A STUDY OF ATM USAGE IN BANKS IN LUCKNOW

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ABSTRACT

Banking in India has witnessed remarkable changes and development since the onset of the processes of liberisation, privatization, and globalization (LPG). The new electronic age has transformed the marketing of banking services. Customers nowadays demand new and differentiated financial products and services. In the essence, banks must search for new strategies of marketing their products and services. With pressure from dynamic and advancement of information technology, different electronic distribution channel have been adopted to meet the demands of customers. The objective of this paper is to examine the adoption of e-banking channels by Lucknow banking customers, the services provided through ATM channel, The data for the study was obtained from primary source with the use of well structured and pre-tested questionnaires, which were distributed among the lucknow banking customers The findings revealed that among the e-channels surveyed, ATM was the most adopted technology by the banks Further, it was revealed that non-complexity of ATM technology and convenient nature of ATM to many customers, were the major factors encouraging the bankers in advancing to e-banking arena .

KEY WORDS: *E*-banking, Customer, Banking, Technology, E-channels Services

INTRODUCTION

On the one hand we see the scenario represented by the rapid process of globalization presently taking shape bringing the community of nations in the world together, transcending geographical boundaries, in the sphere of trade and commerce, and even employment opportunities of individuals. All these indicate newly emerging opportunities for Indian Banking.

Modern banking abroad rests on the twin pillars of information technology and instant electronic funds transfer systems. Neither of these has made any worthwhile impact in our country through some small beginning have been made. We cannot, afford to neglect these aspects if Indian banking has to face the challenges of not only increasing global competition but of serving our domestic economy better. Technologically up gradation, both at the level of central offices and even more so through branch networking and in respect of retail banking services has to be given high priority.

Electronic banking is increasingly replacing conventional banking instruments abroad as well in India. Basically Electronic banking is a combination of two words, electronic technology and banking, here there is no need for the customers to physically visit the banks for their transaction. Banking is first and foremost a service industry and the international trend is towards what has been termed "relationship banking" suggesting a customer and client specific orientation to provision to services.

The Automated Teller Machine (ATM) is a machine which does the work of dispensing cash, accepting deposits of cash and cheques (only in special envelopes and not note pieces or cheque leaves), throughout the day (Srivatava 2000). It is an extended service of the branch which enhances customer service by virtually keeping major customer services open for 24 hours thus providing the convenience of "Anytime" banking.

RESEARCH METHODOLOGY
Research Design
The research design is exploratory in nature. The research has been conducted in the city of Lucknow, U.P., India. Convenience sampling method has been adopted and an attempt has been made to include all the age groups and gender as the customers of banks.
Sample Area
The preferences of banking services changes across the demographic factors like education, age, sex, salary/earnings etc. hence an attempt has been made to get a true representative sample, from public and private banks in Lucknow. The private and external sector banks included in the study were ICICI Bank Ltd., HDFC Bank Ltd., AXIS Bank and IDBI Bank, Standard Charter Bank. Among public sector banks the respondents were from Bank of India, Punjab National Bank and State Bank of India.
Sample Unit: Individuals customers of banks.
Sample Size: 150 customers of banks
Sources of Data
The study area comprised of urban area of Lucknow. Lucknow covers a geographical area of 359.51 square kilometers with a population of 36, 81,416 as per 2001. In 1991 its population was 27, 62,801. The industrial scene in Lucknow is very dismal. Majority of population is either from service class or self-employed. There are very few industrial units in organized sector to mention about. To name few only the names of TELCO in private sector and Scooters India in public sector can be mentioned. The city that was a total failure in terms of productivity given the almost negligible industrial activity yet its commercial activities has started growing up. Being the capital of the most populated state of country, it has got its own socio-economic significance. With the fall of Kanpur as industrial city, Lucknow has emerged as the major commercial centre of the state. During recent past, as the stock market has assumed new significance, Lucknow has

also come up on the centre stage of financial market of the state. Amongst financial market too, banking industry is well developed in Lucknow. There are plenty of banks, both in private sector and public sector which are functional in Lucknow. The state of services sector is very good in Lucknow. With this study environment it was proposed that the present study will be conducted amongst commercial banks of Lucknow.

Sampling Instrument

Structured questionnaire having close ended questions was used for seeking responses on various aspects of customer's usage of ATM's services. After completion of questionnaire, Data was carefully coded in the Microsoft excel sheets and than transferred to SPSS 16.0 (Statistical package for social sciences). Analysis and testing of relationship between various variables has been done with the help of Microsoft excel and SPSS.

Objectives

- To study the usage of customers of banks regarding ATM usage and
- To suggest some remedial measures to ATM Services.

Data Analysis

H0: There is no significant association between the education level of people and usage of ATM
H1: The Association between the education level of people and usage of ATM is significant

TABLE 1

		Cross Tab			
Count					
		Services under usage-ATM			
		Yes	No	No Response	Total
Education of respondent	High School	4	0	0	4
	Intermediate	11	0	0	11
	Graduation	71	13	3	87
	Post Graduation	38	2	0	40
	Doctorate	7	1	0	8
Total		131	16	3	150

GRAPH 1

48
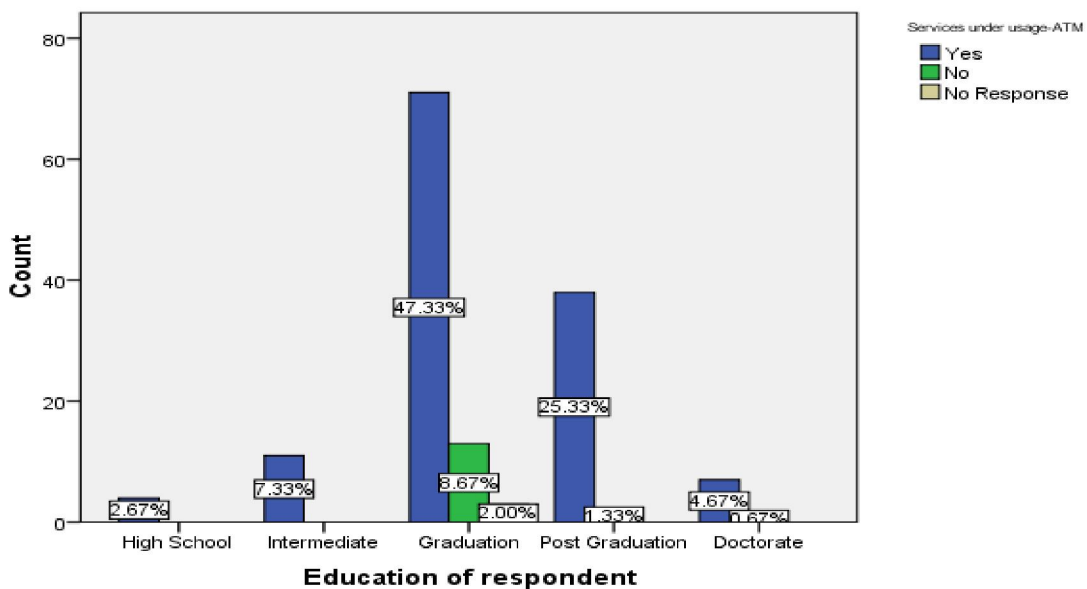
TABLE 1 (a): Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	7.364[a]	8	.498
Likelihood Ratio	10.178	8	.253
Linear-by-Linear Association	.289	1	.591
N of Valid Cases	150		

a. 10 cells (66.7%) have expected count less than 5. The minimum expected count is .08.

The null hypothesis was taken, as that there is no significant Association between the education level of people and usage of ATM i.e., the two attributes are independent. The calculated value of Chi Square was 7.364 whereas the table value at 8 df. and 5% level of significance is 15.507 The calculated value of Chi square is less than the table value and hence the hypothesis is accepted and it is concluded that ATM usage is influenced by the education factor. Here we can see that graduates and post graduates are using ATM services at a high percentage of 47.33% and 25.33% respectively.

H0: There is no significant Association between the gender and usage of ATM

H1: The Association between the gender and usage of ATM is significant

TABLE 2

Crosstab

Count

		Services under usage-ATM			
		Yes	No	No Response	Total
Gender of respondent	Male	100	14	2	116
	Female	31	2	1	34
Total		131	16	3	150

GRAPH 2

Bar Chart
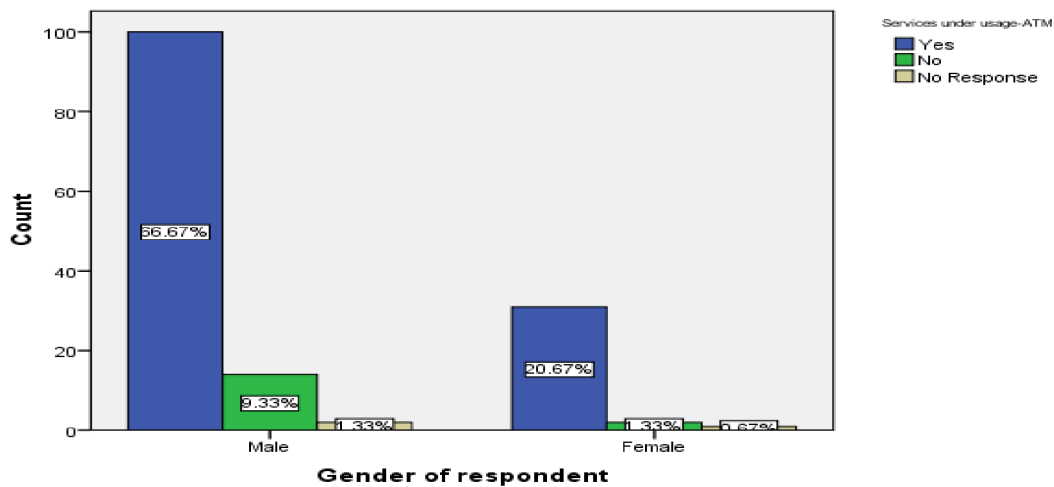
TABLE 2 (a)

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.213[a]	2	.545
Likelihood Ratio	1.329	2	.515
Linear-by-Linear Association	.025	1	.874
N of Valid Cases	150		

a. 3 cells (50.0%) have expected count less than 5. The minimum expected count is .68.

The null hypothesis in this case was taken as that there is no significant Association between the gender of people and usage of ATM i.e., the two attributes are independent. The calculated value of Chi Square was 1.213 whereas the table value at 2 df. and 5% level of significance is 5.991 The calculated value of Chi square is less than the table value and hence the hypothesis is accepted and it is concluded that there is no significant association between gender of people and ATM.

H0: There is no significant Association between the occupation and usage of ATM

H1: The Association between occupation and usage of ATM is significant

TABLE 3

Crosstab					
Count					
		Services under usage-ATM			
		Yes	No	No Response	Total
Occupation of respondent	Government service	44	7	0	51
	Private service	30	5	1	36
	Business	37	4	2	43
	others	20	0	0	20
Total		131	16	3	150

GRAPH 3
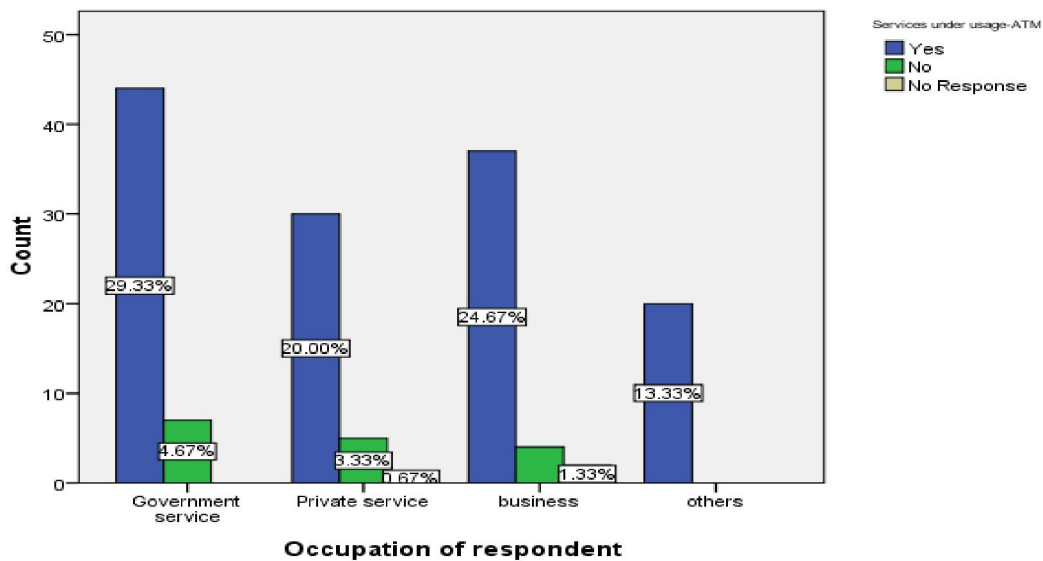
TABLE 3 (a)
Occupation of respondent * Services under usage-ATM

Chi-Square Tests			
	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.494[a]	6	.370
Likelihood Ratio	9.540	6	.145
Linear-by-Linear Association	.090	1	.764
N of Valid Cases	150		

a. 7 cells (58.3%) have expected count less than 5. The minimum expected count is .40.

The null hypothesis in this case was taken as that there is no significant Association between the occupation of people and usage of ATM i.e., the two attributes are independent. The calculated value of Chi Square was 6.494 whereas the table value at 6 df. and 5% level of significance is 12.592. The calculated value of Chi square is less than the table value and hence the hypothesis is accepted and it is concluded that ATM usage does not depend on his occupation.

H0: There is no significant Association between the income levels of person and usage of ATM

H1: The Association between income level of person and usage of ATM is significant

TABLE 4

Cross table					
Count	Services under usage-ATM				Total
		Yes	No	No Response	
ANNUAL INCOME	>less than 1,00,000	16	6	0	22
	1,00,001 To 2,00,000	37	2	3	42
	2,00,001 To 3,00,000	47	2	0	49
	3,00,001 To 4,00,000	17	3	0	20
	>4,00,001	14	3	0	17
Total		131	16	3	150

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GRAPH 4

Bar Chart

TABLE 4 (a)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.910[a]	8	.015
Likelihood Ratio	17.936	8	.022
Linear-by-Linear Association	1.498	1	.221
N of Valid Cases	150		

a. 9 cells (60.0%) have expected count less than 5. The minimum expected count is .34.

The null hypothesis in this case was taken as that there is no significant Association between the income levels of person and usage of ATM i.e., the two attributes are independent. The calculated value of Chi Square was 18.910 whereas the table value at 8 df. and 5% level of significance is 15.507. The calculated value of Chi square is more than the table value and hence the hypothesis is Rejected and it is concluded that ATM usage is associated between levels of income.

H0: There is no significant association in the proportion of people using ATM Services in public, private & Foreign banks

H1: the association between the proportion of people using ATM Services in public, private & Foreign banks is significant
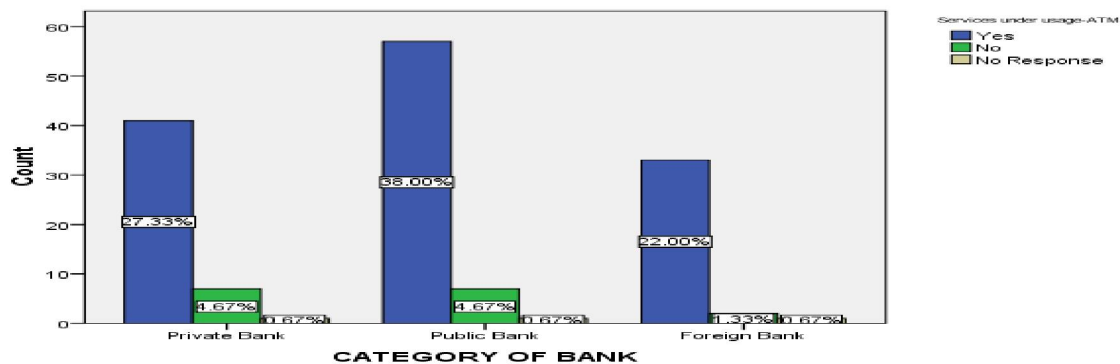
CATEGORY OF BANK * Services under usage-ATM

TABLE 5

Crosstab

Count

		Services under usage-ATM			
		Yes	No	No Response	Total
CATEGORY OF BANK	Private Bank	41	7	1	49
	Public Bank	57	7	1	65
	Foreign Bank	33	2	1	36
Total		131	16	3	150

GRAPH 5

Bar Chart

Chi-Square Tests

	Value	Df	Asymp. Sig.(2-sided)
PearsonChi-Square	1.816[a]	4	.770
Likelihood Ratio	1.941	4	.747
Linear-by-Linear Association	.021	1	.884
N of Valid Cases	150		

a. 4 cells (44.4%) have expected count less than 5. The minimum expected count is .72.

TABLE 5 (a)

The Calculated value of Chi square came to 1.816 where as the table value of Chi square at 4 degrees of freedom (d.f) and 5% level of significance is 9.488 is less than the table value and therefore the Null Hypothesis is Accepted and therefore it is concluded that there is no significant

Association between the proportion of people using ATM's in private, public & foreign banks.

H0: There is no significant Association between the types of accounts and usage of ATM

H1: The Association between the types of accounts and usage of ATM is significant

TYPE OF ACCOUNT * Services under usage-ATM

TABLE 6

Crosstab

Count

		Services under usage-ATM			
		Yes	No	No Response	Total
TYPE OF ACCOUNT	Saving	111	11	3	125
	Current	20	5	0	25
Total		131	16	3	150

GRAPH 6

Bar Chart
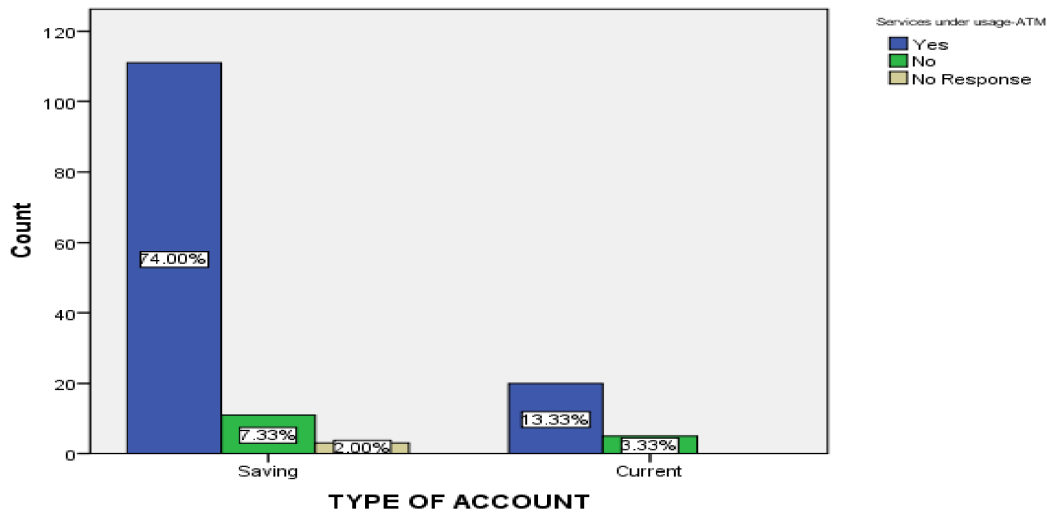
TABLE 6 (A)

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.235[a]	2	.198
Likelihood Ratio	3.337	2	.189
Linear-by-Linear Association	.101	1	.751
N of Valid Cases	150		

a. 3 cells (50.0%) have expected count less than 5. The minimum expected count is .50.

The Calculated value of Chi square came to 3.235 where as the table value of Chi square at 2 degrees of freedom (d.f) and 5% level of significance is 5.991 is less than the table value and therefore the Null Hypothesis is Accepted and therefore it is concluded that there is no significant Association between the types of accounts and usage of ATM.

CONCLUSION

It is concluded that ATM usage is influenced by the education factor. Here we can see that graduates and post graduates are using ATM services at percentage of 47.33% and 25.33% respectively

It is concluded that there is no significant association between gender of people and ATM.

It is concluded that ATM usage does not depend on his occupation.

it is concluded that ATM usage is associated between levels of income.

it is concluded that there is no significant Association between the proportion of people using ATM's in private, public & foreign banks.

it is concluded that there is no significant Association between the types of accounts and usage of ATM.

The study revealed that the major hindrance in its adoption is the fear of insecurity among the non users which. can be alleviated by the banks through awareness campaigns and more meaningful advertisements providing information about the time and money cost savings of using electronic banking technologies and information relating to the risk involved in security related issues. Further, according to the study, income level of the person significantly influences the usage. The banks can target various income level groups specifically for spreading the ATM services across its customers. Last, but not the least, there is a scope of further research to exactly determine the behavioral attributes and dimensions of the customers by the banks for devising their e-banking strategies specially the ATM services.

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