

A Study on Customer Satisfaction towards ATM Services of Tamilnad Mercantile Bank in Kovilpatti Town

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Abstract

The Present study aims to analyze the level of customer satisfaction towards ATM services provided by Tamilnad Mercantile Bank Ltd. in Kovilpatti town. ATM services play a vital role in modern banking by offering convenient, fast, and round-the-clock access to banking transactions. Automated Teller Machines (ATMs) are vital, 24/7 self-service channels essential for modern banking, providing convenient cash withdrawals, balance inquiries, and transfers. Customer satisfaction regarding these services is primarily driven by machine reliability, location accessibility, security, and transaction speed. The collected data were analyzed using descriptive statistics and satisfaction indices to determine overall customer perceptions and identify service gaps. The study concludes with recommendations for improving operational efficiency, enhancing security measures, and implementing regular maintenance schedules to elevate customer experience and strengthen trust in ATM services of Tamilnad Mercantile Bank.

Keywords: *ATM service, Tamilnad mercantile bank, customer satisfaction*

Introduction

Customer satisfaction has become a crucial factor in determining the success and competitiveness of banking institutions in today's fast-paced financial environment. With the rapid growth of technology, Automated Teller Machines (ATMs) have emerged as one of the most significant self-service delivery channels in the banking sector. Customer satisfaction toward ATM services is a key indicator of service performance and operational efficiency in the banking sector. Satisfied customers are more likely to remain loyal, recommend the bank

to others, and make greater use of additional banking services. On the other hand, dissatisfaction arising from frequent machine breakdowns, long transaction times, failed transactions, or security concerns can lead to customer frustration and loss of trust. Therefore, an in-depth study of customer satisfaction toward ATM services is essential for banks to evaluate service quality, identify customer needs, and implement effective strategies for improvement. Understanding customer perceptions enables banks to enhance ATM infrastructure, adopt advanced technologies, and deliver secure, reliable, and efficient services.

Statement of the Problem

The problem addressed in this study is to assess the level of customer satisfaction towards ATM services and to determine the key factors affecting satisfaction, such as accessibility, reliability, security, convenience, and service quality. Understanding these factors will help banks improve their ATM services, enhance customer experience, and maintain long-term customer relationships. This study seeks to evaluate the level of customer satisfaction towards ATM services and identify the major factors affecting satisfaction. The findings of the study will provide valuable insights for banks to enhance service quality, improve operational efficiency, and strengthen customer relationships.

Objectives of the Study

- ❖ To evaluate the level of customer satisfaction towards ATM services provided by Tamilnad Mercantile Bank in Kovilpatti town
- ❖ To study the reasons forgetting TMB ATM card.
- ❖ To examine the duration and frequency of ATM usage among TMB Customers.
- ❖ To identify problems faced by TMB customers while using ATM services.

Research Methodology

Both primary and secondary data sources were used in this study. A total of 50 customers from kovilpatti town were chosen as respondents and their data were collected for analysis. The convenience sampling method was used to select the sample. Simple percentage used for data analysis to express easy understanding of this study. Primary data were gathered through questionnaire. Secondary data were collected from books, journals and website.

Table 1**Demographic profile of the respondents**

Gender	No. of respondents	Percentage
Male	15	30
Female	35	70
Total	50	100
Age	No. of respondents	Percentage
Below 30	14	28
31 - 40	18	36
41 - 50	12	24
Above 50	6	12
Total	50	100
Marital status	No. of respondents	Percentage
Married	32	64
Unmarried	18	36
Total	50	100
Educational qualification	No. of respondents	Percentage
Higher secondary	13	26
Diploma	7	14
Graduate	20	40

Occupation	No. of respondents	Percentage
Government employees	4	8
Private employees	20	40
Businessmen	7	14
Professionals	9	18
Home maker	8	16
Students	2	4
Total	50	100

Monthly income	No. of respondents	Percentage
Below Rs.20000	23	46
Rs.20000-30000	12	24
Rs.30001-40000	4	8
Rs.40001-50000	8	16
Above 50000	3	6
Total	50	100
Professional	10	20
Total	50	100

Table 2 Awareness of about ATM

Sources of awareness	No. of respondents	Percentage
Friends	3	6
Family member	6	12
Bank staff	19	38
By own	22	44
Total	50	100

Table 3

Duration of using TMB ATM

Duration	No. of respondents	Percentage
Less than 1 year	10	20
1-3 years	10	20
3-5 years	10	20
Above 5 years	20	40
Total	50	100

Table 4**Frequency of TMB ATM card usage per month**

Frequency	No. of respondents	Percentage
1-5 times	15	30
6-10 times	19	38
11-15 times	6	12
More than 15 times	10	20
Total	50	100

Table 5**Monthly withdrawals using TMB ATM card**

Duration	No. of respondents	Percentage
Below 10000	3	6
10000 - 15000	16	32
15001 - 20000	21	42
Above 20000	10	20
Total	50	100

Table 6**Reasons for getting ATM card**

Reasons	No. of respondents	Percentage
Anytime / anywhere facility	10	20
Easy to operate	13	26
Convenience	19	38
Quick service	8	16
Total	50	100

Table 7**Problems in usage of ATM service**

Preferences	No. of respondents	Percentage
Time taken for processing	3	6
Higher service charges	8	16
No cash	2	4
Temporarily out of service	7	14
Cash dispensed but account debited	18	36
Card stuck in machine	12	24
Total	50	100

Table 8**Satisfaction of Customers towards ATM Services of TMB Bank**

S. No.	Factors leading satisfaction	Weighted average					$\sum wx/\sum w$	Rank
		5	4	3	2	1		
		SA	A	N	DA	SDA		
1.	Accuracy	24	12	5	4	5	196/50	II
		120	48	15	8	5	=3.92	
2.	Safety and security	13	15	10	5	7	172/50	VI
		65	60	30	10	7	=3.44	
3.	Privacy while using ATM	16	12	10	4	8	174/50	V
		80	48	30	8	8	=3.48	
4.	SMS Alert	8	10	12	11	9	147/50	VIII
		40	40	36	22	9	=2.94	
5.	Time saving	22	6	14	6	2	190/50	III
		110	24	42	12	2	=3.8	
6.	Easy to usage	30	6	7	4	3	206/50	I
		150	24	21	8	3	=4.12	
7.	Convenience	17	13	8	5	7	178/50	IV
		85	52	24	10	7	=3.56	
8.	Prompts Service	15	9	8	13	5	166/50	VII
		75	36	24	26	5	=3.32	

Findings

- The large part of the respondents are female that is 70%
- The study found that the 36% of the respondents are 31-40 years of age.
- This study reflects that 64% of the respondents are married.
- The study represents that 40% of the respondents are graduate
- The main part of the respondents are private employees
- This study observed that greater part of the respondents are earning monthly income below Rs.20000
- A majority of respondents 44% became aware of ATM services by their own initiative.
- The study found that the 40% of the respondents have been using TMB ATM for more than 5 years
- The majority of respondents 38% use the ATM card 6-10 times per month.
- The majority of users withdrawal medium range amount Rs.10001 - Rs.15000
- Convenience 38% is the most important factor influencing customers to obtain an ATM card
- The weighted average method reveals that easy to usage factor is important association towards ATM services
- The higher number of the problem in the use of ATM service is flagged with cash dispensed but account debited.

Suggestions

- Provide 24/7 customer care support and faster grievance redressal mechanisms to increase customer confidence.
- Banks should periodically conduct customer satisfaction surveys to identify new problems and improve service quality continuously.
- As “cash not dispensed but account debited” is a major issue, Banks should implement real-time transaction monitoring.
- Ensure automatic reversal within 24–48 hours.
- Install feedback buttons inside ATM booths.

Conclusion

The study indicates that customers of Tamilnad Mercantile Bank (TMB) in Kovilpatti generally experience high satisfaction with ATM services, primarily driven by convenient locations and ease of use, which strengthens the bank's competitive position. TMB successfully meets the core ATM service needs of its customers in Kovilpatti, but continuous investment in technology and infrastructure is necessary to maintain high satisfaction levels in this competitive environment.

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