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HISTORICAL BACKGROUND OF SBI AND ITS SERVICES AND USAGE OF ATM SERVICES

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CHAPTER III
HISTORICAL BACKGROUND OF SBI AND ITS SERVICES AND USAGE OF ATM SERVICES

3.1 INTRODUCTION

Banks have a unique place in the financial system of any country. The close association of the banks with the developmental efforts of the country makes it imperative in the economic development of the nation. The function of the bank as a catalyst in social development is laudable. In modern days banks have occupied an important place in every economic activity of the human life. Banks have made such inroad existence at all levels. The rich and the poor, the learned and the illiterates have their association with banks. So the banking service has become an essential service in the modern world.

In India next to Reserve Bank of India the central bank of the country, State Bank of India of public sector bank having field level branches throughout the country does yeomen service in this regard. Beyond this there are several other banks in public, private and cooperative sectors which carry out banking services in the country. However State Bank of India leads others in this regard. This chapter presents the functioning of the State Bank of India. The data collected from books, annual reports, website have been used for the preparation of the chapter.

This chapter also focuses on the measurement, meaning, definitions, methods and variables used to measure the concepts generated for the study. These are Usage of ATM services, Factors leading to the adoption of ATM services, ATM service quality, Service attributes of ATMS, Customer satisfaction on ATMS, Factors leading
to customer satisfaction on ATMS, Service quality in ATM services and Problems in the usage of ATM services.

3.2 ORIGIN OF BANKING

In the early history period it is identified that many of todays banking services were first practiced in Lydia, China and Greece where trade and commerce flourished. The temples in Babylonia made loans from their treasuries as early as 2000 B.C. The temples of ancient Greece served as safe deposit vaults for the valuable of worshipers. The Greeks also coined money and developed a system of credit. The Roman empire had a highly developed banking system and its bankers accepted deposits of money and granted loans against mortgages. Shortly after the fall of Rome in AD 476, banking declined in Europe. Trade in 13th century prompted Italy to revive banking. The money changers of the Italian developed facilities for exchanging local and foreign currency. In course of time they started to provide other services like, lending money.

The first bank to offer most of the basic banking function known today was the Banks of Barcelona in Spain. It was founded by merchants in 1401. This bank received deposits, exchanged currency and carried out lending operations. It also introduced cheque services. Three other banks were also established in the same period. They were managed by a committee of city officials. The banks so established were Bank of Venice (1587), the Bank of Amsterdam (1609), and the Bank of Hamburg (1619). These institutions laid the foundation for modern banking transaction.
In European continent for more than 300 years, banking was in the hands of powerful statesmen and wealthy private bankers, such as the Medici family, in Florence and the Fuggers in Germany. During the 19th century, members of the Rothschild family became the most influential bankers in Europe. It is hoped that they are powerful bankers in the world. This international banking family was founded by German Francier Mayer Amschel Rothschild (1743-1812). Soon it spread to all the major European financial capitals.

The Bank of France was started by Napolean in 1800. The bank became the dominantly financial institution in France by the mid 1800s. In Germany banking experienced a rapid development about the middle of the 19th Century with the establishment of several stock issuing, or publicly owned banks.

3.3 INDIAN BANKING SCENARIO

Banking has been practiced in India since times immemorial. The origin of banking in India can be traced back to as early as 500 B.C Vedas and Manusmrities bear a good testimony to the existence and working of banking system in India. The first joint stock bank, the General Bank of India was established in 1786. The other banks which were started then are the Bank of Hindustan and the Bengal Bank. The Bank of Hindustan set up in 1870 is reported to have continued till 1906, while the other two failed in the mean time. With the arrival of Britishers in India, revolutionary change took place in all the facets of Indian life namely, social economic and political. The banking system too did not remain immune from this racial change. The

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seeds of modern commercial banking on British pattern were sown during the time of East India company. East India company greatly felt the need for banking. The East India company established three banks such as the Bank of Bengal in 1809, the Bank of Bombay in 1840 and the Bank of Madras in 1843. These three banks known as ‘Presidency banks’ were independent units and function well. They were amalgamated in 1920 and a new bank, the Imperial Bank of India was established in 1921. With the passing of the State Bank of India Act in 1955, the undertaking of the Imperial Bank of India was taken over by the newly constituted State Bank of India.

The Reserve Bank of India Act was passed in the year 1934 and thereby the Reserve Bank of India was created in 1935, which is the Central Bank of India. Later in the wake of Swadeshi movement a number of new banks with Indian Management were established in the country namely, Bank of Boroda Ltd, the Central Bank of India Ltd, the Canara Bank Ltd, The Punjab National Bank Ltd. The enactment of the Banking Regulation Act 1949 made many changes in the Indian Banking system. As the outcome, Indian Banking system underwent a substantial change structurally, geographically and functionally. During this period economic development of the country was envisaged through five year plans. Nationalisation of commercial bank is said to be a major development in the Indian banking system.

In July 1969, the Government of India nationalised 14 banks having deposits of ₹ 50 crores and above. In 1980 the Government further acquired another six banks with deposit of more than 200 crores. Deposit the impressive progress made by the banks in the three decades following nationalisation, the excessive controls enforced

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on them by the government fostered certain rigidities and inefficiencies in the commercial banking system. This has not only hindered their development but also rapidly eroded their profitability. The need to correct the defects of the financial sector was felt during the global trend toward economic liberalization. Hence, a high level committee was constituted under the chairmanship of Sri. M. Narasimhan to review the progress and the working of the Indian financial sector and to suggest measures to reform it. The major banking sector reforms have been initiated in India on Narasimhan committee recommendations in tune with Bank committee norms.

At present Indian Banking is facing tremendous changes. Information technology has enabled banks to offer a wide array of products to its customers. The Narasimhan Committee Report suggested a wide ranging reforms for the banking sector in 1992. As the outcome the Banking Regulation Act was amended. The amendment of Banking Regulation Act in 1993 permitted the entry of new private sector banks. So, now there are new private sector banks in addition to old private sector banks functioning in India. Banks today face a world of competition and opportunities. Banks have to adopt themselves to the changing scenario in the banking industry and the emphasis has now shifted from deposit mobilisation to better performance and customer satisfaction. Internet banking has changed the face banking industry. Now banking is no longer confined to the branches where one has to approach in person, to withdraw cash or deposit a cheque or request a statement of accounts. Through, internet banking, any enquiry or transaction is processed online without any reference to the branch (anywhere banking) at any time. Providing

\footnote{Ibid., p. 14.}
internet banking is increasingly becoming a “need to have” rather than a “nice to have” service.

Many services previously considered impossible have been now provided by banks. Enactment of the Information Technology Act, 2000 further modernised the banking sector. The objectives of the Act are to provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication. The Indian banking industry has emerged as one of the biggest with a large number of employees. While measuring the performance of a bank the contribution of its employees towards customer satisfaction is the most significant factor. The efficiency of employees determines to a great extent the quality of services rendered by banks.

3.4 ORIGIN OF STATE BANK OF INDIA

The origin of the State Bank of India goes back to the first decade of the nineteenth century with the establishment of the Bank of Calcutta in Calcutta on 2nd June 1806. Three years later the bank received its charter and was redesigned as the Bank of Bengal (2nd January 1809). It was the first joint stock bank of British India sponsored by the Government of Bengal. Subsequently the Bank of Bombay (15th April 1840) and the Bank of Madras (1st July 1843) were established. These three banks remained at the apex of modern banking in India till their amalgamation as the Imperial Bank of India on 27th January 1921. In 1951 when the first five year plan was introduced along with the launching by the development of rural India the latter was given the highest priority.
The commercial banks of the country including the Imperial Bank of India had till then confined their operations to the urban sector and were not equipped to respond to the emergent needs of economic regeneration of the rural areas. In order, therefore, to serve the economy in general and the rural sector in particular, the All India Rural Credit Survey committee recommended the creation of a state partnered and state sponsored bank by taking over the Imperial Bank of India, and integrating with it, the former state owned or state association banks. An Act was accordingly passed in parliament in May 1955 and the State Bank of India was constituted on 1 July 1955. Later, the State Bank of India (subsidiary banks) Act was passed in 1959, enabling the State Bank of India to take over eight former state associated banks as its subsidiaries.

The State Bank of India was thus born with a new sense of social purpose aided by the 480 offices comprising branches, sub offices and three local head offices inherited from the Imperial Bank. The State Bank of India was destined to act as the pacesetter in this respect and lead the Indian banking system into the existing field of national development.

3.5 GROWTH OF STATE BANK OF INDIA

The State Bank of India grew into a massive institution, separating its branches into every corner of India. The bank has a massive and unmatched distribution network of domestic branches reaching every nook and corner of the country foreign offices spreading over countries covering all time zones as well as a fast growing technology base providing state of the art virtual banking channels.

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As a premier player in the diversified financial services market, the banks enjoy the status of an universal bank offering an array of financial products and services under a single umbrella leveraging its unmatched strengths in terms of capital and asset base, massive infrastructure and a large pool of talent and committed staff to world class standards of efficiency and professionalism.

The State Bank of India has the following seven Associate Banks with controlling interest ranging from 75 per cent to 100 per cent.

1. State Bank of Bikaner and Jaipur (SBBJ)
2. State Bank of Hyderabad (SBH)
3. State Bank of Indore (SBIr)
4. State Bank of Mysore (SBM)
5. State Bank of Patiala (SBP)
6. State Bank of Saurastra (SBS)
7. State Bank of Travancore (SBT)

Each associate bank individually and collectively grows in terms of employees, deposit, business, profit.

3.6 HISTORY OF STATE BANK OF INDIA, NAGERCOIL

State Bank of India in Nagercoil branch was inaugurated for people’s service on 25th November 1957. It has been serving the society for the past 53 years. It was computerized in the year 1997. There are other branches in Kanyakumari District. They are (1) Aramboly, (2) Arumanai, (3) Chemanvilai (4) Colachel, (5) kalkulam (6) Kappiarai, (7) Karungal, (8) Kothanallur (9) Kottar, (10) Kuzhithurai, (11)
3.7 SERVICES PROVIDED BY STATE BANK OF INDIA

The fundamental services and the modern services provided by the State Bank of India to its customers are given below:

3.7.1 Personal Banking

State Bank of India offers a wide range of services in the personal banking segment. State Bank of India products are designed with flexibility to suit for personal requirement. They are State Bank of India housing loan, State Bank of India car loan, State Bank of India personal loan, State Bank of India loan for pensioners, loan against mortgage of property, loan against shares and debentures, rent plus scheme, medi plus scheme.

3.7.2 Safe Deposit Lockers

The bank provides a safe deposit locker facility at many of its branches to secure valuables. The service is provided against payment of annual rental fees in lieu of the locker. The amount payable by the lender depends on the size of the locker. Locker have a nomination facility that can be availed by the renter.

3.7.3 Agricultural Development

State Bank of India caters to the needs of agriculturalists and landless agricultural labourers. Specialised branches have been set up in different parts of the country exclusively for the development of agriculture through credit deployment.
3.7.4 Non-Resident Indian Services

State Bank of India offers products and services needed for the non-resident Indians living across the globe.

3.7.5 International Banking

International banking services of State Bank of India are delivered for the benefit of its Indian customers. Non resident Indians and foreign entities make use of the services like corporate lending loan syndications, merchant banking, handling letters of credit and guarantees, short term financing, collection of clean and documenting credits and remittances.

3.7.6 Corporate Banking

State Bank of India is a shop providing financial products/services to a wide range of large, medium and small customers both domestic and international.

3.7.7 Working Capital Financing

Assistance extended both as fund based and non-fund based facilities to corporate, partnership firms, proprietary concerns. Working capital finance extended to all segments of industries and service sector such as information technology.

3.7.8 Term Loans

Term loan one granted to support capital expenditure for setting up new ventures and also expansion, renovation etc.

3.7.9 Home Loan

Home loan is provided under different categories depending upon the requirement and eligibility of the borrower. The interest on home loan for loan
amount of ₹ 30 lakhs and below can be availed with a fixed or floating interest rate option. Concessional interest rates are available for women, in case they are sole or co-applicants as long as they are sole or co-owners of the property for which home loan is availed.

3.7.10 Educational Loan

Educational loan is given to the students studying in India or abroad. These loans come with a moratorium period and the repayment commences generally after one year of completion of the course. In most schemes, girl students are given a concession of 0.50% on the usual lending rate.

3.7.11 Personal Loan

The bank sanctioned loan to their customers on the bases of the Net Monthly Income. The bank charges processing fee on personal loans in the range of 2-3% and the same is deducted from the amount sanctioned. There are no pre-closure or pre-payment charges in case interest is charged on floating rate basis. The maximum loan amount is capped at ₹ 15 lakhs. The loan tenure generally ranges from 24 months to 60 months.

3.7.12 Loan against Property

State Bank of India also provides loan against mortgage residential or commercial property. The amount of loan that can be availed under the scheme is a minimum of ₹ 10 lakhs to a maximum of ₹ 7.5 crores. The amount of loan is determined based on the value of the property and the Net Monthly Income of the borrower. The loan tenure ranges from 5 years to 15 years.
3.7.13 Loan against Securities

State Bank of India provides loan or overdraft facility against debentures, shares or government bonds for meeting personal or business contingencies. Loan against debentures and shares can be availed up to a maximum ₹ 20 lakhs and is repayable within 30 months. The loan is provided against pledge of shares or debentures.

3.7.14 Gold Loans

Gold loan is provided against pledge of gold ornament and ranges from ₹ 20,000 to 20 lakhs. A margin of 25% is maintained by SBI when granting a gold loan. The facility is provided in the form of loan or overdraft.

3.7.15 Internet Banking

State Bank of India enables its retail banking customer to operate their accounts across India, removing the restrictions imposed by geography and time. It’s a platform that enables the customers to carry out their banking activities from their desktop, aided by the power and convenience of the internet.

3.7.16 ATM Services

State Bank of India offers the convenience of ATM services. This means that the customer can transact at free of cost at the ATMs of State Bank group.

3.7.17 ATM Debit Card

State Bank ATM cum debit card provides the services to its customers. Since there is no need to carry cash in pocket, there is no fear of over pending. The cardholders can withdraw a maximum amount of ₹ 40000 at a time. At a time only
forty notes will disposed. Cash can be withdrawn in the denomination of hundreds and thousands. There is no maximum limitations for the number of transactions with in the same bank ATM centres. ATM centres also called as Green Channel Counter. The Banks collect service charges of ₹ 23.20 for inquires and withdrawal more than three times in other banks. Withdrawal in case of lack of funds the bank charges 9.5% interest as penalty.

3.7.18 ATM Credit Card

ATM Credit Card is just like overdraft facility for current account holders. The cardholders can withdraw cash more than they deposit in their account. The excess amount withdrawn will charge 13 % interest per day.

3.7.19 Core Banking

This means the entire bank branches are networked and the customer is the customer of bank rather than branch. One can operate the account at any one branch of the bank.

3.7.20 Indian Financial System Code

This is an identification code to each branch of the Bank in our country. It enables the customer to remit the money easily to any branch of any kind in India through RTGS (Real Time Gross Settlement) / NEFT (National Electronic Funds Transfer). It is an 11 digit code.

3.7.21 Mobile Banking Services

State Bank of India has introduced the Mobile Wallet-‘State Bank Buddy’ a mobile service application to mobile users of Android and iPhone smartphones. This
ensures 24 X 7 online access and checking of balances, transfer of funds through IMPS, mobile payments and more. The wallet can be loaded using debit card, internet banking or IMPS. The App is available in 13 language and can be used for paying bills, booking hotels or cinema tickets as well as various other transactions without using cash.

3.8 USAGE OF ATM SERVICES

ATM was conventionally introduced as a means of satisfying customers in 1989. To reduce the congestion within banking halls, banks came up with electronic business transaction. These electronic transactions carried out by ATM are related to accepting and withdrawal of cash information on storage, transfer and processing (Ovia, 2006)\(^6\). The uses of ATM services are related to cash information, transfer of funds, e-payment (Adeoti, 2011)\(^7\), etc. Even though, the uses of ATM services are plenty, the present study has confine to 14 uses which were drawn from reviews (Alabar, 2012\(^8\); Ebiringa, 2010\(^9\); Ogbuji et al., 2012\(^10\); Robert (1994)\(^11\) and Wendy et al., (2005)\(^12\). The variables are presented in Table 3.1.

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Table 3.1
Usage of ATM Services (UATMS)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Variables in UATMS</th>
<th>Sl. No.</th>
<th>Variables in UATMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cash withdrawals</td>
<td>8.</td>
<td>Mini statement</td>
</tr>
<tr>
<td>3.</td>
<td>Money transfers</td>
<td>10.</td>
<td>Deposit cash</td>
</tr>
<tr>
<td>4.</td>
<td>e-payment</td>
<td>11.</td>
<td>24 hours service</td>
</tr>
<tr>
<td>5.</td>
<td>e-purchase</td>
<td>12.</td>
<td>Request for cheque book</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 3.1 shows that the variables in the usage of ATM Services are cash withdrawals, fast cash, money transfers, e-payment, e-purchase, debit cards for payment, balance check, mini statement, view transaction, deposit cash, 24 hours service, request for cheque book, changing pin code and bill payments for utility providers.

3.9 FACTORS LEADING TO THE ADOPTION OF ATM SERVICES

The adoption of ATM depends upon so many factors like personal profile of customers (Darch and Caltabiano, 2004)\(^\text{13}\), their level of acceptance of new technology (EI-Hadden and Almahmeed, 1992)\(^\text{14}\), relative advantage of new system (Frame and White, 2002)\(^\text{15}\), ease of use (Gerred and Cunningham, 2003)\(^\text{16}\),

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compatibility (Kilodinsky et al., 2004)\(^{17}\) and observability (Mc Andrews, 2003)\(^{18}\). The attributes of diffusion have a significant impact on the adoption of ATM. It is essential to examine these factors for future policy implications. The variables were drawn from reviews (Ndubisi and Sinti, 2006\(^{19}\); Lee and Lee, 2000\(^{20}\)). These are shown in Table 3.2.

**Table 3.2**

**Variables in Factors Leading to the Adoption of ATM (FLAATM)**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Variables in FLAATM</th>
<th>Sl. No.</th>
<th>Variables in FLAATM</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>ATM’s speed</td>
<td>9.</td>
<td>Safety of personal information</td>
</tr>
<tr>
<td>2.</td>
<td>Simple to understand</td>
<td>10.</td>
<td>Adjustment</td>
</tr>
<tr>
<td>3.</td>
<td>Accommodate the life style</td>
<td>11.</td>
<td>Accommodate the past values</td>
</tr>
<tr>
<td>4.</td>
<td>ATMs efficiency</td>
<td>12.</td>
<td>Simple to accept</td>
</tr>
<tr>
<td>5.</td>
<td>Simple to use</td>
<td>13.</td>
<td>Perceived value</td>
</tr>
<tr>
<td>6.</td>
<td>Accommodate the activities</td>
<td>14.</td>
<td>Perception on purchasing of ATM</td>
</tr>
<tr>
<td>7.</td>
<td>Availability of ATMs</td>
<td>15.</td>
<td>Acceptance of new thing</td>
</tr>
<tr>
<td>8.</td>
<td>Adoption</td>
<td>16.</td>
<td>Trust on ATM function</td>
</tr>
</tbody>
</table>

**Source : Primary Data**

Table 3.2 shows that the variables in FLAATM are ATM’s speed, simple to understand, accommodate the life style, ATMs efficiency, simple to use, accommodate the activities, availability of ATMs, safety of personal information,

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adjustment, accommodate the past values, simple to accept, perceived value, perception on purchasing of ATM, acceptance of new thing, adoption and trust on ATM function.

3.10 ATM SERVICE QUALITY

Service quality is a customers overall impression of the relative inferiority or superiority of an organization and its services (Bitner and Hubbert, 1994)\(^{21}\). Nite Chi (2000)\(^{22}\) defined the service quality in terms of meeting or exceeding customer expectations and perception of service. Gronroos (2007)\(^{23}\) stated that the service quality is the ‘quality of services perceived by customers against what they expected’.

Automated Teller Machine (ATM) is one type of innovation that can mechanically accept deposits, issue withdrawals, transfer funds between accounts and collect bills. ATM service quality is defined as the customers’ overall evaluation of the excellence of the provision of services through electronic networks such as ATM. The variables in ATM service quality were identified by Kukkudi and Deene (2006)\(^{24}\); Davies et al., (1996)\(^{25}\); Kumbhar (2011)\(^{26}\); Herington and Weaven (2009)\(^{27}\),

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Yadav (2012); and Al-Hawari et al., (2006)\textsuperscript{28}. The variables in ATM service quality were drawn from the reviews and are presented in Table 3.3.

### Table 3.3
Variables in ATM Service Quality (ATMSQ)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Variables in ATMSQ</th>
<th>Sl. No.</th>
<th>Variables in ATMSQ</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Commitment to provide ATM services</td>
<td>13.</td>
<td>Willingness to solve problems in ATM usage</td>
</tr>
<tr>
<td>2.</td>
<td>Care on every ATM customer</td>
<td>14.</td>
<td>ATM has always cash for disposal</td>
</tr>
<tr>
<td>3.</td>
<td>Installation of ATM at the right place</td>
<td>15.</td>
<td>Trust and confidence created by ATM staff</td>
</tr>
<tr>
<td>4.</td>
<td>Warm welcome by receptionist at ATM</td>
<td>16.</td>
<td>ATM executes exactly what customers need</td>
</tr>
<tr>
<td>5.</td>
<td>Resolved services on customers query related to ATM services</td>
<td>17.</td>
<td>Air-conditioned room for ATM</td>
</tr>
<tr>
<td>6.</td>
<td>Size and appearance of ATM card</td>
<td>18.</td>
<td>Feeling safe while transacting in ATMs</td>
</tr>
<tr>
<td>7.</td>
<td>Willingness to answer consumer’s any queries related to ATM services</td>
<td>19.</td>
<td>Whole hearted service even in peak hours</td>
</tr>
<tr>
<td>8.</td>
<td>Proper personal guidance to customers to ATM</td>
<td>20.</td>
<td>Understand the personal needs of customers</td>
</tr>
<tr>
<td>9.</td>
<td>Clear and understandable explanation on ATM services</td>
<td>21.</td>
<td>Timely distribution of ATM cards</td>
</tr>
<tr>
<td>10.</td>
<td>Information after every transaction through ATM</td>
<td>22.</td>
<td>Instruction sign boards</td>
</tr>
<tr>
<td>11.</td>
<td>Clear display in ATM machine</td>
<td>23.</td>
<td>Politeness of bank staff</td>
</tr>
<tr>
<td>12.</td>
<td>Information on all transactions</td>
<td>24.</td>
<td>Maintenance of ATM</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 3.3 shows that the variables in ATMSQ are commitment to provide ATM services, care on every ATM customer, installation of ATM at the right place, warm welcome by receptionist at ATM, resolved services on customers query related to ATM services, size and appearance of ATM card, willingness to answer consumer’s any queries related to ATM services, proper personal guidance to customers to ATM, clear and understandable explanation on ATM services, information after every transaction through ATM, clear display in ATM machine, information on all transactions, willingness to solve problems in ATM usage, ATM has always cash for disposal, trust and confidence created by ATM staff, ATM executes exactly what customers need, air-conditioned room for ATM, feeling safe while in transacting in ATMs, whole hearted service even in peak hours, understand the personal needs of customers, timely distribution of ATM cards, instruction sign boards, politeness of bank staff and maintenance of ATM. The respondents are asked to rate these variables at five point scale.

3.11 SERVICE ATTRIBUTES IN ATM

The service attributes of ATM represent the features of ATM (Moutinho, 1992)\textsuperscript{29}. The ATM was introduced to speed up service delivery to the customers with more accuracy and safety (Ahsan et al., 2005)\textsuperscript{30}. The attributes in the ATM services are related to safety, security, speedy service, ease of use and so on. (Sultan and Komal, 2009)\textsuperscript{31}. In the present study, the variables in service attributes in ATM were

\begin{flushright}


\end{flushright}
drawn from reviews (Rugimbana and Iverson, 1994\textsuperscript{32}; Stanley and Moschis, 1983)\textsuperscript{33}; Avkiran (1994)\textsuperscript{34}, Patricio et al. (2003)\textsuperscript{35}. The variables are given in Table 3.4.

**Table 3.4**  
Variables in Service Attributes in ATMS (SAATMS)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Variables in SAATMS</th>
<th>Sl. No.</th>
<th>Variables in SAATMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Understandable seven language</td>
<td>10.</td>
<td>Proper working of key pad in ATM</td>
</tr>
<tr>
<td>2.</td>
<td>Location of ATM</td>
<td>11.</td>
<td>Sufficient number of ATMs</td>
</tr>
<tr>
<td>3.</td>
<td>Acceptance of ATM card at the first time itself</td>
<td>12.</td>
<td>Feeling of safety and security in ATM centres</td>
</tr>
<tr>
<td>4.</td>
<td>Easy access from residence</td>
<td>13.</td>
<td>Quick processing time in ATM</td>
</tr>
<tr>
<td>5.</td>
<td>Touch screen facilities in ATM</td>
<td>14.</td>
<td>Easy to operate ATM</td>
</tr>
<tr>
<td>6.</td>
<td>Clear instructions to operate ATM</td>
<td>15.</td>
<td>Fast processing of transaction</td>
</tr>
<tr>
<td>7.</td>
<td>Security in cabin</td>
<td>16.</td>
<td>Availability of menu operations</td>
</tr>
<tr>
<td>8.</td>
<td>Easy access from business place</td>
<td>17.</td>
<td>Safe and security on pin number used</td>
</tr>
<tr>
<td>9.</td>
<td>No possibility of hacking of pin number</td>
<td>18.</td>
<td>Strict on the admission to enter ATM cabin</td>
</tr>
</tbody>
</table>

**Source**: Primary Data

Table 3.4 shows that the variables in SAATMS are understandable seven language, location of ATM, acceptance of ATM card at the first time itself, easy access from residence, touch screen facilities in ATM, clear instructions to operate ATM, security in cabin, easy access from business place, no possibility of hacking of


pin number, proper working of key pad in ATM, sufficient number of ATMs, feeling of safety and security in ATM centres, quick processing time in ATM, easy to operate ATM, fast processing of transaction, availability of menu operations, safe and security on pin number used and strict on the admission to enter ATM cabin.

3.12 CUSTOMER SATISFACTION ON ATM SERVICES

The customer satisfaction on ATM services represents the level of attitude on the various services offered through ATM (Kumaran, 2011)\(^\text{36}\). It may include all attributes of ATM services (Joseph and Stone, 2003)\(^\text{37}\) and also the motivators to use the ATM (Islam et al. 2007)\(^\text{38}\). Higher level of satisfaction on ATM services leads to more utilization of the services (Liao and Cheung, 2002)\(^\text{39}\). It includes both tangible and intangible aspects in the ATM services (Mcandrews, 2003)\(^\text{40}\). The variables in customer satisfaction on ATM are measured with the help of variables drawn from reviews (Nayak and Yadav, 2014\(^\text{41}\); Premalatha and Sundaram, 2012\(^\text{42}\); Sing, 2011\(^\text{43}\)). The variables are shown in Table 3.5.


Table 3.5

Variables in Customer Satisfaction on ATM Services (CSATMS)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Variables in CSATMS</th>
<th>Sl. No.</th>
<th>Variables in CSATMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>Convenience in use</td>
<td>9.</td>
<td>Problem handling and compensation</td>
</tr>
<tr>
<td>3.</td>
<td>Speed and economical</td>
<td>10.</td>
<td>Perceived value</td>
</tr>
<tr>
<td>4.</td>
<td>Easy access</td>
<td>11.</td>
<td>System availability</td>
</tr>
<tr>
<td>5.</td>
<td>Transparency</td>
<td>12.</td>
<td>e-fulfillment</td>
</tr>
<tr>
<td>7.</td>
<td>Time saving</td>
<td>14.</td>
<td>Network with other banks</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 3.5 shows that the variables in CSATMS are trust and security, convenience in use, speed and economical, easy access, transparency, promptness in issue of card, time saving, machine performance, problem handling and compensation, perceived value, system availability, e-fulfillment, brand reputation, and network with other banks.

3.13 FACTORS LEADING TO CUSTOMER SATISFACTION ON ATM

These are the variables and antecedents which influence the customer satisfaction on the ATM (Anderson and Sullivan, 1993)\(^{44}\). The factors that lead to customer satisfaction may be related to the variety of services (Bolton and Drew, 1991)\(^{45}\), service quality (Moutihmo and Brownlie, 1989)\(^{46}\), processing time (Giese and

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Cote, 2002)\textsuperscript{47}, outcome of the process (Howcroft, 1991\textsuperscript{48}; Singh and Arora, 2011)\textsuperscript{49}, safety and security (Zeithaml, 2002)\textsuperscript{50}, and also the relative advantage (Churchil and Surprentient, 1982)\textsuperscript{51}. In the present study, the factors are identified with the help of reviews (Levesque and Mc Dongall, 1996)\textsuperscript{52}. These are shown in Table 3.6.

**Table 3.6**

**Factors Leading to Customer Satisfaction in ATM Usage (FLCS)**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Variables in FLCS</th>
<th>Sl. No.</th>
<th>Variables in FLCS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Cleanliness of ATMs</td>
<td>15.</td>
<td>Maintenance of ATMs</td>
</tr>
<tr>
<td>2.</td>
<td>Appearance</td>
<td>16.</td>
<td>Easy application process</td>
</tr>
<tr>
<td>3.</td>
<td>Issue of clean notes</td>
<td>17.</td>
<td>Employee effectiveness</td>
</tr>
<tr>
<td>4.</td>
<td>Readable slips</td>
<td>18.</td>
<td>Employee speed</td>
</tr>
<tr>
<td>5.</td>
<td>Range of services</td>
<td>19.</td>
<td>Fast return of cards</td>
</tr>
<tr>
<td>6.</td>
<td>Number of ATMs per station</td>
<td>20.</td>
<td>Employee friendliness</td>
</tr>
<tr>
<td>7.</td>
<td>ATM system usability</td>
<td>21.</td>
<td>Privacy at ATMs</td>
</tr>
<tr>
<td>8.</td>
<td>Speed of ATMs</td>
<td>22.</td>
<td>Security at ATMs</td>
</tr>
<tr>
<td>9.</td>
<td>Cash availability</td>
<td>23.</td>
<td>ATM usage</td>
</tr>
<tr>
<td>11.</td>
<td>Proper condition of ATM</td>
<td>25.</td>
<td>Convenient location</td>
</tr>
<tr>
<td>12.</td>
<td>Waiting time at ATMs</td>
<td>26.</td>
<td>Easy access</td>
</tr>
<tr>
<td>13.</td>
<td>Fees on ATM services</td>
<td>27.</td>
<td>Employee accessibility</td>
</tr>
</tbody>
</table>

Source : Primary Data


Table 3.6 shows that the variables in FLCS are cleanliness of ATMs, appearance, issue of clean notes, readable slips, range of services, number of ATMs per station, ATM system usability, speed of ATMs, cash availability, transaction accuracy, proper condition of ATM, waiting time at ATMs, fees on ATM services, variety of services, maintenance of ATMs, easy application process, employee effectiveness, employee speed, fast return of cards, employee friendliness, privacy at ATMs, security at ATMs, ATM usage, security guidance, convenient location, easy access, employee accessibility and daily maintenance of ATM.

3.14 PROBLEMS IN USAGE OF ATM SERVICES

The problems in usage of ATM services may be related to the profile of customers (Niehaves and Plattfaut 2013)\textsuperscript{53}, their psychological fear on the usage (Odior and Banuso, 2013)\textsuperscript{54}; the technical fault in electronic devices (Gerrad et al., 2006)\textsuperscript{55}; higher cost (Sathye, 1999)\textsuperscript{56}, poor in complaint handling (Yousafzai et al., 2007)\textsuperscript{57} and poor service quality (Issababu, 2012)\textsuperscript{58}. In the present study, the problems in usage of ATM services are drawn from reviews (Kumbhar, 2010\textsuperscript{59}; Leblame, 1990\textsuperscript{60}; Mohammed and Rameshwar, 2012\textsuperscript{61}). These are presented in Table 3.7.

\begin{itemize}
\end{itemize}

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Table 3.7
Problems in the Usage of ATMS (PUATMS)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Variables in PUATMS</th>
<th>Sl. No.</th>
<th>Variables in PUATMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Temporarily out of service</td>
<td>13.</td>
<td>Limit for cash withdrawal</td>
</tr>
<tr>
<td>2.</td>
<td>No issue of receipt</td>
<td>14.</td>
<td>Poor availability of power backup</td>
</tr>
<tr>
<td>3.</td>
<td>No cash</td>
<td>15.</td>
<td>Network failure</td>
</tr>
<tr>
<td>4.</td>
<td>Long queue</td>
<td>16.</td>
<td>Attitude of ATM guard</td>
</tr>
<tr>
<td>5.</td>
<td>Time taken for processing</td>
<td>17.</td>
<td>Fear of being duped</td>
</tr>
<tr>
<td>6.</td>
<td>Poor visibility of statement</td>
<td>18.</td>
<td>Misuse of cards</td>
</tr>
<tr>
<td>7.</td>
<td>Unsuitable location of ATM</td>
<td>19.</td>
<td>Less ATM centres</td>
</tr>
<tr>
<td>10.</td>
<td>Cost of ATM card</td>
<td>22.</td>
<td>Poor in problem handling</td>
</tr>
<tr>
<td>11.</td>
<td>Higher service charges</td>
<td>23.</td>
<td>Amount deducted but cash not disbursed</td>
</tr>
<tr>
<td>12.</td>
<td>Losing of ATM card</td>
<td>24.</td>
<td>Other bank changes</td>
</tr>
</tbody>
</table>

Source: Primary Data

Table 3.7 shows that the variables in PUATMS are temporarily out of service, no issue of receipt, no cash, long queue, time taken for processing, poor visibility of statement, unsuitable location of ATM, provision of old currencies, wrong statement, cost of ATM card, higher service charges, losing of ATM card, limit for cash withdrawal, poor availability of power backup, network failure, attitude of ATM guard, fear of being duped, misuse of cards, less ATM centres, damage of cards, improper use of cards, poor in problem handling, amount deducted but cash not disbursed and Other bank changes.
3.15 CONCLUSION

This chapter briefly explains the history and the growth of the State Bank of India. It also presents the traditional services as well as the modern services provided by SBI. The present generations is attracted more by the modern services as it is more attractive and time saving. This chapter clearly shows the usage of modern services and its advantages. The variables related to the usage of ATMS, factors leading to the adoption of ATMS, customer satisfaction and the problems in the usage of ATMS derived from the previous studies are given in this chapter.