

## **A Study on The Usage of Atm Cardholders of Sbi in Kanniyakumari District**

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### **ABSTRACT**

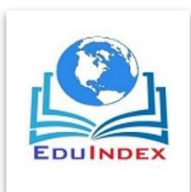
The government of India is encouraging the public to make e-payment for all the activities such as payment of telephone bills, Electricity bills, payment for the purchase of goods, any payment to government departments, making payment in shops, purchase of products through internet and so on. The intention of the government is to mobilize the public to make the payment more easily, quickly and safely and make them to come out from the traditional banking to modern banking. After demonetization on 8<sup>th</sup> November 2016 by the government of India, the usage of ATM cards among the cardholders have been increased to a great extend. The study has been conducted to know the important usage of ATM cards among the cardholders of SBI banks in Kanniyakumari District. The data were collected by a well planned interview schedule from 617 respondents from rural and urban areas of Kanniyakumari District. Various statistical tools such as t-test, two group discriminant analysis were used for the analysis of data. The study will reveal the usage of ATM cards for the major purpose.

**Key Words:** Customer Satisfaction, ATM card, ATM Usage, Level of usage, ATM Machine

### **INTRODUCTION**

The development of technology plays a vital role in all the fields of trade and commerce. The banking sector is also facing the tremendous changes and competition among various nationalized as well as private banks. To cope up the competition the bankers are in a position to provide a better and innovative service to its customers. The State Bank of India is an Indian multinational, public sector banking and financial services statutory body. It is a government corporation statutory body having a head quarters in Mumbai. SBI is ranked as 236<sup>th</sup> in the Fortune Global 500 list of the world's biggest corporation of 2019. It is the largest bank in India with 23% market share in assets besides a share of one-fourth of the total loan and deposits markets. The bank branches are spread all over the world and it is located in 22010 places.

In 2004, the State Bank of India in Kochi launched a floating ATM, on the ferry plying between the jetties of Ernakulam and Vypeen in the city's huge bay. At the end of India, SBI set up an ATM at Leh, 16000 feet above sea level, primarily for the benefit of the armed forces. The regularity of strikes from the intransigent unions of public sector banks increased demand for the round the clock reliability of ATM services, offering them in multiple languages, adding bill payment, ticket payment and other financial services. A



few even tried off beat services like giving horoscopes or allowing temple donations. Despite the growth of cards and other payment systems, the market for cash, and ATMs to dispense it does seem likely to remain strong in India. Currently the SBI offers ATMs over 50,000 plus ATMs in India. Now the bank has taken a wide effort to strengthen the ATMs and make available the ATMs at free of cost in near future. The study also helps the bank to know the common and important usage of ATMs among the customers and can concentrate on the required area for the improvement and development.

**SBI REVISED ATMS CHARGES :**

SBI has revised the charges for withdrawal from October 1<sup>st</sup> 2019 onwards.SBI provide free transactions at ATMs for 8 to 10 times in a month, above these mandated transactions they will charge a specified amount.SBI will also charge for transaction decline due it insufficient balance and cardless withdrawal at ATMs.

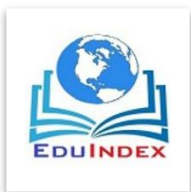
Five things to know about SBI ATM withdrawal charges.

- 1) Regular savings bank accountholders get 8 free transactions at SBI ATMs and three transactions at other bank ATMs. In non- metros such account holders get 10 free transactions including 5 at SBI ATMs and 5 at other bank ATMs.
- 2) SBI charges a fee ranging from Rs 5 plus GST to Rs 20 plus GST for any additional transactions beyond this limit.
- 3) Effective from 1<sup>st</sup> October 2019,SBI will charge Rs 20 GST for transations decline due insufficient balance.
- 4) SBI will also charge Rs 22 plus GST for cardless cash withdrawal at ATMs.
- 5) For all Salary accounts at all locations, SBI offers free unlimited transactions at State Bank Groups (SBG) ATMs and other bank ATMs.

However, maintaining a certain minimum balance in the savings account, can do unlimited transactions at SBI ATMs and even at other bank ATMs. The bank currently allows unlimited free transactions at SBI Group (SBG) ATMs to its customers who have maintained a monthly average bank account in the previous month. The details are given below:

**Table : 1.SBI REVISED ATMS CHARGES**

Average Monthly Balance(AMB) in Savings Bank	Number of free transactions per month (Both financial and Non-Financial)		
	Other Bank ATMs		Our Bank ATM
	In 6 Metro Centres \$	Other Centres	
Upto Rs. 25,000/-	3	5	5
Above Rs. 25,000/- upto Rs. 50,000	3	5	Unlimited
Above Rs. 50,000/- upto Rs. 1,00,000/-	3	5	
Above Rs.1,00,000/-	Unlimited	Unlimited	
Charges for financial transactions beyond the set limit	Rs.20/- + GST		Rs.10/- + GST
Charges for non-financial transactions beyond the set limit	Rs.8/- + GST		Rs.5/- + GST



Transaction decline due insufficient balance	Rs.20/- + GST	Rs.20/- + GST
Cardless Cash withdrawal at ATMs	Rs.22/- + GST	Rs.22/- + GST
<p>One way inter-changeability allowed for branch transaction on ATM transactions. It means a customer will be allowed maximum of 10 free debit transactions at 6 Metro centres at SBI ATMs and maximum 12 free debit transactions at other centre ATMs (If no transaction at other Bank ATM and no transaction at the branch)</p> <p>\$ Namely ,Mumbai, New Delhi, Chennai, Kolkatta, Bengaluru and Hyderabad</p> <p>For All Salary Package accounts at all locations, irrespective of various, Free, Unlimited number of transactions at our ATMs, other Bank ATMs.</p>		

Source : Secondary Data

**STATEMENT OF THE PROBLEM**

Banks are providing ATMs to its customers from 80's onwards. At that time the usage of ATMs were only in the metropolitan cities. The few years back also the usage of ATMs were not that much familiar and only a few categories people used ATMs. The usage of ATMs among the rural people is comparatively low than the urban people because of the non- availability of ATM centres, lack of awareness, thinks that it won fit for them and so on. After demonetization of currencies on 8<sup>th</sup> November 2016 by our prime minister Mr.Narendra Modi, former Finance Minister Mr.Arun Jaitley says that the purpose of demonetization was less-cash economy, digitalization, increase tax base and crackdown on black money. Thereafter the public were motivated to use the ATMs for making their payments. Though there are various usage of ATMs the attitude of usage differ from person to person. Hence the study is to find the common usage of ATMs of SBI in Kanniyakumari District.

**REVIEW OF LITERATURE**

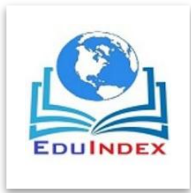
Yavas et al., (2000) argued that a customer focused ATM delivery system that fulfills their needs and maximize operational performance is an essential dimension for bank to achieve and sustain competitive advantage.

Shansuddoha et al., (2005) identified that the banking habits and transactions are increased to a considerable extent after the introduction of ATM. It also increases the productivity and performance of banks.

Takala and Viven (2007) revealed that there is a significant impact of ATMs on the use of cash among the customers since they are using fund transfer, debit/credit card for their purchase.

Kausan and Isfan (2009) found that the important benefits from the use of ATMs are speed, enjoyment, ease of use, physical experience and control. The customers personality characteristics were also found to have a positive influence on the use of ATMs. Impatience and self esteem were the major reasons for the increasing use of ATMs. Speed of transaction and ease of use of ATMs were the motivating elements to use the ATMs. Technical reliability and malfunctioning of ATMs could be one big hurdle in the use of ATMs.

Mohammed (2010) found that the ATM machine can enable customers to deposit and withdraw cash in less time and in more convenient places than in bank branches.



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Rameshkumar (2016) identified the most important usage of ATM among the users to be cash withdrawal, fund transfer and payment of credit card bill. The frequency of usage of ATM is noticed as higher among the employees and professionals whereas the dominant frequencies of usage among them are 4 to 8 times per month.

### OBJECTIVES OF THE STUDY

The objectives of the study is:

1. To find out the important usage of ATM Services.
2. To analyze the level of important usage of ATM Services.
3. To know the impact of the profile of the respondents on the usage of ATM Services.
4. To provide suggestions and conclusion based on the findings of the study.

### SAMPLE OF THE STUDY

The population selected for the study is the ATM cardholders of various SBI branches in Kanniyakumari district. Totally, there are 34 SBI branches, 48908 customers and 45677 ATM cardholders in the 9 blocks and 4 municipalities of Kanniyakumari district. The sample

size of the study was determined with the help of  $n = \frac{N}{Ne^2 + 1}$ . It came to 617 respondents

when the accepted error (e) is 4 per cent. The sampled respondents (617) selected from all SBI branches in the district on the basis of the number of ATM cardholders in the particular branch to the total. The sampled ATM cardholders were selected from each branch with the help of the respective branch manager. Hence, the applied sampling procedure of the study is stratified proportionate sampling. Out of 617 respondents, 419 respondents belong to rural branches and the remaining 198 respondents to urban branches.

### TOOLS FOR ANALYSIS

Statistical tools were used based upon the nature of data and relevance of the information required. In this study f-test, Exploratory Factor Analysis (EFA), Multiple Regression Analysis and Two group discriminant analysis were used for the analysis.

### COLLECTION OF DATA

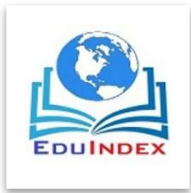
The study is based on both primary as well as secondary data. The primary data were collected with the help of well structured interview schedule. The secondary data were collected through reports, newspapers, journals and websites.

### FINDINGS

#### IMPORTANT USAGE OF ATM SERVICES

Table : 2 . IMPORTANT USAGE OF ATM SERVICES (IUATMS)

<i>Sl. No.</i>	<i>IUATMs</i>	<i>Number of variables</i>	<i>Eigen value</i>	<i>Per cent of variation explained</i>	<i>Cumulative per cent of variation explained</i>



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1.	Electronic payment	4	4.1082	29.34	29.34
2.	Statement analysis	4	3.6646	26.17	55.51
3.	Cash dealing	3	2.8097	20.06	75.57
4.	Value added services	3	1.9173	13.69	89.26
KMO measure of sampling adequacy: 0.8117			Bartlett's test of sphericity: Chi-square value: 102.83*		

**Source: Computed from Primary Data**

**\*Significant at five per cent level.**

The above table number 2, exhibits the dominant usages narrated by EFA to be 'electronic payment' and 'statement analysis' since their eigen values are 4.1082 and 3.6646 respectively. The next two important usages are 'cash dealing' and 'value added services' since their eigen values are 2.8097 and 1.9173 respectively. The four important usages thus narrated, explain the 14 variables to an extent of 89.26 per cent.

### VARIABLES IN THE FOUR USAGES OF ATM SERVICES

The variables included in electronic payment, statement analysis, cash dealing and value added services are 4, 4, 3 and 3 respectively. The variables are included in each important usage as per its standardized factor loading in the important usage compared to other important usages. The variables are listed in Table 3.

**Table 3. VARIABLES IN IMPORTANT USAGE OF ATM SERVICES**

<i>Sl. No.</i>	<i>Variables in electronic payment</i>	<i>Variables in statement analysis</i>	<i>Variables in cash dealing</i>	<i>Variables in value added services</i>
1.	e-payment	Balance check	Cash withdrawals	Money transfer
2.	e-purchase	Mini statement	Fast cash	Request for cheque book
3.	Debit cards for payment	View transaction	Deposit cash	Changing of pin
4.	Bill payments for utility providers	24 hours service		

**Source: Primary Data**

### LEVEL OF IMPORTANT USAGE OF ATMS



**Table 4. LEVEL OF IMPORTANT USAGE OF ATMS**

Sl. No.	IUATMS	Mean scores among		't' statistics
		Urban area	Rural area	
1	Electronic payment	3.7465	3.1344	2.6696*
2	Statement analysis	3.7032	3.1858	2.6414*
3	Cash dealing	3.8124	3.7481	0.2903
4	Value - added services	3.8795	3.3288	2.5886*
	Overall	3.7768	3.3222	2.2173*

Source: Computed from Primary Data

\*Significant at five per cent level.

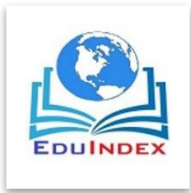
The above table number 4 depicts the level of usage of ATM services, the significant difference among the urban and rural respondents have been noticed in the case of 'electronic payment', 'statement analysis' and 'value added services' since their 't' statistics are significant at five per cent level. In total, the level of usage of ATM services is higher among the urban respondents than among the rural respondents since their average scores are 3.7768 and 3.3222 respectively.

#### IMPORTANCE OF IUATMS IN TDS

**Table 5. IMPORTANCE OF IUATMS IN TDS**

Sl. No.	IUATMS	Discriminant co-efficient	Mean difference	Product	Relative contribution in TDS
1.	Electronic payments	0.1509	0.6121	0.0924	30.43
2.	Statement analysis	0.1804	0.5174	0.0933	30.74
3.	Value added services	0.2141	0.5507	0.1179	38.83
	Total			0.3036	100.00
Per cent of cases correctly classified: 78.16.					

Source: Computed from Primary Data



The above table number 5 reveals that the most important discriminant usage of ATMs among the urban and the rural respondents is 'value - added services' which is higher among the urban compared to the rural respondents.

### IMPACT OF THE PROFILE OF RESPONDENTS ON THEIR LEVEL OF USAGE OF ATM SERVICES

Since the profile of the respondents may have its own influence on the level of usage of ATM services, the present study has made an attempt to examine it with the help of Multiple Regression Analysis.

**Table 6. IMPACT OF THE PROFILE OF THE RESPONDENTS ON THEIR USAGE OF ATM SERVICES**

Sl. No.	Profile variables	Regression co-efficient among respondents in		
		Urban area	Rural area	Pooled data
1.	Gender	0.0779	-0.0339	0.0452
2.	Age	-0.1693*	-0.2142*	-0.1809*
3.	Level of education	0.2456*	0.1493*	0.1907*
4.	Occupation	0.0899	0.0453	0.0646
5.	Personal income	0.1904*	0.0996	0.1451*
6.	Family income	0.1864*	0.1301*	0.1509*
	Constant	0.7086	0.4117	0.5969
	R <sup>2</sup>	0.8142	0.7496	0.8494
	'F' statistics	9.9089*	8.4182*	10.4224*

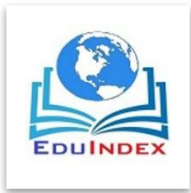
Source: Computed from Primary Data

\*Significant at five per cent level.

The above table number 6 illustrates that the higher impact of profile variables on the level of usage of ATM services is seen among the urban than the rural respondents.

### SUGGESTIONS

1. Increase the level of the usage of ATM Services among the rural areas by conducting awareness programme, sending messages and pamphlets periodically.



2. The most commonly used ATMs is for cash disposal. To create trust in the minds of the customers the banks are advised to maintain the sufficient cash balances in all times especially during the festival seasons and on continuous government holidays.
3. The bank can highlight and promote the value added services to its customers in order to increase the usage and customer satisfaction in ATMs.
4. The bank must take steps to simplify the procedure of using ATMs. It will be helpful to the less educated customers.
5. The bank must make the customers to feel that the ATM services are better and cheaper than the personal banking, then the rate of the usage of ATM services will be mounting up.

## CONCLUSION

The present study concludes that the study on the usage of ATM services of SBI in Kanniyakumari District is only at a moderate level. The important usages of ATM services among the respondents are for electronic payments and statement analysis. The usage of ATM services among the urban respondents is higher than the rural respondents. The study reveals that the most important discriminant usage of ATMs among the urban and the rural respondents is 'value-added services' which is higher among the urban compared to the rural respondents. The relative importance of age, level of education, personal income, and family income in the determination of the level of usage of ATM services among the respondents are found out. The most preferred and an expected ATM service among the respondents in the modern era is the provision of more value added services. The SBI bank can concentrate more on the rural area to mobilize the usage of ATMs. By opening more ATM centres and giving awareness programmes in rural areas the usage of ATMs will be increased to a greater extend.

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