

Effects of Marketing on Introduction of Automated Teller Machines (ATMs) on Customers of Banking Industry

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Abstract

This study examined effects of marketing on introduction of automated teller machine (ATM) on customers of banking industry. This study identified lack of network (service) as a problem. The specific objective was to highlight on identification of marketing needs on introduction of automated teller machine on customers of banking industry, among others. Research question was to what extent should identification of marketing needs on introduction of automated teller machine (ATM) on customers banking industry be? among others. Research hypothesis was there is no significant relationship between identification of marketing needs and customers of banking industry, among others. Review of related literature comprised of conceptual review, theoretical framework and empirical review. This study adopted survey research design. Area of the study was Nkwelle-Ezunaka where First bank is situated. Population of the study was customers queuing for automated teller machine (ATM) to render services. Sampling plan comprised of sample designs, sample unit, sample size, sample method and sample procedure. The sample size was one hundred and sixty-two (162). This study observed data presentation and analysis. Findings, conclusion and recommendations were discussed.

Keywords: *Automated Teller Machines, Identification, Anticipation, Satisfaction and Marketing*

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Background to the Study

This study examines effects of marketing on introduction of automated teller machine (ATM) on customers of banking industry. Marketing activities actually have positive effects on customers, firms and industry at large. Marketing has effects on our day-by-day activities, because marketing is practical. Marketing is practical in the sense that, marketing identifies our needs, anticipates our needs and as well satisfies our needs. It was observed by banking industry that customers require to be attended to as quickly as possible because time is very valuable. No customer would like to waste time unnecessarily. Marketing also exchanges something of value for value.

Marketing aids in introducing and gaining embracement of new products that seem to ease and enrich peoples' lives. The American Marketing Association offers the following formal definition: Marketing is the activity, set of institutions and processes for creating, communicating, delivering and exchanging offering that have value for customers, clients, partners and society at large. Marketing as defined by Chartered Institute of Marketing (C.I.M), United Kingdom (UK) is the management process which identifies, anticipates and supplies customers' requirements efficiently and profitability.

Marketing is a method or technique in which a transaction takes place in a smiling and friendly atmosphere, which induces profit to the organization by sales person coupled with after sales service (Ohazulike, 2007). Marketing is defined by Kotler, Bowen and Makens (2010), as the art and science of finding, retaining and growing profitable customers. Marketing consists of business related activities that seek to anticipate demand, help in developing and making the goods and services available to the satisfaction of the consumers or users and at a profit to the organization (Anyanwu, 2000).

Introduction of automated teller machine (ATM) proffers positive effects to bank customers and to bank staff as well. The introduction makes the banking hall to be decongested, which makes the bank staff have limited job. Many customers receive their money outside the bank structure through the automated teller machine (ATM). Automated Teller Machine is a device that dispenses the amount of money demanded by the customer. It is specified by some banks that customers withdrawing above one hundred and fifty only (N150, 000) should withdraw inside the bank structure through the cashier. While customers withdrawing one hundred and fifty thousand naira (N150, 000) or less than that do it through the ATM.

This device known as automated teller machine can be utilized to transfer some fund to some other persons. Sometimes, automated teller machine exhibits disappointment to bank customers; because at times there will be no network for automated teller machine to be functional for transactions. At times, the bank staff in charge of inserting money in the automated teller machine does not discharge his or her duties at the expected time.

Statement of the Problem

This study recognizes introduction of automated teller machine as a very wonderful idea. It is very evident that customers' need was identified, anticipated and eventually satisfied. It was obvious that the problem of this study is lack of network (service), which occurs and which

affects the time of every customer on queue; since it is widely said that time is money. The intention of ATM introduction is to decongest the banking hall and for bank staff to have limited job or limited customers to attend to.

Objectives of the Study

The main objective of this study is to examine effects of marketing on introduction of automated teller machine (ATM) on customers' of banking industry. The specific objectives of this study were to:

1. Highlight on identification of marketing needs on introduction of automated teller machine on customers of banking industry.
2. Highlight on anticipation of marketing needs on introduction of automated teller machine on customers of banking industry.
3. Ensure satisfaction of marketing needs on introduction of automated teller machine on customers of banking industry.

Research Questions

This study requires that these research questions were very pertinent. The research questions were:

1. To what extent should identification of marketing needs on introduction of automated teller machine on customers of banking industry be?
2. To what extent should anticipation of marketing needs on introduction of automated teller machine on customers of banking industry be?
3. To what extent should satisfaction of marketing needs on introduction of automated teller machine on customers of banking industry be?

Research Hypotheses

This study obliged that these hypotheses were to be tested. The research hypotheses were:

- HO_i There is no significant relationship between identification of marketing needs and customers of banking industry.
- HO_{ii} There is no significant relationship between anticipation of marketing needs and customers of banking industry.
- HO_{iii} There is no significant relationship between satisfaction of marketing needs and customers of banking industry.

Review of Related Literature

Conceptual Review

The aim of marketing is to satisfy every customer, which involves identification and anticipation. Marketing is a social and managerial process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others (Kotler and Armstrong, 2013).

Marketing consists of individual and organizational activities designed to sense and serve the customers' need and to facilitate and expedite exchanges, with the view to achieving the goals of the individual or organization through the satisfaction of the consumer's needs (Agbonifoh, Ogwo, Nnolim and Ekerette, 1998).

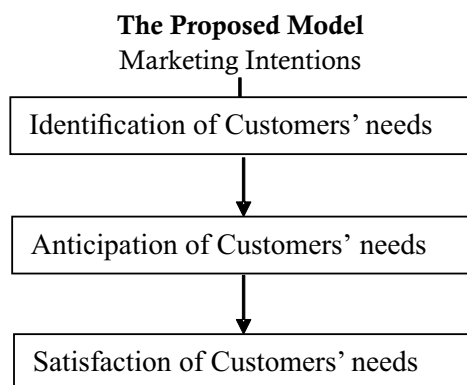


Figure I: Proposed Conceptual Model

Source: Author's Conceptualization, 2022

Every firm has marketing intentions and the intentions comprise of identification, anticipation and satisfaction of customers' need. During research and development, identification of customers' need observed. Once the need is identified, every effort to meet with the customers' need takes place; identification leads to anticipation which is to act towards achieving all qualities that will make product satisfy the needs of the customers. Anticipation means arriving at the best quality that will prompt the customer to keep patronizing, which indicates that satisfaction is derived.

Theoretical Framework

Marketing Orientation Theory

This marketing orientation theory was propounded by Deshpande and Farley, 1997. This theory is very pertinent to the study because marketing orientation theory embarks on identifying customers' needs, anticipating customers' needs and satisfying customers' needs. This theory is most applicable because it creates room to keep competitors at an edge or abreast. The theory ensures that customers' needs and wants are satisfied more adequately than their competitors.

Empirical Review

Chhemanand, (2019), studied the impact of ATM service quality on the customer satisfaction in Nepalese banking sector. This study adopted primary data of customer satisfaction survey (N=60). Structured questionnaire design was used to extract data. Descriptive statistics level of respondents. Correlations and multiple linear regression analysis were utilized to test the hypothesis. The ATM services have positive impact on the customer satisfaction if proper functioning is ensured by the banks; there will be significantly higher customer satisfaction. Availability of cash has highest impact on customer satisfaction. The study has been carried out primarily in Dhangadhi, Kailali and hence cannot be generalized on all over Nepal. The banks can utilize the finding to improve the services of ATMS and can enhance the overall satisfaction of their customers.

Mwatsika, (2016), examined the impact of ATM banking performance on customer satisfaction with the bank in Malawi. The study adopted a performance only approach to measuring customer satisfaction. A self administered questionnaire containing multi-dimension and multi-attribute Likert measurement scales was used where respondents rated the performance only and their satisfaction with automated teller machine banking and satisfaction with their respective banks. Using SPSS, regression analysis of satisfaction with automated teller machine banking performance and satisfaction with the bank was conducted and the result indicate that performance of automated teller machine banking has 40 percent predictive capability of customer satisfaction with the bank. The study further found that despite influencing customer satisfaction with the bank. Automated Teller Machine banking has no capability to attract customers to switch banks. Therefore, banks could improve their customer satisfaction ratings through improvements in automated teller machine banking services but where the banks wish to attract customers from rivals, alternative marketing strategies should be sought.

Ranasinghe, Sudath and Kosala (2018), examined the impact of automated teller machines service on customer satisfaction; A study based on state banks in Sri Lanka. It also examines the impact of demographic factors for the relationship between ATM service quality and customer satisfaction. Given these gaps in the literature, the research problem in this research is the factors which influence on customer satisfaction with relation to the ATM service. To investigate the research problem, a pilot study involving 30 state bank customer was used to check the initial reliability and validity of the constructs in the questionnaire. The factor analysis was employed to refine the measurement items and test for reliability and validity. The study has used the primary data of customer satisfaction survey (N = 385). The data was collected using a structured questionnaire designed to ascertain the satisfaction levels. Regression, ANOVA and T- test were used to identify significant factors and frequency analysis was used to analyze customer satisfaction.

The ATM service qualities have a positive impact on the customer satisfaction and the demographic factors like age and educational qualification moderate the relationship between ATM service quality and customer satisfaction. This paper identified the significant factors which the banks may take care to enhance the customer satisfaction.

Peter and Emenike (2018), evaluated the impact ATM on the banking service delivery in Nigeria using descriptive and regression analysis on the value of ATM transactions and customer deposit series for the sample period ranging from January 2009 to December 2013. The results of descriptive statistics show that private sector saving deposits and private sector demand deposit series are normally distributed but the private sector time deposits and the value of ATM transaction are not normally distributed. The results of the ADF unit root tests show that the levels of the variables contain unit roots where as their first differences do not contain unit roots. The regression results indicate that ATM transactions positively and significantly impacts private sector demand deposits in Nigeria but not private sector savings deposits and private sector time deposits. It is recommended that the monetary authorities and commercial bank enlighten the depositors on the usage of ATM machine through mass media such as television, bill board and radio as well as paste directive posters at every ATM centres across the country.

Ahaiwe (2018), examined effects of automated teller machines on bank's services. Information technology, of which automated teller machines are part of, has been the core tool of competitive strategies used by successful organizations for gaining competitive advantage over others. The rapid development in the banking sector has encouraged the accommodation of technology providers. This can be testified by the presence of ATM of all sorts, spread all over our bank premises. This paper addresses the issue of collaboration amongst banks and other service providers in the provision of cheap and efficient ATM services. It also addresses the issue of consumer behaviors with respect to quality services and has come to the conclusion that ATM development by banks saves time, encourages competition and reduces bank risks. The low level of literacy, awareness, poverty and lack of trust are reasons for low adaptation of ATM in Nigeria.

Methodology

Research Design

This study adopted survey research design. Survey research design divulges explicitly how effects of marketing on introduction of automated teller machines on customers of banking industry. Survey research design discloses how automated teller machines function, while being used by the customers of the bank.

Area of the Study

This study was conducted at Nkwelle Ezunaka First Bank situated at “33” junction along Nsugbe road; in Anambra State, Nigeria.

Population of the Study

Population of this study was customers at Nkwelle Ezunaka First Bank queuing for the automated teller machines to render its services. The services to be rendered were withdrawal or transfer of money which automated teller machines do. Sources: Field Survey, 2022.

Sampling Plan

Sampling plan consists of sample designs, which refer to the different ways a researcher draw samples from any given population according to Nnamdi (1991). Sampling plan comprises of sample unit, sample size, sample method and sample procedure. The sample unit involves the customers of First Bank, Nkwelle Ezunaka branch queuing for automated teller machines to deliver its services. The sample size of the study was one hundred and sixty two (162) bank customers. Out of one hundred and sixty two (162), one hundred and forty one (141) duly filed the structured copies of the questionnaire. Method applied was administration of copies of the questionnaire. The procedure used was non-probability sampling and the type applied was the convenience or accidental sampling procedure.

Data Presentation and Analysis

On the collection of the copies of questionnaire, it was admitted that one hundred and forty one (141) copies were to be in a useful form.

Table 1: Gender of Respondents

Sex	Frequency	Percentages
Female	31	22
Male	110	78
Total	141	100

Source: Compiled by the Author, 2022.

The data extracted revealed that thirty-one (31) females duly filled the copies of questionnaire and the percentage was 22%. While one hundred and ten (110) males duly filled the copies of questionnaire and the percentage was 78%.

Table 2: Age Distribution of Respondents

Age	Frequency	Percentages
18 – 24	14	10
25 – 34	22	16
35 – 44	32	23
45 – 54	51	35
55 – 64	22	16
Total	141	100

Source: Compiled by the Author, 2022.

Eighteen (18) to twenty-four (24) years were fourteen (14) respondents and it resulted to (10%). Twenty-five (25) to thirty-four (34) years were twenty-two (22) respondents which was (16%). Thirty-five (35) to forty-four (44) years were thirty-two (32) respondents and the percentage was (23%). Forty-five (45) to fifty-four (54) years were fifty-one (51) respondents which was (35%). Fifty-five (55) to Sixty-four (64) years were twenty-two respondents and the percentage was (16%).

Table 3: Level of Education of Respondents

Education Level	Frequency	Percentages
No formal education	20	14
Primary	16	12
Post primary	34	24
Tertiary	71	50
Total	141	100

Source: Compiled by the Author, 2022.

The data disclosed that twenty (20) respondents had no formal education and the percentage was (14%). Sixteen (16) respondents graduated from primary education which shown (12%). Thirty-four (34) respondents completed post primary education which revealed (24%). Seventy-one (71) respondents had tertiary education and the percentage was (50%).

Table 4: Analysis of Attitude Questions

S/N	Question	Agree	Disagree
1.	Do ATM at times search for service?	121 (86%)	20 (14%)
2.	Do ATM at times debit customers without dispensing cash?	130 (92%)	11 (8%)
3.	Do ATMs at times seize customer's card?	135 (96%)	06 (4%)
4.	Do staff of the First bank, Nkwelle Ezunaka fail to put money into ATM to dispense?	121 (86%)	20 (14%)
5.	Do ATM revert customer's money when debited within twenty-four hours?	118 (84%)	23 (16%)
6.	When the money debited by ATM was not reverted within twenty-four hours, do you fill form for revert in the bank?	124 (88%)	17 (12%)

Source: Compiled by the Author, 2022.

Analysis of Likert Questions

1. The researcher wanted to know the respondent's opinion of First bank customers at Nkwelle Ezunaka. Out of one hundred and forty-one (141), One hundred and twenty-one (121) agreed which resulted to (86%). While twenty (20) disagree which was (14%), to the question which asked do ATMs at times search for service?
2. The researcher intended to know the respondent's opinion at First bank Nkwelle-Ezunaka on, do ATMs at times debit customers without dispensing cash? One hundred and thirty (130) agreed and the percentage was (92%). While eleven (11) respondents disagreed and the percentage was (8%).
3. The researcher obliged to know whether ATMs at times seize customer's card. One hundred and thirty-five (135) respondents agreed and the percentage was (96%). While six respondents disagreed.
4. The researcher demanded to know if staffs of the First Bank, Nkwelle Ezunaka fail to put money into ATMs to dispense. One hundred and twenty-one (121) agreed and the percentage was (86%). While twenty-one (21) respondents disagreed and the percentage was (14%).
5. The researcher demanded to know the respondent's opinion on do ATMs revert customer's money when debited within twenty-four hours? One hundred and eighteen (118) agreed which resulted to (84%). While twenty-three (23) respondents disagreed and the percentage was (16%).
6. The researcher enquired to know the respondent's opinion on when the money debited by ATM was not reverted within twenty-four hours, do you fill form for revert in the bank? One hundred and twenty-four (124) agreed; which was (88%). While seventeen (17) respondents disagreed and the percentage was (12%).

Findings

This study disclosed and explained explicitly on effects of marketing on introduction of automated teller machines on customers in the banking industry. It is obvious that the manufacturers of ATMs identified, anticipated and ensure that the bank customers should be satisfied with the services provided by ATM services. Their intention was to decongest the

banking hall. The introduction of ATMs was a very wonderful idea. The study also found that ATMs at times debit customers without dispensing cash.

Also, it was identified that at times there will be no service for the ATMs to dispense cash. ATMs that cannot dispense cash can transfer fund to some other customers. The ATMs normally revert the cash that was not dispensed within twenty four (24) hours. But if the ATMs did not revert the cash, the customer can visit the customer care and fill a form for the money to be reverted. ATMs that seize a customers' card can be collected from the bank staff.

Conclusion

The study has identified the importance of ATMs in the provision of banking services to customers. However, due to the challenges identified by the study, ATMs require constant and adequate servicing. The maintenance which requires constant servicing will ensure that ATMs dispense cash as at when required. The servicing as well will ensure that ATMs do not seize customers' card. The bank staff should apply every strategy humanly possible to ensure that there is service always for the ATMs to dispense cash.

Recommendations

This study recommends the following:

1. The Bank management should ensure that the ATMs are adequately maintained.
2. The Bank management should instruct the staff in charge to always make sure that there is money in the ATMs.
3. The Bank management should endeavour to direct staff in charge of the ATMs to regularly check on service to ensure that ATMs dispense cash.
4. The Bank management should ensure that customers' money that was not dispensed should be reverted immediately, once the customer fills the form.

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