

A STUDY ON TECHNICAL PROBLEMS RELATED TO ATM AND INTERNET BANKING SERVICES: A COMPARATIVE STUDY BETWEEN ANDHRA BANK AND ICICI BANKS

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ABSTRACT

The analysis of various elements of ATM problems will help the bankers to improve the customer satisfaction. In the present study, the problems faced by customers of Andhra Bank and ICICI Bank are studied and presented. The problems faced by the customers in operating ATM are Cards get blocked, Machine out of cash, Nonprinting of statement, Machine out of order, long waiting time in queues and Reduction in balance without cash payment. The above problems have been studied and compared between Andhra Bank and ICICI banks in the selected regions of Andhra Pradesh.

Keywords: Nonprinting, Block, Waiting Time, Cash Payment.

INTRODUCTION

Today Indian banking industry is in the midst of an IT revolution. Nowadays nearly all nationalized banks have implemented IT based solutions for their day to day transactions. The applications of IT in banks have reduced the scope of traditional or conventional banking with manual operations. The Banks are using new tools and techniques to find out the needs of the customer and accordingly offering tailor made products and services. IT has enabled the banking industry to not only come out with new products and services but also enhanced the turnaround time by bringing efficacies in the backend processes.

Obviously, banks rely heavily on IT in conducting their businesses and spend huge amounts of money on such technology to reduce operation costs and gain competitive advantage over their rivals by offering customers better services through ATMs machines, telephone banking, Mobile banking and more evidently in the last decade the internet banking (INB). Researchers have found that a significant number of customers are either not aware of the IT services or do not trust the IT as a channel to conduct their banking transactions. Researchers also have found that customers may adapt the IT only if they perceive the technology to be useful. This research examines customers' level of satisfaction with respect to ATM and INB services among the customers of Andhra Bank & ICICI Bank in east Godavari district of Andhra Pradesh.

Electronic banking is a subset of digital finance and is defined as the use of electronic delivery channels for banking products and services. The Internet and wireless communication

are the most significant electronic delivery routes. Telephone banking, networks, and automated teller machines (ATMs). Internet banking is a part of electronic banking that is mostly done online. It is also possible to distinguish between using banking services and merely providing information by using the phrase "transactional e-banking".

There are two basic methods for obtaining electronic banking services. Banks either provide their goods and services exclusively or primarily through electronic distribution methods without having a branch elsewhere, or classic brick and mortar banks mix traditional and electronic delivery channels (brick and click banks). Without having a branch network (apart from an administrative head office or non-branch facilities like kiosks or ATMs), or banks deliver their products and services only through electronic distribution channels. These financial institutions are referred to as "virtual banks," "branchless," or "Internet-only" banks. Through ATMs or other remote delivery channels owned by these virtual banks or other organisations, money can be withdrawn or deposited. It is theoretically possible to set up licenced virtual banks in three different methods.

Objectives of the Study

The present study intended to achieve the following objectives.

1. To study the technical problems with respect to ATM and INB (Internet Banking) services among the respondents of Andhra Bank & ICICI Bank in East Godavari district of Andhra Pradesh.
2. To compare the level of technical difficulties the customers face with respect to ATM and INB services between Andhra Bank & ICICI Banks.

RESEARCH METHODOLOGY

The following methodology has been used to undertake the present study-

1. Population for the study

The primary data was collected in East Godavari District only because it is not feasible to collect the data universally. It is fast growing in population, industrial development, service sector and financial sectors. Therefore, East Godavari District is selected for the focus study as it is the representative of cross section of the society. Andhra Bank has 180 branches and ICICI has 20 branches in this region.

2. Sample size

Since Andhra bank is having 180 branches in the selected region and ICICI have only 20 branches in the region, to avoid the bias in comparison, the researcher randomly selected the following towns which has presence of both the bank branches.

The randomly selected branches are as follows.

ICICI and Andhra Bank branches are Rajahmundry, Pitapuram, Ravulapalem, Kakinada and Tatipaka. As the banks maintain the confidentiality in providing the list of its customers, the researcher randomly approached 500 respondents which includes 250 in Andhra bank and 250 ICICI bank among the five selected branches.

3. Data collection

The primary data has been collected through a structured questionnaire which was designed for the present study. This instrument consists general information of the respondents and specific items on customer satisfaction with respect to ATM and INB services.

The secondary data for the study have been collected through bank websites and various published content.

REVIEW OF LITERATURE

In order to have better understanding about the present study in its proper perspective, the researcher has undertaken to present the corresponding studies through review of what has already been done in the field.

Mohammed & Shariq (2012) identified the factors affecting the customers demand for ATM services, by analyzing sample of 450 consumers' response who has been interviewed personally through structured survey in 3 district of Uttar Pradesh India. The results indicated that graduate and employed male customers who belong from higher income groups and having a bank account preferably in public sector bank are greatly emphasized to use of the banking services. Significant positive influence of the characterized socio-economic attributes on the use of ATM service was found.

Shoba (2012) investigated the satisfaction levels of ATM cardholders with respect to various aspects of the service quality of ATM. This study provides information regarding the satisfaction level and problems faced while using ATM cards.

Mohammed-Aminu (2011) explained the issue of whether the use of the Automated Teller Machines (ATM) as a service delivery tool in the banking industry of many developing countries has achieved its intended objective of increasing the effectiveness of customer service provision and reducing the workload of bank tellers. The findings revealed that though most bank customers who use the ATM services perceive the ATM as a convenient, reliable, accurate and suitable service delivery tool for their banking transactions. To increase the diffusion of ATMs, it was recommended that banks should ensure enhanced salience of ATM to customers' needs, greater compatibility of ATM to customers banking norms and lifestyle, less complex and easy to use system and opportunity for adopters to experiment with the system before using ATM's.

Sreelatha & Sekhar (2012) write in their research paper "*Role of Technology in Indian Banking Sector*" that information technology "promises to revolutionise the pace of banking in the next few years." In the near future, the banking industry will be indoors for mobile and online banking. Despite being advanced and complex, IT systems are nonetheless energy efficient.

According to Jain, & Popli (2012) in their study paper "*Role of Information Technology in the Development of Banking Sector in India*," improvements in the information technology area have a significant positive impact on the banking sector's expansion and inclusivity through promoting inclusive economic growth. Information technology helps to reduce transaction costs for customers by enhancing both front end and back end operations.

In their article "*Future Banking System*," Chayamishra & Deepesh (2009) argue that technology has increased the reach of banks. Additionally, it has improved the productivity and efficacy of operations. Future bank branches won't exist thanks to information technology; instead, there will only be computers, mobile devices, and the internet, along with ATMs. These will control, direct, and manage the company.

According to Shiffu (2014), quick services, reasonable service fees, ease of money depositing and withdrawal, ATM booths, account statement via SMS/e-mail services, and error-free records all contribute to consumer satisfaction.

Data Analysis

The primary data which was collected was tabulated and computed by using Mean Scores, Standard Deviation and F Test to test the level of significance at 0.01 levels.

The table 1 shows the problems related to ATM.

Problems	Name of the bank	Often	Rarely	Never	F	Sig
Cards get blocked	AB	55	160	35	25.178**	.000
	250	(22.0)	(64.0)	(14.0)		
	ICICI	125	93	32		
Machine out of cash	250	(50.0)	(37.2)	(12.8)		
	AB	76	133	41	.255	.613
	250	(30.4)	(53.2)	(16.4)		
Non printing of statement	ICICI	64	164	22		
	250	(25.6)	(65.6)	(8.8)		
	AB	47	126	77	6.181*	.013
Machine out of order	250	(18.8)	(50.4)	(30.8)		
	ICICI	67	125	58		
	250	(26.8)	(50.0)	(23.2)		
Long waiting time in queues	AB	77	126	47	1.384	.240
	250	(30.8)	(50.4)	(18.8)		
	ICICI	85	128	37		
Reduction in balance without cash payment	250	(34.0)	(51.2)	(14.8)		
	AB	43	140	67	1.026	.312
	250	(17.2)	(56.0)	(26.8)		
	ICICI	51	139	60		
	250	(20.4)	(55.6)	(24.0)		
	AB	50	132	68	.503	.478
	250	(20.0)	(52.8)	(27.2)		
	ICICI	58	127	65		
	250	(23.2)	(50.8)	(26.0)		

*P<0.05, **P<0.01.

Source: Survey.

Note: Figures in brackets indicates percentage to total parenthesis.

Under the ATM problems, the services which were highly influential in customer satisfaction level are Cards get blocked. The f-values for these services is 25.718**, which is less than .01 level of significance. The service which is less influential in customer satisfaction of this service is Non printing of statement. The f-value for this services is 6.181*, which is less than .05 significance. Machine out of order, long waiting time in queues and Reduction in balance without cash payment are not influential in this service. The f-test shows .255, 1.384, 1.026 and .503 respectively which is not significant.

The analysis of various elements of Internet banking problems and the observations

with respect to the customers of Andhra Bank and ICICI Bank are presented in Table 2.

The problems faced by the customers in operating Internet banking are ‘Not providing information, Not being able to maintain security, Not giving fast response, Leaving the operation unfinished, Internet banking can be tampered with by others, waiting for long time for conducting of transactions, waiting for long time for conducting of transactions and Too many steps in processing transactions are rarely found in both banks. Comparatively, 48-65 per cent of customers of Andhra Bank have opined the above problems to be rarely found, whereas in ICICI Bank it is 40-66 per cent of customers. In Andhra Bank 14-24 per cent of customers have opined that the above problems are found often, whereas in ICICI Bank 17-48 per cent of customers. Comparatively, Andhra Bank customers are facing fewer problems than ICICI Bank.

	Name of the bank	Often	Rarely	Never	F	Sig
Internet Banking	AB	53	160	37	28.323**	.000
	250	(21.2)	(64.0)	(14.8)		
Not providing information	ICICI	120	102	28	2.528	.113
	250	(48.0)	(40.8)	(11.2)		
Not being able to maintain security	AB	37	159	54	5.447*	.020
	250	(14.8)	(63.6)	(21.6)		
Not giving fast response	ICICI	44	166	40	.293	.588
	250	(17.6)	(66.4)	(16.0)		
Leaving the operation unfinished	AB	43	164	43	3.360	.067
	250	(17.2)	(65.6)	(17.2)		
Internet banking can be tampered with by others	ICICI	48	120	82	2.174	.141
	250	(19.2)	(48.0)	(32.8)		
waiting for long time for conducting of transactions	AB	60	147	43	3.360	.067
	250	(24.0)	(58.8)	(17.2)		
Too many steps in processing transactions	ICICI	52	135	63	3.360	.067
	250	(20.8)	(54.0)	(25.2)		

*P < .05, **P < .01.

Source: Survey.

Note: Figures in brackets indicates percentage to total parenthesis.

CONCLUSION

In ATM problems, ICICI Bank customers have a mean of 14.81 whereas Andhra Bank customers have a mean of 13.80, shows that Andhra Bank customers are facing less problems compared to ICICI Bank customers. The t-value is 4.09 not significant.

In Internet Banking problems, ICICI Bank customers have a mean of 22.36 whereas Andhra Bank customers have a mean of 21.56, shows that Andhra Bank customers are facing less problems compared to ICICI Bank customers. The t-value is 2.01 not significant.

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