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LOCATION INFLUENCE ON USER
PREFERENCE OF SERVICE SELECTION – A
STUDY WITH SPECIAL REFERENCE TO
AUTOMATED TELLING BANKING SERVICES
PREFERRED BY USERS AT KANCHIPURAM
TOWN

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ABSTRACT

Consumer the central point for any business prefers to buy product and services by spending minimum energy, cost and time. The purpose behind every buying process differs among the consumers in terms of product and services. The nature of product and services, its usage and possession values encourages the consumers to buy in different quantum and at different locations. In terms of services, which are intangible in nature encourage the users to show their personal presence and avail it. The user preference of services is influenced in terms of its availability, convenience and comfortability. In this aspect, the banking services availed by users especially on money transactions through Automated Telling Machines (ATMs) preferred by users based on the important aspects of convenience, location index, comfort ability, safety and working efficiency. It is fact revealed from various studies that, the preference of users for availing ATM facilities with respect to various banking services are majorly influenced by location factor. Even though, the services offered by ATM at the time of transactions are charged for its commitment when the users avail it under the category of non accounting banking services, the users do not give importance for commitment fees, in this aspect; the study is

required to understand the influence of location on user preference of selecting ATM services. The present study is cause and effect in nature and which tries to describe the influence of location on preference to ATM Service selection by users at Kanchipuram Town. The outcome of present study helps to understand the role of location on service selection by the users and also help to reveal the brand choice and location criteria. It also helps to correlate the application of retail location theories and models on real time situations.

KEY WORDS: *Possession values, ATMs, Service Transaction, location index, models, commitment charges, brand choice.*

1.1.INTRODUCTION

The user preference of availing product and services depends upon their needs and wants. It is also depends upon their buying motives and the environment in which it stimulates them to use. The buying motive towards product and services can be easily demarcated based on its core background and it also proven that the utility value of using product or services derived by consumers with the support of product to service and vice versa. But every user while the time of consumption of product or services obtain their need solution from retailers since their utility packing remains on buy it in pieces from bulk. It does not differ both in goods or services. In this aspect, the banking services become indispensable in the day to day life of consumers. The purpose of using banking services by every users rely on depositing or withdrawing money. In addition to that, the other forms of services also availed from banks like availing loan, facilitating services, consultancy, insurance and settlement of other service payment and so on. But major account holders in banking services focus on monetary transactions on their day to day life. In order to facilitate speedy and accurate money transaction services, banks are established automated telling machines (ATM) at various service locations of selected places. In addition to that, the service length of ATMs also increased in terms of service varieties to the

user end. But at the same time, the number of service ATMs offered by every banks differ based on the customer strength, location criteria, maintenance cost and forms of layout. In this circumstances, the number of ATM centers established by banks differ in every location and which may or may not cater the service need of the customers of every bank. In this situation, the cross usage of ATMs take place among the users (A user who has account in one bank and ATM may use other bank ATMs). But at the same time, the cross usage discourage by banks in terms of charging commitment fees, with drawl of money and non availability specific services, even though, the constraints are made by specific banks for non account holders, the usage level of cross banking through ATMs increase at reasonable percentage. In this aspect, it becomes imperative to study about the influencing factor on the usage motive of cross banking ATM by users, the present study has been aimed with the focus of understanding the influence of location aspects among the users for the preference of cross banking ATM services.

1.2. OBJECTIVES OF THE STUDY

1. To understand the background profile of users availing ATM facilities offered by banks at Kanchipuram Town
2. To know the reasons for using ATM compare to physical banking services

3. To know the base for selecting ATM services of banks
4. To verify the influence of location on selecting ATM services by banks at Kanchipuram Town.

1.3. METHODOLOGY

A comprehensive pilot study has been conducted among the users, bankers and based on the outcome the particular topic was arrived for the study. The detailed title construction has been made by referring related literature reviews. Subsequently, the reference of literature survey helped the researcher to construct the parameter need to be tested during the time of study. The research design present study is cause and effect in nature with descriptive base. The study has been carried at Kanchipuram Town. The study population has been chosen from the users of ATMs at Kanchipuram Town. They have been identified during their time of using ATMs. The sampling unit has been taken from tourist, locates and

other categories like traders, students and which was identified during the time of data collection. The sample size for the study has been restricted to 375. The sample has been drawn from the population through convenience sampling method. The data required for the present study have been taken from both primary and secondary sources. The secondary data have been obtained through previous studies, literature reviews and journals. The primary data have been obtained from the respondents through personal interview with structured questionnaire. The questions used in the questionnaire have been categorized into personal questions, probing questions and opinion seeking questions. The necessary scaling has been made and which was pre tested for its reliability through test - retest model and the cronbach value obtained was more than 77 percent. The collected data have been analyzed through tools like percentage analysis, ANOVA and regression.

1.4. ANALYSIS AND DISCUSSION

Table- 1.4. The personal and usage background of users towards the ATM services

Sl.No	Attributes		Number of Respondents	Percentage to Total
1	Age (in years)	Less than 25	46	12
		26-30	68	18
		31-35	82	22
		36-40	78	21
		41-45	49	13
		Above 45	52	14
2	Gender	Male	283	75
		Female	92	25
3	Educational Background	UG	98	26
		PG	114	30
		Professional	103	27
		Others	60	17
4	Nature of Occupation	Government Employees	102	27
		Private	93	25
		Business and Trade	66	18
		Students	56	15
		Others	58	15
5	Monthly Income (Approx)	Less than 10,000	84	23
		10001-15000	129	34
		More than 15000	93	25
		Not Applicable	69	18
6	Accounts in Number of Banks	One	145	39
		More than One	230	61
7	Type of Bank holding Account	Nationalized	167	45
		Private	96	25
		Both	115	30
9	Purpose of Holding Account	Personal	184	49
		Business/Trade	103	27
		Both	88	24
10	Regular Usage of ATM	Private Banks	168	45
		Nationalized Bank	118	31
		Both	89	24
11	Reason to shift ATM service of Core Banks (if needed)	Non availability of cash	136	36
		Non working conditions	86	23
		Crowd and Waiting Line	57	15
		Convenience of usage and requirements	96	26
Total			375	100

Source: Computed Primary Data

Table 1.4 shows the personal and usage background of users towards the ATM services in the selected study location. Regarding the age group of ATM users, 12 percent are in the age group of less than 25, 18 percent are in the age group between 26 to 30, 22 percent between 31 to 35, 21 percent between 36 to 40, 13 percent between 41 to 45 and 14 percent are above 45. The gender background of ATM users in the selected study location, 75 percent is male and

25 percent female. Regarding their educational background, 26 percent possess undergraduate qualifications, 30 percent have post graduation, 27 percent are professionals and 17 percent are other categories like diploma, technicals and so on. 27 percent of government employees in their occupation avail ATM services, 25 percent of ATM users are working in private jobs, 18 percent are business groups and traders, 15 percent are students and another 15 percent

are other groups like housewives and farmers. Regarding the income group wise classification of using ATM services, 23 percent of less than 10,000 income category use ATM, 34 percent between the income group of 10001 to 15000 uses ATM, 25 percent of more than 15000 income category use ATM and 18 percent under no income category include students and housewives. Regarding the number of account transactions hold by users, 39 percent have only one account and 61 percent have more than one account. Regarding the users of ATM services, 45 percent have account in nationalized banks, 25 percent in private banks

and 30 percent have in both. Among the users, 49 percent holds account for personal purpose, 27 percent have for business or trade purpose and 24 percent for both purpose. 45 percent regular use private bank for ATM services, 31 percent use nationalized banks and 24 percent use both services. The users switch the services of core banking ATM due to various reasons, in which 36 percent switch due to non availability of cash, 23 for poor working conditions of ATM, 15 percent due to crowd and waiting and 26 percent for convenience and availability.

1.5. ATM SERVICES BY USERS BASED ON THEIR OCCUPATION

Table-1.5. The reasons to use ATM services by users based on their occupation

Occupation	Description	Reason to Use ATM Services						Total
		Less Time	Convenience	Multiple Transaction	Flexibility of Operations	Less procedure	Self-service and Monitoring	
Government Employees	Number of Respondents	16	36	16	12	9	13	102
	Percentage to Total	(22)	(29)	(30)	(32)	(24)	(27)	(27)
Private	Number of Respondents	18	33	14	9	8	11	93
	Percentage to Total	(25)	(26)	(26)	(24)	(22)	(23)	(25)
Business and Trade	Number of Respondents	15	22	8	5	7	9	66
	Percentage to Total	(21)	(17)	(15)	(13)	(19)	(19)	(18)
Students	Number of Respondents	12	18	6	7	5	8	56
	Percentage to Total	(16)	(14)	(11)	(18)	(14)	(17)	(15)
Others	Number of Respondents	12	17	9	5	8	7	58
	Percentage to Total	(16)	(13)	(17)	(13)	(22)	(15)	(15)
Total		73	126	53	38	37	48	375
		(19)	(34)	(14)	(10)	(10)	(13)	(100)

Source: Computed Primary Data, Figures in Brackets Indicates Percentage to Total

Table 1.5 highlights the reasons to use ATM services by users based on their occupation. Regarding for less time consuming 25 percent of private employees use ATM, 22 percent of government employees and 21 percent of business and trade users. For the reason of convenience 29 percent users are government employees, 26 percent users are private employee and 17 percent are other categories like farmers and housewives. In terms of multiple transactions, 30 percent are government employees, 26 percent are private workers and 15 percent are business men and traders. 32 percent of government employees,

24 percent of private workers and 18 percent of students use for the reason of flexibility of operations. Regarding for less transaction procedure, 24 percent users are government employees, 22 percent are private workers and 22 percent are other categories. For the reasons of self service and monitoring transaction process immediately, 27 percent of users are government employees, 23 percent are private employees and 19 percent are business people are traders. In addition to that, it is also observed that among the usage reasons among occupational groups, 34 percent for convenience and 19 percent for less time consumption.

1.6. BASE FOR CHOOSING ATM SERVICES BY USERS BASED ON THEIR GENDER

Table-1.6- Base for choosing ATM services by users

Gender	Description	Base for choosing ATM Services by Users				Total
		Nearness to Home	Type of Bank (Brand Name)	Type of Machine	Point of Location	
Male	Number of Respondents	98 (79)	43 (74)	36 (77)	106 (73)	283 (75)
	Percentage to Total					
Female	Number of Respondents	26 (21)	15 (26)	11 (23)	40 (27)	92 (25)
	Percentage to Total					
Total		124 (33)	58 (15)	47 (13)	146 (39)	375 (100)

Source: Computed Primary Data, Figures in Brackets Indicates Percentage to Total

Table 1.6 shows base for choosing ATM services by users with respect to their gender in the selected study location. In the case of choosing for the reason of nearness to home or proximity, 79 percent of male prefer for the reasons and where in which it is 21 percent by female. For the reason of reputation of brand name, 74 percent male select it and 26 percent of female select it. The category of machine type 77 percent male give importance for it and 23 percent of female consider it, the point of location is given weight age by 73 percent of male and 27 percent of female. Among the cited reasons, 39 percent of male and female give importance for point of location. And in female category among all reasons, point of location is given due importance than male.

1.7. Opinion about the shifting of ATM Services based on Location among the Users based on their selected personal background:-

Null Hypothesis: There is no significant difference among the users regarding the shifting of ATM services based on location

Alternate Hypothesis: There is a significant difference among the users regarding the shifting of ATM services based on location

Table-1.7

Factors	F	Sig.
Age	1.510	.078
Occupation	1.706	.065
Monthly Income	5.652	.003
Purpose of Account Holding	1.467	.092

Source: Computed Primary Data

The table 1.7 shows significance of difference among users of ATM for the reasons for shifting services based on location in terms of their age, occupation, monthly income and purpose of account holding. In order to test the significance, ANOVA has been employed. The personal background of users has been chosen as independent variable, the opinion about influence of location has been taken as dependent variable. The depend variable was measured in interval scale and the independent variables were measured in nominal scale. By applying ANOVA test, it is observed that the reasons for shifting ATM services due to location do not significantly differ among the users based on their age, occupation and purpose of account holding and only it differs based on monthly income. It is proved by obtaining the calculated values are more than table values for age, occupation and purpose

of account holding, since the null hypothesis has been accepted and where in which it was rejected based on income.

1.8.Influencing Aspects of Location on selecting ATM Services among the Users:-

Null Hypothesis: The factors related to location aspect do not significantly differ among the users based on their age and occupation

Alternate Hypothesis: The factors related to location aspect significantly differ among the users based on their age and occupation

Table-1.8

Factors	F	Sig.
Location depends on Frequency of usage of ATM	1.510	.078
Type of Banks is considered while choosing location	1.706	.065
Location of ATM is decided by distance and time of travelling	5.652	.003
Location is decided on using ATM during shopping	1.467	.092
Location criteria is considered during the time of exclusive visit to ATM Centers	4.043	.04321
Failure of Specific ATM Services do not influence location factor	5.123	.032
Convenience of operation influence location factors	1.564	.065
Banks are understanding on selecting proper location for ATMs	1.32	.071
Switching of ATM Services also depends on location	1.23	.0756
Frequency of switching of ATM services experience by me due to location constraints	5.12	.043
Location of my ATM service is highly satisfactory	6.23	.031

Source: Computed Primary Data

Table 1.8 infers the outcome of significance of difference among the users about the location related factors and its influence on selecting ATM services. The location related aspects have been chosen as dependent variables and which were measured in terms of interval scale (agreement scale form strongly agree to strongly disagree). The age aspect has been chosen as independent variable and which was measured in nominal scale. By applying ANOVA, it is observed that the aspects like location and frequency of usage, type of banks and location, location and influence of shopping combination, location on convenience of operations, switching due to location, selecting of proper location by banks according to users expectations do not significantly differ based on age factor. The aspects like location of ATM decided by distance and time, consideration of location for choosing ATM services during exclusive purpose, failure to location aspects, personal experience due to location constraints and satisfaction about ATM location significantly differ among the users based on their age.

1.9.Opinion about the distance travelling and preference of ATM based on Age and Gender:-

Null Hypothesis: The distance travelling for using ATM does not influence on choosing the ATM service do among the users based on age and gender.

Alternate Hypothesis: The distance travelling for using ATM influence on choosing the ATM service do among the users based on age and gender.

Table-1.9

Factors	F	Sig.
Age	1.310	.081
Factor	T-Value	Sig
Gender	1.506	.075

Source: Computed Primary Data



Table 1.9 shows the influence of distance travelling on choosing convenience using of ATM irrespective of brand by users. In order to test the hypothesis, both ANOVA and independent sample T test have been applied. For doing ANOVA age has been taken as independent variable. For doing independent sample T test, gender has been chosen independent variable. The opinion on influence of distance on choosing convenient ATM service has been taken as dependent variable and its outcome measured as interval scale form very high to very low. The outcome of both test, shows that the opinion on influence of distance on choosing ATM services irrespective of core and facilitation do not vary among the users. It shows distance play a major role on choosing the service availing of ATMs among the users.

1.10.CONCLUSION

Banking is an essential service in every consumer day to day life in order to satisfy their economic needs. But at the same time, the changing environmental system, changes in the occupation nature of consumers, the changes in the traffic pattern and technology do not encourage present bank customers to reach and avail the physical services from the banks. In this given circumstances, ATM services with sophisticated services help to larger extent to customers to satisfy their banking needs. But at the same time, the installing of ATM service centers by banks involve huge strategic decision. It is the important element for extending post services to the customers, value add on services to the users and also point of reflection for customer retention. But at the same time, the multi ATM services by different banks at same locations encourage the users to avail services even though it is charged. It is needed to be understood that, the role of location on user preference of availing ATM services irrespective of its illustrious image and

branding. The need also extend to learn about the role of technology, space management, reputation and so on. With the focus of these aspects, the present study was carried out to learn about the personal profile of ATM users, reasons to use ATM than physical banking, role of location on the influence of service selection of ATMs and the influence of distance travelling and theory of location on shifting ATM services. The end of present study also revealed the importance of location and distance factors on shifting and choosing ATM services among the users and proved the fact that the branding values are not influencing lot when the aspect of location and distance come into existence.

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