

## **A STUDY ON ATTITUDE OF CUSTOMERS TOWARDS PLASTIC MONEY**

**Swapnil Shay & Vandna Pathak,**  
CHENNAI, INDIA.

### **ABSTRACT**

*The sector that is the backbone and heart of a country's economy is banking. The recent past experience reveals that India is on the fastest way in growing economy. This may due to globalization, financial deregulation and improvement in recent technology. The innovative banking technology is supposed to be the hook of the banking business elephant of India. The boon of innovation to the public in banking sector is the introduction of Asynchronized Transfer Machine cards, practically known as Automatic Teller Machine Card. The ATM cards habit is fast catching up even among the middle classes in the Country because of convenience associated with this new instrument and same is introduced by the banker for the both side benefits. ATMs are one of the ways that made the money more liquid than before.*

*The 21st century witnessed a big boom in the ATM card usage. People prefer to carry ATM cards rather than carry cash and currency notes for safety and security. Cash transactions are considerably reduced in cities and credit transactions. But at the same time the cheque is continuing to dominate with the inland and foreign business traffic. The ATM cards and travelers' cheque show a global spread during the 21st century.*

### **REVIEW OF LITERATURE**

The literature survey reveals that various studies related to banking shows a lot of work has been carried out in Indian scenario. Researchers have done on recent trends and the tried to explore the level of satisfaction amongst the customers availing those services. Some of them are;

*Shastri (2001) analyzed the effect and challenges of new technology on banks. He found that technology has brought a sea change in the functioning of banks and use of ATMs has increased with the passage of time.*

*Raihan, Khan and Rabbi (2001) has also favoured that there are huge potential cost savings if the banks manage to carry out higher percentage of their transactions over electronic mode such as ATMs.*

*Agarwal and Gupta (2003) have attempted to develop a multilevel, multi-dimensional service quality model. The results showed that the service quality of foreign banks and the new private sector banks is comparably much better than those of public sector banks.*

*Shajahan. S (2005) also made an attempt to study the customer satisfaction on banking services through discriminant analysis but that was also a generalized study covering all the modes and not emphasizing on ATMs.*

*Kumar, Malathy and Ganesha (2006) in their study found that degree of substitution of ATMs with that of teller is high and concluded that ATM has both – process and product innovation characteristic. As a process innovation, it substituted the automated delivery of services for those previously offered a bank counter like the teller. They also found ATM to be product innovation with implication of consumer demand.*

*Uppal (2008) in his study has found that the most preferred channel of banking in Punjab is ATM. This study was also not focused particularly on customer satisfaction through ATMs.*

*Ajay Bimbhit (2008) in his study on Technology led customers service, has found that the customers would expect security of money, growth, safety, and respectful listening from their banks. ATMs are used no longer for dispensing money only but also offer more information and services.*

*Khan (2010) said that the key dimensions of automated banking service quality include reliability, ease of use, privacy, convenience and responsiveness.*

*Malarvizhi (2011) mentioned that age is the main factor that determines ATM services in Coimbatore city.*

*Pahwa and Kaur* (2012), identified seven factors affecting the customer satisfaction from 26 aspects of ATM services offered to certain selected customers of Private sector bank ICICI using factor analysis technique.

*Ramola Premalatha and Sundaram* (2012) justified that the ATM services in Vellore district have improved their quality for the utmost satisfaction of their customers.

### SCOPE OF STUDY

The study is confined to Aundipatti taluk, Theni District of Tamilnadu having a population of 1, 07,936 males and 1, 04,583 females, in total 2, 12,519. The scope of the study is very limited and the approach of the study focuses mainly on the angle of customers.

### OBJECTIVES OF THE STUDY

1. To identify the ATM card services of banks in Aundipatti
2. To bring out the main purposes of using ATM card.
3. To provide a clear insight on the attitude of the ATM card users.

### STATEMENT OF THE PROBLEM

The usage ATM card is a fast growing concept of banking of these days. Initially, lack of computer support, awareness among the customers about the innovative developed technology and the disinterest of the customers has contributed to this fiasco. In these circumstances, it is found necessary to analyze the ATM card services of banks in Aundipatti.

### METHODOLOGY AND DATA COLLECTION

Since the research is based on primary data, questionnaires were formed and collected by face to face interview from 120 respondents as primary data those who approached the ATM services within the limit of Aundipatti taluk consisting of eight ATM centers.

### PERIOD OF THE STUDY

The present study covers the period during the month of August 2014.

### TOOLS FOR ANALYSIS

Statistical tools used for analysis in the present paper are

- Percentage Analysis
- Scaling Technique
- Chi-Square test

### ANALYSIS AND INTERPRETATION OF DATA

### Gender-wise classification of the Respondents

Among the total number of 120 respondents, majority of them are males using ATM facility. The remaining are females. The table 1 furnishes the gender- wise classification of the respondents.

**Table 1**  
**Sex-Wise Classification of the Respondents**

S. No	Sex	No. of Respondents	Percentage of Total
1	Male	108	90.00
2	Female	12	10.00
<b>Total</b>		<b>120</b>	<b>100.00</b>

**Source: Primary Data**

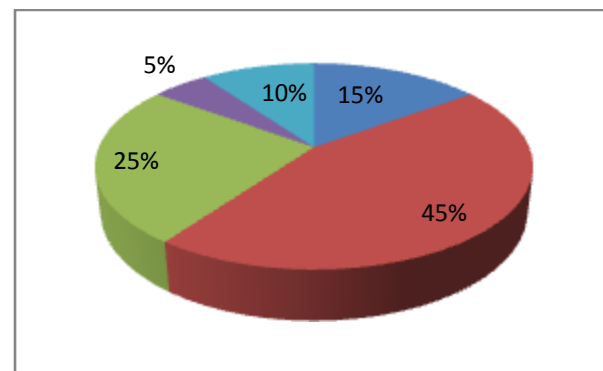
### Educational Status of Respondents

The survey gathers information regarding the educational status of the respondents of the sample area. 15% of them have studied up to Middle and High School level, 45% of the respondents have studied up to Higher Secondary School, 25% of them are Degree holders, 5% are Post Graduates and 10% of them are Diploma holders that has been highlighted in table-2.

**Table 2**  
**Table Educational Status**

S.No	Education al Status	No. of Respondents	Percentage of Total
1	Middle & High School	18	15.00
2	Higher Secondary	54	45.00
3	Graduates	30	25.00
4	Post Graduate	6	5.00
5	Diploma	12	10.00
<b>Total</b>		<b>120</b>	<b>100.00</b>

**Source: Primary Data**



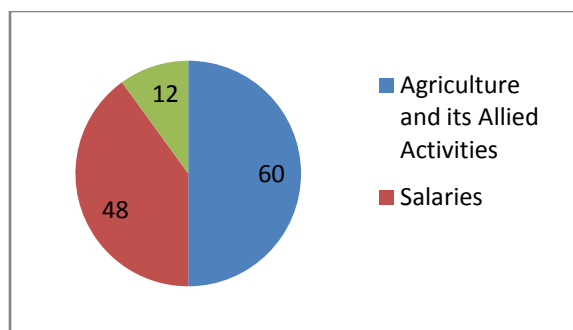
### Occupation Details

The survey brings to light the details regarding the occupation of the respondents. A maximum of the 60 respondents' are involved in agriculture and allied activities constituting 50%. 40% of the respondents are salaried people and minimum of 12 respondents are involved in small and marginal level business.

**Table 3**  
**Occupation Details**

S.No.	Occupation	No. of Respondents	Percentage of Total
1	Agriculture and its Allied Activities	60	50.00
2	Salaries	48	40.00
3	Small and	12	10.00
<b>Total</b>		<b>120</b>	<b>100.00</b>

Source: Primary Data



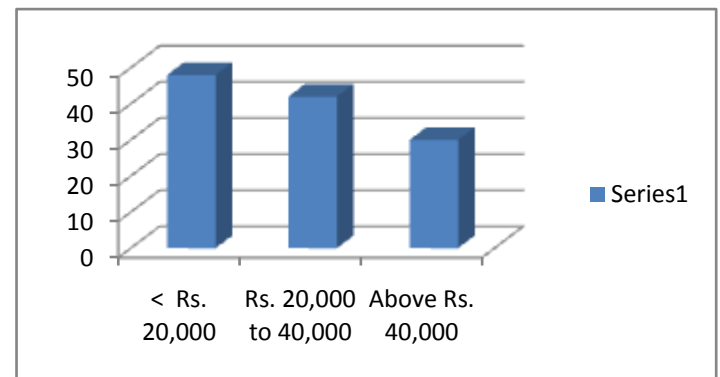
### Income-Wise Classification

The survey throws light on the earning of the cardholders. Out of 120 respondents, 40% of the respondents had the income of less than Rs. 20,000, 35% -Rs. 20,000 to Rs. 40,000 and 25% of the respondents had the income of more than Rs. 40,000. Table 4 is the evidence to this phenomenon.

**Table 4**  
**Monthly Income**

S.No.	Level of Income	No. of Respondents	Percentage of Total
1	< Rs.	48	40
2	Rs. 20,000 to 40,000	42	35
3	Above Rs. 40,000	30	25
<b>Total</b>		<b>120</b>	<b>100.00</b>

### Source: Primary Data



### Sex-Wise Classification:

Sex-Wise classification of the respondents who were motivated by the bankers is shown in table 5. It could be inferred that out of 108 male respondents 72 respondents were motivated after getting motivation to purchase the ATM card by the bankers. Remaining interviewers were due to self interest. Out of 12 female respondents only 6 of them were motivated by their self interest. It is shown in the table 5.

**Table 5**  
**Sex of the Respondents and the Impact of bankers' Motivation on ATM card selection**

S.No.	Sex	Number of Respondents		
		Motivated by banker	Self interest	Total
1	Male	72	36	108
2	Female	6	6	12
<b>Total</b>		<b>78</b>	<b>42</b>	<b>120</b>

Source: Primary Data



Chi-Square test is applied to test the hypothesis assumed as "There exists a relationship between sex of the respondents and the impact of the motivation by the bankers of ATM card selection.

**Table 6**

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
72	70.2	1.8	3.21	0.046
36	37.8	-1.8	3.24	0.086
6	7.8	-1.8	3.21	0.415
6	4.2	1.8	3.24	0.771
$\Sigma (O-E)^2 / E = 1.318$				

Calculated value is 1.318. The degree of freedom at 5 per cent level of significant is 3.841. Since, the calculated value (1.318) is less than the table value, the hypothesis is accepted. Hence it could be concluded that there exists a relationship between sex of the respondents and the impact of the motivation by the bankers of ATM card selection.

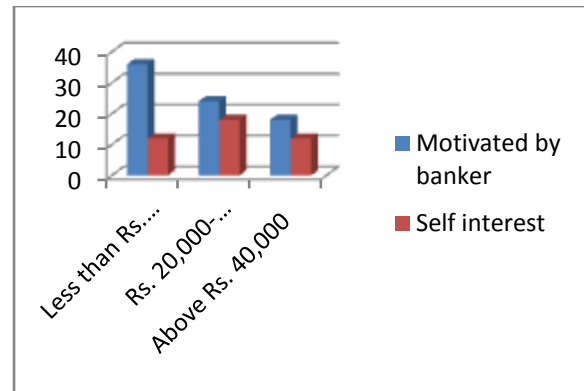
#### Income-Wise Classification

Table 7 shows the Income-Wise classification of the respondents and the impact of advertisement on ATM card selection. Out of 120 respondents, 78 of them were motivated by seeing the advertisement to ATM card and the remains 42 are not motivated.

**Table 7**  
**Income of the Respondents and the Impact on ATM card Selection**

S.No.	Income (in Rs.)	Number of Respondents		Total
		Motivated by the banker	Self Interest	
1	Less than Rs. 20,000	36	12	48
2	Rs.	24	18	42
3	Above Rs.	18	12	30
<b>Total</b>		<b>78</b>	<b>42</b>	<b>120</b>

**Source: Primary Data**



In order to test the hypothesis framed as "There exists relationship between the income of the respondents and the impact of bankers' motivation on ATM card selection", for which Chi-Square value was computed.

**Table 8**

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
36	31.2	4.8	23.04	0.738
12	16.8	-4.8	23.04	1.371
24	27.3	3.3	10.89	.399
18	14.7	3.3	10.89	.741
18	19.5	1.5	2.25	.115
12	10.5	1.5	2.25	.204
$\Sigma (O-E)^2 / E = 3.568$				

Calculated value at 2 degrees of freedom is 3.568 Table value for 2 degrees of freedom at 5 per cent level of significance is 5.991. The calculated value is less than the table value and hence the hypothesis is accepted and concluded that there exists relationship between the income of the respondents and the impact of bankers' motivation on ATM card selection.

#### PERIOD OF OPERATING THE BANK ACCOUNT

The researcher had focused the operation period with which the card holders maintained the account in particular branch. 45% of the respondents occupy the major role. Their operation period lies between 2 to 5 years. 23% of the respondents have maintained their account for more than 5 years. 32% of the respondents have maintained their account for 6 months to 2 years. It has been displayed in the table 9.

**TABLE 9**  
**Period of using the Card**

S. No.	Period	No. of Respondents	Percentage of Total
1	6 Months to 2	38	32.00
2	2 years to 5	54	45.00
3	More than 5 years	28	23.00
<b>Total</b>		<b>120</b>	<b>100.00</b>

Source: Primary data.

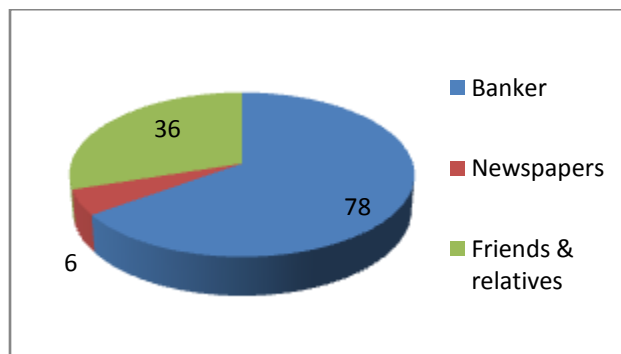
#### SOURCE OF INFORMATION ABOUT ATM CARD

The researcher has further analyzed the sources of information to know the ATM cards, i.e., Bankers' advice, journals and friends and relatives. 65% of the respondents are directly persuaded to buy the ATM cards by the bankers. The direct approach is handled successfully till now. Another 30% of the respondents have known about the ATM card from friends and relatives that mooted for self interest. The remaining 5% of the respondents have known about the ATM card through journals only that also induced the self interest.

**Table 10**  
Source of information about the ATM card

S. No.	Source	No. of Respondents	Percentage of Total
1	Banker	78	65.00
2	Newspapers	6	5.00
3	Friends & relatives	36	30.00
<b>Total</b>		<b>120</b>	<b>100.00</b>

Source: Primary data.



#### PERIOD OF USING THE CARD

Here the researcher analyzed the period of using the card. The survey reflects that 55% of the respondents are real and regular users of

card for a period of 1 to 3 years. Then 31.67% of the respondents are using less than one year and the remaining 22.50% of the respondents are using for a period of more than 3 years. The following table is an indicator of this fact.

**Table 11**  
Period of using the Card

S. No.	Sex	No. of Respondents	Percentage of Total
1	Less than 1 year	38	31.67
2	1 to 3 year	55	45.83
3	Above 3 years	27	22.50
<b>Total</b>		<b>120</b>	<b>100.00</b>

Source: Primary data.

#### FREQUENCY OF USING THE CARD

The card holders can make use of the card either frequently, monthly or during the festival time. According to their convenience they can use the card. The survey indicates that 45% of the respondents have used the card frequently whenever they want to withdraw money. 32.50% of respondents have used the card monthly once or twice or thrice. 12.50% and 10% of the respondents have used the card on specific and important occasions and during festival time only.

**Table 12**  
Frequency of using ATM card

S. No.	Particulars	No. of Respondents	Percentage of Total
1	Frequently	54	45.00
2	Monthly	39	32.50
3	Occasionally	15	12.50
4	During festival time	12	10.00
<b>Total</b>		<b>120</b>	<b>100.00</b>

Source: Primary data.

#### PLACE OF UTILISATION OF ATM CARD

The ATM card is valid only in India. The card holders can make use of the card both in local and outstation. Out of 120 respondents 80% of the respondents are using the ATM cards in Aundipatti and the remaining 20% of the respondents are using the card in outstation. This is evident from the following table.

**Table 13**  
**Place of utilization**

S. No.	Particulars	No. of Respondents	Percentage of Total
1	Outstation	24	20.00
2	Aundipatti	96	80.00
<b>Total</b>		<b>120</b>	<b>100.00</b>

**Source: Primary data.**

#### REASONS FOR USING THE ATM CARD

The researcher has analyzed the reasons for using the ATM card and also used in the tools of WAM The survey conveys that convenience

occupied the first rank with a score value of 3.85, Avoidance of risk has secured the second rank with a score value of 3.35, prestige power has occupied the third place with a score value of 3.10, and then it is followed by immediate payment and cash withdrawal facility with values of 2.40 and 2.30.

**Table 19**

**Reasons for using the ATM card**

S.No.	Particulars		I		II		III		IV		V	Total	WAM
1	Avoidance of risk	30	150	36	144	18	54	18	36	18	18	402	3.35
2	Convenience	48	240	30	120	24	72	12	24	6	6	462	3.85
3	Prestige power	18	90	24	96	42	126	24	48	12	12	372	3.10
4	Immediate payment	12	60	18	72	12	36	42	84	36	36	288	2.40
5	Cash withdrawal facility	12	60	12	48	24	72	24	48	48	48	276	2.30
<b>Total</b>		<b>120</b>		<b>120</b>		<b>120</b>		<b>120</b>		<b>120</b>			

**Source: Computed**

#### FINDINGS

1. It is identified that 90% of the card users of ATM card are male
2. Income is not a bar for purchase and using ATM cards. It is used by almost all income groups.
3. It is clear from the findings that out of 120 informants studied, 45% of the respondents have completed their higher secondary school level and 25% of them have completed under graduation.
4. Among the total respondents, salaried persons occupy the second place. A large majority of 50% of the card holders are involved in agriculture and its allied activity.
5. 40% of the respondents are in the category of income earning of Rs. 20,000 and below.
6. The findings on the period of operating the bank account 45% of the respondents have got 2 to 5 years experience of operating the account.
7. The investigation on sources of information about ATM card reveals that 35% of the respondents are directly persuaded to buy the ATM cards by the banker.



8. The researcher has focused different factors of ATM card. 65% of the cardholders are initiated on the advice of the bankers.
9. The survey unfolds that 77.5% of the holders are real and regular users of the card. The survey indicates that 22.5% of the respondents have used only during festival and occasionally.
10. The place of utilization of the card is also brought out in the study. The survey is that 20% of the cardholders are using the card in outstation areas.
11. The researcher has identified the various reasons for using the card i.e., Convenience {WAM: 3.85} Avoidance of risk (WAM: 3.35), Prestige power (WAM 3.10), Immediate payment (WAM:2.40) and Cash withdrawal facility (WAM: 2.30).

The analyzing part of the customers' attitude focus that the banker should take personal care in case of occupation and income of the customers. The persons involved in agriculture and its allied activity occupies much more in the Gross Domestic Product of the country. Taking this fact into the mind the banks should focus on rural masses for banking activity to uplift the economy of the country. In addition to that recently it is found that almost all the banks are implementing a practice irrespective of the nationalized and private bankers by charging more amount as bank charges for the services rendered by the bankers for their basic their functions. It is suggested that the bankers should give up such activity unless otherwise it is found suitable for the purpose of eliminating the burden to be loaded in the heads of customers. If it is not, so the customers may try to slowly forget the concept banking.

#### **SUGGESTIVE MEASURES FOR IMPORTANT FINDINGS EXCLUDED IN ANALYSIS**

1. Since the usage of ATM facility is increasing, most of the respondents replied with negative opinion that they lose hope on ATM services, when they do not find money in ATM frequently and the ATM status as out of service. This should be eliminated by dumping of money by fixing the alter message mechanism in the ATM to communicate the bank immediately before the fixed level of balance is available in the ATM and engaging of service

engineers to attend the problem with immediate effect.

2. Available of soiled, cut and damaged currency in ATM is frequently increasing that creates the customers dissatisfaction. The bank should take steps to avoid such conditions.
3. In rural areas, the ATM services of some nationalized banks are not available. Using other ATM for other bank card leads for bank charges that are unnecessarily loaded in the heads of customers that are not liked by them. Levying of service charges should be avoided.

#### **CONCLUSION**

By analyzing the consumer attitude towards ATM card services and bank performance towards the ATM card business shows the people in Aundipatti they need not carry cash. Further people are empowered to spend the money wherever they want, with their ATM card within the fixed limits prescribed by the concerned banks since payment is a crucial part of the whole transactions. It is evident from the study that the banking activities with recent technology has faced a metamorphosis and the convergence also given warm welcome with red carpet in all the areas. Recently, the banks are advised to mobilize new account holders under the Prime minster Special Scheme "Jan Dhan" as CASA campaign and for Financial Inclusion. Likewise, the banks should focus more to introduce all new technical changes in the rural areas at larger level because the rural people play a vital role in the national income.

#### **References**

- *Pahwa, Manvinder Singh*, "An Empirical Analysis of Satisfaction of Selected Customers Availing ATM Services of ICICI Bank", Vinimaya (April - June 2012), Vol. XXXIII, No.1, pp 42-58.
- *Raihan A., S. R. Khan, Alam M.R., Rabbi K*, "Computerization and IT in Banking Sector: Hindrances and Remedies", Bank Parikrama (Dhaka : BIBM), Vol . XXVI, No. 1 March 2001 , pp 95-133
- *Shajahan, S.* "A study on the level of customer satisfaction on various modes of banking services in India", ICAFI Journal of Bank Management, II (1), 79-84. 2005

- *Shastri, R. V.* “Technology for Banks in India – Challenges”, IBA Bulletin , XXIII (3), 23-45, 2001.
- *Thamaraiselvan, N., & Raja, J.* “Customer Evaluation of Automated Teller Machines' (ATMs) Service Encounters - An Empirical Model”, The Journal - Contemporary Management Research , Vol 1 (Issue 1), 50-62 , 2007.
- *Khan, M. M.* “ Service quality evaluation in internet banking: an empirical study in India.” *International Journal of Indian Culture and Business Management* , Vol. 2, (No. 1.), 30-46, 2009
- Reserve Bank of India. Report on Trend and Progress of Banking in India. New Delhi: RBI, 2008