

Customer satisfaction and trust of private bank ATM's in Rural Areas

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Abstract

In the dynamic environment, consumers are used to seeing ATMs in convenience stores, petrol stations and local public streets. These ATMs are important because they play a vital role in providing their communities with easy access to cash, without having to travel miles. Save the time and money. This paper investigated that customer satisfaction and trust in the private bank ATM's in rural areas. Structured questionnaire was framed for this study and collected data from those who are all used ATM's centre in rural areas of Villupuram District. Totally 300 respondents were approached for this study, finally 245 samples selected as a sample size. Descriptive and ANOVA are used to analyse the data's to know the variance of opinions among the respondent based on various age group. It is found that customer opinion towards customer satisfaction and trust are significantly varied based on the age groups.

Keywords: customer satisfaction, trust, ATM services, age group, Villupuram

Introduction

ATM or automated teller machines are one of the greatest inventions of mankind. It uses most unique and up-to-date scientific mechanism to help people perform financial transactions. ATMs can be used at any place without the need of cashier or bank teller. It is very convenient and reliable way of accessing your own money. You can have your cash at any time without the need of going to the bank. ATMs are not only used by banks but by retail stores, shopping malls, hospitals and so on. They use ATMs to ensure that their customers never run out of money while they purchase products or services. Today with the advent of new technology, even the best ATM Company is trying hard to produce more sophisticated and updated version of automated teller machines. ATMs are essential part of the banking industry. The bank customers can take out their cash from their local ATMs and know about their bank account transactions at any point of time. By this way you can vouch of having safe business with the bank, thereby saving your time and need to visit the bank. It is not always possible to carry cash with you. But with the growth of ATMs, you just need to have your ATM card while you go for shopping. Like all other places, the use of ATMs has become quite popular in all over world. Almost all shopping malls and retail stores have cashless ATMs. You just need to swipe your ATM card to pay your shopping bills. This study focused on ATM's Services provided by private banks in rural areas and how it is satisfied their customers' needs and wants. And more over to analyse the customer trust of ATM's centre. Customer satisfaction and trust are the key for enhancing service providers.

Customer satisfaction is an art of fulfilling the needs and wants of customers. Understanding the customers' needs and wants is an important task of business industry, but unfortunately majority of the companies are unaware or fail to do this. Now a day's understanding customer's expectation about the products is more competitive. In this way customers get unsatisfied and not only credibility but

loyalty of bank is also affected directly. In the beginning point, customer's satisfaction is built when the customer has full confidence and satisfaction on the bank. It fulfils promises, so, customer will not move to the competitor product. Satisfaction is traditionally considered as an overall affective response resulting from the use of a product or service (Oliver 1981) [16]. It is believed to have a direct influence on customer loyalty (Mittal and Lassar, 1998; Oliver, 1997) [17] and repurchase behaviours (Kumar, 2002; Mittal and Kamakura, 2001) [12, 10]. Many agree on a direct effect of satisfaction on brand equity but some other researchers have focused more on identifying moderators and mediators of the effect of satisfaction on bank. Trust plays a key role in increasing customer loyalty and also has an impact on the factors such as sustaining market share and price flexibility which are related with marketing results (Gommans *et al.*, 2001) [7]. The impact of the trust on bank becomes exclusively relevant and important in case of decision taken for changing the bank due to high level of perceived risk and obscurity (Ibanez *et al.*, 2006) [9]. Customer trust and customer satisfaction have relationship with customer repeated purchase behaviour (Vetrivel *et al.*, 2016) [20]. These previous study literatures this paper identified a gap and need for customer satisfaction and trusts in the area of banking services. So this study focused the private bank ATM's service centre quality and effectiveness in the aspect of customer satisfaction and trust.

Research Methodology

The primary aim of this study is to investigate the level of customer satisfaction and trust of private bank ATM's services in rural areas in Villupuram district, Tamil Nadu. Totally 300 respondents were approached for this study, finally 245 samples selected as a sample size. Systematic random sampling technique is adopted for this study. Based on the review of literature, the researcher developed the questionnaire and the data were collected from those who are all used private bank ATM centre. The respondents are

asked to rate their opinion in the seven point Likert scale. Data entered in SPSS software for analyses. Descriptive statistics and ANOVA is used to describe the sample, to show the numbers and percentage of the items falling in categories and ANOVA is applied to measure the degree of variation between the variables.

Result and Analysis

Table 1: Respondent’s opinion about customer satisfaction of Private Bank ATM’s

Customer Satisfaction	Mean	SD
Satisfying experience	3.79	0.98
Satisfied with my decision	4.09	1.09
Choice to use the ATM	4.04	1.20
Satisfying needs	3.74	1.10
Recent experience	3.85	0.97
Met my expectations	3.98	1.10
come on next opportunity	3.34	1.09

Source: Primary data computed.

Table-1 shows the respondent’s opinion about customer satisfaction of the private bank ATM service. Did the right thing, satisfying experience, satisfied with their decision, choice to use the ATM, satisfying needs, recent experience, met their expectations and come on next opportunity are the various statements have been used to measure the customer satisfaction. Respondent’s opinions are collected for five point scales in each statement. Then mean and standard deviation is calculated for each statement. From the mean score, it is noted that majority of the respondents have given their importance to satisfied with their decision (4.09). The corresponding standard deviation value also noted that there is no much deviation within the group of respondents. Choice to use the ATM secured the mean value of (4.04) in the customer satisfaction, followed by met their expectations (3.98) and also did right things (3.97). Also there is no much deviation value within the group of respondents. Use of experience secured the mean value of 3.85 followed by satisfying experience (3.79), satisfying needs (3.74) and come next opportunity (3.34). In corresponding standard deviation value is noted that there is no deviation within the group of respondents. Among these statements satisfied with their decision obtained the highest value than other satisfaction related statements. Thus the customers are satisfied with their decisions of use private bank ATM’s in rural areas.

Table 2: Customer satisfaction based on age group of respondents

Age	Customer satisfaction		F-value	P-value
	Mean	S.D		
Below 30	13.66	3.69	3.185	0.024**
30 – 40	13.46	4.16		
40 – 50	13.97	4.00		
Above 50	15.17	4.22		

Source: primary data computed; * five percent level of significance;

Customer satisfaction based on the age groups of respondent with the private bank ATM’s services is displayed in the table 2. Customer satisfaction mean score and standard deviation value are calculated with respect to the age groups of respondents. From the mean score, it is observed that the above 50 years age groups are secured higher levels of means score (15.17) followed by 40-50 age group (13.97),

below 30 years age groups (13.66) and 30-40 age groups (13.46). It shows that above 50 years age groups are having higher level of satisfaction to with the bank. Ho: There is no difference of opinion towards the customer satisfactions based on customer age groups. Here, One-way ANOVA is applied to examine the above stated hypothesis. Here, the F-value is found to be 3.185 and P- value is 0.024. It is observed that the P-value is significant at five percent level. Hence, the stated hypothesis is rejected. It is noted that the customer satisfactions are significantly varied based on their age group. It is found that above 50 years old customer are having more satisfaction with the bank when compared to other age groups.

Table 3: Respondent’s opinion towards the trust of Private Bank ATM’s

Trust	Mean	SD
Feel safe	3.61	0.87
Trust the quality	4.14	1.06
Guaranteed	3.79	1.05
Sincere	4.03	1.15
Honest	3.74	1.04
Interest	3.41	1.02
Trust worthy	3.91	1.08
Advances in research	3.04	1.02
Improve Response to consumer needs	3.09	0.98
Sacrifice	2.91	0.99
Appreciate longer time	3.76	1.07

Source: Primary data computed.

Table-3 explains the respondent’s opinion towards trust such as feel safe, trust the quality, guaranteed, sincere, honest, interest, trust worthy, advances in research, improve response to consumer needs, sacrifice and appreciate for longer time. The mean and standard deviation values are calculated for each statement. The calculated mean values are ranged between 4.14 and 2.91. The standard deviation values lie between 1.25 and 0.873. From the mean value, it is inferred that majority of the customers have trust on the quality (4.14) followed by sincere with its customers (4.03), trust worthy company (3.91), guaranteed with customers (3.79), appreciate for longer time (3.76), honest to its customers (3.74), feel safe (3.61), interest to its customers (3.41), improve response to consumer needs (3.09), advance in research (3.04) and sacrifices (2.91). When corresponding standard deviation values are noted, there is no much deviation within the groups of respondents. It is found that quality of private bank ATM centre secured the highest mean value than other customer trust statements. Hence the customers highly trust the quality.

Table 4: Trust based on age group of respondents

Age	Trust		F-value	P-value
	Mean	S.D		
Below 30	23.57	4.71	7.276	0.001*
30 – 40	22.10	6.00		
40 – 50	24.32	5.62		
Above 50	25.63	4.92		

Source: Primary data computed * Significant at one percent level

Table -4 explains the customer opinion towards trust of the private bank ATM’s service based on their age. The mean score and standard deviation value of trust is calculated with respect to the age group of respondents. From the mean

score, it is noted that the above 50 years age group is having mean value of (25.63), 40-50 age group is having mean value of 24.32, below 30 years group is having mean value of 23.57 and 30-40 age group is having mean value of 22.10. It is indicated that the above 50 years groups are having higher level of trust towards the private bank ATM's service.

Ho: There is no difference of opinion toward trust of the private bank ATM's service based on their age group.

Here, One-way ANOVA is employed to test the above stated hypothesis. The calculated F-value is 7.276 and P-Value is 0.001. Where, the p-value is found to significant at five percent level. Hence, the stated hypothesis is rejected. The customer opinion towards trust is significantly varied based on their age groups. It is found that above 50 years age groups are having higher level of trust with the private bank ATM's service when compared to other age groups.

Conclusion

This paper concluded that customers are highly satisfied and trust with the private bank ATM's services. Customer satisfaction and trust significantly varied based on age group of customers. This paper suggested that the private bank ATM service centres are closer to the customer's visibility because many customers struggle to find an ATM, particularly if they don't know the area, or if the location is quite remote. So every bank that is able to offer a cash withdrawal service immediately makes itself in a rural area, ATM might be the only way for them to access cash. It's help for customers to travel distances to the next town in search of a cash machine. ATMs are important to businesses because they bring them so many benefits. ATMs helps retail stores, hotels, medical also more to increase their security, save money and banking fees.

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