An Assessment of Customer Satisfaction and Net Banking Services in Select Banks with Special Reference to ATM Services

Mr. Sonesh Malik,

Research Scholar,
Pt. JNIBM, Vikram University,
Ujjain, Madhya Pradesh, India.

Dr. D. D. Bedia,

Director and Supervisor,
Pt. JNIBM, Vikram University,
Ujjain, Madhya Pradesh, India.

ABSTRACT

Present research is based on empirical evidences collected through the customers' survey regarding to the customers Satisfaction in internet banking services with special reference to ATMs services of some select banks. It is an effort to examine the relationship between the demographics and customers' satisfaction in internet banking. Present research shows that, demographics of the customers' are one of the most important factors which influence the use of internet banking services. Overall results show that percentage of Males, Urban people, younger persons, Salaried people are more satisfied with Availability of Proper Assistance at ATMs, for using the ATMs, more secured using ATMs' for making transactions and towards Balance check than other income groups. As women folks are not outgoing, there should be educational programs for all age group and all income group females, so that they become more prone to internet banking services. The banks should proactively monitor customers' preferences with regard to use of this delivery channel for effective response. Bank should focus on important aspects of security and privacy as well as efficient operation of ATMs. Banks should also augment and diversify their offerings through ATM and use this medium to build a strong and sustained relationship with customers. Therefore, banks should concentrate their efforts on these dimensions for cater better ATM service to satisfy their customers.

Keywords: Net Banking, Automated Teller Machine, Customer Satisfaction and ATM Services.

INTRODUCTION:

The recent development of information technology has led to major changes in the way services are delivered to the customers. Nowadays, customers are using more and more self-service options, which are more convenient and fast. In addition, the advent and use of the Internet has changed considerably the daily activities of most people, such as shopping and banking. The popularity of banking services delivered over the Internet (online banking services) is increasing in recent years (Fredriksson, 2003).

As far as banks in particular are concerned, during the second half of 1990s, the way of operating in the banking industry has undergone a fundamental change because of the advent of the Internet (Gunasekaran& Love, 1999). Taking into consideration the huge investments banks make in Internet infrastructure, customer satisfaction and retention are turning into the crucial factors for success in online banking meaning that the generation of positive customer value on the Internet requires the establishment of long-term customer relationships (Bauer, Hammerschmidt& Falk, 2005). Customer satisfaction is a critical issue in the success of any business system, traditional or online. In a turbulent e-commerce environment, in order to sustain the growth and market share Internet companies need to understand how to satisfy customers, since customer satisfaction is critical for establishing long term client relationships (Peterson et al 1997).

Internet banking is both a process and product electronic innovation (Chang 2004). It enables customers to handle their banking transactions online, without physical visits to the bank. The increased use of online banking services has many advantages for both customers and banks. For customers, E-banking services allow

them to have better overview of their banking business and help them to manage their banking transactions more conveniently and fast. The history of ATM can be traced back to the 1960s, when the first ATM machine was invented by John Shepherd- Barron. That machine used by Barclays Bank (Barclays Bank in Enfield Town in North London, United Kingdom) in 27 June 1967. An automated teller machine (ATM) or automatic banking machine (ABM) is a computerised telecommunications device. It provides the clients of a financial institution with access to financial transactions in a public space without the need for a cashier, human clerk or bank teller.

LITERATURE REVIEW:

Khan, Muhammad Asif (2010) in his study "An Empirical Study of Automated Teller Machine Service Quality and Customer Satisfaction in Pakistani Banks" investigates significant dimensions of ATM (automated teller machine) service quality and its effect on customer satisfaction. Mobarek, Asma (2009) in her article "E-Banking Practices and Customer Satisfaction - A Case Study in Botswana" cleared that Banks' external environment, including globalization and deregulations, have made the banks highly competitive. Banks find it difficult to compete on price, and need to look at other ways to retain customers. Sultan Singh, Ms. Komal (2009). Impact of ATM on Customer Satisfaction (A Comparative Study of SBI, ICICI & HDFC bank) presents the impact of ATM on customer satisfaction. This is a comparative study of three major banks i.e. State Bank of India, ICICI bank and HDFC bank.

Hamadi, Chakib (2010) in his article "The Impact of Quality of Online Banking on Customer Commitment" demonstrates the existence of a causal relationship between perceived quality, satisfaction and commitment in the context of online banking. The results show that the perceived quality heavily influences the commitment of customers and that this effect is direct and not mediated by satisfaction.

Nittala, Rajyalakshmi and Kameswari, Vijaya (2011) in their article "Service Quality and Customer Satisfaction in State Bank of India" have suggested that Several studies have been carried out by various researchers of India and abroad, to find out the various service quality factors that lead to customer satisfaction.

OBJECTIVES OF THE STUDY:

This paper focuses on exploring the major factors that influence the adoption of information technology in select banks of Madhya Pradesh. The researcher tried to examine and evaluate various net banking services influenced by various demographic variables. Following are the main objectives of the study:

- To examine the impact of net banking services in select banks of Madhya Pradesh with special reference to ATM services.
- To Asses the customers satisfaction on ATM services with various Demographic Variables.
- To study the customers satisfaction on ATM services with regard to various locations.
- To know the importance of availability of proper assistance at ATM locations.
- To study whether ATMs are secured for making transactions.
- To evaluate the usage of ATM for Balance check/Money withdrawal.
- To know the satisfaction level of customer towards the limit of amount withdrawal single time/ day.

SAMPLE AND TOOLS FOR DATA ANALYSIS:

The researcher finalized 300 samples for the study from urban & rural areas of three major cities of Madhya Pradesh as Indore, Ujjain and Dewas.

The researcher have taken the net banking users from following select banks and tried to distribute questionnaire to Internet Banking Service Users from six select banks namely ICICI bank, IDBI bank, SBI bank, HDFC bank, Punjab National bank and State bank of Indore.

A 5-point Likert-Scale (1= strongly agree and 5= strongly disagree) was used. Their agreement and disagreement with a series of statements that characterize the satisfaction level of customers on ATM services in the prescribed study of universe. The data collected has been analysed and tables are formulated on Microsoft Excel and all the analysis of the collected data has been done with the help of SPSS 17th Version.Researcher tested the significance of variables with services by applying Chi-Square test.

DATA ANALYSIS AND INTERPRETATION:

Descriptive analysis has been adapted in this study. It is descriptive because descriptive data has been collected through detailed interviews and it is also explanatory since the researcher explained the relationship between the demographic variables and customer satisfaction and how these dimensions affect customer satisfaction.

Table 1: Satisfaction Towards Availability of Proper Assistance at ATMs

Demographic Variables	Level of Significance	No. of Rows	No. of Columns	Degrees of Freedom	p-Value	Calculated value	Result
Gender	0.05	2	5	4	0.011	13.093	Reject H0
Age	0.05	4	5	12	0.001	34.718	Reject H0
Area	0.05	2	5	4	0.045	9.755	Reject H0
Profession	0.05	4	5	12	0.024	23.466	Reject H0
Income	0.05	4	5	12	0.005	28.479	Reject H0

Table 1 reveals that at 5 % level, the p-Value of Chi-Square (X2) is less than .05 for all demographic variables such as Gender, Age, Area, Profession and Income. While studying the above tables, it is clear that Mostly the Males who fall in the age group of 20-30 years situated in Urban area and those who are employed and comes in the Income group of 150,000-200,000 are agree towards the availability of proper assistance at ATMs. Hence, the researcher rejects the Null Hypothesis H0 i.e." There is no significance between Demographic Variables and Availability of Proper Assistance at ATMs" and accept H1 i.e. "There is significance between Demographic Variables and Availability of Proper Assistance at ATMs".

Table 2: Satisfaction Towards Easy Accessibility of ATM Locations

Demographic Variables	Level of Significance	No. of Rows	No. of Columns	Degrees of Freedom	p-Value	Calculated value	Result
Gender	0.05	2	5	4	0.031	4.653	Reject H0
Age	0.05	4	5	12	0.013	25.396	Reject H0
Area	0.05	2	5	4	0.043	9.846	Reject H0
Profession	0.05	4	5	12	0.019	24.176	Reject H0
Income	0.05	4	5	12	0.005	28.479	Reject H0

Table 2 states that at 5 % level, the p-Value of Chi-Square (X2) is less than .05 for all demographic variables such as Gender, Age, Area, Profession and Income. While Studying the above table, it clearly states that the percentage of Urban people for using the ATMs is more and they find the ATM at very close locations in their places so, the location of ATMs in urban areas is comparatively close than the rural areas. Also the Males who fall in the age group of Above 40 years and which are salaried and fall in the income group of Above 200,000 are agree towards the above said fact. Hence, the researcher rejects the Null Hypothesis H0 i.e." There is no significance between Demographic Variables and The Easy Accessibility of ATM Locations" and accept H1 i.e. "There is significance between Area and The Easy Accessibility of ATM Locations".

Table 3: Satisfaction Towards Always Use ATM for Balance Check

Demographic Variables	Level of Significance	No. of Rows	No. of Columns	Degrees of Freedom	p-Value	Calculated value	Result
Gender	0.05	2	5	4	0.001	17.992	Reject H0
Age	0.05	4	5	12	0.000	14.389	Reject H0
Area	0.05	2	5	4	0.027	8.438	Reject H0
Profession	0.05	4	5	12	0.001	34.506	Reject H0
Income	0.05	4	5	12	0.025	23.381	Reject H0

Table 3 clearly shows that at 5 % level, the p-Value of Chi-Square (X2) is less than .05 for all demographic variables such as Gender, Age, Area, Profession and Income. The above table shows that the percentage of Salaried persons for using the ATMs is more, their usage of ATMs' towards Balance check is also comparatively more than other professional groups. While Studying the above table, the people belong to Rural areas use the ATMs more for the balance check also people who fall in the Age group of Below 20 years and unemployed use this service more frequently than others. Gender does not have much impact towards the fact. Hence, the researcher rejects the Null Hypothesis H0 i.e." There is no significance between Demographic Variables and Always Use ATM for Balance Check" and accept H1 i.e. "There is significance between Demographic Variables and Always Use ATM for Balance Check".

Table 4: Satisfaction Towards Limit of Total Amount Withdrawal Single Time

Demographic Variables	Level of Significance	No. of Rows	No. of Columns	Degrees of Freedom	p-Value	Calculated value	Result
Gender	0.05	2	5	4	0.001	18.163	Reject H0
Age	0.05	4	5	12	0.000	34.907	Reject H0
Area	0.05	2	5	4	.015	17.537	Reject H0
Profession	0.05	4	5	12	.000	41.230	Reject H0
Income	0.05	4	5	12	.019	24.289	Reject H0

Table 4 shows that at 5 % level, the p-Value of Chi-Square (X2) is less than .05 for all demographic variables such as Gender, Age, Area, Profession and Income. The above clearly states that the percentage of Self-Employed respondents from the Income group above 200,000 for using the ATMs is more, they are also satisfied with the limit of total amount withdrawal in single time from ATMs' than other income groups. The particular service does not get much influence with the Area but the respondents of Age group 30-40 years and mostly Males use this service more as compared to others. Hence, the researcher rejects the Null Hypothesis H0 i.e." There is no significance between Demographic Variables and Limit of Total Amount Withdrawal Single Time" and accept H1 i.e. "There is significance between Demographic Variables and Limit of Total Amount Withdrawal Single Time".

Table 5: Satisfaction Towards Limit of Total Amount Withdrawal Single Day

Demographic Variables	Level of Significance	No. of Rows	No. of Columns	Degrees of Freedom	p-Value	Calculated value	Result
Gender	0.05	2	5	4	.011	18.163	Reject H0
Age	0.05	4	5	12	.012	25.572	Reject H0
Area	0.05	2	5	4	.045	9.755	Reject H0
Profession	0.05	4	5	12	.024	23.466	Reject H0
Income	0.05	4	5	12	.007	27.239	Reject H0

Table 5 shows that at 5 % level, the p-Value of Chi-Square (X2) is less than .05 for all demographic variables such as Gender, Age, Area, Profession and Income. The above clearly states that the percentage of respondents from the Income group above 200,000 for using the ATMs is more, they are also satisfied with the limit of total amount withdrawal in single day from ATMs' than other income groups. Age and profession does not affect this service much but it is also gender biased as more Males who belong to urban areas use it much. Hence, the researcher rejects the Null Hypothesis H0 i.e." There is no significance between Demographic Variables and Limit of Total Amount Withdrawal Single Day" and accept H1 i.e. "There is significance between Demographic Variables and Limit of Total Amount Withdrawal Single Day".

TESTING OF HYPOTHESES:

ANOVA-The ANOVA tests the null hypothesis that samples in two or more groups are drawn from populations with the same mean values.

Demographic Variables	Descriptives								
	Total Count	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Mini mum	Maxi mum
						Lower Bound	Upper Bound		
Gender Male		207	41.005	2.89375	0.201	40.608	41.401	33	45
Female		93	26.387	5.7767	0.599	25.197	27.577	13	42
Total		300	36.473	7.86738	0.454	35.58	37.367	13	45
Area Rural		29	40.000	4.38341	0.814	38.333	41.667	31	45
Urban		271	37.827	5.142	0.312	37.212	38.442	26	45
Total		300	38.037	5.10773	0.295	37.456	38.617	26	45

Demographic Variables	Descriptives								
	Total Count	**N**	**Mean**	**Std. Deviation**	**Std. Error**	**95% Confidence Interval for Mean**		**Mini mum**	**Maxi mum**
						Lower Bound	**Upper Bound**		
Age	Below 20 Years	13	41.462	2.66506	0.739	39.851	43.072	38	45
	20-30 Years	146	38.452	5.3538	0.443	37.576	39.328	26	45
	30-40 Years	82	38.012	5.02707	0.555	36.908	39.117	28	45
	Above 40 Years	59	36.288	4.46075	0.581	35.126	37.451	29	45
	Total	**300**	**38.037**	**5.10773**	**0.295**	**37.456**	**38.617**	**26**	**45**
Profession	Salaried	172	38.576	4.7769	0.364	37.857	39.295	28	45
	Employed	64	36.125	5.32291	0.665	34.795	37.455	28	45
	Self-Employed	19	37.684	4.33401	0.994	35.595	39.773	30	44
	Unemployed	45	38.844	5.76019	0.859	37.114	40.575	26	45
	Total	**300**	**38.037**	**5.10773**	**0.295**	**37.456**	**38.617**	**26**	**45**
Income	50,000-100,000	78	36.205	5.01778	0.568	35.074	37.337	25	45
	100,000-150,000	45	40.756	2.94769	0.439	39.87	41.641	35	45
	150,000-200,000	69	40.928	3.71531	0.447	40.035	41.82	30	45
	Above 200,000	108	24.065	10.4866	1.009	22.065	26.065	10	44
	Total	**300**	**33.603**	**10.2451**	**0.592**	**32.439**	**34.767**	**10**	**45**

ANOVA

Variables		Sum of Squares	df	Mean Square	F	Sig.
Gender	Between Groups	13711.73	1	13712	852.15	0
	Within Groups	4795.06	298	16.091		
Area	Between Groups	123.748	1	123.748	4.804	0.029
	Within Groups	7676.849	298	25.761		
Age	Between Groups	358.112	3	119.371	4.748	0.003
	Within Groups	7442.485	296	25.144		
Profession	Between Groups	315.563	3	105.188	4.16	0.007
	Within Groups	7485.034	296	25.287		
Income	Between Groups	16357.6	3	5452.53	107.409	0
	Within Groups	15026.2	296	50.764		

The hypothesis test for analysis of variance for 300 populations:

H$_0$: $\mu_1 = \mu_2 = ... = \mu 300$

H$_a$: not all μ_i (i = 1, ... 300) are equal

A one-way ANOVA between Demographic Variables and ATM Services was conducted to examine the effect of Gender, Age, Area, Profession and Income on the usage of Internet Banking Services with reference to ATM.

The test statistic is seen to be = 852.15 for Gender, 4.804 for Area, 4.748 for Age, 4.16 for Profession and 107.409 for Income with the p-value < .05 for all the variables.

The above table shows the Sig. Value for all the demographic variables viz. Gender is 0.000, for Area .029, for Age .003, for Profession .007 and for Income 0.000 which states that since the value is less than the .05, thus researcher can conclude with the significance of Demographic Variables with various ATM services.

Hence, the researcher rejects the Null Hypothesis H0 i.e." There is no significance between Demographic Variables and Various ATM services" and accept H1 i.e. "There is significance between Demographic Variables and Various ATM services".

CONCLUSION:

A result of data analysis and hypothesis tests indicates that all dimensions are same in select banks. Overall results show that ATM services are core service and it significantly affecting on overall customer satisfaction. The rapid diffusion of Information and communication Technology banking sector provides a platform to use

innovative technologies to enhance operational efficiency and quality of service to attain and retain customers. The rapid growth in use of ATMs offers opportunities to banks to use customers' passion for this innovative service for strategic advantage. The banks should proactively monitor customers' preferences with regard to use of this delivery channel for effective response. Bank should focus on important aspects of security and privacy as well as efficient operation of ATMs. Banks should also augment and diversify their offerings through ATM and use this medium to build a strong and sustained relationship with customers. Therefore, banks should concentrate their efforts on these dimensions for cater better ATM service to satisfy their customers.

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