

Impact of ATM Banking Performance on Customer with the Banks

DR. KAAVYA¹, Mr. K.S SATHYA PRAKASH²

¹Assistant Professor, School of Management Studies, Sathyabama Institute of Science and Technology

²MBA, School of Management Studies, Sathyabama Institute of Science and Technology

ABSTRACT:

This study examines the impact of ATM banking performance on customer usage, focusing specifically on how education and occupation influence user behavior. With the growing reliance on automated banking services, understanding customer interaction with ATMs has become crucial for banks aiming to improve service delivery. Data was collected through a structured questionnaire targeting individuals from various educational and occupational backgrounds. The findings indicate that users with higher education and professional roles are more likely to utilize a wider range of ATM functions confidently, while others may limit their usage to basic transactions due to lack of awareness or confidence. Differences in usage patterns suggest that ATM services are not equally accessible to all. The study recommends that banks implement user-friendly interfaces, offer multilingual support, and conduct awareness programs to bridge the gap. Improving both the performance and accessibility of ATM services can enhance customer satisfaction and strengthen long-term relationships with the bank.

KEYWORDS:

ATM banking, customer satisfaction, education level, occupation, service performance, usability, banking behaviour

INTRODUCTION:

ATM banking has become an essential part of modern banking services, offering customers 24/7 access to cash and a range of transactional features. According to Ramesh and Thomas (2022), efficient ATM services significantly enhance customer satisfaction by providing convenience, speed, and reliability. Banu (2023) observed that customers judge their overall experience with a bank based on the accessibility and performance of ATMs, especially in urban areas where usage is high. On the other hand, delayed services, frequent breakdowns, or limited cash availability can negatively impact trust and satisfaction (Mehta & Singh, 2021). Gupta and Rao (2024) also noted that regular maintenance, ease of use, and secure transactions play a critical role in shaping customer loyalty. This study aims to assess how the performance of ATM services influences customer perception, satisfaction, and their long-term relationship with the bank.

OBJECTIVES:

This study is to understand how the performance of ATM banking services influences customer satisfaction and their relationship with the bank. It aims to explore key factors such as availability, reliability, transaction speed, security, and ease of use, and how each of these affects customer perception. The study also seeks to examine whether positive experiences with ATM services contribute to customer loyalty and continued engagement with the bank. Additionally, it intends to identify areas where customers face challenges in ATM usage and to suggest improvements that can enhance the overall service quality from the customer's perspective.

RESEARCH METHODOLOGY:

To analyze the impact of ATM banking performance on customers, this study adopted a quantitative research approach. Data was collected through a structured questionnaire designed to assess various aspects of ATM services such as transaction speed, availability, user experience, and security. The questionnaire was shared with bank customers through both online and offline modes to ensure a diverse and balanced sample. Convenience sampling was used to reach participants from different age groups and banking backgrounds. The collected data was then analyzed using basic statistical tools to identify patterns and relationships between ATM performance and customer satisfaction. This method provided clear insights into how ATM services influence customer trust, usage behavior, and their overall experience with the bank.

HYPOTHESIS STATEMENT 1:

H0 : There is no significance difference between education level and atm usage. H1: There is a significance difference between education level and atm usage.

HYPOTHESIS STATEMENT 2:

H0 : There is no significance difference between occupation level and preffered atm usage.

H1: There is a significance difference between occupation level and preferred atm usage.

This study aims to explore whether demographic factors such as education and occupation have any influence on ATM usage patterns among bank customers. The first hypothesis examines the relationship between a customer's level of education and how they use ATMs. It seeks to determine if individuals with different educational backgrounds show significant variations in how frequently or comfortably they use ATM services.

The second hypothesis focuses on the customer's occupation and its influence on ATM usage preferences. It aims to understand whether people in different job roles or sectors tend to use ATMs differently—whether in terms of frequency, purpose, or choice of services. These hypotheses help in identifying whether personal or professional background plays a role in shaping customer behavior toward ATM banking.

LIMITATIONS:

While this study offers useful insights into how ATM banking performance affects customer usage, there are a few limitations to consider. The research is based on responses collected through convenience sampling, which may not fully represent the views of all bank customers. Additionally, the study focuses mainly on urban users, so the experiences of rural customers may not be accurately captured. Factors like internet banking habits, mobile app usage, and individual preferences were not deeply explored, which could also influence ATM usage behavior. Despite these limitations, the study provides a meaningful understanding of how education and occupation may affect customer interaction with ATM services.

FINDINGS AND SUGGESTIONS:

The study revealed that education and occupation levels do have an impact on how customers use ATM services. Respondents with higher educational backgrounds were generally more confident in using a wider range of ATM functions beyond basic cash withdrawal, such as fund transfers and balance inquiries. Meanwhile, differences were also noted based on occupation; for example, professionals and salaried employees tended to use ATMs more frequently and efficiently compared to others like daily wage workers or retirees.

Based on these findings, banks are encouraged to improve ATM-related awareness across all customer segments, especially among less-educated and non-technical users. Providing simple guides, multi-language instructions, and customer support at ATM kiosks can make services more accessible. Additionally, regular maintenance, faster processing, and enhanced security measures can improve the overall customer experience, helping build trust and long-term engagement with ATM services.

CONCLUSION:

This study highlights the influence of education and occupation on how customers interact with ATM services. It shows that people with higher education levels and those in certain professions are more likely to use a broader range of ATM functions and feel more confident while doing so. On the other hand, customers with less exposure to technology or formal banking may face challenges in using ATMs effectively. These insights emphasize the need for banks to focus not only on maintaining ATM performance but also on making services more user-friendly and inclusive. By addressing these gaps, banks can enhance customer satisfaction and encourage wider usage of ATM facilities across all segments of society.

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