



IMPACT OF ATM SERVICES ON CUSTOMERS BEHAVIOR

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ABSTRACT

Automated Teller Machines (ATMs) have emerged as an essential component of modern banking operations. Across India, financial institutions are increasingly integrating this technology to enhance the speed, accessibility, and reliability of their services. With the continuous advancement of digital banking, ATM facilities are witnessing remarkable growth potential within the Indian market. In the near future, these machines are expected to evolve toward providing more personalized and user-centric banking experiences.

Despite their rapid proliferation, certain challenges continue to influence customers' perceptions—such as concerns about transaction security, service charges, and limited awareness of various ATM features. The present study seeks to analyze how ATM services affect customer behavior and satisfaction levels. Primary data were gathered using a structured Google Form questionnaire administered through a convenient sampling approach. The study sample comprises active ATM card users.

Keywords: Automated Teller Machine (ATM), Banking Services, Customer Behavior, Customer Perception.

INTRODUCTION

In the Indian banking sector, customers are progressively moving away from conventional banking practices toward modernized digital solutions, particularly through the use of Automated Teller Machines (ATMs). This transition is primarily driven by factors such as simplicity, convenience, quick service delivery, and enhanced accessibility. The emergence of biometric-enabled ATMs has



further reinforced transaction security and reliability, making banking operations safer and more trustworthy for the general public.

To improve operational efficiency and customer satisfaction, banks are now focusing on integrating their systems rather than depending on multiple vendors. Such integration ensures a seamless network of services available to customers at any time. Continuous service availability and improved user experience have become key priorities as consumers increasingly prefer self-service channels for conducting their financial transactions. Urban regions have witnessed significant adoption of ATM facilities due to higher awareness and digital literacy. However, rural areas still face challenges related to limited knowledge and exposure to modern banking technologies.

Technological innovations in banking gain true success only when they are widely accepted and become an integral part of everyday life. ATMs have been instrumental in extending banking facilities beyond branch premises, allowing customers to access services conveniently at any hour. The introduction of plastic ATM cards has simplified both deposits and withdrawals, making transactions faster and more efficient for users and institutions alike.

Moreover, the implementation of multi-vendor ATM software has transformed global banking by accelerating innovation and interoperability among networks. Indian banks should also undertake awareness campaigns in rural communities to educate people about the benefits of ATM services and encourage digital inclusion. ATMs offer cost-effective banking alternatives that empower users to conduct transactions independently, even beyond traditional working hours. They support both cash withdrawals and cashless electronic payments, thereby reducing dependence on manual banking procedures. While online banking has further advanced these conveniences—especially in developed economies like the USA, UK, and China—ATMs continue to serve as a crucial bridge between physical and digital banking, fostering accessibility and financial inclusion.

REVIEW OF LITERATURE

J.T. Akinmayowa and D.O. Ogbeide (2014) in this study “Automated Teller Machine Service Quality and Customer Satisfaction in the Nigeria Banking Sector” the authors investigated dimensions of ATM service quality and ATM service effect on customer satisfaction. The authors found that improving ATM service quality by banks to stimulate broad based customers. The study recommended that the banks need to constantly update and improve their ATM services to ensure continuous satisfaction and retention of the customers. The study concluded that there is a massive growth rate in use of ATMs in Nigeria, it offers more opportunities to the banks and the banks should monitor customers preferences with regard to use of this distribution channels for effective response. The Banks should be focused on various important aspects i.e. security and privacy as well as reliability of ATMs and also Banks should enlarge and diversify their offerings through ATMs and use this medium to build a strong relationship with the customers.



Chi Anh PHAN and Phong Tuan NHAM (2015) the study “Impact of Service Quality on Customer Satisfaction of Automated Teller Machine Service: Case Study of a Private Commercial Joint Stock Bank in Vietnam” analyzed the impact of service quality performance on customer satisfaction with ATM services in a commercial bank in Vietnam. The study concluded that the enterprises can generalize the customers satisfaction at ATM service quality and the study mainly considers the effects of quality factor on customer satisfaction at ATM service quality.

Garima Malik and Sanjeev Bansal (2015) the study “Impact of ATM Service on Customer Perception and Satisfaction of Indian Banks” analyzed the factors influences the consumers, satisfaction and problems of ATM users while using the ATM services. The authors studied behavior of individuals towards various types of banking services. It is found from the study the customers were using ATMs not only for withdrawing cash and also using for pay utility bills, pre-paid recharges and transfer of funds activities etc. Majority of the customers preferred ATMs, the reason is behind that ATM is convenient and use it for saving time and efforts.

Ingabire Bashaija Sharon and Niyonsenga Jean Claude (2017) in their study “Impacts of Atm Service Quality Dimension on Customer Satisfaction A Case Study of Bank of Kigali” the authors evaluated the impact of ATM services on Customer Satisfaction and also examined how service diversity could affect the relationship between service quality and customer satisfaction. The study found that Assurance and Empathy are the high indicators of service quality while security and tangibility had weak results which is area for development, but the results indicates that all the dimensions combined together give positive perception of the service quality on the customers satisfaction of the bank of Kigali. The authors concluded that it is positively perceived by the bank of Kigali customers in general but this leaves the bank with a need for maintaining the standards of service much higher to compete with other banks.

OBJECTIVE OF THE STUDY

- To study the impact of ATM services on customers behaviour.

METHODOLOGY

The main objective of this study is to examine the impact of ATM services on customer behavior. Data was collected from both primary and secondary sources. The primary data was gathered through a Google Form questionnaire administered to 216 respondents, selected using the convenient sampling method. The secondary data was obtained from publications and websites. The sample respondents of this study are ATM card holders, chosen based on convenience sampling. The survey specifically focused on Automated Teller Machine (ATM) users.

SOCIO ECONOMIC PROFILE OF THE RESPONDENTS

The socio-economic profile of ATM users taken from both rural and urban areas. The sample respondents profile i.e. location, gender, education and income are analyzed based on the primary data. The socio-economic profile shown in the Table-1.

Table - 1
Socio-economic Profile of the ATM Cardholders

Sl. No.	Profile of the digital payment beneficiaries	No. of Respondents	In %	
1	Area	Rural	120	55.6
		Urban	96	44.4
		Total	216	100
2	Gender of the Respondent	Male	155	71.8
		Female	61	28.2
		Total	216	100
3	Educational Status	Intermediate	37	17.1
		Graduates	179	82.9
		Total	216	100
4	Family Monthly Income Rs.	<10,000	66	30.6
		10,001-20,000	71	32.9
		20,001-30,000	40	18.5
		Above 30,000	39	18.1
		Total	216	100
5	Mode of Income Received	Daily	64	29.6
		Monthly	152	70.4
		Total	216	100

Source: Primary data.

The overall analysis inferred from the table is that majority of the sample respondents are living in rural areas and remaining of respondents are living in urban areas. The overall result shows that 71.8 per cent male and 28.2 per cent of female in the study area. It is understood from the analysis of the table among the total 82.9 per cent sample respondents are graduates and remaining of respondents are Intermediate qualification. The overall analysis inferred from the table is that the major portion 32.9 per cent of respondents fall in the income group of Rs.10,001 to Rs. 20,000. Table-2 displays how frequently ATM cards used by the respondents.

Table - 2

How frequently do you use ATM card

How frequently do you use ATM card	No. of the Sample Respondents	In %
Daily	13	06
Weekly	49	22.7
Monthly	58	26.9
Rarely	96	44.4
Total	216	100

Source: Primary data.

It is understood from the analysis of the above table among the total 44.4 per cent sample respondents are rarely used ATM card services, some of the respondents are used weekly and monthly and only few respondents are regularly used ATM Card services. What are the ATM Card services availed by the Users shown in the Table-3.

Table - 3

Mostly What are the services availed and purpose for using ATM Card

Mostly What are the services availed	No. of the Sample Respondents	In %
Cash Withdrawal	166	76.9
Cash Deposit	07	3.2
Money Transfer	13	06
Online Payments	29	13.4
Card Swiping	01	0.5
Total	216	100

Source: Primary data.

It is observed from the above table majority users are used ATM Cards for cash withdrawal and online payments and some of the respondents are used ATM Cards for cash deposits, money transfers and card swiping purpose. Table-4 displays how long have been ATM cards used by the respondents.

Table - 4

How long you have been using the ATM

How long you have been using the ATM	No. of the Sample Respondents	In %
1 Year to 2 Years	113	52.3
3 Year to 4 Years	80	37
5 Year to 6 Years	14	6.5

Above 6 Years	9	4.2
Total	216	100

Source: Primary data.

It is understood from the analysis of the above table among the total 52.3 per cent sample respondents are used ATM card services from one year to two years and some of the respondents are used ATM card services from three year to four years. Mostly Which factor influenced to prefer the ATM Cards shown in the Table-5.

Table - 5

Mostly Which factor influenced to prefer the ATM Cards

Which factor influenced to prefer the ATM	No. of the Sample Respondents	In %
Easy to withdrawal money	122	56.5
Easy to Deposit Money	10	4.6
Easy to Transfer Money	5	2.3
Mini Statement	4	1.9
Easy to Pay Online Payments & Easy to Pay Card Payments	14	6.5
24*7 Services	30	13.9
Mobile Banking (Ex: Phone Pay & Google Pay, BHIM Apps)	22	10.2
Easy to Use	7	3.2
Availability of No. of ATM Centres	2	0.9
Total	216	100

Source: Primary data.

It is observed from the above table majority ATM Card users are influenced by the easy to withdrawal money and 24*7 Services availability to prefer the ATM Card services. Some of the ATM Card users are influenced by the easy to deposit money, easy to pay online payments, easy to pay card payments and mobile banking (Example: Phone Pay & Google Pay, BHIM Apps).

Table - 6

Would you recommend your bank's ATM services to others

Would you recommend your bank's ATM services to others	No. of the Sample Respondents	In %
Definitely	77	35.6
Probably	91	42.1
Not sure	38	17.6
Probably not	6	2.8
Definitely not	4	1.9
Total	216	100

Source: Primary data.

The above table-6 exhibits the opinion of ATM users regarding recommend to others. The table exhibits that majority sample respondents are ready to recommend ATM services to the others. Only some of the respondents are not recommend ATM services to the others. Perception of customers regarding the ATM Charges shown in the Table-7.

Table - 7

Perception of customers regarding the ATM Charges

Perception of customers regarding the ATM Charges	No. of the Sample Respondents	In %
Satisfied	84	38.9
Highly Satisfied	18	8.3
Moderate	83	38.4
Dissatisfied	21	9.7
Highly dissatisfied	10	4.6
Total	216	100

Source: Primary data.

It is observed from the above table majority ATM Card users are satisfied and moderately satisfied with the ATM Charges. Only some of the ATM Card users are dissatisfied with the ATM Charges.

FINDINGS AND SUGGESTIONS OF THE STUDY

1. Majority of the sample respondents are living in rural areas and remaining of respondents are living in urban areas and 71.8 per cent male and 28.2 per cent of female in the study area.
2. Among the total 44.4 per cent sample respondents are rarely used ATM card services, some of the respondents are used weekly and monthly and only few respondents are regularly used ATM Card services.



3. It is observed from the above table majority users are used ATM Cards for cash withdrawal and online payments and some of the respondents are used ATM Cards for cash deposits, money transfers and card swiping purpose.
4. Out of total 216 sample respondents 52.3 per cent sample respondents are used ATM card services from One Year to Two Years and some of the respondents are used ATM card services from Three Year to Four Years.
5. Majority ATM Card users are influenced by the easy to withdrawal money and 24*7 Services availability to prefer the ATM Card services. Some of the ATM Card users are influenced by the easy to deposit money, easy to pay online payments, easy to pay card payments and mobile banking (Example: Phone Pay & Google Pay, BHIM Apps).
6. Most of the sample respondents are ready to recommend ATM services to the others. Only some of the respondents are not recommend ATM services to the others.
7. It is observed from the study majority ATM Card users are satisfied and moderately satisfied with the ATM Charges. Only some of the ATM Card users are dissatisfied with the ATM charges.
8. The bankers need to create awareness to their customers regarding availability of ATM card services and reduce ATM card transaction charges and annual charges for satisfying the ATM card users and also increase the number of ATM users.

CONCLUSION

There are several factors that influence consumers in using ATM card services. Since ATM card usage involves customers' hard-earned money, trust, safety, and reliability are key parameters that significantly affect their choice of ATM card services. The study concludes that banks need to create greater awareness among customers regarding the availability of ATM card services. In addition, banks should reduce transaction and annual charges to enhance customer satisfaction and encourage more people to use ATM cards.



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