



A STUDY OF CONSUMER BEHAVIOR TOWARDS ATM SERVICES

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Abstract : A bank is a financial institution that provides by and other financial service their customers. A bank is generally understood as an institution which provides fundamental banking services such as accepting deposits and providing loans. There are no banking institutions that provide certain by services without meeting the legal definition of a bank. Banks are a subset of the financial services industry. Though present research study, researcher tries the Satisfaction level and behavior of the customers for using the ATM Services of various Banks. This research is focused on consumers' behavior for ATM Services in Ahmadabad of Gujarat and their Usage and Preferences for using the ATM Services. The main source of collection of data in this study is primary data. The researcher has collected the data by structured questionnaire from 150 respondents of Ahmadabad City of Gujarat. The secondary data are collected from the articles, research papers, reference books, journals, websites another publications.

IndexTerms - ATM, Financial Services, Satisfaction, Unified Payments Interface (UPI), Financial Inclusion Initiative

I. INTRODUCTION

Consumers have different type of needs and wants, which are distinct from one another. The consumption pattern and consumer behavior also change from personal to person. The marketer offers goods and services for satisfying needs and wants of consumers. Every firm of the market works for offering goods and services to consumers effectively and efficiently and try to survive, grow and also try to give fight to rival firms. For the success of any firm a broad knowledge of consumer and their consumption behavior is needed. So Consumer Behavior is very important from marketers' point of view. Consumer behavior may be a decision process and physical activity individuals engage in when evaluating, acquiring, using or disclosing of products and services. The process by which a person is required to make a choice from various alternative options is referred as decision making. Consumer preferences narrate the reason for the alternatives people make when choosing products and services. **The American Marketing Association** has defined Consumer Behavior as "The dynamic interaction of affect and cognition, behavior, and the environment by which human being conduct the exchange aspect of their lives."The banking reforms that were initiated within the early 1990s and globalization and liberalization measures were brought during a completely new operating environment to the Bank's that were sick. The reforms have shifted focus of banks from being development oriented to being commercially variable. Bank services and products like Anywhere Banking, Tele Banking, Internet Banking-banking, E-commerce, E-business etc, became the buzzword of the day and therefore the bank's try to attractively package technology based services to their customers.

II. STRUCTURE OF INDIAN BANKING

The formal banking industry in India comprises the Federal Reserve Bank of India, Commercial Banks, Regional Rural Banks and Co-operative Banks. Within the recent past, Private non-banking finance companies even have been active within the economic system and are being regulated by the RBI.

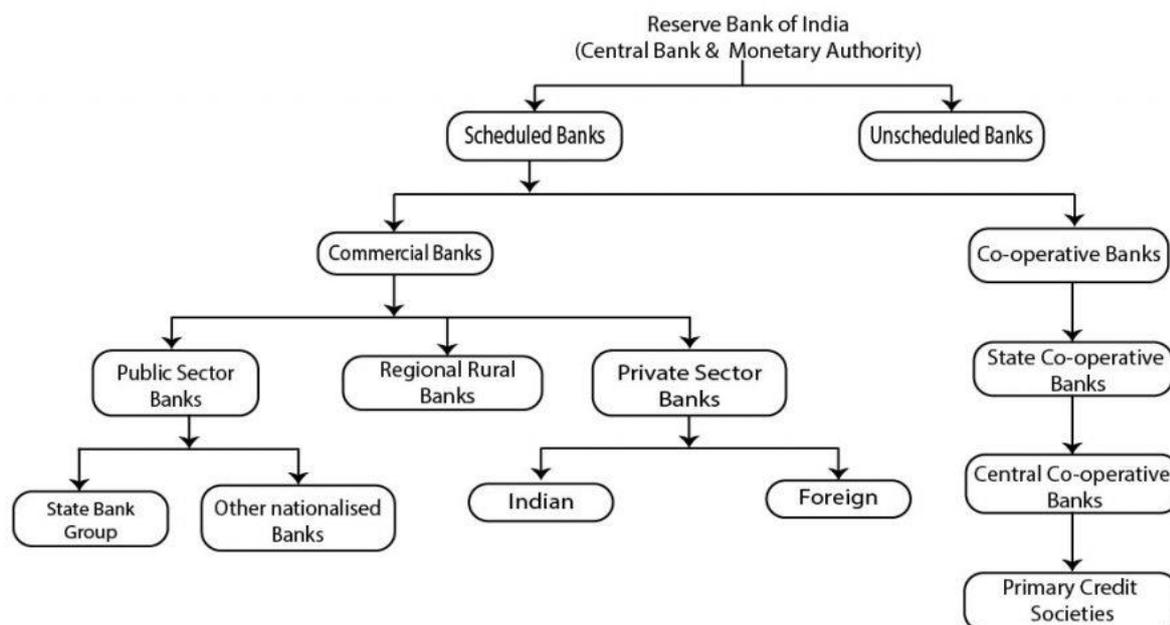


Figure 1: The Structure of Indian Banking Industry

(Source: www.googleimage.com)

III: SCHEDULED CO-OPERATIVE BANKS

The co-operative bank also performs basic functions of banking but differ from Commercial banks in many ways like; Commercial banks are public sector banks or joint-stock companies under the companies Act of 1956, or under a separate Act of the Parliament. Cooperative banks were established under the Co-operative Societies Acts of varied states; Co-operative banks have a three-tier setup, with State co-operative bank at the apex, central/district co-operative banks at district level, and first co-operative societies at rural level; Just a couple of the sections of the Banking Regulation Act of 1949 (fully applicable to commercial banks), are applicable to Co-operative banks, leading to only partial control by RBI of co-operative banks; and Co-operative banks functions on the principal of co-operative and not entirely on commercial banks. Co operative bank was found out by passing a cooperative act in 1904. They are managed and organized on the principal of co-operation and mutual help. the most objective of co-operative is to supply rural credit. The co-operative banks in India play an important role even today in rural co-operative financing. The enactment of Co-operative Credit Societies Act, 1904, however, gave the important impetus to the movement. The co-operative Credit Societies Act, 1904 was amended in 1912, with a view to broad basing it to enable organization of no-credit societies. Three tier structures exist within the co-operative banking: I. State cooperative bank at the apex level, II. Central cooperative banks at the district level, III. Primary co-operative banks and therefore the base or local level. There are 36 State Cooperative Banks in India. And, also there are 54 Scheduled Urban Cooperative Banks in India. Growth in Automated Teller Machines (ATMs), Debit Cards and Credit Cards, Prepaid Payment Instruments, Unified Payments Interface (UPI), Financial Inclusion Initiative and New Bank Branches are the Recent Technological Development in Indian Banking Industry

IV: CONCEPTUAL FRAMEWORK OF ATM

ATMs are an establishment of the payments landscape. ATMs were introduced to the Indian banking system within the early 1990s initiated by foreign banks. The important functions of ATM are Paying regular bills, fees, and taxes (utilities, phone bills, social security, legal fees, income taxes, etc.), Printing or bank statements, Updating passbooks, Cash advances, Cheque Processing Module, Paying (in full or part) the credit balance on a card connected to a particular current record, Moving cash between connected records, (for example, moving among checking and investment accounts), Deposit currency recognition, acceptance, and recycling. Adding prepaid mobile phone credit, Purchasing postage stamps, Lottery tickets, Train tickets, Concert tickets, Movie tickets, Shopping mall gift certificates, Donating to charities etc.

V: REVIEW OF LITERATURE

The review of literature in tune with the subject matter of a research study helps in determining the research gap and finalizing the title of any study. The following reviews have been undertaken for this paper. **Shamsher, S. (2011)**, in his paper entitled, "The Impact of ATM Services on Customer Satisfaction in Indian Banks". The researcher used ANOVA and factor analysis to identify significant factors and frequency analysis to analyze customer satisfaction. It was concluded that to improve the services of ATMs and the ATM services have a positive impact on the customer satisfaction. **Barun, J., Shilpa, S., and Shitika, Rakesh, H. (Nov 2013)** have analyzed consumer preference towards use of ATM services in Mysore City. Non-parametric test- chi-square test for data analysis and interpretation have been used. It was concluded that the customers prefer ATM which saves their cost and time also. **Vennila, A. And Rathnaraj, N. (2015)** in the research paper entitled "Impact on customer perception towards ATM services provided by the banks today: A conceptual study". It was observed that the banking system is facing challenges with stiff competition and advancement of technology. The paper explores the significant dimensions of ATM services quality and its effect on customer satisfaction.

VI: TITLE OF THE STUDY

The title of the present study is as follows:

A Study of Consumer Behavior towards ATM Services

VII: OBJECTIVES OF THE STUDY

The following are the objectives of the present study:

- To study the awareness of ATM services offered by the selected Banks.
- To study the behavior towards ATM services offered by the selected Banks.
- To study the purposes of use of ATM of selected Banks.
- To study the problems faced by respondents while using ATM services.
- To study the level of satisfaction of respondents for ATM services.
- To make suggestions to improve ATM services of selected Banks.

Universe of the Study: ATM users of various banks of India are the universe of the study.

Population of the Study: ATM users of various co-operative banks of Ahmadabad city of Gujarat state are the population of the study.

Nature of the Study: The present study is empirical in nature.

Scope of the Study: The functional of the study at macro level is Marketing Management and at micro level is consumer behavior towards

Ahmadabad The ATM Services provided by the selected banks where as the geographical scope of the present study is City of Gujarat state.

Nature of Data: The study is mainly based on primary data. The primary data were collected through structured questionnaire. The Secondary data related to study have been taken from the subject related books, journals, magazine, theses, newspapers and internet.

Sampling Design: Keeping in view the objectives and scope of the study, Convenient Sampling technique has been used. The sample size is 150 Bank Account Holders of Co-Operative Banks of Ahmadabad city using ATM services offered by the banks.

Tools and Techniques Used for Data Analysis: The Primary Data collected through the questionnaire were classified, tabulated And analyzed with the help of Statistical tool percentage analysis

VIII: DATA ANALYSIS AND INTERPRETATION

This research is mainly based on the primary data collected from the sampled customers of various Co-Operative Banks of Ahmadabad city. The researcher collected the information through the questionnaire from 150 ATM users. Through the research work researcher has taken various demographic factors like gender, age, education qualification, occupation, monthly family income and behaviourrelated information of customers.

Table: 1 Demographic Factor of the Respondents

Sr. No	Demographic Factors	Particulars	No. of Respondents	Percentage (%)
1	Gender	Male	90	60
		Female	60	40
		Total	150	100
2	Age	15-30	77	51.33
		31-45	63	42.00
		46-60	07	04.67
		61 & Above	03	02.00
		Total	150	100
3	Educational Qualification	SSC	15	10
		HSC	20	13.33

		Graduation	59	39.33
		Post graduation	41	28
		Professional	15	10
		Total	150	27.34
4	Occupation	Student	35	23.33
		Employee	72	48
		Profession	15	10
		Homemakers	12	08
		Others	16	10.67
		Total	150	100
5	Marital Status	Married	102	68
		Unmarried	48	32
		Total	150	100
6	Family Type	Nuclear	58	87
		Joint	42	63
		Total	150	100
7	Monthly Income	Below 25,000	63	42
		25,001 to 50,000	51	34
		50,001 & Above	36	54
		Total	150	100

(Source: Compiled from the Questionnaires)

The above table shows the classification of respondents from the view point of seven demographic factors like; gender, age, educational qualification, occupation, marital status, family type and monthly income of the selected 150 respondents. As per gender, majority was male (60%). From the view point of age in the age group of 15-30 years majority respondents were 77 representing 51.33 % followed by the age group of 31-45 years. As per educational qualification the highest respondents were 59 showing 39.33 % of the total respondents. From the view point of occupation of the respondents majority were employees (48%) followed by the students showing 23.33%. married respondents were highest of 68% where as respondents residing in nuclear family were the highest of 87%. As per the monthly income group majority respondents (42%) were having their monthly income of below Rs. 25,000 while 36 respondents were monthly income of Rs. 50,001 & more

Table: 2: Analysis of ATM Services Respondents

Sr. No	ATM Services	Particulars	No. of Respondents	Percentage (%)
1	Type of Account	Savings A/C	108	72
		Current A/C	18	12
		Fixed A/C	15	10
		Recurring A/C	09	06
		Total	150	100
2	Holding ATM Card	Yes	150	100
		No	00	00
		Total	150	100
3	Necessity of ATM	Essential	138	92
		Not Essential	12	08
		Total	150	100
4	Reason for Holding ATM	Safety	45	30
		Service	72	48
		Locality	06	04
		Accessibility	27	18
		Total	150	100
5	Purpose of Using ATM Services	Cash Withdrawal	51	34
		Cash Deposit	33	22
		Balance Inquiry	18	12
		Mini Statement	12	08
		Utility Payment	36	24
		Total	150	100
6	Monthly Usage Frequency	Up to 5 Times	99	66
		6 to 10 Times	24	16
		More than 11 Times	27	18
		Total	150	100
7	Problems Faced	ATM not Working	39	26
		Cash Over	45	30
		Receipt not Issued	30	20
		A/c debited but cash not dispensed	06	04

		Transaction takes too much time	18	12
		Less number of ATMs	12	08
		Total	150	100
8	When ATM Lost	Block the Card	123	82
		Informed the Bank	27	18
		Total	150	100
9	Satisfaction Level	Highly Satisfied	78	52
		Satisfied	69	46
		Can't Say	03	02
		Dissatisfied	00	00
		Highly Dissatisfied	00	00
		Total	150	100

(Source: Compiled from the Questionnaires)

The table shows the opinion of the respondents under study with regard to ATM services used by them. As per the type of account hold by the respondents, the highest were 108 respondents with savings banks account. All 150 respondents were having ATM Card issued by their respective banks. 92 % respondents feel that ATM Card is essential for them. From the view point of reason for holding ATM card, majority were of the opinion that for the service reason, they are using ATM card. As per purpose of using ATM services, majority respondents used for the cash withdrawal (34%) followed by for utility payments representing (24%). 99 respondents representing (66%) have used the ATM services for up to five times during a month. As many as 45 respondents showing (30%) have faced the problem of cash over followed by 39 respondents showing (24%) have faced the problem of ATM not working when they went for using ATM Card. In case of losing the ATM card, 123 respondents have blocked their card and remaining 27 have informed the banks regarding the lost ATM card. 78 respondents were highly satisfied followed by 69 respondents who were satisfied with the ATM services provided by their respective bank. For the purpose of testing hypothesis, all respondents were classified in to five groups keeping in view their educational qualification viz: G (1) = SSC, G (2) =HSC, G (3) = Graduate, G (4) = Post Graduate and G (5) = Professional

Table 3: Average Score of Purpose of Using ATM Services

Purpose	All Respondents	G(1)	G(2)	G(3)	G(4)	G(5)	Total
Utility Payments	4.58	4.58	4.56	4.54	4.52	4.68	22.89
Cash Withdrawal	4.51	4.77	4.50	4.41	4.41	4.48	22.57
Cash Deposit	3.92	3.70	3.88	4.04	4.02	3.99	19.62
Balance Inquiry	3.80	3.76	3.87	3.60	3.74	4.04	19.01
Mini Statement	4.44	4.50	4.62	4.49	4.28	4.34	22.22
Total	21.25	21.31	21.43	21.08	20.97	21.5	106.3

The above table shows average score of purpose of using ATM Services. The total of all respondents for various purposes is 21.25. Out of all purposes- Utility Payments - stands with highest score value of 4.58 and Cash withdrawal having score value of 4.51. The balance inquiry purpose stands with the lowest value of 3.80. This shows that according to all groups of respondents, the behavior of the respondents is more favorable for the Utility payments purpose. However whether different groups of respondents are significant or not is tested at 5% level of significance with the help of 'F' test.

H_0 = There is no difference among the various respondents for the purpose of ATM Services.

H_1 = There is difference among the various respondents for the purpose of ATM Services.

Table 4: Analysis of ANOVA

Source of Variation	S.S	d.f.	MS	F(c)	F(t)
S.S. Between Groups	1.60	3	0.54	52.73	3.86
S.S. Between Investors View	0.05	3	0.02	1.70	3.86
S.S. Error	0.09	9	0.01		

The table represents the statistical analysis of the respondents view regarding the purposes of ATM Services. The calculated values of F are 52.73 & 1.70 and the table value at 5% level of significance is 3.86 & 3.86. The calculated value of F is lower than the table value of 'F'. Therefore null hypothesis is accepted that there is no difference among the various respondents of using ATM Services. So there is no significant relationship between the purposes of ATM Services. This shows that the results are as per our perceptions. Hence, it can be concluded that the purpose of using ATM Services is utility payments followed by cash withdrawals.

Suggestions: Based on the above analysis of primary data and with fact findings, it can be suggested that the for the utility payments purpose ATM Services are more used by the respondents, the banks should go for more tie-up and widening their connectivity with various governmental and non-governmental agencies.

Limitation of the Study: The main limitations of the study are as follows:

1. The present study is limited to only 150 Respondents - customers of Ahmadabad city.
2. The study is purely based on primary data, collected through questionnaires. Hence, the personal beliefs, attitude and behavior of the respondents affect the quality of data.
3. The limitations of the statistical tools used for the study have their own limitations, which allies to the study..

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