THE EFFECT OF ATM SERVICE QUALITY ON CUSTOMER SATISFACTION

(IN CASE OF CBE IN WOLKITE TOWN)

Wolkite University

We Strive for Wisdom!

.

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ABSTRACT

The study focused on the effect of ATM service quality on customer satisfaction in CBE Wolkite branch. The relevant data for this study were collected from primary and secondary source. The primary data were collected from distribution both open and close ended questionnaire to the respondents. The secondary data was collected from through reading different text books and written materials about ATM service. The researcher used convince sampling techniques, the reason for this sampling technique is, it's difficult to get all users of ATM service in CBE Wolkite branch. The collected data effectively processed, analyzed and presented by using percentage and tabulation. Finally, after the relevant data will be collected from the respondents through questioner; the data analysis was made to examine the effect of ATM service on customer satisfaction. Based on data collection from the respondents there is a number of factors contribute to the dissatisfaction of customers accessing ATM service from CBE Wolkite branch. Such factors include network/machine breakdown, card retention, reliability, safety, accuracy and connivance of ATM. so, the researcher advice the bank to improve constant and consistent check- up on ATM machines in order to avoid network/machine breakdown and any other possible Problems that may lead to in connivance to the users.

Kay word

Customer satisfaction

ATM service

Service quality

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ACRONYMS

***ATM**: Automated Teller Machine*

***CBE:** Commercial Bank of Ethiopia*

***ICT:** Information and Communication Technology*

***CPU:** Central Processing Unit*

***PIN:** Personals Identification Number*

CHAPTER- ONE

1. Introduction

1.1. Background to the Study

In banking industry, e-services were revolutionizing the way business was conducted. Electron Based business models were replacing conventional banking system and most banks were rethinking business process designs and customer relationship management strategies. It was also known as e-banking, online banking which provides various alternative e-channels to using banking services i.e. ATM, credit card, debit card, internet banking, mobile banking, electronic fund transfer, electronic clearing services etc. however, as per Ethiopia e-banking scenario ATM,and mobile banking are most acknowledged than other e-channels (Singh and Komal, 2009).

Automated Teller Machine (ATM) refers to a machine that acts as a bank teller by receiving and issuing money to and from the ATM account holders/users (Singh, 2009). ATM means neither "avoids traveling with money" nor "any time money," but certainly implies both (Singh and Komal, 2009). ATM cards are fast replacing confounding withdrawal forms as a convenient way of getting your money from banks. In a way, they were rewriting the rules of financial transaction. A smart person no longer needs to carry a wallet-full of paper money; rather, what he/she needs to do is to fish out an Automated Teller Machine (ATM) card from his/her pocket, insert it in the slot of the machine, punch in a few details and go home with hard cash (Singh and Komal, 2009).

In Africa, ATMs were being introduced for the first time and we must understand the new users who live within a culture, which may bring new factors into the adoption curve. It concentrates on urban Africa but the approach can be generalize to cover other public (and personal) technologies, as well as other developing markets, African banking industry were witnessing an unprecedented competition. To stay ahead, banks are coming up with plethora of services to lure customers. Services like 24 hour banking, service at door step, telephone banking, internet banking, Extended Business Hours (EBH), speedy processing are only a few to mention.

Greater part of today's bank transactions take place somewhere else other than in branch premises (Krishna and Rao, 2006).

Though, the aim of these services was to satisfy customers, there was a need to understand customer awareness, Perception and importantly the level of satisfaction. Efforts are direct to attract and retain customers by offering them a basket of tailor made schemes support by a state of the art distribution system (the ATMs). The whole exercise was helping banks to serve their customers fast and avoid human intervention totally. And for the customers, ATMs offer hassle-free cash withdrawal. No more fighting with the bank's teller for change and fresh notes. The total cash movement through ATMs in Africa is palready between Millions of Birr (local currency) every year. In future, things are going to be even more different and challenging. The ATM has become a medium for non-cash transactions such as payment of bills, insurance payments, printing of statements or even accessing the internet (Krishna and Rao, 2006).

Even though CBE were taking advantage of the technological advancement and introducing ATM, There was general out Cary from CBE. There were constrainted to low transaction that result along queues .thus causing dissatisfaction among customers who use ATM service and the bank customers usually complain of poor ATM service quality especially at the end of the month when the civil servants withdraw their monthly salary. Although a few studies were conducted with ATM service related with customer satisfaction until now there is not enough research conduct on the effect of ATM service quality on customer satisfaction in Ethiopia commercial context. So from the researcher point of view, it became important assess the effect of ATM service quality based on customer satisfaction.

1.2. Statement of the Problem

The use of ATM was a new way of accessing banking services necessitate by customers` business needs and was enable by fast changing technology like Internet. Due to achievements brought about by increased utilization of Information and Communication Technology (ICT) in society, the banking industry has introduce ATM. ATMs provide a new method of dispensing customer services which are expect to increase efficiency, sales performance, and enhance customer satisfaction (Mona, 2011).

As ATMs cross-new borders and pervade different cultures, it was imperative to understand the role of cultural characteristics on people’s Perception of, attitudes towards, and action on the machine (Dabholka and Pratibha, 1994). In a nutshell, ATM is very important worldwide in that

it facilitates Provision of mini bank statement, Cash withdrawal, Cash deposit, transfer of funds from one account to another, Balance enquiry, Purchase of some utilities like electricity and fuel, Bill payments, and no need to carry a large amount of cash (Pandean and Sharma, 2012).

The review of literatures suggests that most of the studies on the effect of ATM in providing bank services and customer satisfaction have been done in countries like USA, UK, Malaysia, Singapore, Finland, and Australia (Gerrard and Cunningham, 2006). The use of ATM system of banking has received different perceptions. One of the views was it may not have really create customer satisfaction for bank clients, and the other is that, it may have despite of all the merits of the ATMs, customers still complaint of shortfalls on the use of the system such as; network break downs of ATMs, retention of customers cards, limited knowledge on the use of ATM cards, and its operation in just a few languages. In most previous research no sufficient work has been done in CBE with regard to ATM services and customer satisfaction issues. The research is provoked to study effect of ATM service quality on customer satisfaction in CBE Wolkite branch so the researcher main focus will be service quality delivered promoting to investigate of ATM, find out the effect of ATM service quality and customer satisfaction in CBE in Wolkite branch.

1.3. Research Questions

- What is the level of CBE ATM service customer satisfaction in Wolkite town?
- What are the factors contributing to CBE ATM services problems in Wolkite town?
- What can be done to improve the quality of CBE ATM service in Wolkite town?

1.4. Objective of the Study

1.4.1 General Objective

To assess customer satisfactionon ATM service in CBE in Wolkite branches

1.4.2 Specific objectives

1. To examine the level of CBE ATM service in customer satisfaction in Wolkite town effectiveness of ATM services
2. To investigate the factor contributing to CBE ATM service problems in CBE Wolkite town
3. provide possible remedies to improve the quality of CBE ATM service in Wolkite twon

1.5. Scope of the Study

The topic of the study was the effect of automated teller machine (ATM) use on customer satisfaction. The effectiveness of the ATM services quality on customer's satisfaction was measured by using questionnaires. The study was conducted at CBE Wolkite branch. Other branches of CBE were not include on the study, because of it needs high man power, finance and time.

1.6. Significance of the Study

The researcher was the following main significance: primarily the outcome of the study may be helping the organization to understand the ways of service quality and customer satisfaction in ATM service.

The finding of the study may be help as an initial insight for other researchers who are interested to go through a detail study for the future. The researcher the study may be contributed the body of knowledge, experience to other related area of study.

It was also shows or helps the service quality on customer satisfaction level to customer.

1.7 organization of the study

This researcher was cover five chapters. The first chapter deals with background of the study, statement of the problem, objective of the research, scope of the study and
Significance of the study. The second chapter were provide review of related literature that was collected by the research ,the third chapter, explains about the methodology, determination of sample size, sampling design and techniques, forth chapter deals with data analysis and presentation. The fifth chapter deals with conclusion and recommendation.

CHAPTER TWO

2. Literature Review

2.1 The Concept of ATM

ATM is typically made up of the Central Processing Unit (CPU) for controlling the user interface and transaction devices, magnetic or Chip card reader for identifying the customer, display which is used by the customer for performing the transaction, function buttons usually close to the display or a Touch screen used to select the various aspects of the transaction and a record printer which provides the customer with a record of a transaction (Cronin, 1997).

Most ATMs are connected to inter-bank networks, enabling people to withdraw and deposit money from machines not belonging to the bank where they have their account or in the country where their accounts are held thus enabling cash withdrawals in local currency (Maxwell, 1990), and they are often identified by signs above them indicating the name of the bank owning them.

2.1.1 Evolution of ATM

ATM is said to have evolved from early cash dispenser and is said to have first been introduced in the early 1970s. The dispensers were operated by a token inform of a punch card. This enabled a customer to withdraw as sachets of suitable values of bank notes. These sachets processed and then returned the card to the customers.

Another source has it that ATM concept was started around 1967, and that it was first installed in End field town, on the London Borough of End field by Barclays Bank (Thomas, 1996).

This is said to have been accredited to John Shepherded Baron, although George Simon registered patent in New York and Don Wetzel and two other Engineers from Ductal Company also registered patent in April 1973 (Brendan, 1996). In the second generation, it was improved to the extent that made it possible to count proved money.

2.1.2 Operation of ATM

ATMs typically connect directly to their ATM Controller via either a dial-up modem over a telephone line or directly via a leased line. Leased lines are preferable because they require less time to establish a connection (Musiime and Biyaki, 2010). It is observed that, most modern

ATMs, the customer are identified by inserting a plastic ATM card with a magnetic stripe or a plastic smartcard with a chip that contains a unique card number. Security is provided by the customer entering a Personal Identification Number (PIN). For one to access ATM service, he/ she (the card holder) has to insert the card (magnetic stripe card) into the machine (ATM), which then reads the stripe and makes contact with the central computer to confirm the validity of the card which is either accepted or rejected depending on whether it is valid or not. When accepted, the customer then punches his/ her PIN number, which is then verified according to its compatibility with the information stored in the card. After which it then performs the service requested of like (issuing cash, accepting cash/ check deposit, balance enquiry, mini-statement) etc., and finally ejects the card.

2.1.3 ATM Services

Worldwide, ATMs have made it easy for ATM users to get some bank services out of bank offices which *inter alia* include provision of mini bank statement, cash withdrawal, cash deposit, transfer of funds from one account to another, balance enquiry, purchase of some utilities like electricity and air time, bill payments, and tax payments.

2.1.4 Importance of ATM

Today ATM machine is just like a boon for everyone. This is one of the best services provided by the banking industry to every one having an account in a bank (Akrani, 2011). Actually, ATM provides 24 hours service, meaning that ATMs provide service around the clock. The customer can withdraw cash up to a certain limit during any time of the day or night (Akrani, 2011).

ATM gives convenience to bank`s customers, which means that now a days, ATMs are located at convenient places, such as at the air ports, railway stations, universities, bus stands, hotels, supermarkets, petrol stations, and not necessarily at the bank`s premises. He further argued that it is to be noted that ATMs are installed off site (away from bank premises) as well as on site (installed within bank`s premises) (Lovelock, 2011).

ATMs provide mobility in banking services for withdrawal. Meaning that ATM reduces the workload of bank`s staff – ATMs reduce the work pressure on bank`s staff and avoid queues in bank premises (Lovelock, 2011). ATM provides service without any error – The customer can obtain exact amount. There is no human error as far as ATMs are concerned (Pandean and Sharma, 2011). ATM is very beneficial to travelers – ATMs are of great help to

travelers.Theyneed not to carry large amount of cash with them. They can withdraw cash from any city across the country and even from outside the country with the help of ATM (Khan, 2010).

ATM may give customers new currency notes – the customer also gets brand new currency notes from ATMs. In other words, customers do not get soiled notes from ATMs (Khan, 2010).

ATM provides privacy in banking transactions of the customer – most of all; ATMs provide privacy in banking transactions of the customer (Steve, 2012).

Steve (2012) posits that ATM is convenient, enables people to withdraw money any time, allows people to make purchases and enables them to pay bills.

Steve further argues that, a major advantage of an ATM is that it allows the user to access money at any time. In addition to withdrawing money, an ATM offers other banking services. With an ATM, the user can readily move funds between accounts at the same bank or deposit checks at any time of day. ATMs also allow patrons to conduct balance inquiries. By using an ATM, the user can find out how much money is in the account without wasting time on hold or waiting in line at the bank.

2.2 Effectiveness of ATM

2.2.1The Concept of Customer Satisfaction

Without usage of technology the banking sector cannot provide customers with effective services (Patricio*et al.,* 2003). Effective service delivery is significantly improved service concept that is taken into practice (Drake, 2001). Customer expectations concerning service encounter experiences and service delivery mechanisms as well as the entire concept of what constitutes quality service are therefore key issues that need to be considered prior to the implementation of any structural change (Patricio*et al.,* 2003). Effective service delivery is a service product or service process that is based on some technology or systematic method. It can be a new customer interaction channel, a distribution system or a technological concept or a combination of them (Kelley *et al.,* 1990). Kumbhar, (2011) observed that effectiveness of service provision have a significant relationship with overall customer satisfaction. Effective service delivery is positively related to customer satisfaction in that, when a customer perceives that the delivery mode of the

transactions that the bank is supposed to offer is quite good, the more the customers will be satisfied with the bank services.

Cacioppo, (2000) defines customer satisfaction as the state of mind that customers have about a company when their expectations have been met or exceeded over the lifetime of the product or service as quoted by Malcolm,(2008). Increased customer expectations have created a competitive climate whereby the quality of the relationship between the customer and bank has taken on a greater significance in some cases than the product itself. (Biyaki, 2010). Krishnan et al (1999) point out that, the banking industry strives to succeed by putting the topic of rapid and changing customers‟ needs to their agenda. This can be achieved through good customer care and offering attractive services or products that other competitors may not offer. Therefore, customer satisfaction is seen as a key performance indicator within a business. The concept of customer satisfaction occupies a central position in marketing and practice (Cardozo, 1965). Customer satisfaction is a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance or outcome in relation to his or her expectations. (Musiime and Biyaki,2010). In a nutshell, customer satisfaction is the actual meeting of customer's expectation after he or she has completed consuming a product or service.

2.2.2 Measuring Customer Satisfaction

In service provision, there are some factors, which are considered by customers as a benchmark for appreciating a service being offered (parasuraman et al., 1988, 1991). With regard to ATM, parasuraman et al., (1988, 1991) mentioned a list of factors considered by customers as important for their service satisfaction. Such factors include tangibility, reliability, empathy, assurance and responsiveness.

Tangibility:-appearance of physical facilities, equipment's personnel and written material (parasuraman et al., 1988, 1991).

2.2.2.1 Service Security and Reliability

It's the ability to perform the promised service dependably and accurately (parasuraman et al., 1988, 1991). Confidentiality is the main issue of security in ATM service. Unique four digit code (PIN) will be secretly given to every single customer that is confidentially prepared to secure customer wealth from being stolen and lost. In a secure service customers expect to have a freedom from danger, risk or doubt measurable safety and protection for the users has to be emphasized. Banking industry is highly sensitive and confidential regarding customer background and assets.

Reliability represents the capacity of a system to accomplish the specified functioning demands in environmental and demanding conditions, in a defined functioning, and in a preset period of time. Reliability can also be expressed as the probability of the system to accomplish the functions which it was designed for with a certain performance and with no flaws, in a certain period of time and in given functioning conditions. Reliability is Ability to perform the promised service dependably and accurately.

Wolfinbarger and Gilly, (2003) argue that service reliability is the strongest predictor of customer satisfaction. Reliability refers to the ability to deliver expected standard at all time, how the organization handle customer services problem, performing right services for the first time, providing services within promised time and maintaining error free record. In regards to ATMs services, Jay and Barry (2014) noted that the reliability of machine parts or product parts is considered as consistently good in quality or performance which is able to be treated at any time. For ATM environment condition and technical reliability are equated to reliable design that is functional.

Reliability is fundamental criterion of superior electronic service quality. (Stiakakis and Georgiadis, 2009)Reliability consists of accurate order of fulfillment, accurate record, accurate quote, accurate billing, and accurate calculation of commissions which keep the service promising to the customer. (Yang and Fang, 2004

Assurance:-its employees knowledge and courtesy and their ability to inspire trust and confidence (parasuramanet al., 1988, 1991).

Empathy:-it's being caring, individualized attention given to customer (parasuraman et al., 1988, 1991).

2.2.2.2 Service Responsiveness

it's the willingness to help customers and provide prompt service (parasuraman et al., 1988, 1991) Responsiveness is willingness to help customers and provide prompt service. Responsiveness is defined as the ability to respond to customer requirements timely and flexibly. Responsiveness includes responding quickly, promptly, rapidly, immediately and instantly.

Responsiveness was provided speed and timeliness of service delivery supported by willingness and readiness of employees to provide service. It concerns ability to provide appropriate information to customers when a problem occurs. It includes prompt response, prompt services and quick problem solving. (Mariappan, 2006)

2.2.2.3 Communication service

Has to be communicated between the service and receiver to whom the service is given. Communication in service needs to keep customers informed in language they can understand and list to them .service provider has to be able to adjust its language for different customers .common understanding and users friendly procedure are highly expected on service machine (parasuraman,1985)

2.2.2.4 Service Convenience

The first appeared in the marketing literature in relation to categories product classification of customer product includes conveniences goods. Intensively distribution product that require minimal time and physical and mental effort to purchase.Time place and cost are the main issues raised in context of service convenience (Feidman et al,1981) They posited that, each of these factors is very important for customer satisfaction for the service being provided. The service should be reliable, in that the service has to be available every time the customer needs it. The service should be user friendly, meaning that a customer was loyal to the service he/she was able to use with ease. Customers are satisfied when the service they are receiving is executed accurately, and they are always sensitive to their safety when receiving any service of their choice.

2.3.2 Who Is A Customer?

A customer was the most important visitor on business premises. The customer is not dependent on us . The customer was not an interruption to our work. The customer was the purpose for it. The customer was not an outsider on our business rather the customer is part of it, we are not doing him/her a favor by serving the customer rather he/she is doing us a favor by giving us an opportunity to do so. Wasswa, (2003) further describes a customer, as one that enables the organization to exist or service of a company or business.

2.3.3 Importance of Customer Satisfaction

Khirallah, (2005) defines customer satisfaction as; a customer's Perception that his or her needs, wishes, expectations, or desires with regard to products and service has been fulfilled. Consumer satisfaction in short can therefore be defined as an evaluative process that contrasts pre-purchase expectations with the actual Perceptions of performance during and after consumption experience. The outcomes of satisfying a customer are:

Customer loyalty-loyal customers are those who have the enthusiasm about the brands or products they use. The more enthusiastic a customer is, the higher the profit contributed to the brand (Malcolm, 2008). Muslim and Biyaki, (2010) define loyalty as a combination of intentional repurchase behavior and psychological attachments of a customer to a particular service provider. The fundamental assumption of all the loyalty models is that keeping existing customers is less expensive than acquiring new ones. In summary, loyalty is customer's demonstration of faithful adherence to an institution despite the occasional errors. Thus satisfying a customer is of very paramount importance to organizational existence.

Customer retention-customer retention is the ability to hold on to customers over time. Joseph and Stone, (2003) define customer retention as the activity that the selling organization undertakes to reduce customer account defections. It can also be described as a series of actions that the selling organization undertakes to reduce defections. Ganesh et al., (2000) observed that long-term customers become less costly to serve due to the bank's greater knowledge of the existing customer and to decrease serving costs.

They also tend to be less sensitive to comparative marketing activities (Czepiel, 1990). Losing customers not only leads to opportunity costs because of the reduced sales, but also to an

increased need for attracting new customers which is five to six times more expensive than customer retention (Joseph and Stone, 2003).

2.3.4 ATM Services quality and Customer Satisfaction

Recent advances in technology have created a surge in "technology-based self-service" (Dabholkar*et al.*, 2003). Literature related to customer satisfaction and ATM services quality

Oliver ,(1997) defines customer satisfaction, as "Satisfaction is the customer's fulfilled response. It is a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption-related fulfillment".

Edosomwan, (1993) says in his book that „a satisfied customer will recommend excellent products and services to their friends and help the enterprise to increase its market share and profitability".

Davies et al., (1996) examined the factors that influence customers" satisfaction on ATM services includes costs involved, and the efficient functioning of ATM. Anderson *et al.,* (1976) and Laroche, (1988) the researchers of customer satisfaction said that the banks' ability to deliver the factors like convenience and accessibility will probably impact on customer satisfaction.

Moutinho,(1992) argued that ATM facility resulted in speed of transactions and saved time for customers. Lovelock (2000) identified that secured and convenient location; adequate number of ATMs, user-friendly system, and functionality of ATM are the important factors for the customer satisfaction.

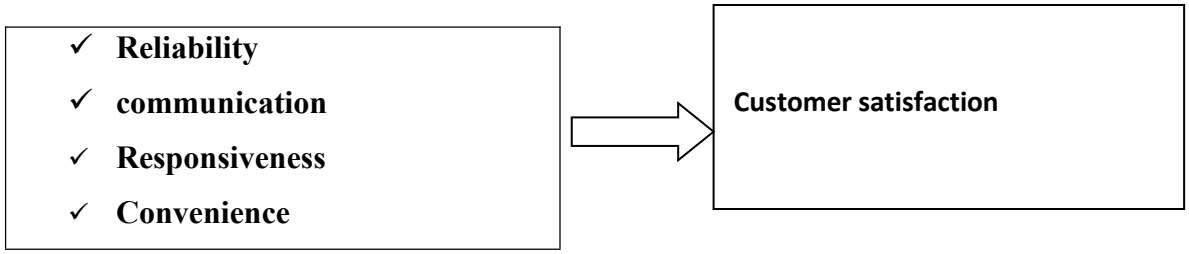
Based on the prior studies, Al-Hawari*et al*.,(2006) compiled a list of five major items about ATM service quality that include convenient and secured locations, functions of ATM, adequate number of machines and user-friendliness of the systems and procedures. Most early studies found location convenience influences most on bank selection (KaynakandKucukemiroglu, 1992).

Khan, (2010) said that the key dimensions of automated banking service quality include reliability, ease of use, privacy, convenience and responsiveness. WolfinbargerandGilly, (2003)

argue that reliability is the strongest predictor of customer satisfaction. Much of the researches say that there is an association between customers‟ usage pattern and the demographic profiles. (Hood,1979,Murphy1983).

Many studies had investigated the effects of demographic profile such as age, educational qualification, sex on the customers‟ attitude towards the acceptance of the new technologies (Al Somali *et a.,* 2008).The research on the relationship among young people and financial institution established that these people have their accounts in more than one bank, because of need for convenience, requirement of more services offered, and 24- hours' availability of ATM and location.

2.4 conceptual frame work of the study



CHAPTER THREE

Research Methodology

3.1. Area of Study

Wolkite town is located in the Guraghe zone of the Southern Nation Nationality and People Rgion (SNNPR)of Ethiopia approximately 165km Southwest of Addis Ababa Wolkite is a town and separate Woreda in South western Ethiopia and the second administrative center of central Ethiopia Regional state and Gurage Zone. The towan has a latitude 8°17'N 37°47'E and an elevation between 1910 and 1935 meters above sea level

3.2. Research Design

The researcher was used descriptive type of research design. It was conducted for the purpose of to find out the effect of ATM on customer satisfaction, in commercial bank of Ethiopia Wolkite branch. Descriptive research design was used, because it describes the nature of the situation as it exists in the time of study. For the purpose of the study the researcher was used both qualitative and quantitative research approach.

3 .3 Target population of the study

The target population of the study was the users of ATM in Wolkite twon.According to data obtained to the bank there were infinite users of ATM in Wolkite twon.The infinite number of customers, the researcher was taken 69 customers of the bank as a sample. During the research at commercial bank of Ethiopia Wolkite branch, the researcher wanted to know the gender of the respondents who receive ATM services. At the result both genders were customers of the CBE Wolkite Branch albeit in deferent degrees

3.4 sample size determination

The researcher was used non probability sampling techniques .The reason to use this technique was difficult to get all customers of the bank .In determination sample size through the approach based on precision rate and confidense level,the researcher has to specify the precision that he wants respect of his estimate concerning the population parameters. The researcher was used the formula to find out the sample size (n) of infinite population is given as under :(Kothari, 2004)

$n=z^2.p.q/e^2$

n=sample size

z =the value of standard variety at a given confidence level to be worked out from table showing are under normal curve

p=sample proportion

q=1-p

e= given precision rate or acceptable error

Where z=1.65(desired confidence level is 90%

q=0.5(1-0.5)

e=10 %(0.1acceptance error

$n= (1.65)^2. (0.5). (0.5)/ (0.1)^2$

$n = 68.0625 \approx 69$

3.5 Sampling Technique

For the purpose of the study, the researcher used non probability sampling techniques among this the researcher used convenience sampling techniques, the reason for this sampling technique was, it's difficult to get all users of ATM services in CBE Wolkite branch. Due to time and budget constraint the researcher used this technique.

3.6 Source of Data

In order to accomplish this study, the researcher was used both primary and secondary source of data. Primary data gathered through questionnaires and secondary data was gathered from other researchers and different research related materials.

3.7 Data collection methods

To accomplish this study, the researcher was prepared questionnaires for users of ATM service. The question was consisted open ended and close ended. Interview equations also take part for data collection to asking customers how satisfied by the activities of ATM services.

3.8 Data Presentation and Analysis

After the relevant data was collected, the researcher was edited, coded and classified the data to make it suitable for further presentation and analysis. The collecting, processing,and organizing data was presented in the form of tabulation, and percentage which was based on their appropriateness to the processing data. Then descriptive method of data analysis was employed to examine the finding of the study. The reason that the researcher used descriptive method is in order to clarify and describe both qualitative and quantitative data; the descriptive method of analysis is used than others. Then, from the analyzed data the researcher was put conclusion by summarizing the main points about the study and also forwarded our own recommendation

3.9. Validity of the Study

The researcher was collected valid data from the ATM card holder of CBE Wolkite branch. These data was collected through questionnaires in order to gather precise and essential information to the study. Validity refers gathering and obtaining accurate and definite information from the customers of CBE Wolkite branch.

3.10. Ethical Considerations

Ethical consideration was addressed in the context of qualitative and quantitative research. The purpose of ethical consideration was to inform the research as given research approach. Ethical issue in the organization was important to conduct the study. This study based on ethical consideration of keeping secrets of the organization and investigate the problem. The researcher was developped confidentiality and respect all employees of the organization in order to gather relevant information with the effect of ATM service on customer satisfaction in CBE Wolkite branch. The research was honestywhen gatheried accurate information.

CHAPTER FOUR

4. Data analysis and interpretations

4.1 Preliminary Data Analysis

Out of 69 distributed questionnaires, a total of 62 or a response rate of 90% was returned. The strategy used to collect questionnaire was the customers who came for ATM service at the point of ATM in the bank premises. The research was collected these questionnaires from the respondents physically and the questionnaires were immediately filled by the respondent.

4.2 Percentage Distribution of Respondents by Background characteristics

Table 1: Gender of respondents

No	Item	Response	**Frequency**	**Percentage (%)**
1	Sex	Male	38	61.29
		Female	24	38.71
		Total	62	100
2	**Age**	18-25 year	17	27.42
		26-35 year	22	35.48
		36-45 year	9	14.51
		46-55 year	8	12.91
		Above 56	6	9.67
		Total	62	100
3	**Level of education**			
		Degree	5	8.06
		12 completed and below	9	14.52
		Diploma	19	30.64
		Master	24	38.71
		Above	5	8.06
		Total	62	100

Source : own survey questionnaires (2017)

During the research at the Commercial Bank of Ethiopia Wolkite Branch, the researcher wanted to know the gender of the respondents who receive ATM services and at the bank, and the results were that out of 69 respondents, 39 respondents equivalent to 61.29% respondents were males while 24 equivalent to 38.71% respondents were females. This shows that both genders were customers of the CBE Wolkite Branch albeit in different degrees. This is an opportunity for the bank to encourage more women to open up accounts with the bank as many of them were engaged in informal businesses which were giving hem incomes. If the bank capitalizes on women, it were made a significant profit because they are many in society and most of them are yet to open accounts with the bank. The table further shows that most of the respondent's age 26-30 year.

At the respondent of degree 5 equivalent to 8.06 present as it 12 completed and below 9 respondent equivalent to 14.52 persent as diploma 19 respondts equivalent to 30.46 present and master and above are 24 and 5 respondent equivalent to 38.71 and 8.06 percent respectively. The total responds were 62.This sub-section presents respondents‟ banking characteristics. The banking characteristics covered include possession of an account with the bank, awareness of the presence of ATM services, and possession of an ATM card by customers of CBE Wolkite Branch. The researchers wanted to know if respondents hold accounts with CBE Wolkite Branch, if they are aware of the existence of ATM banking, and whether they possess the ATM cards. The results show that all 62 respondents possess an account with CBE Wolkite. Branch, they were aware of the existence of ATM banking and they possess the ATM cards as shown in the above table. However, the bank should be making sure that it retains all its customers by being always alert to improve the services it provides.

Table 2: percentage distribute monthly of income

4	Monthly income (birr)	Frequency	Percentage (%)
	Less than 2,000	28	45.16
	2,000-11,999	18	29.032
	12,000 and above	16	25.8
	Total	62	100

Sources: own survey questionnaires (2017)

As it was indicated in table 4.2 monthly incomes were interpreted on the following way.Respondent response of monthly income less than 2000 responses 28 equvalant to 45.16 percent and 2000-11999 responces are 18 responce equivalent to 29.032 percent 12000 and above responded are 16 equivalents to 25.8 percent of response .the total responses are 62.

Table 3: percentage distribution of how long have you used CBE ATM card

5	How long have you used CBE ATM card	Frequency	Percentage (%)
	Less than one year	17	27.41
	1-2 year	21	33.87
	3-4 year	16	25..8
	5-6 year	8	12.9
	Total	62	100

Sources: own survey questionnaires (2027)

As it was indicated in the table 4.3 how long have you used CBE ATM card were interpreted on the following ways,Respondent of response less than one year 17 respondes equivalent to 27.41 percent and 1-2 year responds are 21 equivalents to 33.87 percent and 3-4 year responds are 16 equivalents to 25.8 and 5-6 responds are 8 equivalent to 12.9 percent. The total responses are 62.

Table 4: percentage distribution of how frequency do you use ATM card

6	How frequency do you use ATM card	Frequency	percent
	4 time or less time a month	10	16.13
	5 to 8 time a month	20	32.26
	9 to 12a month	14	22.5
	13 or more time month	18	29.03
	Total	62	100

Sources: own survey questionnaires (2017)

As it was indicated the tableb 4.4 how frequency do you use ATM card were interpreted the following ways Respondent's response 4 or less time a month 10response the equivalent to 16.13 percent as it 5 to8 time a month response are 20 equivalents to 32.26 percent and response to 9 to 12 times a month response to14 equivalent to 22.5 percent and 13 or more time month responds are 18 equivalents to 29.03 percent .the total responses are 62

Table 5: percentage distribution of how frequency has you received incomplete transaction from CBE ATM

7	How frequency has you received incomplete transaction from CBE ATM?	Frequency	Percentage(%)
	Never	23	37.09
	Few times	16	25.8
	Usually	12	19.35
	Always	11	17.74

	Total	62	100

Source: own survey questionnaires (2017)

As it indicated table 4.5 response's and percent's of how frequency's and percent's were interpreted on the following ways Respondent's response is never 23 equivalents to 37.09 and response of few time are 16 equivalents to 25.8 percent and usually to responds are 12 equivalent to 19.35 percent and always to responds 11 equivalent to 17.74 percent. The total responses are 62.

Table 6: percentage distribution ATM machine to serve one's request

8	How do you rate speed of ATM machine to serves ones request	frequency	Percentage(%)
	Very high	16	25.8
	High	20	32.26
	Satisfactory	12	19.35
	Low	10	16.129
	Very low	4	6.45
	Total	62	100

Source :own survey questionnaires (2017)

As it was indicated in the table 4.6 response's and percent's of how do you rate speed of ATM to serves ones request were interpreted the following ways Respondent response in very high 16 equivalent to 25.8 percent and high respondent 20 equivalent to 32.26 percent and satisfactory responses 12 equivalent to 19.35 percent and low and very low are respondents 10 ,4 equivalent to 16.129 ,6.45 percent are response

4.3 Services quality factor of ATM

4.3.1 Service communication

was communicated between the service and receiver to whom the service is given. Communication in service needs to keep customers informed in language they can understand and list to them .service provider has to be able to adjust its language for different customers .common understanding and users friendly procedure are highly expected on service machine (parasuraman, 1985)

Table 7:respondent of ATM communication

NO	Communication	MN	SD
1	The ATM language is easily to select	2.32	1.39
2	The ATM language is easy to understand	1.82	1.52
3	The available service provide by the machines is easily to find and use	2.68	1.37
	average	2.273	1.426

Source:own survey questionnaires (2017)

MN=mean SD=standard deviation

As it was indicated in (table4. 7) mean and standard deviation for communication were interpreted on the following way, Respondents response in the ATM language is easily to select mean score 2.32 with standard deviation of 1.39, The ATM language easily understands mean of scores 1.82 with standard deviation of 1.52.The available service provided by the machine is easily to find and use mean score 2.68 with standard deviation 1.37.total of mean and standard devotion 2.273, 1.426 respectively.

4.3.2 Service Responsiveness

lt was to help customers, and provide prompt service (parasuraman et al., 1988, 1991) Responsiveness is willingness to help customers and provide prompt service. Responsiveness is defined as the ability to respond to customer requirements timely and flexibly. Responsiveness includes responding quickly, promptly, rapidly, immediately and instantly.

The responsiveness was providing speed and timeliness of service delivery supported by willingness and readiness of employees to provide service. It concerns ability to provide appropriate information to customers when a problem occurs. It includes prompt response, prompt services and quick problem solving. (Mariappan, 2006)

Table 8: respondent of ATM responsiveness

NO	Responsiveness	MN	SD
1	CBE is responsive to ATM machine network problem quickly	3.15	1.07
2	New cards are delivered to customers on time	2.49	1.44
3	PIN card replacement are delivered to customers on time	2.54	1.41
	average	2.72	1.3

Sourse :own survey questionnary (2017)

MN=mean SD =standard deviation

As it was indicated in the table 4.8 the mean and standard deviation for responsiveness were interpreted on the following ways. Respondent response in CBE was responsive to ATM machine Network problem quickly mean scores 3.15 with standard deviation 1.07,New card are delivered to customer on time mean scores 2.49 with standard deviation1.44,Pin card replacement are delivered to customer on time mean score 2.54 with standard deviation 1.41.Total mean and standard deviation are 2.72 and 1.3 respectively.

4.3.3

It was ability to perform the promised service dependably and accurately (parasuraman et al., 1988, 1991). Confidentiality was the main issue of security in ATM service. Unique four digit code (PIN) will be secretly given to every single customer that is confidentially prepared to secure customer wealth from being stolen and lost. In a secure service customers expect to have a freedom from danger, risk or doubt measurable safety and protection for the users has to be emphasized. Banking industry is highly sensitive and confidential regarding customer background and assets.

Reliability represented the capacity of a system to accomplish the specified functioning demands in environmental and demanding conditions, in a defined functioning, and in a preset period of time. Reliability can also be expressed as the probability of the system to accomplish the functions which it was designed for with a certain performance and with no flaws, in a certain period of time and in given functioning conditions. Reliability was ability to perform the promised service dependably and accurately.

Wolfinbarger and Gilly, (2003) argue that service reliability was the strongest predictor of customer satisfaction. Reliability refers to the ability to deliver expected standard at all time, how the organization handle customer services problem, performing right services for the first time, providing services within promised time and maintaining error free record. In regards to ATMs services, Jay and Barry (2014) noted that the reliability of machine parts or product parts is considered as consistently good in quality or performance which is able to be treated at any time. For ATM environment condition and technical reliability wer

e equated to reliable design that is functional.

Reliability was fundamental criterion of superior electronic service quality. (Stiakakis and Georgiadis, 2009)Reliability consists of accurate order of fulfillment, accurate record, accurate quote, accurate billing, and accurate calculation of commissions which keep the service promising to the customer. (Yang and Fang, 2004

Assurance:-its employees knowledge and courtesy and their ability to inspire trust and confidence (parasuramanet al., 1988, 1991).

Table 9: respondant of ATM Reliability

NO	Reliability and security	MN	SD
1	Stations to use ATM machine are secured	4.15	0.90
2	PIN card provide from bank is confidential	4.08	0.92
3	Money received from ATM reliable in amount	3.79	1.06
	average	4	0.96

Source :own Survey questionnary (2017) MN=mean SD=standard deviation

As it was indicated in the table 4.9 the mean and standard deviation for Reliability were interpreted on the following ways, Respondent response in the stations to use ATM machine are secured mean scores 4.15 with standard deviation 0.90, PIN card provide from bank was confidential a mean of score 4.08 with standard deviation0.92, Money received from ATM reliable in amount a mean of score 3.79 with standard deviation1.06.total mean and standard deviation 4 and 0.96 respectively.

The first appeared in the marketing literature in relation to categories product .classification of customer product includes conveniences goods. Intensively distribution product that require minimal time and physical and mental effort to purchase.Time place and cost are the main issues raised in context of service convenience (Feidman et al,1981)They posited that, each of these factors is very important for customer satisfaction for the service being provided. The service was reliable, in that the service had to be available every time the customer needs it. The service was user friendly, meaning that a customer was loyal to the service he/she was able to use with ease. Customers were satisfied when the service they were received was executed accurately, and they were always sensitive to their safety when received any service of their choice.

Table 10: respondent of ATM convenience

NO	Convenience	MN	SD
1	ATM are presented in convenience location for use	3.90	1.00
2	CBE ATMs are always connected to network and ready for service	2.08	1.24
3	The ATM is serving the purpose of avoiding to bank for services	3.13	1.12
	average	3.03	1.12

Source:Own survey questionnaries (2017)

As it was indicated in the table 4.10 the mean and standard deviation for convenience were interpreted on the following ways ,Respondent response in ATM are presented in convenience located for use mean score 3.90 with standard deviation 1.00.CBE ATM is always connected to network and ready for service for use mean score 2.08 with standard deviation 1.24.

The ATM serviced the purpose of avoiding to bank for service for use mean score 3.13 with standard devation 1.12.the total of mean and standard deviation wa 3.03 and 1.12 respectively.

4.4 Effectiveness of ATM Services

This sub-section was presented the percentage distribution of respondents by how they rated the ATM services in terms of available functions/services offered, costs associated with withdrawal, security of the respondent's money, safety using ATM, and the time. Other variables the researcher considered included the time the respondent takes in the queue before accessing the ATM services, whether the respondent experienced any problems while using the ATM.

The results show that reliability of ATM services, safety, and accuracy of ATM have a significant and positive influence towards customer satisfaction. Therefore, customer satisfaction depends on a number of things including reliability, safety, accuracy, convenience, and security.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1 conclusions

This study aims at investigating the effect of ATM service quality on customer satisfaction the case of CBE Wolkite branches. This section will conclude on the finding by considering the literature and the data collected through questionnaire and interview. The survey result shows that security and reliability and convenience are perceived by customers with medium mean value average and other dimensions of service quality communication and responsiveness have low mean value average. The result also reflects the overall customer satisfaction by the bank service is also lower. The result implied that more work has to be done on those lower perceived dimensions. The study confirmed that most of the respondents from selected samples are not much satisfied with the service provided by the bank. As the result shows all of the service quality dimensions have positive relationship with customer satisfaction. And they also have positive and significant effect on the customer satisfaction which implies direct relationship to it. In addition the result implies that convenience, 62 responsiveness and completeness affects customer satisfaction comparatively higher than the other variables. Generally the result reflected that service quality measurement dimensions of ATM are not adequately served by the bank.

5.2 Recommendations

Based on the above problems and analysis made from primary and secondary data collected, the researcher has provided the following solutions are recommended by consider it as useful. The bank has to work harder to bring the number of available ATM machines in to a highest number so that availability and accessibility to customers will enhance. This will also create convenience for card holders and will lead to increment in ATM card user satisfaction. In addition to be distributed to business institutions like café, hotel, entertainment centers and shopping areas in order to encourage the uses with discount. And discourage the culture of carrying cash around or visiting bank branches for every single payment. Large number of incomplete transaction is observed from the survey result. Since completeness is the main determinant for service quality. It has to be given a high emphasis. Continuous follow up is required by the bank/ branches for issues related to network problems, cash shortage in machines, available denomination and other day to day activity requests. Since these problems can be internally controlled, researcher

believed that each branch needs assigned officer for the purpose of controlling ATM related issues. From the companies structure ATM related problems are handled at head office level. In branches ATM is a responsibility for all staffs. But the researcher has suggested centralizing the controlling system of ATM service quality. CBE ATM services alternatives have limited applicable options, cash withdrawal and balance enquiry are the only service provided. As the researcher observe from the machine, options like fund transfer to other account holder and walking beneficiary are listed as service to be provided but the services does not work. The researcher recommends the bank to work on modifying the available services provided by the machine and add more additional features on it to enhance customer satisfaction. Customers has to be announced well on the benefit and security management policy of the bank ATM regarding high confidential value given to it. Also every customer has to be informed about the risk associated with putting the card and the PIN together and to literally damage the PIN and change it after the first login. Although the money withdrawal limit sated per day is mainly to prevent the risk of losing or misplacing PIN and card at the same time the limit shall be increase by verifying further step of user authorization to increase customer convenience.

Generally CBE has to make continuous assessment using research and development to upgrade the service quality to advance level and to feel the gap between the market and customers need. Furthermore the researcher recommends further study on the subject matter to analyze other factors that measure ATM service quality which will have effect on customer satisfaction.

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Appendix

Wolkite University

Department of Management

Dear respondents

The purpose of the questionnaires was to gather data research conduct on the effect of customer satisfaction to wards of an ATM service in case of commercial bank of Ethiopia for the partial fulfillment of bachelor of Art degree. Information given was confidential and would be only used for academic purpose. Your- cooperation in providing true information and honestly view is very much appreciated.

General instructions

There is no need of writing your name on the questionnaire

In all cases, where answers to options are available, please tick (√) in the appropriate box

Section I: Background Information

1. Sex: Male [ ] Female [ ]

2. Age 18-25 [ ] 26-35 [ ] 36-45 [ ] 46-55 [ ]
56 or above [ ]

3. Educational qualification: 12 Complete and below [ ] Diploma
[ ] . Degree [ ] Masters and above [ ]

4. Monthly income (Birr) Less than 2,000 [ ] 2,000-11,999 [ ] 12,000 and above
[ ]

5. How long have you used United Bank ATM card? Less than one year [ ] 1-2 years [ ] 3-4 years [ ] 5-6 years [ ]

6. How frequently do you use ATM card? 4 or less times a month [ ] 5 to 8 times a month [ ] 9 to 12 times a month [ ] 13 or more times a month [ ]

Section II: General questions

7. How frequently have you received incomplete transaction from United Bank ATM?
Never [ ] few times [ ] usually [ ] always [ ]

8. How do you rate speed of ATM machine to serve one's request Very high [ ]
High [ ] Satisfactory [ ] low [ ] very low [ ]

NO	Questionnaires	1 Strongly disagree	2 disagree	3 neutral	4 agree	5 Strongly agree
	communication					
1	The ATM language is easy to select					
2	The ATM language easy to understand					
3	The available service provide by the machine is easy to find and use					
	Responsivess					
4	CBEis responsive toATM machine network problems quickly					
5	New cards are delivered to customers on time					
6	Card/PIN replacement are delivered to customer on time					
	Reliability and security					
7	Station to use ATM machine are secured					
8	PIN codes provided from the bank is confidential					
9	Money received from ATM is reliable amount					

	convenience					
10	ATMs are presented in convenience location for use					
11	CBE ATMs are always connected to network and ready for service					
12	The ATM is serving the purpose of avoiding going to banks for services					