



A STUDY ON USERS' LEVEL OF SATISFACTION TOWARDS WHITE LABEL ATMs WITH SPECIAL REFERENCE TO TIRUNELVELI CITY

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Abstract

We are living in a world that is most unstable and dynamic. World is not only changing but the rate of change is accelerating. We are experiencing change in our daily life and in marketplace too. Customer needs, wants, expectations are changing more rapidly; customers are increasingly demanding better quality and reliability in products and services; new products and services are coming to market more quickly, competition is getting more intense and global; and technology is changing rapidly. Customers are the prime focus of any organization. The most important asset that any firm, can have is customers. An organization greatly depends on how many customers it has(customer base)how they buy and how often they buy. Satisfied customers usually buy more and buy frequently. Loyal customers also act best promotional source to new customers. They tend to bring in more and more new customers through word of mouth communication. It improves the market position of the firm and also the profits. Marketing is the process of creating or reorganizing an organization to be successful in selling a product or service that people not only desire, but are willing to buy. Therefore good marketing must be able to create a "proposition" or set of benefits for the end consumer. Shopper or customer that delivers value through products or services.WLA Is a new development in banking era. Here researcher takes WLAs satisfaction among users in order to find the level of satisfaction.

Key Words: White Label, Services and Satisfaction.

Introduction

The Development and changes in banking sector in India was embracing technology to ensure financial inclusion like never before. On June 20, 2012, the Reserve Bank of India (RBI) issued guidelines to allow non-banking entities to set up, own, and operate automatic teller machines (ATMs). Called white-label ATMs (WLA), these machines are expected to increase the penetration of banking services in smaller cities and towns. Most automated teller machines (ATMs), or machines that dispense cash, are owned by banks. But ones that are owned and operated by non-banking companies are called while-label ATMs (WLAs). They function just the same way as any other bank-run ATM. Although there has been about 30% year-on-year growth in the number of ATMs deployed in the country since 2008, ATM penetration on a per capita basis continues to be less compared to other countries. There is, therefore, an abundant scope and a felt need to deploy more ATMs, particularly in Tier III to VI areas of the country

In the above context, RBI has reviewed the extant policy on ATMs and it has been decided to permit non-banks to set up, own and operate ATMs to accelerate the growth and penetration of ATMs in the country. Such ATMs will be in the nature of White Label ATMs (WLA) and would provide ATM services to customers of all banks.

Non-bank entities proposing to set up WLAs have to make an application to RBI for seeking authorization under the Payment and Settlement Systems Act 2007. Such entities should have a minimum net worth of Rs. 100 cores at the time of making the application and on a continuing basis after issue of the requisite authorization.

Only banks were allowed to set up ATMs. So there has been a 25 percent year-over-year growth in the number of ATMs is approximately 1,07,813 at present, India has one of the lowest concentrations of ATMs in the world: 63 per million people, and mostly concentrated in large cities.

Statement of the Problem

A major concern is regarding the issue of failed transaction. The inconvenience caused to customers in case of failed transactions on WLAs will have to be addressed. In case of dispute, the dispute resolution mechanism will involve three entities, namely the WLA operator, the sponsor bank of the WLA operator, and the bank of the customer. Since the WLA operators will be a non bank entity and will be running purely on profit basis, they may take long time or completely avoid timely payments on account of failed transactions. The issue of cost will discourage customers, as they will be required to pay a fee to use the white label ATMs, given that no free transactions are allowed on the WLAs. So far no state-run bank has tied up with a WLA operator, this sidelines the field of WLAs from mainstream financial inclusion agenda. The financial viability of white label ATMs is under scanner due to their low interchange fee, and high operation costs.



Objectives of the Study

The objective of the study is to analysis the user’s satisfaction towards White Label ATMs (WLAs). The study has been undertaken with the following objectives

1. To examine the level of Customer satisfaction towards WLAs in Tirunelveli city.
2. To analyze the problems faced by the customers accessing WLAs in Tirunelveli city.
3. To know the factors creating customer satisfaction towards WLAs in Tirunelveli city.

Scope of the Study

There is a huge opportunity for growth of ATM market in India. The future will see multi vendor ATM popularity, which will provide personalized features and a user friendly interface. ATM will be a popular “Public Technology”. Original equipment manufacturers and vendors will get ample scope for handling ATM machines. Modern ATMs are now capable of personalized branding, CRM applications, integrated fraud alert, customer notifications, and flexible services. This study helps to find the factors which will create and increase satisfaction towards WLAs users.

Hypothesis

H₀ _ there is no relationship between the gender and reason for using WLA.

H₀ _ There is no Mean difference between the gender and satisfaction level on WLAs.

H₀ _ There is no Mean difference between the Educational qualification and satisfaction level on WLAs.

Research Design

The researcher has been selected on Convenience sampling technique from non probability sampling method and the total number of sample was 120.

Methodology

This section describes the methodology which includes collection of data, construction of questionnaire and framework of analysis..

Tools for Analysis

Apart from the necessary tables, charts, graphs and like, suitable statistical tools are applied for analysis and interpretation.

- Percentage analysis
- Weighted Average
- Chi – Square
- T – Test
- ANOVA

Data Analysis and Interpretation

1. Relationship between the gender and reason for using WLA

In order to understand the relationship between the gender and reason for using WLA, it is proposed to utilized the tool “ χ^2 ” test .

Hypothesis

H₀ _ there is no relationship between the gender and reason for using WLA.

Table no – 1

Gender and reason for using WLA	Calculated value	Table value
		3.972

Result: Significant at 5% level.

Inference:

The calculated “ χ^2 ” value is less than the table value at 5 percent level. Therefore the null hypothesis is accepted.

The analysis leads to the conclusion that there is no relationship between the gender and reason for using WLA.

2. Mean difference between the gender and satisfaction level on WLAs:

In order to understand the Mean difference between the gender and satisfaction level on WLAs, it is proposed to utilized the tool “ t ” test .



Hypothesis

H₀_ There is no Mean difference between the gender and satisfaction level on WLAs.

Table no – 2

Gender and satisfaction level on WLAs	Calculated value	Table value
		2.656

Result: Significant at 5% level.

Inference

The calculated “ t ” value is greater than the table value at 5 percent level. Therefore the null hypothesis is accepted. The analysis leads to the conclusion that there is mean difference between the gender and satisfaction level on WLAs.

3. Mean difference between the Educational qualification and satisfaction level on WLAs:

In order to understand the Mean difference between the Educational qualification and satisfaction level on WLAs, it is proposed to utilize the tool “ANOVA” test.

Hypothesis:

H₀_ There is no Mean difference between the Educational qualification and satisfaction level on WLAs.

Table no – 3

Educational qualification and satisfaction level on WLAs	Calculated value	Table value
		2.117

Result: Significant at 5% level

Inference

The calculated “ANOVA” value is less than the table value at 5 percent level. Therefore the null hypothesis is accepted. The analysis leads to the conclusion that there is no mean difference between the Educational qualification and satisfaction level on WLAs.

Findings

- Majority 43% of the respondents use WLA because of the reason that they are nearer to their location.
- Majority 56 percent of the respondents neither agreed nor disagreed for taking lesser time than banker’s ATM.
- The weighted average value 3.4(out of 5) it reveals that majority of the respondents are neither satisfied nor dissatisfied by location of ATM centers.
- The weighted average value 3.4 (out of 5) it reveals that majority of the respondents are neither satisfied nor dissatisfied by ease of use
- The weighted average value 3.5(out of 5) it reveals that majority of the respondents are satisfied by availability of cash in WLA’s
- The weighted average value 3.4(out of 5) it reveals that majority of the respondents are neither satisfied nor dissatisfied by billing clarity.
- The weighted average value 3.4(out of 5) it reveals that majority of the respondents are neither satisfied nor dissatisfied by transaction sound alert by ATM (machine).

5.3 Suggestions

- The White Label ATM operators should take essential steps to help to the customers facing problems on ATM’s.
- Try to get Feedback from the users and develop WLAs with the help of their comments.
- Increasing number of White Label ATM particularly in rural areas.
- Customers need the security from the White Label ATM , so company may arrange secure transaction facility with in and around the ATM centre.
- From the Research the availability of ATMs is very low on Tirunelveli city so wla operators may install some more WLA in around Tirunelveli city.
- White label ATM’s services extend the values of Trust, Reliability, Security and Customer centricity.



5.4 Conclusion

The banks have played major role in setting up and encouraging usage of Automated Teller Machines (ATM's) in India. The total number of ATM s set up in India by public, private and foreign banks is around 90,000 ATM s across India, but they are mostly concentrated in the urban areas and cities. While, the other parts of country especially, the tier III to tier VI cities have not seen any substantial growth in number of ATMs, which could have popularised the personal banking in rural areas and could have played an important part in financial inclusion. Therefore, RBI has relaxed its policy about setting up of ATMs and has allowed the participation of non-banking financial institutions to set up the White Label ATMs. These White Label ATMs are owned and operated by the NBFCs while functioning just in the same way as any other bank-run ATM does. The RBI aims at expanding the reach of banking services in rural areas since the non-banking financial companies have to maintain a certain ratio of their ATMs between the rural and urban India. RBI wants to expand the ATM network to ensure financial inclusion. With more and more people indulging in personal banking and having easy access to cash, white label ATMs will deepen the reach of banking services.

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