 20,001-30,000</td>
<td>03</td>
<td>13</td>
<td>09</td>
<td>05</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Above Rs.30,000</td>
<td>00</td>
<td>18</td>
<td>12</td>
<td>09</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ho4</td>
<td>Educational Level</td>
<td>HSL (+12)</td>
<td>21</td>
<td>12</td>
<td>18</td>
<td>11</td>
<td>Chi-Square 30.68</td>
<td>9</td>
<td>5%</td>
<td>16.919</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Graduate Level</td>
<td>04</td>
<td>08</td>
<td>06</td>
<td>09</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Post Graduate Level</td>
<td>00</td>
<td>07</td>
<td>03</td>
<td>07</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Professioanl Level</td>
<td>00</td>
<td>09</td>
<td>01</td>
<td>04</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source: Primary Data**

The above table clearly stated that Age group, Gender, Income level of the respondents doesn’t affect their awareness level about ATM services but Educational level of the respondents does affect their awareness level about ATM services.

### G. Problems Face by Customers

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Factor/Not Aware</th>
<th>Partially Aware</th>
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<th>Level of Significance</th>
<th>Tabulate d Value</th>
<th>Results</th>
</tr>
</thead>
</table>

Table 3: Ranking of Problems Faced by Customers
Network failure.

4. ATM card was damaged.

5. Forgot ATM PIN number.

6. ATM computer shows too such withdrawals on the same day.

7. Lost ATM card.


10. Wrong information in the statement.

11. No print out of statement.

12. No power pack up.

The table shows that most of the respondents faced network failure problem ranked first, while least preference is given to ATM card was damaged.

H. Findings

1. Most of the respondents (32%) belong to the age group of 31 to 40 years.
2. Majority (56%) of the respondents are male categories.
3. Most of the respondents (52%) are post graduate level.
4. Nearly (32%) of the respondents are monthly income is above Rs. 30,000.
5. (68%) of the respondents are availing ATM services formore than 2 years.
6. (54%) of the respondents using ATM service 2 to 5times in a month.
7. Nearly (72%) of the respondents opined that ATM service was preferred for quick cash withdrawal.
8. Majority of the customers (84%) said that there is no inconvenience in operating ATM.
9. Maximum days (10-20) taken by the bank solve ATM related problems.
10. Nearly (60%) of the respondents are satisfied with the limit of withdrawal per day.
11. Most of the respondents (96%) are fully satisfied with ATM services.
12. Most of the respondents (62%) are not satisfied with the long queuing at ATM counter.
13. Most of the respondents are facing network related problem while using ATM.

VII. SUGGESTIONS

1. The limit amounts withdrawing cash per day may be increased.
2. It was responded that the ATM services should be extended to the rural population.
3. Transactions and withdrawals are made every now and then thus additional ATMs may be installed in order to minimize customer's transaction time.
4. Network connections are to be made effective so that they can integrate well with other World Area Network (WAN) and Local Area Network (LAN) technologies.
5. A proper display board should depict all the necessary information on the operation procedures of the ATM.
6. To provide free training programme and adequate guidance to use of ATM cards to avoid problems faced by customers.
7. Customers satisfaction is very important factor so proper security facility made at the ATM counter.
8. The respondents were not satisfied with the availability of complaint book, location aspect and number of ATMs in the town. They have made strong recommendations regarding these points when they were asked to do so.
9. Non-functioning or failure of the ATM machine was the negative remark made by the ATM users.
10. The positive association between the age group of the respondents and purpose of using ATM cards was well accepted by the study.

CONCLUSION

It was found that ATM services of State Bank of India (SBI) in Salem District has well received and utilized by the customers. It was revealed withdraw in cash through ATM was very convenient and majority of the respondents had used ATM services regularly. With regard to purpose more weight age was given to ‘withdrawal’ facility of ATM. The positive association between the age of the respondents and purpose of using ATM cards was well accepted by the study. The study has demonstrated that a considerable number of customers have access to this machine and are consequently utilizing them for multi-purpose transactions, despite its challenges and shortcomings. It is important to note that most of the people
using the machine are young person. The conclusion that may be reached here is that young people today are the drivers of emerging technologies in a developing area. The well organized and planned performance of the State Bank of India (SBI) in the area of ATM cards is clearly supported by this study.

References


