

# Usage of ATM for Banking among Generations: A Study with Reference to UT of Dadra and Nagar Haveli

Shruti Jha

*Assistant Professor, Department of Commerce, Dr. APJ Abdul Kalam Govt. College, Silvassa, India*

**Abstract:** Empowering people with financial powers is much emphasized goal of RBI and Govt. of India. Banking sector plays a crucial role in empowering people by providing them financial assistance as and when needed. This becomes possible with the introduction of innovation of ATM, dispensing cash beyond the regular banking hours of the banks. ATM cards eased the problem of cash withdrawal during banking hours and empowered people to use their money as and when needed without carrying cash.

The present study intends to know the frequency of usage of ATM card by bank customers. The results of the research reveal the need for providing safe and secure banking through ATM.

**Keywords:** ATM, banking sector, banking hours, empowering, frequency.

## 1. Introduction

Increasing participation of individuals in financial sector is one of the aims of RBI. For this purpose, it has proposed many initiatives. Introduction of ATM was one of these initiatives to provide ease of service, simplicity and anytime banking. Other than the branch banking, ATMs are the only source of cash withdrawal from banks. Other modes of banking such as internet banking, tele-banking, payments banks have gained a lot of importance now-a-days but ATMs will stand out for their feature of cash withdrawal and it will remain significant till the time population is dependents upon cash for their survival.

Also, it has eased out limitations of time bound banking. It facilitated banking round the clock which is very helpful especially during tough and critical times of people. ATM card doubling with debit card is a much sought out relief for people and reduces the need for carrying cash. Innovation of ATM has brought banking revolution in India as it saved peoples' time and effort spent in long queues outside the banks. Enabling people with liquidity every time without carrying cash is a great achievement of this innovation. It has certainly improved the involvement of people in banking sector and thus, financial sector.

For banks also, installation of ATMs is beneficial as it is low cost operative method because it saves employees cost of branch banking. Also, minimum infrastructure is needed for ATM installation as compare to establishment of physical branches. Yet better cash management is required for its

successful operations. ATMs running out of cash results into less consumer satisfaction and reduces the goodwill of banks.

Though usage of banking services through different modes is dependent on the suitability, requirement and familiarity of customers yet inculcating banking habits at early age will help in spreading banking to all ages and thus, people and economy will be benefitted.

This paper, based on primary data, aims to understand the frequency of usage of ATMs by various age groups of bank customers in Union Territory of Dadra and Nagar Haveli. UT of Dadra and Nagar Haveli is situated between Maharashtra and Gujarat.

## 2. Literature Review

Nagamani and Nandhini (2015) found in their study conducted on 200 educated women from Coimbatore to find out their awareness levels on e-banking and found that younger generation of women are more efficient in handling new technology and are more aware of e-banking; and all the respondents are aware of ATM/Debit card services more than any other e-banking service rendered by banks. Study conducted by Adeniran and Junaidu (2014) in Sokoto Metropolis, on 100 customers of United Bank for Africa found their levels of satisfaction on ATM services; and also found that ease of use, transaction cost and service security have a relationship with of satisfaction customers with regard to ATM services. Franklin and Vellimalarruby (2014) conducted a study on 50 respondents from Ramanathapuram city to find the awareness level of customers regarding ATM services provided by banks and found that television and radio advertisements are responsible for creating awareness for high proportion of people aware as 80 percent of people aware of ATM cards because of T.V. and radio and newspapers and posters created awareness for 10 percent respondents only. Tavishi and Kumar (2013) aimed to find out the awareness levels of customers (400 respondents of Noida) on ATM, and found that to increase use of ATM there is need for providing more security and create technological awareness. Chattopadhyay and Saralelimath (2012) in their study conducted in Pune city on 300 respondents found that there exists significant relationship between ATM

services and customer satisfaction. Pahwa and Saxena (2011) conducted study in Udaipur City on 120 ATM card holders of ICICI Bank and found that there exists significant relationship between quick delivery of ATM cards and accuracy in cash withdrawal through ATMs with customer satisfaction levels of bank customers.

### 3. Objectives of The Study

The present research paper aims to find out the frequency of usage of ATMs by the bank customers in the Union Territory of Dadra and Nagar Haveli with a view to understand the usage of latest machinery by bank customers of different age groups.

### 4. Geographical Area

The geographical area selected for the present study is Union Territory of Dadra and Nagar Haveli. One important feature of this region is that people from all over India make a part of non-tribal residents. It represents India at Lilliputian level. So, the result of this research can be useful at national level.

### 5. Research Hypothesis

Based on the empirical data, collected from the respondents, the hypothesis tested is:

H0 = There is no significant difference in frequency of usage of ATM among various age groups of bank customers.

### 6. Methodology

The techniques and tools used to analyze and interpret the data are discussed in this section. The present study is empirical in nature, sourced from primary data. From 11 village panchayats and 6 urban areas including capital Silvassa, of UT of Dadra and Nagar Haveli, a sample of 382 bank customers is taken. Well-designed structured questionnaires are used for this purpose. Objectives of the study were kept in mind while analyzing the collected data.

### 7. Data Analysis and Interpretation

The aim of the present study is to understand the usage of ATM by various age groups. Various statistical tools and techniques are used on collected data. In the present research paper, percent analysis and one-way ANOVA are used for analysis of data with the help of Statistical Package Social Sciences software.

#### A. Demographical Variable: Age

The major component of the sample size is age group of 18-40 years as it constitutes 54% of the total sample size followed by above 40 years of age group, which represents 43% of total. Smallest age group is below 18 years of age group, having only 12 respondents, which is merely 3% of the total sample size. The analysis of this information reveals that important age groups for this study are 18-40 years and above 40 years of age, though we cannot ignore below 18 years of age group as this

represents our young generation.

#### B. Age and Frequency of Usage of Internet Banking

Table 1 reveals that usage of ATMs can be increased among bank customers. In eldest age group, 37 percent are not using it even once in a month and only 38 percent are using it 1 to 3 times in a month and only 9 percent are using it above 8 times in a month. In youngest age group, 34 percent are not using it at all and none of them are using it for more than 8 times in a month. In middle age group, highest percentage at 42 percent is using ATMs 1 to 3 times and 17 percent are using it for more than 8 times in a month. In this age group 18 percent are not using it even once in a month. Table no. 1 depicts this picture clearly.

Table 1  
 Frequency of Usage of ATM among Age Groups

AGE (in years) / No. of Times	Nil	1 to 3	3 to 8	More than 8	Total
Below 18	34	33	33	0	100
18 to 40	18	42	23	17	100
Above 40	37	38	16	9	100

(figures are in percentage) Source: Primary Data

To understand existence of probable differences in usage of ATMs among various age groups of the respondents, it is examined through testing of hypothesis. One-way ANOVA was applied on the collected data yielded Table 2.

Table 2  
 Age and Usage of ATMs - One-Way ANOVA

Usage of ATM	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	18.384	2	9.192	8.046	.000
Within Groups	432.990	379	1.142		
Total	451.374	381			

As per this table, sign. value is 0.000 which is less than 0.05 (at 95% confidence interval). It signifies that there exists significant difference in frequency of usage of internet banking among various age groups of bank customers. Thus, H0 stands rejected.

### 8. Suggestions

To increase the usage of ATMs, banking should create a safe and secure banking environment and also provide technical support to its customers. Banks should make an effort to install ATMs at more convenient places and in vicinity to residential areas as location of ATM is also an important factor for its success.

Also, creating awareness at young age will serve the purpose. India is thriving with the energy of youth, providing them financial literacy at early age will give powerful direction to this energy. It will help in reducing dependence upon branch banking. For this purpose, seminars and conferences in school and colleges can be organized.

Optimum use of ATM will reduce dependence on branch banking and will save banks from hassle of handling innumerable number of customers and save time and effort of

people. Basic operating knowledge of ATM should be provided to middle and eldest age group. For them, demonstrations on use of ATM and its operations can be organized.

For better usage of ATMs, safety and security of transactions and ATM card is necessary. Though, ATM cards are password protected but people need to be educated on keeping passwords safe and not disclosing it to others.

ATM is one of the important innovations and can take banking sector ahead on the ways of success.

### 9. Conclusion

We can conclude that ATM has become an important method of cash withdrawal from bank accounts. It has reduced the long queues which were seen outside the banks for cash withdrawal. Still there is lot of scope for increase in usage of ATMs. The outcomes of the present research reveal that many bank customers, who are still not using ATMs, can be motivated to take benefit of the technology. For their motivation, there is need for increasing convenience and safety of ATMs. Their participation towards use of technology will help in advancement of the banking and financial sector and the

economy, as a whole.

### References

- [1] Adeniran Lasisi Ma A. Ruf and Junaidu Abubakar Sambo, (2014), "An Empirical Study of Automated Teller Machine (ATM) and User Satisfaction in Nigeria: A Study of United Bank for Africa in Sokoto Metropolis" *International Journal of Management Technology*, Vol. 2, No. 3, pp. 1- 11.
- [2] Chattopadhyay Pijush and Saralelimath S., (2012), "Customer Preference towards Use of ATM Services in Pune City", *International Journal of Marketing, Financial Services & Management Research*, Vol. 1, Issue 7, pp. 230-242.
- [3] Franklin Leo and Vellimalarruby A. (2014) "Customer Perception Towards Services Provided by Banks Specially A.T.M. Services", *International Journal of Core Engineering & Management (IJCEM)*, Volume 1, Issue 6, pp. 196-204.
- [4] Pahwa Manvinder Singh and Saxena Karunesh, (2011), "Analytical Study of Customer Satisfaction at ICICI Bank with special reference to ATMs", 3rd International Conference on Information and Financial Engineering, *IPEDR*, Vol. 12, pp. 160-164.
- [5] Nagamani M. and Nandhini N. (2015) "Awareness of E- Banking Services Among Educated Women" *International Journal of Research in IT & Management*, Volume 5, Issue 1, pp. 41-48.
- [6] Tavishi and Kumar Santosh, (2013), "An empirical Study on Technology Adoption by Indian Banks", *Global Journal of Management and Business Studies*, Volume 3, Number 10, pp. 1169-1172.