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## A STUDY ON ATM USERS OF STATE BANK OF INDIA (SBI) IN SALEM DISTRICT

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### Abstract

*The Automated Teller Machine (ATM) has become an integral part of our life and society. ATM is effectively reached out a large customer's 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.

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### 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's-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.

### **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.

### **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?.

**Gametal (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.

### **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 directly related. Machine complexity, machine breakdown, poor quality notes, network failure, unsuitable location, forgot ATM pin number, Damaged notes, High frequency of use, safety and security are the major problems of ATM users. Sometime customers do not like ATMs because of impersonality, vision problem, fear of technologies and reluctance to change and adopt new mode of delivery of services.

### **Objectives of the Study**

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

### **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.

### **Sampling Method**

Simple Random sampling method was followed.

### **Area of the Study**

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

### **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 districting 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.

### **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.

## Analysis and Interpretation of Data

Table No: 1 Demographics of Respondents

Particulars	Frequency	Percent (%)	Cumulative percent	particulars	frequency	Percent (%)	Cumulative percent
<b>Gender</b>				<b>Educational Level</b>			
Male	67	56	56	HSL (+12)	17	14	52
Female	53	44	100	Graduate Level	27	22	74
<b>Total</b>	<b>120</b>	<b>100</b>		Post Graduate Level	62	52	88
<b>Age Group</b>				Professional Level	14	12	100
Below 20	14	12	12	<b>Total</b>	<b>120</b>	<b>100</b>	
21-30	33	27	39	<b>Occupation Level</b>			
31 – 40	38	32	71	Students Level	11	09	09
Above 40	35	29	100	Pvt. Employee	35	29	38
<b>Total</b>	<b>120</b>	<b>100</b>		Govt. Employees	18	15	53
<b>Income Level</b>				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	<b>Total</b>	<b>120</b>	<b>100</b>	
<b>Total</b>	<b>120</b>	<b>100</b>					

**Source:** Primary 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.

### Hypothesis Testing

- H01 = There is no relationship between gender of respondents and their awareness level about ATM services.
- H02 = There is no relationship between age group of respondents and their awareness level about ATM services.
- H03 = There is no relationship between income level of respondents and their awareness level about ATM services.
- H04 = There is no relationship between education level of respondents and their awareness level about ATM services.

Table No: 2 Awareness Level of ATM Services

Hypothesis	Factor Not Aware		Awareness Level of ATM Services								
			Partly Aware	Fully Aware	Fully Aware but unsecure feeling	Test	Calculated Value	Degree of Freedom	Level of Significance	Tabulated Value	Results
Ho1	Gender	Male	22	16	19	10	Chi-Square 6.97	3	5%	7.815	Accepted
		Female	11	20	15	07					
H02	Age Group	Below 20	03	02	04	05	Chi-Square 10.38	9	5%	16.919	Accepted
		21-30	06	10	09	08					
		31 – 40	08	07	16	07					
		Above 40	05	11	10	09					
H03	Income Level	Below Rs. 10,000	04	06	11	05	Chi-Square 15.8	9	5%	16.919	Accepted
		Rs. 10,001-20,000	02	06	08	09					
		Rs. 20,001- 30,000	03	09	13	05					
		Above Rs.30,000	00	18	12	09					
H04	Educational Level	HSL (+12)	21	12	18	11	Chi-Square 30.68	9	5%	16.919	Rejected
		Graduate Level	04	08	06	09					
		Post Graduate Level	00	07	03	07					
		Professional Level	00	09	01	04					

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.

### Problems Face by Customers

Table No: 3 Ranking of Problems Faced by Customers

Sl. No	Problems	Total	Weighted total	Weighted Avg.	Ranks
1	ATM might give wrong amount of cash.	120	1888	15.73	03
2	Network failure.	120	2388	19.90	01
3	There is danger of my card getting stuck in the ATM machine.	120	1070	8.92	07
4	ATM card was damaged.	120	120	1	12
5	Forgot ATM PIN number.	120	2054	17.116	02
6	ATM computer shows too such withdrawals on the same day.	120	318	2.65	11
7	Lost ATM card.	120	1036	8.60	09
8	Machine out of order.	120	1058	8.816	08
9	Machine out of cash.	120	1360	11.33	04
10	Wrong information in the statement.	120	820	6.333	10
11	No print out of statement.	120	1118	9.32	06
12	No power pack up.	120	1218	10.15	05

Source: Primary Data

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

### Findings

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

### Suggestions

- The limit amounts withdrawing cash per day may be increased.
- It was responded that the ATM services should be extended to the rural population.
- Transactions and withdrawals are made every now and then thus additional ATMs may be installed in order to minimize customer's transaction time.
- Network connections are to be made effectives so that they can integrate well with other World Area Network (WAN) and Local Area Network(LAN) technologies.
- A proper display board should depict all the necessary information on the operation procedures of the ATM.
- To provide free training programme and adequate guidance to use of ATM cards to avoid problems faced by customers.
- Customers satisfaction is very important factor so proper security facility made at the ATM counter.
- 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.

- Non-functioning or failure of the ATM machine was the negative remark made by the ATM users.
- 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.

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