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**PRIVATE BANKS' ATMS EFFICIENCY AT GROUND ZERO: A CASE STUDY OF
ALLAHABAD**

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ABSTRACT

The technological investment done by Private Banks especially in installing cash dispensing machines, i.e. ATMs in India, had also forced public sector banks to update themselves, as their competitors; gone are the days when people used to stand in queues at Banks, with the advent of ATMs machine, customers can operate even from a remote location from their parent branch.

Private banks became the cynosure of households by introducing a system which was safer, better and faster for transactions, here in this paper the authors tries to examine the efficiency of ATMs offered by the private sector banks at Allahabad.

KEYWORDS: Private Banks, ATMs, Transactions, Efficiency JEL Classification : G20, G21.

INTRODUCTION

In terms of ATM installations, Asia Pacific region continues to be the largest. This region accounts for more than half of all new installations worldwide. ATM growth in India has been spiking over the past decade, and the total number of ATMs within the country has grown about 30% over the past five years to 98000 ATMs currently – with approximately 60,000 deployed by PSU banks alone and rest by private banks. India is expected to become one of the biggest markets by 2016 when the ATM network of banks is expected to reach 205,000.

As per the experts, the world ATM markets are expected to witness continued growth in the coming years, thanks largely to the increasing demand from India, China and other developing regions. Industry experts believe that although India's installed ATM base is lesser than China's, it is growing at a phenomenal rate of 100 percent year on year.

It is predicted that nearly half of India's ATMs will be outsourced by 2015. Banks are citing that the move will allow for quicker service and efficiency while saving money. Banks are increasingly outsourcing ATM deployment and management to third party vendors, helping them to focus on their core business initiatives. Several business models have evolved in the last decade that includes structured, tenured ownership of ATM infrastructure and transaction based pricing.

REVIEW OF LITERATURE

- (Chauhan, 2012) the paper entitled "Customer Preference Towards Use Of ATM Services In Pune City". The paper was undertaken to know the ATM impacts the customer services and leads to better customer satisfaction. To analyse the relationship between demographic variable and preference to use ATM, a structured questionnaires used to collect the data from a convenience sample of 300 customers from three

sample cooperative banks in Pune city. Frequency and Percentage analysis and chi square tests are applied for data analysis and interpretation. Also, charts and tables are prepared for better understanding of the findings.

- **(Pahwa & Saxena.K, 2011)** the paper entitled "Analytical Study of Customer Satisfaction at ICICI Bank with special reference to ATMs". In this paper the study was aiming at analysing the satisfaction levels of the customers of ICICI Bank holding ATM cards in Udaipur City with respect to some aspects such as the service quality of ATM personnel, location, sufficient number of ATMs in city, regularity in working of ATMs, their impact on overall performance and their opinions on various other related issues. This study is a type of exploratory research using random sampling technique. As the samples were selected on a random basis and it may represent the whole population, and therefore it may prove to be important for the ICICI Bank management to consider the recommendations with due care for being in competitive position for better customer service.
- **(Komal & Rani, 2012)** the paper entitled "Progress of Banking in India: Customers' Perspectives". The study was concerned with the various ways of doing banking electronically. This paper has been divided into four sections dealing with four aspects of E-banking i.e. ATM, Internet banking, Mobile banking and Credit cards. Paper is basically concerned with the customer aspect of banking searching for customer satisfaction level. This is a comparative study of Public sector bank is, Private sector Indian banks and Private sector foreign banks.
- **(S & Komal, 2009)** The paper entitled "Impact of Atm on Customer Satisfaction (A Comparative Study of SBI, ICICI & HDFC bank)". This paper was an attempt to study the impact of ATM on customer satisfaction. This is a comparative study of three major banks i.e. State Bank of India, ICICI bank and HDFC bank. This paper has been divided into two sections. First section presents the introduction of ATM, brief history of three Banks compiled through the literature available in the field. It also includes the review of the various services provided by the three banks under study. Second section presents the result obtained on the basis of the data collected for the three banks. A sample of 360 respondents equally representing each bank has been taken through questionnaire. Data has also been collected through interview also. Then various statistical tools have been used accordingly to compile the result.
- **(Saxena, 2011)** Prof. Karunesh Saxena (2011) in his study, "Analytical study of customer satisfaction at ICICI Bank with special reference to ATMs" aims at analyzing the satisfaction levels of the customers of ICICI Bank holding ATM cards in Udaipur city with respect to service quality of ATM, personnel, location, sufficient number of ATMs in city and found that customers are highly satisfied with ATM services provided by the ICIC bank in Udaipur

OBJECTIVES OF THE STUDY

- To find the most efficient private bank ATM on the basis of services provided, services utilised and Issues related to ATM at Allahabad.

Hypothesis of the study

The following are the hypothesis of the study:

- **Null Hypothesis (H₀):** There is a significant difference between the efficiency of ATMs of Private banks promised and at ground zero at Allahabad.
- **Alternative Hypothesis (H₁):** There is no significant difference between the efficiency of ATMs of Private banks promised and at ground zero at Allahabad.

Area of the study

- The study is being conducted in the Allahabad district of Uttar Pradesh State.

Need of the Study

The ATMs were being welcomed by all the strata of economy, as they had infused a new hope of business transaction, set customers free from the shackles of bureaucracy and long paper work at banks branch. After the New Economic Policy of 1991 India, witnessed the boom in banking sector by huge investment by the private players, they brought a

system which was better and faster, but after almost two and half decade, the researcher feels to do a reality check on ground zero, for the services promised and offered at the Moment of truth at Allahabad in India.

Limitations of the study

1. The present study about ATMs efficiency is confined to Allahabad district.
2. Most of the respondents were reluctant in sharing their personal information.

RESEARCH METHODOLOGY**Description of the study area:**

Allahabad, also known as Prayag is a city in the Indian state of Uttar Pradesh and the administrative headquarters of Allahabad District, the most-populous district in the state. As of 2011, Allahabad is the seventh most-populous city in the state, fifteenth in the Northern India and thirty-sixth in India, with an estimated population of 1.11 million in the city and 1.21 million in its metropolitan region. In 2011 it was ranked the world's 130th fastest-growing city. Allahabad, in 2013, was ranked the third most livable city in the state (after Noida and Lucknow) and twenty-ninth in the country.

Located in southern Uttar Pradesh, the city's metropolitan area covers 70.5 km² (27.22 sq miles). Although the city and its surrounding area are governed by several municipalities, a large portion of Allahabad District is governed by the Allahabad City Council. The city is home to colleges, research institutions and central and state government offices. Allahabad has hosted cultural and sporting events, including Kumbh Mela and the Indira Marathon. Although the city's economy was built on tourism, most of its income now derives from real estate and financial services.

Research Design

The present study is focused on the exploratory research design.

Data used

The primary data has been the modus operandi for exploring the difficulties of customers at Private Banks ATMs, the secondary data has been the base on which the study stands.

Data Source

The primary data for the study has been collected from customers from who are self employed, serviceman retired persons through personal interview method to know their experience.

Sample population

In this study the respondents are the customers of private banks, and comes from different age group.

Sample size

The sample for the study was 300 respondents with minimum qualification of HSC and maximum Post graduate.

Primary data source

The primary data for the study was collected from the respondents by personal interview method using pretested schedule. The primary data collected was based on the memory of the respondents.

Sample area

The study was conducted in Allahabad district of Uttar Pradesh. Allahabad district is sub divided into Allahabad East and Allahabad West according to the local governing body i.e. nagar nigam.

Period of study

The study had been conducted from commencing from 1st October 2015 to 28th Feb 2016 and completed in a period of four months.

Bank Wise Distribution of Different ATMS at Allahabad

Banks	No. of ATMS
AXIS	10
HDFC	20
ICICI	20
Federal Bank	1
IndusInd	14
Kotak Mahindra	10
YES Bank	3
South Indian Bank	2
Standard Chartered Bank	2

RESULTS AND DISCUSSION

Demographic profile of Customers

Table 1. 1 Age distribution across banks at Allahabad

		Age				Total
		18-30 years	31-40 years	41-50 years	51-60 years	
Bank	AXIS	9	14	9	9	41
	HDFC	17	8	7	8	40
	ICICI	6	19	16	4	45
	Federal Bank	4	3	0	0	7
	IndusInd	5	13	12	7	37
	Kotak Mahindra	10	15	3	3	31
	YES Bank	9	15	6	8	38
	South Indian Bank	9	13	4	5	31
	Standard Chartered Bank	10	13	3	4	30
Total		79	113	60	48	300
PERCENTAGE		26.33333	37.66667	20	16	100

The above table 1.1 shows that, the highest number of respondents were 45 from ICICI Bank in totality but the above table focuses on the fact that majority of the respondents were 113 i.e., belonging to 31-40 age group. Whereas the minimum respondents were from Federal Bank i.e., only 7, but the minimum age group respondents were only 48 from the 51-60 age group.

The reasons behind the above frequency are because respondents from 51-60 years were not ready to share their feelings regarding to the ATMs efficiency.

Table1. 2 Gender distribution across banks at Allahabad

		Gender		Total
		Male	Female	
Bank	AXIS	16	25	41
	HDFC	22	18	40
	ICICI	22	23	45
	Federal Bank	4	3	7
	IndusInd	19	18	37
	Kotak Mahindra	15	16	31
	YES Bank	16	22	38
	South Indian Bank	15	16	31
	Standard Chartered Bank	12	18	30
Total		141	159	300

The above table shows that, the highest frequency of 45 respondents belongs to the ICICI bank and highest frequency of 25 female belongs to AXIS bank while for male it was shared by HDFC and ICICI bank. The minimum frequency of 4 and 3 for both male and female was from Federal Bank.

Table1. 3 Does cash was always available in the ATM?

		Always	Very Often	Sometimes	Rarely
Bank	AXIS	10	15	8	8
	HDFC	14	9	8	9
	ICICI	8	19	15	3
	Federal Bank	4	1	1	1
	IndusInd	6	12	12	7
	Kotak Mahindra	4	20	3	4
	YES Bank	11	15	5	7
	South Indian Bank	8	13	5	5
	Standard Chartered Bank	11	11	3	5
Total		76	115	60	49

The Table1.3 depicts that out of 9 banks under study HDFC ATMs has secured **Rank 1** as per the Cash availability, while the last ranks has been shared by Federal and Kotak Mahindra jointly on 6th Rank.

Table1. 4 Did you always found quality notes in the ATM?

		Always	Very Often	Sometimes	Rarely
Bank	AXIS	11	14	8	8
	HDFC	13	11	7	9
	ICICI	9	18	15	3
	Federal Bank	4	1	1	1
	IndusInd	7	9	13	8
	Kotak Mahindra	3	22	3	3
	YES Bank	11	15	4	8
	South Indian Bank	9	13	4	5
	Standard Chartered Bank	10	11	4	5

Total		77	114	59	50
	Percentage	25.66667	38	19.66667	16.66667

The Table1.4 depicts that out of 9 banks under study HDFC ATMs has secured **Rank 1** as per the quality notes, while the last rank has been secured by Kotak Mahindra on **7th Rank**.

Table1. 5 Did you always found the security and privacy satisfactory?

		Always	Very Often	Sometimes	Rarely
Bank	AXIS	10	14	9	8
	HDFC	14	9	8	9
	ICICI	8	19	15	3
	Federal Bank	4	1	1	1
	IndusInd	6	12	12	7
	Kotak Mahindra	4	20	3	4
	YES Bank	11	15	5	7
	South Indian Bank	8	13	5	5
	Standard Chartered Bank	11	11	3	5
Total		76	114	61	49
	Percentage	25.333333	38	20.33333333	16.333333

The Table1.5 depicts that out of 9 banks under study HDFC ATMs has secured **Rank 1** as per the security and privacy, while the last rank has been shared by Federal and Kotak Mahindra jointly on **7th Rank**.

Table1. 6 Did you always found the pay -in slips at ATM?

		Always	Very Often	Sometimes	Rarely
Bank	AXIS	12	10	10	9
	HDFC	15	11	7	7
	ICICI	13	14	9	9
	Federal Bank	2	2	2	1
	IndusInd	16	13	3	5
	Kotak Mahindra	3	9	16	3
	YES Bank	7	15	10	6
	South Indian Bank	7	15	4	5
	Standard Chartered Bank	9	9	5	7
Total		84	98	66	52
	Percentage	28	32.66667	22	17.33333

The Table1.6 depicts that out of 9 banks under study IndusInd ATMs has secured **Rank 1** as per the pay -in slips availability, while the last rank has been secured by Kotak Mahindra jointly on **7th Rank**.

<i>Table1. 7 Did you always found ATM adequately power backed up with generator or invertor?</i>					
		Always	Very Often	Sometimes	Rarely
Bank	AXIS	12	10	10	9
	HDFC	15	11	7	7
	ICICI	14	14	8	9
	Federal Bank	2	2	2	1
	IndusInd	16	12	4	5
	Kotak Mahindra	3	10	15	3
	YES Bank	7	14	11	6
	South Indian Bank	5	17	4	5
	Standard Chartered Bank	9	9	5	7
Total		83	99	66	52
Percentage		27.66667	33	22	17.33333

The Table1.7 depicts that out of 9 banks under study IndusInd ATMs has secured **Rank 1** as per the power backed up availability, while the last rank has been secured by Federal Bank on **9th Rank**.

<i>Table1. 8 Did you always found the ATM in a good location?</i>					
		Always	Very Often	Sometimes	Rarely
Bank	AXIS	13	9	10	9
	HDFC	13	13	7	7
	ICICI	14	13	9	9
	Federal Bank	2	1	2	2
	IndusInd	17	13	3	4
	Kotak Mahindra	3	9	16	3
	YES Bank	5	16	10	7
	South Indian Bank	9	15	3	4
	Standard Chartered Bank	8	10	5	7
Total		84	99	65	52
Percentage		28	33	21.6666667	17.33333

The Table1.8 depicts that out of 9 banks under study IndusInd ATMs has secured **Rank 1** as per the good location availability, while the last rank has been secured by Federal Bank on **8th Rank**.

<i>Table1. 9 Did you always found sufficient number of ATMs for your bank?</i>					
		Always	Very Often	Sometimes	Rarely
Bank	AXIS	11	13	9	8
	HDFC	14	11	7	8

	ICICI	10	18	15	2
	Federal Bank	3	1	1	2
	IndusInd	8	8	13	8
	Kotak Mahindra	3	23	2	3
	YES Bank	10	16	5	7
	South Indian Bank	8	13	4	6
	Standard Chartered Bank	10	11	4	5
Total		77	114	60	49
	Percentage	25.66667	38	20	16.33333

The Table1.9 depicts that out of 9 banks under study HDFC ATMs has secured **Rank 1** as per the good location availability, while the last rank has been shared by Federal and Kotak Mahindra jointly on **5th Rank**.

<i>Table1. 10 Bank * Are you satisfied with the overall performance of your bank's ATM?</i>					
		Always	Very Often	Sometimes	Rarely
Bank	AXIS	12	10	10	9
	HDFC	14	10	8	8
	ICICI	13	10	11	11
	Federal Bank	2	4	0	1
	IndusInd	14	19	2	2
	Kotak Mahindra	7	3	17	4
	YES Bank	3	16	11	8
	South Indian Bank	9	11	5	6
	Standard Chartered Bank	9	9	5	7
Total		83	92	69	56
	percentage	27.66667	30.66667	23	18.66667

The Table1.10 depicts that out of 9 banks under study **1st Rank** has been shared by HDFC and IndusInd jointly as per the **overall performance**, while the last rank has been secured by Federal Bank on **7th Rank**.

<i>Table1. 11 Were you able to do funds transfer from ATMs?</i>					
		Always	Very Often	Sometimes	Rarely
Bank	AXIS	9	15	9	8
	HDFC	14	11	7	8
	ICICI	11	11	12	11
	Federal Bank	4	0	3	0
	IndusInd	15	5	11	6
	Kotak Mahindra	5	10	14	2
	YES Bank	6	10	14	8

	South Indian Bank	12	7	5	7
	Standard Chartered Bank	3	12	10	5
Total		79	81	85	55
	percentage	26.33333333	27	28.33333	18.33333

The Table1.11 depicts that out of 9 banks under study IndusInd ATMs has secured **Rank 1** as per the funds transfer facility, while the last rank has been secured by Kotak Mahindra on **8th Rank**.

Table1. 12 Did you found your banks' ATM equipped with an option of payments related to utility bills?

		Always	Very Often	Sometimes	Rarely
Bank	AXIS	9	15	9	8
	HDFC	14	9	8	9
	ICICI	13	10	11	11
	Federal Bank	2	0	5	0
	IndusInd	12	17	6	2
	Kotak Mahindra	7	3	17	4
	YES Bank	0	20	9	9
	South Indian Bank	9	11	5	6
	Standard Chartered Bank	1	14	10	5
Total		67	99	80	54
	percentage	22.33333	33	26.66667	18

The Table1.12 depicts that out of 9 banks under study HDFC ATMs has secured **Rank 1** as per the utility bills payments facility, while the last rank has been secured YES Bank on **8th Rank**.

Table1. 13 How many times you had to move to another banks Atm on an average?

		Always	Very Often	Sometimes	Rarely
Bank	AXIS	13	10	9	9
	HDFC	14	11	7	8
	ICICI	14	10	11	10
	Federal Bank	1	5	0	1
	IndusInd	14	16	3	4
	Kotak Mahindra	6	5	16	4
	YES Bank	5	15	11	7
	South Indian Bank	8	13	4	6
	Standard Chartered Bank	8	9	6	7
Total		83	94	67	56
	percentage	27.666667	31.33333	22.33333	18.66667

The Table1.13 depicts that out of 9 banks under study Federal Bank ATMs has secured **Rank 1** as per the issue of moving to another banks ATMs parameter , while the last rank has been secured ICICI Bank on **7th Rank**.

Table1. 14 How many times you have noticed that ATM gave error of "Machine out of cash"?

		Always	Very Often	Sometimes	Rarely
Bank	AXIS	9	9	13	10
	HDFC	15	9	6	10
	ICICI	12	15	9	9
	Federal Bank	0	7	0	0
	IndusInd	7	14	8	8
	Kotak Mahindra	11	1	17	2
	YES Bank	7	11	16	4
	South Indian Bank	0	22	4	5
	Standard Chartered Bank	7	12	8	3
Total		68	100	81	51
	percentage	22.66667	33.33333	27	17

The Table1.14 depicts that out of 9 banks under study Federal Bank ATMs has secured **Rank 1** as per the issue of "Machine out of cash" ATMs parameter, while the last rank has been shared by AXIS & HDFC Bank on **8th Rank**.

Table1. 15 How many times on an average the ATM was not able to print receipt?

		Always	Very Often	Sometimes	Rarely
Bank	AXIS	10	9	13	9
	HDFC	14	8	7	11
	ICICI	13	20	6	6
	Federal Bank	0	7	0	0
	IndusInd	7	14	8	8
	Kotak Mahindra	11	2	16	2
	YES Bank	8	12	14	4
	South Indian Bank	0	21	5	5
	Standard Chartered Bank	7	13	7	3
Total		70	106	76	48
	percentage	23.333333	35.33333	25.33333	16

The Table1.15 depicts that out of 9 banks under study Federal Bank ATMs has secured **Rank 1** as per the issue of "ATM was not able to print receipt" parameter, while the last rank has been shared by AXIS & HDFC Bank on **8th Rank**.

Table1. 16 How many times on an average the balance from your account has been deducted without dispensing cash from ATM?

		Always	Very Often	Sometimes	Rarely
Bank	AXIS	9	9	15	8
	HDFC	13	7	10	10
	ICICI	13	12	10	10
	Federal Bank	4	0	2	1
	IndusInd	8	8	14	7
	Kotak Mahindra	16	10	2	3
	YES Bank	8	8	10	12
	South Indian Bank	10	7	7	7
	Standard Chartered Bank	8	16	6	0
Total		89	77	76	58
percentage		29.66667	25.66667	25.33333	19.3333333

The Table1.16 depicts that out of 9 banks under study Standard Chartered Bank ATMs has secured **Rank 1** as per the issue of "displaying " your account has been deducted without dispensing cash" parameter, while the last rank has been shared by ICICI & YES Bank on **7th Rank**.

Table1. 17 How many times on an average your card has been jammed up in the ATM?

		Always	Very Often	Sometimes	Rarely
Bank	AXIS	9	9	13	10
	HDFC	15	9	6	10
	ICICI	12	17	8	8
	Federal Bank	0	7	0	0
	IndusInd	14	11	6	6
	Kotak Mahindra	6	9	15	1
	YES Bank	6	12	17	3
	South Indian Bank	1	22	2	6
	Standard Chartered Bank	8	10	8	4
Total		71	106	75	48
percentage		23.666667	35.33333	25	16

The Table1.17 depicts that out of 9 banks under study Federal Bank ATMs has secured **Rank 1** as per the issue of "displaying " card jammed up" parameter, while the last rank has been shared by AXIS & HDFC Bank on **7th Rank**.

Table1. 4 Overall Ranking of ATM s Efficiency at Allahabad

Variables	AXIS	HDFC	ICICI	Federal	IndusInd	Kotak Mahindra	YES Bank	South Indian Bank	Standard Chartered Bank
Cash Availability	3	1	4	6	5	6	2	4	2
Quality Notes	2	1	4	6	5	7	2	4	3
Security & Privacy	4	1	5	7	6	7	2	5	3
Payslips	4	2	3	8	1	7	6	6	5
Power Back Up	4	2	3	9	1	8	6	7	5
Location	3	3	2	8	1	7	6	4	5
Frequency of ATM	2	1	3	5	4	5	3	4	3
Performance	3	1	2	7	1	5	6	4	4
Other Bank Atm	6	5	7	1	2	2	4	3	4
ATM Technology	4	1	2	6	3	5	8	4	7
Fund Transfer Facility	5	2	4	8	1	7	6	3	8
Machine Out of Cash Error	8	8	7	1	6	2	4	5	3
Receipt Print	8	9	6	1	7	2	4	5	3
Balance Reduced Without Dispensing Cash	5	6	7	2	4	3	7	4	1
Card Jammed Up	7	7	6	1	5	2	3	5	4
Overall Rank	Rank 9	Rank1	Rank 7	Rank 8	Rank 5	Rank 2	Rank 6	Rank 4	Rank 3

The Table1.18 depicts that out of 9 banks under study HDFC Bank ATMs has secured **Rank 1** as per the highest Frequency of securing Rank 1 in all parameters, while the Rank 2nd has been secured by the Kotak Mahindra, here the Rank 9 has been awarded to AXIS Bank.

The ranking of the different ATMs suggests that what are different parameters Private sector bank has to work hard for increasing the ATM services offered by them.

CONCLUSION

The present research is an exploratory in nature, which is based on the responses received by the different respondents of banks at ATMs ,the ranking shows that clearly banks like Axis ,Federal bank has to go on a long road for securing better rankings.

The common perception for private sector banks among customers is that, they are far better than public sector bank in respect to ATM services offered to the general public.

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