

ASSESSMENT OF BANKS AUTOMATED TELLER MACHINES IN THE SATISFACTION OF ENTREPRENEURS IN ILORIN METROPOLIS

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Abstract

The study assessed the satisfaction of entrepreneurs on the use of bank's Automated Teller Machines (ATMs) in Ilorin Metropolis. A structured questionnaire was used to obtain data from a convenience sample of two hundred twenty-six small-scale enterprise entrepreneurs in four banks in Ilorin metropolis. The study makes use of descriptive statistics to explain the demographic characteristics of the respondents, the t-test, chi square and the Analysis of Variance (ANOVA) to test the hypotheses. The findings indicate that no significant relationships exist between gender and the ATM satisfaction dimensions of convenience, security, reliability, attractiveness, waiting time, new currency and privacy (t-test values range between 0.31 and 1.22). However, significant relationships existed between age and the dimensions of convenience ($X^2=16.51$), security ($X^2=16.00$), attractiveness ($X^2=9.95$), waiting time ($X^2=10.32$) and privacy ($X^2=10.29$) while reliability ($X^2= 3.33$) and new currency ($X^2=7.73$) were non-significant indices. Similarly, all the dimensions of ATM satisfaction indicated non-significant relationships as well as with the levels of education (F-values range between 0.36 to 1.75). The study recommends that convenience, security, attractiveness, waiting time and privacy are important issues of ATM satisfaction that the banks need to consider with respect to the age of the entrepreneurs.

Key words: Entrepreneur, Satisfaction, Convenience, Small-scale, Banks.

Introduction

Banks in many countries, developing as well developed, have undergone significant changes arising from the use and adoption of technology. Adeniran and Junaidu (2014) attest to the importance attached by organisations to service quality as a strategic competitive tool in dynamic business environments. In fact, for banks operating in Nigeria, the use of electronic operations for their products/services is a sine qua non to getting a competitive edge (Ringim, Razalli & Hasnan, 2012; Arua, 2007). In the Nigerian financial services sector, electronic banking is increasing phenomenally and it is the major avenue for the delivery of the bank's products/services.

Electronic banking refers to the delivery of bank products/services to consumers through the use of automated devices. Such systems are to enable customer's easy access to their accounts and carry out many kinds of financial transactions using different platforms including the use of the internet. E-banking, therefore includes the use of e-based products that include mobile phones or telephone banking, automated teller machines (ATMs), electronic bill payments, credit cards and computer banking.

The broad focus of the study is to assess the use of the ATMs by operators of small-scale enterprises in Ilorin metropolis, the capital of Kwara State, Nigeria; and specifically, to investigate the demographic profiles and the satisfaction of these entrepreneurs that use the ATMs for various bank transactions.

Literature

Banks like many organisations or businesses seek to gain new customers as well as retain old ones. Consequently, their products/services need to meet the tastes and desires of the various customers. However, customer demands are not static but dynamic. Agbolade (2011) opines the business environment is dynamic with rapid changes resulting from innovation, creativity, technological changes and changing demands from the consumer. Typically, bank customers seek avenues to operate their accounts anywhere, anytime and with few hassles. Customers want to make financial transactions in any bank not minding where their accounts are domiciled. They demand convenience and reliability, as is usual with a clientele of growing sophistication. According to Ahmed, Nawaz, Usman, Shaukat, Ahmad & Iqbal (2012) the satisfaction of the customer is the base for the success of the business.

The introduction of automation, that is, the use of e-banking systems and services has enabled banks to meet the demands of the dynamic customer tastes. E-banking, that includes the use of on-line, real-time bank products like the ATM, mobile/telephone banking and internet banking among others has advantages for the customer, the bank itself as well as the economy at large. Besides the reduction in cost and branch networks, there is flexibility and reduced handling of cash for the banks and the consumers.

In Nigeria, consumers are increasingly getting aware of the several e-banking products/services being offered by banks. The ATM is a particularly important e-banking product in the Nigerian banking system. It allows consumers to withdraw or transfer funds, pay utility bills and perform other queries efficiently (Khan, 2010; Madueme, 2009). The ATM has had tremendous growth in the Nigerian banking industry. Many banks now use the ATMs to reach their customers. Consequently, the success in the deployment of these e-machines will depend on the satisfaction of these consumers. A review of literature identifies a number of factors that include convenience of the location, user friendliness, reliability, number of machines available and security as important determinants (Al-Hawari & Ward, 2006; Wolfenbarger & Gilly, 2003; Dilijonas, Krikšciunien, Sakalauskas & Simutis, 2009; Wan, Luk & Chow, 2005; Hassan, Mukhtar, Ullah, Shafique, Rehmana & Anwar, , 2012).

Despite the increasing number of ATMs in the Nigerian banking industry, many consumers are still reluctant to use them (Chinedu, 2012). According to Ayo, Adewoye and Oni (2010), the ATMs used in Nigerian Banks are problematic to the consumers. Consequently, it is important to determine what affects the satisfaction of these consumers, in particular, entrepreneurs, with the use of these electronic devices so that the banks can be guided to deploy more ATMs to retain old customers as well as obtain new ones for enhanced competitiveness and accentuate entrepreneurship in Nigeria.

The hypotheses developed on the demographic profiles and satisfaction levels of the consumers of bank products/services, particularly, the ATMs are as follows:

1. There is no significant relationship between an entrepreneur’s gender and satisfaction with the use of ATMs.
2. There is no significant relationship between an entrepreneur’s age and satisfaction with the use of ATMs.
3. There is no significant difference in an entrepreneur’s type of business and satisfaction with the use of ATMs.
4. There is no significant difference in an entrepreneur’s educational level and satisfaction with the use of ATM.

Methodology

The study used the convenience sampling technique to obtain information from 226 small scale entrepreneurs that use ATM cards for bank transactions in Ilorin metropolis. A well-structured questionnaire was used to obtain the data from the respondents at the point of using the ATM cards from four banks. The questionnaire obtained information on the demographics of the respondents and used the five point Likert scale to assess the respondents’ levels of satisfaction on the use of ATMs. Also, secondary sources of information that includes journals and magazines were consulted for better understanding of the concepts. The data obtained were analysed using the percentages, frequencies, the ANOVA, the chi-square and the t-test.

Results and Discussion

The tables below show the demographic information on the entrepreneurs sampled.

Table 1: Age Distribution of Entrepreneurs that use ATM cards

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Below 30	33	14.6	14.6	14.6
31 – 40	57	25.2	25.2	39.8
41 – 50	79	35.0	35.0	74.8
51 – 60	46	20.4	20.4	95.1
Above 60	11	4.9	4.9	100.0
Total	226	100.0	100.0	

Source: Questionnaire Administered, 2015.

Table 1 above indicates the majority of small-scale entrepreneurs that use ATMs, (35%), fall within the age bracket of 41 to 50 years. The smallest group are those above 60, constituting 4.9%.

Table 2: Gender Distribution of the Respondents that use ATM cards

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	124	54.9	54.9	54.9
Female	102	45.1	45.1	100.0
Total	226	100.0	100.0	

Source: Questionnaire Administered, 2015.

Table 3: Educational Qualification of the Entrepreneurs Sampled

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Primary Educ	5	2.2	2.2	2.2
Secon. Educ.	106	46.9	46.9	49.1
Graduate	90	39.8	39.8	88.9
Postgrad.	17	7.5	7.5	96.5
Others	8	3.5	3.5	100.0
Total	226	100.0	100.0	

Source: Questionnaire Administered, 2015.

Table 2 indicates that 54.9% out of the respondents are male while 45.1% are female. With respect to the educational qualifications of the entrepreneurs, Table 3 indicates that the majority of the small business owners (approximately 47%) have secondary education while 17 of the respondents (7.5%) have postgraduate qualifications. This is a clear indication of the increasing levels of knowledge of the owners of enterprises in Nigeria.

Table 4: The Types of enterprises owned by the respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Manufacturing	25	11.1	11.1	11.1
Education	7	3.1	3.1	14.2
Agriculture	45	19.9	19.9	34.1
Services	36	15.9	15.9	50.0
Trading	101	44.7	44.7	94.7
Transportation	12	5.3	5.3	100.0
Total	226	100.0	100.0	

Source: Questionnaire Administered, 2015.

Table 4 shows the diversity of the types of enterprises operated by the respondents, ranging from manufacturing to agriculture and transportation. However, the majority of the entrepreneurs are involved in trading activities (44.7%), followed by 19.9% who are involved in agriculture. The smallest group are those involved in education, who constitute 3.1%.

Test of Hypothesis

Table 5 shows the outcome of the t-test analysis of gender on the various indices of satisfaction, specifically to test hypothesis one. The table indicates that there is no significant relationship between the gender of the entrepreneurs and the various dimensions of satisfaction: convenience, security, reliability, attractiveness, waiting time, new currency and privacy. Consequently, the null hypothesis is accepted. This result is similar to that obtained by Adeoti and Oshotimehin (2011) on the adoption of Point of Sale terminals by Nigerian consumers. The influence on the various satisfaction indices of gender is not significant.

Table 5: Influence of gender on the various indices of satisfaction

	Gender	N	Mean	Std. Deviation	Statistical Inference
Convenience	Male	124	3.7903	.77851	t = 0.4149
	Female	102	3.8333	.77182	NS
Security	Male	124	2.1532	.75487	T = 0.7393
	Female	102	2.2255	.70229	NS
Reliability	Male	124	2.4194	1.16240	t = 0.3704
	Female	102	2.3627	1.12390	NS
Attractiveness	Male	124	2.2581	1.00301	t = 0.3165
	Female	102	2.2157	1.00126	NS
Waiting Time	Male	124	2.3065	1.15595	t = 1.2159
	Female	102	2.1275	1.03092	NS
NewCurrency	Male	124	2.2984	1.08934	t = 0.6365
	Female	102	2.3922	1.11832	NS
Privacy	Male	124	2.1694	1.02586	t = 0.6191
	Female	102	2.0882	.92386	NS

The Chi square analysis was carried out on the association of age with various indices of satisfaction with the use of ATMs. Table 6 indicates there is no significant relationship between age and reliability with the use of the ATM machine, as well as the availability of new currency. However the other indices; convenience, security, attractiveness, waiting time and privacy indicate a significant relationship with age. With respect to age, young consumers seem to be more concerned with the attractiveness of the ATMs while the older consumers are more concerned with the security issue. Adeoti and Oshotimehin (2011) opine that “security is associated with privacy”. The trust associated in the use of a technology in terms of the security associated is a major challenge to its adoption and use. The issue of insecurity is a major impediment to the realisation of the key attributes of information technology (John and Rotimi, 2014). This study also shows that the entrepreneurs are time conscious and therefore are concerned with the time spent at the ATMs.

Table 6: Chi Square Analysis of Age on the Various Indices of Satisfaction

AGE		Satisfaction Level		Statistical Inference
		Low	High	
Convenience	Below 20	16	16	X2 = 16.509 df = 4 Significant
	21-30	14	40	
	31-40	20	36	
	41-50	28	38	
	Above 50	0	18	
Security	Below 20	18	16	X2 = 16.000 df = 4 Significant
	21-30	10	48	
	31-40	20	34	
	41-50	26	40	
	Above 50	8	6	
Reliability	Below 20	12	20	X2 = 3.329 df = 4 Not significant
	21-30	24	28	
	31-40	26	26	
	41-50	24	44	
	Above 50	10	12	
Attractiveness	Below 20	18	18	X2 = 9.953 Significant
	21-30	12	40	
	31-40	22	26	
	41-50	18	42	
	Above 50	12	18	
Waiting Time	Below 20	14	16	X2 = 10.322 df = 4 Significant
	21-30	10	42	
	31-40	24	34	
	41-50	26	40	
	Above 50	10	10	
NewCurrency	Below 20	20	16	X2 = 7.729 Not significant
	21-30	16	22	
	31-40	36	24	
	41-50	28	44	
	Above 50	8	12	
Privacy	Below 20	16	22	X2 = 10.286 Significant
	21-30	10	42	
	31-40	14	50	
	41-50	22	44	
	Above 50	0	6	

Hypothesis three is on the relationship between the type of enterprise and the entrepreneur's satisfaction with use of ATMs. Table 7 shows the result of the Analysis of Variance that was carried out. The table indicates that there is no significant difference in the type of enterprise and the various indices of satisfaction. Consequently, the null hypothesis three is accepted. The entrepreneurs' businesses do not have any impact on their satisfaction with ATM use.

Table 7: Type of enterprise and satisfaction of entrepreneurs

		Sum of Squares	Df	Mean Square	F	Sig.
Convenience	Between Groups	4.907	5	.981	1.662	.145(NS)
	Within Groups	129.912	220	.591		
	Total	134.819	225			
Security	Between Groups	2.133	5	.427	.795	.554(NS)
	Within Groups	118.062	220	.537		
	Total	120.195	225			
Reliability	Between Groups	12.183	5	2.437	1.902	.095(NS)
	Within Groups	281.769	220	1.281		
	Total	293.951	225			
Attractiveness	Between Groups	1.983	5	.397	.391	.855(NS)
	Within Groups	223.115	220	1.014		
	Total	225.097	225			
Waiting Time	Between Groups	3.617	5	.723	.590	.708(NS)
	Within Groups	269.874	220	1.227		
	Total	273.491	225			
NewCurrency	Between Groups	7.487	5	1.497	1.242	.291(NS)
	Within Groups	265.279	220	1.206		
	Total	272.765	225			
Privacy	Between Groups	6.406	5	1.281	1.345	.247(NS)
	Within Groups	209.612	220	.953		
	Total	216.018	225			

Hypothesis four was also tested with the analysis of variance, with the results presented in Table 8. The table indicates that there is no significant difference in the entrepreneur's level of education and the various indices of satisfaction with the use of ATMs. Consequently, the null hypothesis is accepted. The fact that majority of the entrepreneurs are educated is an indication of how friendly the use of the ATM will be accommodated. This generation of Nigerian entrepreneurs are definitely technology-savvy.

Table 8: influence of entrepreneur’s education on various indices of satisfaction

		Sum of Squares	Df	Mean Square	F	Sig.
Convenience	Between Groups	.888	4	.222	.366	.833(NS)
	Within Groups	133.931	221	.606		
	Total	134.819	225			
Security	Between Groups	3.696	4	.924	1.753	.139(NS)
	Within Groups	116.499	221	.527		
	Total	120.195	225			
Reliability	Between Groups	1.896	4	.474	.359	.838(NS)
	Within Groups	292.055	221	1.322		
	Total	293.951	225			
Attractiveness	Between Groups	2.599	4	.650	.645	.631(NS)
	Within Groups	222.498	221	1.007		
	Total	225.097	225			
WaiTime	Between Groups	5.802	4	1.451	1.198	.313(NS)
	Within Groups	267.689	221	1.211		
	Total	273.491	225			
NewCurency	Between Groups	3.287	4	.822	.674	.611(NS)
	Within Groups	269.478	221	1.219		
	Total	272.765	225			
Privacy	Between Groups	1.799	4	.450	.464	.762(NS)
	Within Groups	214.219	221	.969		
	Total	216.018	225			

Conclusion

The study examined the satisfaction of entrepreneurs (small-scale entrepreneurs) with the use of Automated Teller Machines (ATMs) in Nigerian banks. Banks need to create positive and lasting relationships with this category of entrepreneurs. Consequently, there is the need to develop thorough understanding of the entrepreneurs’ attitude and perception towards the various attributes of the ATM. The results of the study reveal that gender, the type of enterprise and the level of entrepreneur’s education do not significantly influence satisfaction with ATM use. The study suggests that age is an important phenomenon in the satisfaction of entrepreneurs, in particular, the banks need to take into consideration issues that pertain to privacy, security, attractiveness, convenience and the time spent on the machines. The banks need to improve the ease and user-friendliness of these machines and locational convenience to attract and retain this category of individuals.

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