

## **Analytical Study of Customer Satisfaction at ICICI Bank with special reference to ATMs**

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The trend in banking has evolved from cash economy and transformed to cheque economy which has further been converted to plastic card economy. Fierce competition from inter and intra bank group along with the global forces have compelled the banks to adopt the technological changes to face the electronic age. The influence of technology over product innovations in banks is enormous.

ICICI Bank is the largest private sector banks. It started its operation in India in 1994. Since then, it is their strategic decision to bring all modern technologies. One of the channels of banking service delivery is through the ATMs or Automated Teller Machines of which the traditionally and primary use was to dispense cash upon insertion of a plastic card and its unique Personal Identification Number (PIN). ATM is such type of innovation that can mechanically accept deposits, issue withdrawals, transfer funds between accounts and collect cheques.

This study aims at analyzing the satisfaction levels of the customers of ICICI Bank holding ATM cards in Udaipur City with respect to some aspects such as the service quality of ATM personnel, location, sufficient number of ATMs in city, regularity in working of ATMs, their impact on overall performance and their opinions on various other related issues. This study is a type of exploratory research using random sampling technique. As the samples were selected on a random basis and it may represent the whole population, and therefore it may prove to be important for the ICICI Bank management to consider the recommendations with due care for being in competitive position for better customer service.

### **Statement of the Problem**

The ICICI Bank introduced the ATM facility since its inception and today is the bank having largest number of ATMs in the country. As the use of ATM is increasing day-by-day, it is important to study the insight about the level of customer satisfaction with respect to various aspects of ICICI Bank ATM and to identify the problem areas and proposed recommendation leading to improvement. This study one of such an attempt.

### **Objectives of the Study**

The main objectives of the study can be stated as below:

- (a) To examine the level of customer satisfaction associated with various aspects of ICICI Bank ATM.
- (b) To make policy recommendations to improve the service quality of ICICI Bank ATM.

## **Review of Literature**

The concept of ATM is quite old and has been developing throughout. No doubt, a fair number of theoretical and empirical researches have been undertaken throughout the world.

Stuart E. Weiner (1999) pointed out that the total number of ATM transaction has more than doubled over the last ten years and is estimated to reach near 11 billion and total number of ATM terminals in United States has tripled over last ten years. This shows that ATM cards have become another most popular non cash instruments in US and its popularity has been explosively increasing throughout the world.

In another article James J. Mcandrew (2003) talked about the various utilities of ATMs which has given world wide popularity. The utilities include withdrawal of cash as per convenience of the customers than during the banking hours at branches. Besides providing off time and off shore services, there is reduction of cost of servicing.

Shastri (2001) analyzed the effect and challenges of new technology on banks. He found that technology has brought a sea change in the functioning of banks and use of ATMs has increased with the passage of time.

## **Rationale of the Study**

As the use of ATM services is increasing day-by-day, it is important on the part of the bank, to have an idea about what the ATM users are thinking about its various features, what are their problem areas, what are their recommendations, how do they compare the ATM service of this bank with that of any other banks etc.

Thus the findings of the study may be very useful to them and it may also help the ATM section of the bank to identify their positive and negative features and the recommendation of the customers. The bank management can take actions on this basis to improve the service quality assuming that the sample customers selected on the random basis represent the whole population.

## **Research Methodology**

- Population and Sample: The population defined for this study was limited to the ATM users of ICICI Bank in Udaipur city. In this study random sampling technique has been used and 120 customers were selected on random basis.
- Database and Procedure of Analysis: Both primary and secondary data were used for the purpose of the study. One set of structured questionnaire was used to collect primary data for the study. Knowledgeable and potential respondents were consulted to make the questionnaire all inclusive i.e., all possible answers were given in the questionnaire. In a question, respondents were asked to indicate their level of satisfaction regarding various aspects of the ATM (such as promptness of card delivery, performance, service quality of ATM personnel, quality of currency notes) of ICICI Bank ATM on a 5-point likert type scale (1 for “Highly Unsatisfied” to 5 for “Highly Satisfied”).

After developing the questionnaire, the customers availing ATM services were identified from entire Udaipur city. There are 6 ATM booths of ICICI Bank in Udaipur city situated at fairly far and equal distances. The customers accessing the ATMs were randomly selected evenly from all the ATM booths of the city (20 from each ATM). Respondent ATM users have been explained the objectives of the study and were requested to fill in the questionnaire on the spot.

Besides this, many secondary sources have been used for supplementary purpose. Secondary sources include bank’s annual report, relevant web-based materials and prior research reports etc.

Data have been analyzed by using descriptive statistics. Mean levels of satisfaction of the respondents were calculated. By using these mean levels of satisfaction, information has been provided to use in analyzing the situation. Weighted Average Scores have also been calculated using SPSS between various aspects of ATMs regarding their level of satisfaction and then ranking was done determining the aspect contributing the most towards the overall satisfaction of customers.

## Survey Findings

All the questionnaires were filled by the respondents in presence of the author of the paper. This analysis proceeded by identifying the relevant dimensions of customers' satisfaction towards ATM service of ICICI Bank.

### 1. Level of Customer Satisfaction w.r.t various aspects

The survey findings with respect to the level of customer satisfaction with various aspects can be shown in the following table:

Table 1: Level of Customers' Satisfaction with Various Aspects

S.No. [1]	Particulars [2]	Total Number of Respondents (N) [3]	Weighted Sum (4)	Average Level of Satisfaction [5]	Rank [6]
1.	Promptness of the delivery of ATM Card	120	428	3.57	3.5
2.	The service quality/ behavior of ATM personnel/ guard	120	393	3.28	6
3.	Safety-security-Privacy	120	422	3.52	5
4.	Cash Availability in ATM	120	477	3.98	1
5.	Cash withdrawal (Correctness / Promptness)	120	428	3.57	3.5
6.	Quality of Notes	120	466	3.88	2
7.	Availability of Pay-in-slips / Deposit Envelops etc.	120	360	3.00	7
8.	Availability of Power Back up / Generator / Inverter	120	323	<b>2.69</b>	10
9.	Location Aspect of ATMs	120	347	<b>2.89</b>	9
10.	Sufficient number of ATMs	120	288	<b>2.40</b>	11
11.	Complaint book availability	120	349	<b>2.91</b>	8
12.	Overall performance of ATM	120	411	3.43	----

The above table 1 indicates that the average level of satisfaction of ATM customers is more than neutral state which is denoted by 3 with respect to all the aspects except **sufficiency of number of ATMs** in the city, **location aspect**, **availability of power backup** and **complaint book** at ATM booth, where the mean score was found less than 3. Therefore these aspects need more attention and shows good scope of improvement.

Further, on the basis of weighted sum, ranking is done against various aspects of ATM in order to know which aspect contributes the most towards maximizing the satisfaction and which one gives a negative effect.

### 2. Knowledge about the features of ICICI Bank ATMs

The respondents in question 2 were requested to answer whether they know all the features of ICICI Bank ATM and whether they ever use the facilities other than cash withdrawal. The results are given below:

Table 2: Knowledge of Features of ATM other than Cash Withdrawal

Knowledge about the features of ICICI Bank ATM	No. of Respondents	Percentage	Use of Features by knowledgeable persons other than Cash Withdrawal		
Yes	78	65%	Yes	67	85.89%
No	42	35%	No	11	14.11%
TOTAL	120	100%	Total	78	100.00%

It can be seen from the above table 2 it can be seen that out of 120 respondents, 78 (65%) have knowledge of the features of ATM other than cash withdrawal and 67 (85.89%) of them make use of the other features.

### 3. Suggestions to Improve Service Quality

In order to improve the service quality, the respondents made some recommendations which are quantified on the basis of importance in the following table:

*Table 3: Suggestions to Improve Service Quality*

S.No.	Suggestions	Number of Resp.	Percentage
1.	More user friendly machine	74	61.67%
2.	Better customer service	51	42.5%
3.	Prompt card delivery	42	35%
4.	New ATM locations	92	76.67%
5.	Increase in number of ATM	101	84.17%
6.	More withdrawal limit	87	72.5%
7.	Facility to pay utility Bills	19	15.83%
8.	Increase of safety security	22	18.33%
9.	Better currency quality	25	20.83%
10	Making more attractive-decorations	16	13.33%

### Concluding Remarks

From the above analysis following conclusions can be drawn:

- (a) The customers are highly satisfied with the availability of cash in the ATMs and the quality of currency notes in the ATMs being ranked 1<sup>st</sup> and 2<sup>nd</sup>.
- (b) The ATM customers are equally satisfied with promptness of delivery of ATM cards and correctness of cash withdrawn by them from ATM.
- (c) The features like security-safety-privacy and behavior of ATM personal were just ok.
- (d) The respondents were not satisfied with the availability of complaint book, location aspect and number of ATMs in the city. They have made strong recommendations regarding these points when they were asked to do so.
- (e) Some customers strongly commented on the non-availability of power back up in case of break down.
- (f) Many of the customers were found having knowledge of other features of ATM except than withdrawal and most of them also make use of other features too.

The most important thing which came out of the study that the Weighted Average Score of the overall performance of ICICI Bank ATM came to be 3.43 which is more than the neutral (i.e. 3). But this is just marginally higher. The ICICI Bank being the largest private sector bank must make its customer satisfaction base stronger in order to sustain in this world of competition. The management of ICICI Bank should seriously consider the recommendations made by their customers and take all necessary steps to follow the same.

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