

Customer Satisfaction Concerning ATM Services in Banking Sector: A study On Private Commercial Banks of Bangladesh.

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Abstract: ATM service is one of the key essentials by which nowadays several banking organizations in Bangladesh are providing expected customer value. The Automated Teller Machine can mechanically accept deposits, issue withdrawals, transfer funds between accounts, collect bills and make small loans. This research paper aims at examine the satisfaction levels of ATM cardholders. For this research purpose three banking organizations has been selected. They are Dutch Bangla bank Ltd (DBBL), Dhaka bank Ltd and Brac Bank Ltd. A limited number of respondents have been considered for research findings purpose. This paper is one type of exploratory research using convenience sampling technique where samples have been selected on the basis of convenience. This research only provides information for analyzing ATM scenario of the sample banks only. Though the sample were selected on the convenience basis and it may not represent the whole population, but still it is no less important for the sample banks to consider the recommendations with due care for better customer service and for being in a better competitive position.

Keywords: *ATM: An automatic/ automated teller machine, Card mailer, Card.*

Introduction

Sciences and technology is modernizing the financial services industry through various unlikely innovations. The volume of cross-border trading and other financial activities are increasing geometrically facilitated by technology. The influence of technology over product innovations in banks is enormous. In innovation process banks have to decide which products they wish to sell, whether they wish to build those products themselves, how they should deliver, and why they wish to deliver them to customers. Innovation is the art of overcoming constraints toward development. It occurs when a new or changed product or service is to introduced to the market, or when a new or changed process is used in a commercial situation. No organization can remain happy with the existing products to cope with the competitors. Banks are no exception to this situation. The automated teller machine (ATM) is such type of innovation that can mechanically accept deposits, issue withdrawals, transfer funds between accounts, collect bills, and make small loans. DBBL, Dhaka bank ltd and Brac bank all these three organizations are key players of the financial world in Bangladesh. These organizations are responsible for introducing several modern technologies such as ATM, Bills pay machine, i-banking etc & the ATM service is becoming very crucial for the banks because of the increased number of atm card user. A service of 24 hours-a-day, and 7days-a-week express the importance & concern level that these banks possess regarding the ATM

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service. The growth rates of ATM users in Bangladesh are shown in the following table:

Time Frame	2004	2006	2008	2010	2012
Growth Rate	20.2%	38.0%	44%	68%	82%

The percentage showed above based on the consumer group having bank account only

The above table shows that the use of ATM is increasing day by day. So it is high time to investigate how the customers feel with the ATM services, what are their newer demands etc.

Commercial banking is considered as a service industry. In the process of conducting its own activities to achieve its own goals, making profit, a commercial bank provides various ancillary facilities. Automated teller machine (ATM) cards to their valued customers. But as day-by-day the use of ATM is increasing, it is important to make a research to gain insight about the level of customer satisfaction with respect to various aspects of ATM and to indentify the problem areas and proposed recommendation leading to improvement.

Objective of the study

Broad objectives

To understand the perception of consumers of Dhaka city about ATM services provided by the three major banks.

Specific objectives:

- Understanding the perception of consumers about the ATM facilities provided by DBBL, Dhaka bank Ltd and Brac bank located in Dhaka city.
- Getting knowledge about the satisfaction level of consumers about the ATM facilities provided by DBBL, Dhaka bank Ltd and Brac bank located in Dhaka city.
- Suggesting paths of improvement for DBBL, Dhaka bank Ltd and Brac bank to give more affective services through the ATM services to their consumers.

Methodology

For this research purpose we have considered three banking organizations as sample; they are, Dutch Bangla bank ltd (DBBL), Dhaka bank Ltd and Brac Bank Ltd. A limited number of respondents have been considered for research findings purpose. This paper is one type of exploratory research using convenience sampling technique where samples have been selected on the basis of convenience. Thus, projecting data beyond the sample is statistically inappropriate. This research only provides information for analyzing ATM scenario of the sample banks only. Though the samples were selected on a convenience basis and it may not represent the whole population, but still it is no less important for the sample banks to consider the recommendations with due care for better customer service and for being in a better competitive position.

Literature Review

A fair number of theoretical and empirical researches on ATM and ATM card have been undertaken throughout the globe due to the increasing scale of use of ATM cards and consequent conversation of the economy into a cashless one. In the twenty-first century, ATM cards have become one of the most popular non-cash instruments in the united states and popularity has been explosively growing around the world.

As stuart E. Weiner (1999) pointed out:

“The total number of ATM transactions has more than doubled over the last ten years and is estimated to reach near 11 billion again this year. And although there are signs that ATM volume may be peaking, ATM access continues to grow. The total number of ATM terminals has tripled over the last ten years.”

Robert E. Litan (1999) described the introduction and rapid use of ATM as the most visible revolutions in banking sector. He also supported his claim by stating:

“ATMs offer consumers the conveniences of banking in many more locations than ever before. Indeed, ATM far outnumber brick-and-mortar banks, in large part because they are cheaper to operate than a bank branch. Today nearly 200,000, ATMs are found throughout the country, more than the collective number of branches of banks, thrifts, and credit unions(approximately 83,000).”

James J. Mcandrews (2003) talked about various utilities of ATM because of which it has become so popular worldwide. The utilities include withdrawal of cash at more convenient times and places than during banking hours at branches, reduction of cost servicing etc.

ATM services in Bangladesh at a glance

The first cash dispenser machine in Bangladesh was installed by Agrani Bank at Press-club branch but modern use of ATM started in Bangladesh by Standard Chartered bank in the early 90’s. HSBC started its ATM operations in 1997 in Bangladesh & BRAC bank launched its ATM service in 2001. Finally DBBL bring the ATM in focus by introducing huge number of ATM out lets. Except these many other private & multinational banks are offering ATM services in Bangladesh. In some cases a shared ATM booth facility is available as well. As most the banks are becoming online now so it is quite convenient to them to maintain an ATM network as well.

All three sample banks (DBBL, Dhaka Bank, Brac) have their ATM operations in important locations of Dhaka city & in major cities (example: Chittagong, Rajshahi, Khulna, Bogra, Sylhet etc.) all over the country. While selecting locations for ATM booth, all these banks shown preferences for commercial hub, shopping hub and business hub. According to these preferences we have found ATM booths in Gulshan, Banani, Motijeel, Uttora, Elephant Road etc. The number of ATM booths of those sample banks in Dhaka city & given below:

ATM Booth Located in Dhaka City Only

Bank	Dutch Bangla Bank Ltd	Dhaka Bank Ltd.	Brac
No. of ATM Booth	1161	47	45

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Findings

The sample number for each banks is 25. 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 customer satisfaction regarding various aspects:

Issues	DBBL	DBL	BRAC
Promptness of card delivery	4.5 %	3.35%	3.97%
The performance of ATM	3.5	3.25	3.8%
The service quality of ATM personnel(customer service)	3.98%	3.21%	4.00
The quality of notes (Currency)	3.7%	3.09%	3.23%
The service quality of ATM personnel (Direct Sales)	2.90%	3.05%	3.12%

Table 2: Knowledge about ATM & its Features:

Issues	DBBL(25)	DBL(25)	BRAC(25)
Knowledge of ATM & using of other facilities except cash withdrawal	68%	43%	52%
Limited Information	55%	55%	59%
Brach Service is better of Human interaction	58%	48%	52%

The above table (2) is showing that using of other available features of ATM is still not up to the mark. Though almost 50% or some more customers are using the features but still half of the segment is yet out of the reach. Possible reasons have been found out for this ignorance are: limited information availability, Human interaction is friendlier (this applies for people who are not friendly to the technology). More than 58% of sample respondent agree on these two aspects.

Table 3: Positive Features of the ATM of Sample Banks (Survey Results):

Issues	DBBL (25)	DBL(25)	BRAC(25)
Cash withdrawal	100	100	100
Service quality of ATM personnel	85	71.20	76.23
Time savings	70	72.12	69.21
Easy to use	68.5	52.25	45.8
24 hour service in 365 days	88.23	70.02	65.21
Account activity enquiry	67.21	59.32	55.24
Statement request	45.25	40.25	39.24

So customers are emphasizing more on the issues like machine breakdown, location of booth & security as per above chart findings.

The issues, regarding which the sample respondents have common agreement, are being highlighted with specific findings about the sample banks. Followings are some concerned areas in which the sample respondents have similar impression regarding all three banks.

1. Machine breakdown

On an average 55% of the total respondents feels that machine breakdown is the one of the main problems of these banks ATMs. Machine breakdown generally occurs for the following reasons;

- Poor quality notes: If the notes supplied in the ATMs are of poor quality, the chance of machine breakdown increases. Because the sensor that picks the notes from the cassette can't operate smoothly.
- High frequency of use: As the number of ATMs of these banks are less than that required, the frequency of use of ATM is very high. As ATM is a machine, the probability of going out of order rises with the high frequency of use of machine.

2. Unsuitable Location

More than 50% of the total respondents think that the ATM locations are too much concentrated toward commercial areas. This is becoming inconvenient for the customers to have quick access to ATM booths so ATM users have to face difficulty to get its service. Through BRAC banks is increasing its ATM booths in positive manner but still location is an important issue.

3. Unsecured

By the term unsecure, respondents are indicating about the issues like the security of ATM locations, the visibility while using ATM in some locations, Bills pay machine & ATM in a same location etc.

4. Poor currency Note quality

Though the percentage of this problem is not as high as the other ones, but still if it continues by this percentage for longer period then the customers will not feel encouraged to use ATM as cash withdrawal option.

5. Limited Information

More than 50% of all respondents of all three sample banks think that the information that they are getting currently by using an ATM is not insufficient. According to them information regarding accounts, balance transfers etc. should be more descriptive & useful.

6. Branch Service or Human Interactions

Half of the total respondents believe that the branch service is more convenient & resourceful than the ATM. Here again availability of information plays a vital role.

7. ATM Personnel (Direct Sales)

Though all the sample banks are not very much efficient in this category according to the respondents but DBBL is in really bad position. According to the respondents, contractual sales personnel & their inefficiency is the main reason behind that. This inefficiency often occur delay in card delivery as well.

8. ATM Personnel (customer service)

Sample respondents of these three banks possesses different attitude. The DBBL customers very much satisfied with the bank's ATM personnel(customer service) & the 24 hour service promise. On the other hand DBL and BRAC bank is lacking in this category.

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Recommendation

In this section focuses are made on some possible changes in policy or proposed recommendations which were received from the sample respondents' feedback & some added option by them as well. These recommendation are all relevant to the improvements of the sample banks ATM services.

1. Better quality currency notes

About 35% of total respondents of ATM think that the currency quality should be improved. It can be done by suppling new notes to the ATM. The respective bank management should make sufficient arrangement so that they can receive better quality notes from Bangladesh bank.

2. Increase the number of ATMs

According to the sample respondent currently most of the ATMs are located in various busy places. Customers have to wait in line to get facility of these ATMs. It consumes their valuable time. As more than 50% of customers have urged for the increase in number of ATMs in an existing booths. So all these banks management might consider increasing the number of ATMs. But "here they should also consider the liquidity issue. New ATMs will mean that more liquid money will be needed and if the demand is not enough, the organization will face the problems arising out of excess liquidity. So management should consider the issues while making the decision.

3. More user friendly machine

By the team user friendly, the respondents means that more flexible uses of the available options of ATM, more descriptive statements clarifying for extended business use increase of interactive options so that the need of branch banking decreases.

4. Increase of safety and security

Almost 50% of total respondents believe that the safety and security measures should be improved inside and outside of ATMs. This can be done by the use of nontransparent glass so that people outside the ATM booth can't see what is happening inside the ATM. Though ATM booth are using semi nontransparent shield but it should be totally nontransparent. More security measures need to take outside the ATM booth through requesting the appropriate law-enforcing agencies. Providing licensed arms to the security persons of ATM can be irritated.

5. Increase service quality

All these banks should focus on the 24/7 service promise because failure in this category could lead in to a major dissatisfaction. Skilled customer service agents & their increased availability could help in this issue. Banks should focus on their direct sales agent, efficient personnel ensure proper service & reduces and card delivery time.

Concluding Remarks

From the above analysis, it is evident that DBBL, Dhaka Bank & Brac Bank ATM has some positive features & some negative features as well. Our analysis was based on

the common issues of these banks, our prediction & recommendations were based on the common issues of ATM services as the topic justifies the banking industry not a specific bank. These customers are also facing different types of problems with which ATM is directly related. Machine complexity, machine breakdown, poor quality notes etc. are the major problems identified by the ATM users. Some inconvenience features are not directly related to HSBC ATM such as safety security, decoration etc. Though this research can't provide conclusive evidence to determine particular courses of action and further research will be required to provide conclusive evidence. But the management of these banks should consider the findings and take all necessary steps for further research and if they think that the customers of ATMs homogeneous in their choice and preferences, they may follow the recommendations made by customers such as increase of number of ATM locations, new ATMs, better currency quality, increase of safety-security etc. to gain more customer base and achieve more customer satisfaction.

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