



AN EMPIRICAL STUDY OF ATTITUDE AND BEHAVIOUR OF CUSTOMERS AND BANK EMPLOYEES TOWARDS ATM BANKING SERVICES IN URBAN REGION OF EASTERN UTTAR PRADESH

Dr. Bimal Jaiswal* Ms. Shiva Manoj*

*Senior Lecturer, Department of Applied Economics, Faculty of Commerce, University of Lucknow, Lucknow, U.P.

**Research Scholar, WISDOM, Banasthali Vidyapith, Rajasthan.

Abstract

ATMs have made hard cash just seconds away all throughout the day at every corner of the globe. ATMs allow you 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-strip card and personal identification number issued by the financial institution. The Indian ATM industry has seen explosive growth in recent times. The research paper is based on primary and secondary data and aims at analyzing the responses of bank customers towards ATM banking in urban areas of eastern Uttar Pradesh.

Keywords: technology, plastic money, hard cash, bulk transactions, economy of time.

1.1 Introduction

Automated teller machines (ATMs) were the first well-known machines to provide electronic access to customers. With advent of Automatic Teller Machines (ATM), 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. ATMs have made hard cash just seconds away all throughout the day at every corner of the globe. ATMs allow you 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-strip card and personal identification number issued by the financial institution. The Indian ATM industry has seen explosive growth in recent times. ATMs represent the single largest investment in the electronic channel services for the Banks. In India, HSBC set the trend and set up the first ATM machine here in 1987. Since then, they have become a common sight in many of our metros. Automated Teller Machines (ATMs) have gained prominence as a delivery channel for banking transactions in India. 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. Clearly, industry watchers forecast a bright future for ATMs in India. While the ATM is a great service for customers, for the banks it means immense savings on the cost of operations. (Singh & Komal, 2009)

2.1 Literature Review

In recent years, with the wide utilization of internet technology it is necessary to raise ATM security. However, the internet communication will be exposed there by unwanted people allow to do different kinds of attacks on ATM System. Some of the threats affected to the ATM are Eavesdropping spoofing, Skimming Attack, Card Trapping, PIN Cracking, Phishing Attack ATM Malware, ATM hacking, etc. This point is raised by Lavanya and Raju. (2013) Sachan (2008) highlights the ATM development strategies for the Indian markets. The study results indicate that ATM Breakdown, ATM Functionality and ATM Location are the three most important factors for the ATM users. Banks can devise niche strategies to serve the specialist markets. A study shows that Mean values are more than 2.5 in all the cases, indicates that people of Bihar are satisfied from ATM service of various public and private sector banks. Results indicate that Convenience" has the highest mean score implying that it is the most important dimension of service quality. Thereafter Responsiveness and Accessibility are next important dimensions of service quality. This study attempts to find out the satisfaction level of customers in ATM services in Bihar. For this purpose primary data was collected from 100 respondents of different bank ATM users of Bihar. Data was tested for normality and reliability and then analyzed to meet the objectives. (Barun Kumar Jha, Shilpa Sureka and Shitika, 2014) According to a study, a high degree of association between the ratio of the number of ATMs to the number of tellers and the ratio of the cost per ATM to the cost per teller is seen. The degree of substitutability of the teller by the ATM is quite high at 0.56, predicting the eventual replacement of the teller by the ATM. Also the simultaneous decrease in the cost per ATM and the increase in the teller wage bill have led to the rapid spread of ATMs. This shows that IT investment is indeed important in the Indian banking sector. (Kumar et al, 2010) A study conducted on Challenges of Automated Teller Machine (ATM) Usage and Fraud Occurrences in Nigeria shows that most victims of ATM fraud are students and ATM users who are not aware of any incidence of ATM fraud. A total of 83 females (55. %) and 67 males (44.7%) from the three



banks participated in the study. From the data gathered in obtaining the most victims of ATM fraud, 41 respondents out of 67 respondents of the male have ever been a victim of ATM fraud. 24 out of 83 respondents of the female have been a victim of ATM fraud. This implies that the males are the major victims of ATM fraud from the study. Also, 33 out of the 60 respondents of the students have ever been a victim of ATM fraud, 7 out of the 20 respondents of business men/women have been a victim of ATM fraud. The age ranges that are most victims of ATM fraud are respondents of age between 21- 25 years. (Adepoju et al, 2010).

3.1 Objectives of study

To study customers' and bank employees' attitude and perception towards ATM banking services offered by Private and Public Sector banks in Eastern U.P.

4.1 Methodology of study

The study revolves around the core idea of understanding the attitude and perception of bank customers and bank employees towards ATM banking services offered by Private and Public Sector banks in Eastern U.P. As the study being undertaken was for academic purposes and considering the time factor, deductive methodology was considered a feasible choice. In this study, various tables, charts, figures, graphs and other statistical tools were used to systematically analyze and interpret the information gathered. Factor analysis was used to find out important correlated few variables with respect to bank customers and bank employees towards. Results of the factor analysis were put through the Cronbach's Alpha reliability test. The hypothesis was tested using ANOVA. In this research study, information was collected from both primary and secondary sources. Survey method was used to collect information from bank customers and employees. For this research self-developed structured questionnaires were floated to the chosen sample. Two questionnaires were designed to meet the objectives of the study. One questionnaire was for bank employees and other questionnaire was for customers. The responses again are measured on a five-point Likert Scale. Questionnaires were administered manually at various branches at Lucknow, Gonda, Basti, Bahraich, etc. with the permission of bank staff for employees' data. Similarly, questionnaires were circulated among various age group bank customers through e-mails, manually, etc. Overall, 300 questionnaires were distributed among customers, out of which only 210 could be used for analysis. To collect bank employees' data, 200 questionnaires were distributed, out of which only 106 could be worth used. Branches of banks to get data of bank employees were selected on convenience sampling basis.

5.1 Hypotheses

Following hypothesis have been framed in this study: Customers are not satisfied with ATM banking services offered by Public and Private Sector banks in Eastern U.P.

1. Employees are not satisfied with ATM banking services offered by Public and Private Sector banks in Eastern U.P.

6.1 Data analysis and interpretation

6.1.1 Customers' Profile with respect to Type of Bank with which the respondent is associated:

Type of bank is an important factor in the study. In the research sample, respondents are from public and private sector banks. Respondents from public sector banks (51.4%) are comparatively higher than private sector banks (48.6%). It is evident from the table below (Table 1) that composition of respondents from both the categories is not much different. It is seen that type of banking services differ in quality and responsiveness from bank to bank.

Type of Bank	
Type of Bank	Percent
Public	51.4
Private	48.6
Total	100.0

Table 1

6.1.2 Customers' Profile with respect to Age

In the research, sample consists of respondents belonging to different age groups. The table below (Table 2) presents the age composition of the sample under study. It is found from the table that the respondents belong to different age groups and the age ranges from below 18 years to 60 years and above. Young, grown up, experienced, old aged, i.e. all categories of bank customers were included in the sample. It is also evident from the table that the highest percentage of respondents (32.4 %) are in the 21-25 age group.



were from the age group of above 35-45 years, the second highest percentage (29%) was from the age group of 25-35 years, 14.7% was the age group of 18-25 years, 13.7% from the age group 45-60years and lowest was for the age group above 60 years of age (10.2%). It is clear that the majority segment of the population used for the study has respondents belonging to age group of 35-45 years which means that the respondents are highly grown up and also experienced. This factor plays an important role in identifying the response towards innovative banking products and services.

Age of the customers

Age Group	Percent
18-25 years	14.7
25-35 years	29.0
35-45 years	32.4
45-60 years	13.7
60 years above	10.2
Total	100.0

Table 2

6.1.3 Factor Analysis and Reliability test

Factor analysis is a statistical method used to study the dimensionality of a set of variables. The ATM banking factor in case of bank employees (ATM 1) which covers all the six variables like ATMs conveniently located in various areas, easy and simple to operate and handle ATM machines, availability of sufficient number of ATMs, non-occurrence of problems like cards get blocked, machine out of cash, non -printing of statement, machine out of order, long waiting time in queues, reduction in balance without cash payment, quality of notes (currency) is high provided by the ATM and adequate safety and security against various threats and losses. These variables were easily clustered in one main variable and all variables loaded significantly on this factor. In case of employees, (ATM2) is factor which covers all the six variables like adequate safety and security, quality of notes dispensed through ATMs, sufficient number of ATMs in an area, easy and simple in operations, etc. The Cronbach's alpha value in case of customers is 0.897 and in case of bank employees is 0.932. This means that the questionnaire is reliable and is feasible to use.

6.1.4 Testing of Hypothesis

It is seen that hypothesis is rejected on ATM 1 and ATM 2 factors as the value of 'F' is 4.551 and 3.674 respectively insignificant at 0.001 and 0.003. Thus, null hypotheses are rejected and alternate hypothesis is accepted that bank customers and employees are satisfied with ATM banking services provided by public and private sector banks.

6.1.5 Bank employees' Profile with respect to Type of Bank of which the respondent is employee

From the table below (Table 3), it can be seen that bank employees from both type of banks have been taken. It is evident from the table and figure below that composition of employees from public sector banks is 55.2% and from private sector banks is 44.8%. Overall the study is based on the responses given by a mix of employees from two categories of banks.

Type of Bank

Type of Bank	Percent
Public	55.2
Private	44.8
Total	100.0

Table 3

6.1.6 Customers' Responses towards ATM Banking Services

ATMs of your bank are conveniently located in various areas of your city to perform banking operations as and when required irrespective of the time when access to the ATM required.

		Percent
Valid	Strongly Disagree	2.5
	Disagree	7.5
	Neutral	15.1



	Agree	62.5
	Strongly Agree	12.4
	Total	100.0

Table- 4,Your bank has provided sufficient number of ATMs in your city so that you do not face problems of long line-ups and delayed banking operations.

		Percent
Valid	Strongly Disagree	1.8
	Disagree	10.6
	Neutral	16.9
	Agree	60.2
	Strongly Agree	10.6
	Total	100.0

Table 5,You do not face problems regarding your bank ATM like cards get blocked, machine out of cash ,non - printing of statement ,machine out of order, long waiting time in queues, reduction in balance without cash payment ,etc.

		Percent
Valid	Strongly Disagree	1.2
	Disagree	13.3
	Neutral	16.3
	Agree	62.4
	Strongly Agree	6.9
	Total	100.0

Table 6,It is easy and simple to operate and handle ATM machines and not much learning is required prior to use irrespective of your age and capacity to learn on how to operate them.

		Percent
Valid	Strongly Disagree	3.3
	Disagree	10.2
	Neutral	14.1
	Agree	64.3
	Strongly Agree	8.0
	Total	100.0

Table 7,The quality of notes (currency) is high provided by the ATM of your bank.

		Percent
Valid	Strongly Disagree	2.7
	Disagree	11.0
	Neutral	15.9
	Agree	60.6



Strongly Agree	9.8
Total	100.0

Table 8,Your bank provides adequate safety and security against various threats and losses to you by providing physical and technological security measures in the ATM cabins.

		Percent
Valid	Strongly Disagree	3.7
	Disagree	10.4
	Neutral	16.7
	Agree	54.3
	Strongly Agree	14.9
	Total	100.0

Table 9

Table 4,5,6,7,8 and 9 above show that majority of the customers strongly feel that ATMs are conveniently located in their areas, feel that it is easy and simple to operate and handle ATM machines and not much learning is required prior to use irrespective of your age and capacity to learn on how to operate them, feel that their bank provides adequate safety and security against various threats and losses to you by providing physical and technological security measures in the ATM cabins, feel that sufficient numbers of ATMs are provided in their area.

6.1.7 Bank employees Responses towards ATM Banking Services

The ATMs of your bank are conveniently located in various areas of your city to perform banking operations as and when required irrespective of the time when access to the ATM required.

		Percent
Valid	Strongly Disagree	11.8
	Disagree	16.7
	Neutral	19.6
	Agree	38.9
	Strongly Agree	13.1
	Total	100.0

Table 10,

Your bank has provided sufficient number of ATMs in your city so that customers do not face problems of long line-ups and delayed banking operations.

Table 11,

		Percent
Valid	Strongly Disagree	12.4
	Disagree	19.0
	Neutral	18.3
	Agree	38.9
	Strongly Agree	11.4
	Total	100.0



You do not face problems regarding your bank ATM like cards get blocked, machine out of cash ,non -printing of statement ,machine out of order, long waiting time in queues, reduction in balance without cash payment ,etc.

		Percent
Valid	Strongly Disagree	9.8
	Disagree	17.0
	Neutral	22.5
	Agree	33.7
	Strongly Disagree	17.0
	Total	100.0

Table 12

It is easy and simple to operate and handle ATM machines and not much learning is required prior to use irrespective of your age and capacity to learn on how to operate them.

		Percent
Valid	Strongly Disagree	14.1
	Disagree	15.4
	Neutral	14.7
	Agree	39.5
	Strongly Agree	16.3
	Total	100.0

Table 13,

The quality of notes (currency) is high provided by the ATM of your bank.

		Percent
Valid	Strongly Disagree	15.0
	Disagree	16.3
	Neutral	17.6
	Agree	39.5
	Strongly Agree	11.4
	Total	100.0

Table 14,

Your bank provides adequate safety and security against various threats and losses to you by providing physical and technological security measures in the ATM cabins.

		Percent
Valid	Strongly Disagree	8.5
	Disagree	19.9
	Neutral	17.0
	Agree	41.2
	Strongly Agree	13.4
	Total	100.0

Table 15



In this study, it is revealed that employees from both public sector banks and private sector banks think that ATMs of their bank are conveniently located in various areas of their city. 41.2% feel that bank provides adequate safety and security against various threats and losses by providing physical and technological security measures in the ATM cabins. 11.4% strongly agree that the quality of notes (currency) is high provided by the ATM of their bank. 16.3 % strongly feel that it is easy and simple to operate and handle ATM machines and not much learning is required prior to use irrespective of age and capacity to learn on how to operate them. (Table 10,11,12,13,14 and 15)

7.1 Findings and Conclusion

1. Type of bank is the most important component in the study. In the research, data from customers from both public and private sector banks has been collected. Respondents from public sector banks (51.4%) are comparatively higher than private sector banks (48.6%). Today it is seen that the type, range and quality of banking services, especially new and innovative, differs from bank to bank. Also, public and private sectors also differ in the above criteria. Therefore, it was must to know the attitude and views of customers availing services from both types of banks. Also, bank employees from both types of banks have been taken for study. Composition of employees from public sector banks is 55.2% and from private sector banks is 44.8%.
2. Study also shows that both bank employees and customers are satisfied with ATM banking services. They have a positive attitude towards ATM services being offered by public and private sector banks in eastern U.P.

ATMs are always available on 24 hour basis each day, 7 days a week and 365 days yearly. This implies that you don't need to have any bank branch open to deposit or withdraw cash. You can withdraw from most local and international banks. ATMs are a versatile means of transaction because they are globally accepted. Your bank just need to link up with other banks and luckily they always do that. Your money is always safe if withdrawals are done using it. This is mainly because ATM is operated using a secured PIN number. It reduces the hustle and bustle involved when doing transaction via a teller. There is no hectic filling of forms because there is no use of slips in ATMs. It is faster than queuing inside a bank. Even if there is a long queue in the ATMs, it will always proceed faster than with tellers. It can also be used in foreign countries.

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