

Automated Teller Machine: A New Dimension in the Bank Service in Bangladesh

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Abstract: In Bangladesh, Banking industry is much more mature than past. It has excellent image of their activities. Now modern banking services have launched by some multinationals and new local private commercial banks. Automatic Teller Machine (ATM) is one of the most demanded and latest technologies. Marketing and changing trend of banking services is the very vital things in modern banking sector. Some banks are trying to adopt of this changes. Some are not giving effort totally, some are launching the new ideas in this sector, and some are really trying to adopt and innovate having something different. It is good to see that whole banking sector in Bangladesh is trying to follow the modern marketing concept in bank services. After launching the new innovative products like ATM, now the question is how the customer accepts the new product, which is fully associated with the technology.

Keywords: Bank, ATM, Bangladesh

Introduction

In Bangladesh, multinational banks are operating for long besides our nationalized, private and specialized banks. However, much of the resulting research has concentrated on providing evidence of the association between consumers' usage patterns of ATMs and their demographic profiles (Hood, 1979 and Murphy, 1983) and, more recently, consumer psychographic profiles (Stevens *et al.*, 1986). Besides, the banking services of nationalized, private, and multinationals are different by quality of their services. Multinational banks are offering better services than others. They offer better customer services, personal financial services, corporate facilities, trade services with the help of efficient operational department, credit department, information technology department and the most important department is the marketing department. Presently they are thinking to offer door-to-door services, 24 hrs banking services with ATM machine, pay and cash management through internet services. Moreover, waiting to introduce intensive e banking of the multinational banks in Bangladesh. Customer always demands better services, security, and round the clock banking. Multinational banks are considering customers needs and demand in the first line of preference. Moreover, trying to offer and introduce the demanded services by the customers and changing their offering based on the needs of present and potential customers. Only a few studies regardless of research context have been conducted which focus on the attributes of innovations, as perceived by potential users (Ostlund, 1974; Taylor, 1977). Recently, a study on ATMs (Rugimbana and Iversen, 1994) utilized the Rogers' "extended" model and was able to shed some light on pertinent strategic issues such as how retail bank consumers perceive ATM technology and how far they accept this innovation as one, which can fully and satisfactorily replace human tellers in all the banking functions handled by the innovation. However, the study stops short of comparing the relative usefulness of perceptual and demographic profiles of consumers in predicting ATM usage. Here the researcher is trying to explore ATM products which are not new for its people but it is still struggling to cope up in Bangladesh.

Objectives of the Study: This research has taken into consideration to accomplish the following objectives:-
To spotlight on the modern banking instrument in the context of Bangladesh specially ATM.
To unearth customers view point on ATM.

Rationale: Today's world is very much service oriented in every sector. Those who are giving much more services than others are giving; he will be well ahead of competition because of getting better competitive advantages rather than other competitors. Most of the people have some management and Marketing knowledge but do not want to execute this sort of knowledge into their own fields of business and services. The customers always think negatively towards marketing. Sometimes they do not want to realize the power and strength of modern marketing forces in the service oriented business. Banking service is intangible. Tangible product has own identity, weight, dimension and existence. Any body can spare time to justify those products to consume or not. Nevertheless, intangible products like ATM cannot be touched that is why marketing activities in banking sector is much trickier than others. The researcher gave stress on the-mentioned product, which has been launched in the banking sector in Bangladesh in mid 90's. Still banks are struggling to cope up and customers are suffering some doubt when they are using it. There is no plethora research work on the topic that is why researchers thought that this research would add some value in this topic

specially.

Materials and Methods

The study covered 10 different Multinational, private commercial banks which mainly situated in the capital city of Chittagong in Bangladesh. Some of the respondents were in the capital city of Dhaka. Data have been collected through a structured questionnaire. In addition, the websites of relevant institutions has been review for updated information. In total 160 respondents interviewed during the study period who are clients of those banks for relevant products. This research has been done through desk study and primary survey. Desk study made through finding out different books, journals, and articles in the libraries. Data has been furnished through relevant statistical methods.

Limitations of the Study: There has no plethora research work in Bangladesh perspective particularly. The study covered a very limited number of organizations and respondents as well. Some respondents were neither motivated nor interested in expressing their honest opinions. The scope of the study was also constrained by limited available funding.

Electronic Cash and the Performances: Up to date Banking has incredible tools to stimulate and give confidence to their customers. In the customers angle, things is to be very easier that is why, they buy the product or take the service, which is newly incepted. Electronic cash or plastic card is one that such product which help the customer to prompt thinking and can able to get cash any time within the 24 hours day schedule in a day. Plastic or artificial card development would appear to lay with the smart card and in particular its use as an electronic purse. The smart card has been defined by Worthington (1998b, p. 137) as "a payment card that carries an embedded computer chip with memory and interactive capabilities, that allow it to exchange data at an electronic point of service (POS) terminal". Smart card technology was developed over 25 years ago but its low acceptance into mainstream markets has been blamed upon a lack of supporting infrastructure and universally accepted standards. However, there is little doubt that smart cards have huge potential in terms of their application and recent evidence seems to show that predicted growth rates will continue as more application of smart card technology to electronic commerce is realized (McKechnie *et al.*, 1998; 1999). The card may also contain personal information such as healthcare records; it can act as a security pass, and be used for specific payments, for example in meters, telephones and transport. While there are clearly consumer privacy and protection issues, the bundling of applications on to one card may offer advantages for consumers in the long run in that a multi-application card may be perceived as more useful than just an additional card. Worthington (1995) refers to cards used as electronic purses as "pay before cards" and suggests that they will challenge cash and low-value cheque transactions. Such cards should offer benefits to cardholders and retailers in terms of security, convenience and to issuers in reduced handling costs (McKechnie *et al.*, 1999). There are a number of such cards now in use, the best known in the UK being Mondex and VisaCash. Consumers can load cash onto their card from their bank, an ATM machine or, if they have the appropriate equipment, over the telephone.

ATM Card: Full abbreviation of ATM is "Automated Teller Machine" which acts like a teller point in a bank who takes and gives money over the counter. ATM is same as teller point but it run automatically through identity like card and password. It does not need any slip or Cheque but it is very much based on A/C holder's ATM card and it's Password. Those who are entitled for ATM card, bank has provided them a password against every single card. If people insert their own card in ATM machine, machine will verify password from the cardholder. After verifying card and password, the option is wide open in the screen. It is a mechanism where people can use different ATM cards. This is like a debit card. People can deposit their money in a bank account and they have entitled withdraw their money through ATM card, which is applicable for 24 hours a day and 365 days in a year. It has different name such as ATM, 24 hours banking card, money link card, e-cash, ready cash etc. In that moment customer can give command to machine to take the money, deposit the money, to show the balance, show the mini-statement, Cheque book requisition, statement request, pin number change etc. whatever people like to command to the machine, machine will do within a second. In Bangladesh, some multinationals incepted the ATM booth in Dhaka since 1992-93. The Grind lays Bank was the pioneer in Bangladesh then after Standard Chartered Bank, American express Bank, HSBC, Bank Asia and seven others local private banks are the followers. There are some ATM cards that are used interchangeably in different Banks. As the Standard Chartered Bank Ltd. is the pioneer of on line banking in Bangladesh. They have given the card name as ATM card. E-cash is another name of ATM card that is used in some Banks of Bangladesh like Islami Bank Bangladesh Ltd., Prime Bank Ltd. South east Bank Ltd. etc. Ready Cash is also another name of ATM card that is used in Janata Bank, Sonali Bank etc. Actually they are used interchangeably. However, there are some other tasks in E-cash and Ready Cash card. Both are providing the extra facilities for paying the WASA bill, Electric bill and

Telephone bill that is not available in ATM card of Standard Chartered Bank Ltd and HSBC.

The Common Features of ATM Card are as Follows:

24- hours cash withdrawal facility	Quick cash withdrawal without having queue
Account activity enquiry	Statement request through ATM
Transfer funds to other account number in same bank	Balance enquiry
Mail with cash or cheque(s) (Cross cheque) deposit	Changing Personal Identity Number
Cash deposit which will originally deposit very next day of deposit	
Mini statement which contain 8-10 previous transaction records	Can able to pay utilities bill
Cheque book request through ATM	
Withdraw money by using VISA, PLUS, MASTER, MAESTRO and credit card	
Withdraw money from dollar account ATM card which gives taka by converting foreign currency	

Customers view point on ATM:In Bangladesh, people are not very much interacted with the bank service technology. With the intention of Banks have to give incredible attempt to make sales of three mentioned products and after selling the products, people have so many queries, objections about it. Here the researchers have done a widespread fieldwork on ATM clients. The researchers include 160 respondents, which may not too much but in the context of usage rate of this product, it is still a very good Fig. to evaluate the product in the customer viewpoints. Table 2 and Table 3 shows that ATM has some advantage and disadvantage as well. Table shows that advantage of ATM card that it is very Convenient, Easy to Use, 24-hrs Banking Facility, Satisfactory Service, Electronic Transfer Facility, Multiple Use Facility, No need to await banking schedule, Advance Technology, Very effective for modern life, Happy with ATM charges, Satisfy with denomination of withdrawal money and It Makes life faster. These sorts of advantage give the people maintain a faster and modern life. Again, this ATM card has some disadvantage also which is in the table and calculates %age, which indicates how many people dissatisfy with the product performance activity.

Results and Discussion

After having interview to the ATM users the researches finds that cash withdrawal, cash deposit, fund transfer and balance query are the most popular things or menu for the ATM users out of all of other features of ATM. Here Fig. 1 show that out of 160 respondents; around 150 have the habit of doing balance cheque whenever they come in ATM point, more than 130 respondents are coming to the ATM point for cash withdrawal so that bank customer has come to the ATM machine to withdraw the money mainly and the secondary need is for cash deposit and other things. Fig. 2 shows that the trend of ATM uses by the sample respondents. Fig. 3 shows that ATM use is also depend on the based on age group. Here survey shows that age group 18-25 is more dominant user because they are the young generation who like to play with latest technology. Second dominant group is 25-35 years group age. And rest of the two groups such as 35-50 years group age and 50+ year group age are dominating %ages. Table 1 shows that launching a pure online bank was in 1995. it is evident by the field survey that multinational banks like standard chartered bank limited, HSBC, Hanvit Bank Limited, Citi corp, Credit agricole and other banks are the pioneer in the name of online bank in Bangladesh. After starting to installation of pure online bank rather manual bank, within eight years most of the banks have finished installation for the sake of online. Now more than 38 banks out of 52 banks in Bangladesh are under online banking. Table 2 and 3 shows that the advantages and disadvantages of ATM as per mentioning by the sample respondents. The advantages of ATM are Convenient, Easy to Use, 24-hrs Banking Facility, Satisfactory Service, Electronic Transfer Facility, Multiple Use Facility, No need to await banking schedule, Advance Technology, Very effective for modern life, Happy with ATM charges, Satisfy with denomination of withdrawal money and It Makes life faster. And disadvantages of ATM is Inconvenient Location, Difficult to use, Sophisticated, Out of order, Not fulfill the Necessity, No chance to transfer money to the others bank, Dissatisfaction with ATM Charges, Dissatisfy with denomination of withdrawal money and It Makes a man lazy. All the advantages and disadvantages are ranked by the sample respondent. And finally table four shows the Distinct Characteristics of ATM by using factor analysis. Here A plus (+) or minus (-) indicates whether the question contributes positively or negatively to that factor, respectively. After having some simple survey and analysis, the researcher comes to a conclusion regarding ATM that is follows:-

Comparative Advantage: ATM is giving the bank customers immense competitive advantages rather other methods of cash withdrawal or automated banking. ATM is moderator in relation to cash. It is as an alternative to cheques which is understandable in terms of the cash orientation of the environment.

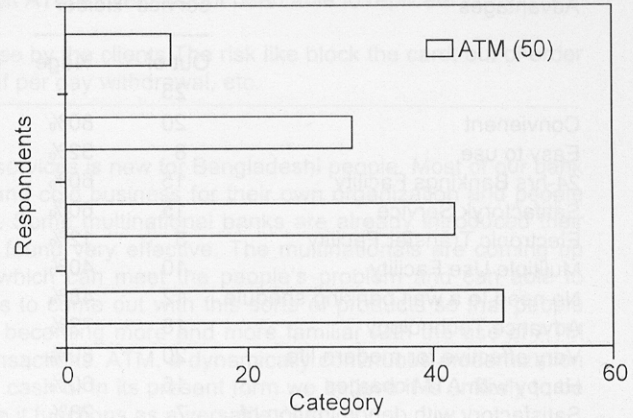
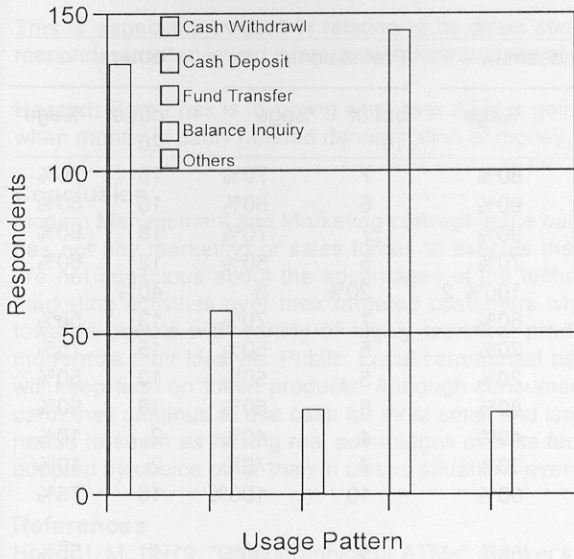


Fig. 1: Using ATM by sample respondents

Fig. 2: Usage trends of ATM by the sample respondents

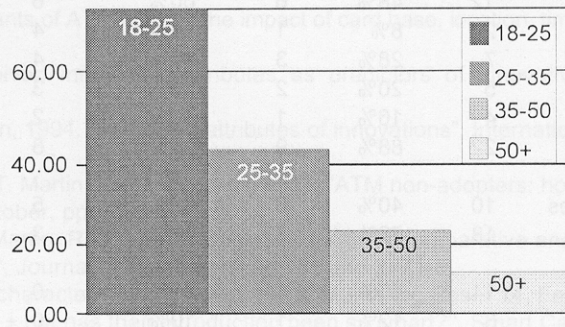


Fig. 3: Proportion of banking done on ATMs by adopters

Table 1: Number of Online bank (Out of 52)

Years	No. Of online bank
1994	1
1995	2
1996	3
1997	4
1998	9
1999	14
2000	20
2001	30
2002	34
2003	37

Source: Field Survey

Compatibility: Compatibility refers to the extent that the new product is consistent with the consumer's existing values and past experience. For rapid diffusion, a new product needs to be accommodated within a person's existing mode of operation. One would expect ATM to have a built-in level of compatibility in areas such as loading from an ATM machine as students are already used to getting their cash in this way.

Table 2 and 3: Advantages and disadvantages of ATM users

Advantages	service Holder		Bulkisnessman		Professional		others	
	Out of 25	%age	out of 10	%age	out of 10	%age	out of 20	%age
Convienent	20	80%	8	80%	7	70%	15	75%
Easy to use	8	32%	9	90%	6	60%	16	80%
24-hrs Bankings Facility	15	60%	9	90%	7	70%	18	90%
Satisfactoryk Service	15	60%	7	70%	5	50%	12	60%
Electronic Transfer Facility	3	12%	10	100% 2	20%	8	40%	
Multiple Use Facility	10	40%	6	60%	7	70%	13	56%
No need to a wait banking shedule	12	48%	2	20%	5	50%	15	75%
Advance Technology	18	72%	2	20%	5	50%	10	50%
Very effective for modern life	20	80%	8	80%	8	80%	18	90%
Happy with ATM charges	15	60%	4	40%	4	40%	2	10%
Satisfactory with denomination of withdrawl money	7	28%	3	30%	7	70%	2	10%
it Makes life faster	11	44%	6	60%	10	100%	15	75%
Others	2	8%	5	50%	5	50%	11	55%
Advantages	out of 25	%age	out of 10	%age	out of 10	%age	out of 20	% age
Inconvienient location	12	48%	6	60%	6	60%	12	60%
Difficult to use	2	8%	1	10%	4	40%	4	20%
Sophisticated	7	28%	3	30%	4	40%	7	35%
out of order	5	20%	2	20%	3	30%	6	30%
Not fulfill the Necessity	4	16%	1	10%	2	20%	3	15%
No chance to transfer the money to the other bank	22	88%	9	90%	8	80%	20	100%
Dissatisfaction awith ATM charges	10	40%	6	60%	5	50%	15	75%
Dissatisfy with domination of withdrawl money	18	72%	7	70%	3	30%	17	85%
It makes a man lazy	14	56%	4	40%	0	0%	5	25%
Others	3	12%	1	10%	0	0%	2	10%

Table 4: Distinct Cherectorsticts of ATMs

SL	Particulars	Factor1	Factor2	Factor3	Factor4
1	ATMs are conveniently placed	+			
2	The best thinkg is 24-hour service		+		
3	I feel confident using ATMs		+		
4	I'm never sure if it will wirk			+	
5	I would't feel safe using ATMs		+		
6	I would save time ulsing ATMs	+			
7	ATMs do'tgive any privacy		+		
8	ATMs are more accurate then humens	+			
9	Others like me would use ATMs			+	
10	Others like me find ATMs suitable		+		
11	Others like me find ATMs Complex		+		
12	ATMs have always been easy				-
13	I understand the effect of all options				-
14	Danger of loosing one's card			+	

NB: A plus(+)or minus(-) indicates wheather the question contribute positively or negtively to the factors respectively.

Communicability: Communicability is express as the simplicity with which a product can be communicates to potential customers. The more highly visible a product, the more easily it is likely to be diffused. It is more difficult to assess ATM's performance along with different criterion.

Difficulty: The complexity involved in using the ATM card does not as yet seem to have been adequately addressed.

This is especially evident in relation to its direct competitor, cash. While cash may be weighty, for many of those respondents interviewed it has straightforwardness of use that ATM as yet has not been able to replicate.

Hazard: Some risk is involving whenever ATM is going to use by the clients. The risk like block the card, out of order when money is badly needed denomination of money, limit of per day withdrawal, etc.

Conclusion

Modern Management and Marketing concept in the banking services is new for Bangladeshi people. Most of our bank has not any marketing or sales forces to execute the raw and cold business for their own organization and people are not conscious about the advantages of the technology. Some multinational banks are already introduced their marketing activities over their targeted customers which is found very effective. The multinationals are coming up towards people with variety of highly technical products, which can meet the people's problem and can able to modernize their lifestyle. Public, Local commercial bank has to come out with this sorts of products so that people will keep faith on these products. Although consumers are becoming more and more familiar with the use of ATM card, they continue to use cash for most small and large transactions. ATM, a dynamically continuous modernization needs to seem as having real advantages over its facilities, cash or in its present form we believe it is unlikely to be adopted by choice other than in closed situations everywhere it functions as a versatile card.

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