St. Mary's University

School of Graduate Studies

ASSESSMENT OF ATM BANKING SERVICE AND SATISFACTION OF

CUSTOMERS IN ETHIOPIAN PRIVATE BANKS: A CASE STUDY OF

PREMIER SWITCH SOLUTION MEMBER BANKS

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"May the Almighty God Bless You All"

ACRONYMS

ATM	Automated teller machine
E-banking	Electronic banking
E-Channels	Electronic channel
IT	Information technology
PC	Personal computer
PIN	Personal identification number
PSS	Premier Switch solution
WOM	Word-of-mouth

ABSTRACT

It is a recent history that most of our banks focus on adopting technological products with a view to improve their customer services and maximize their profit. Despite of adopting the technologies, it is a new phenomenon in our country that competing banks share common facilities to give service for customers. Premier switch solutions is a consortium that has initially been established by three banks and currently the member banks reached to six and expected to increase in the future. The general objective of the study is to assess the extent of usage of automated teller machine banking services and satisfaction level of customers in premier switch solutions. To achieve the research objective descriptive research design is employed; both primary and secondary data were used. Convenience sampling technique was used to collect the data; designed questionnaires were distributed to 369 respondents of which 352 were returned from the customer of the six banks. Due to the fact that awash international bank and united bank have 75% of the customers of premier switch solutions, ten Automated Teller Machines of the two banks have been used to collect the data. The collected data are analyzed using descriptive analysis like tables, percentages, mean and standard deviation. The research finding shows that majority of the customers' are dissatisfied with the automated teller machine services. Even if there are problems, surprisingly the customers do prefer to get the service through the shared automated teller machine, since it saves time.

Key words; ATM Banking, Customers Satisfaction, E- Banking, Information Technology

CHAPTER ONE

Introduction

Automated Teller Machine (ATM) banking one of the vibrant innovations of Electronic banking service is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. Banking customers get satisfied with the system when it provides them maximum convenience and comfort while transacting with the bank. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet.

This paper is intended to assess the satisfaction of customers with regard to ATM banking services.

1.2 Background of the Study

Electronic banking including ATM banking has been widely used in developed countries and is rapidly expanding in developing countries. However, the slow diffusion of e-commerce to African countries has been attributed to a number of issues some of which may be unique to the African Continent (Darley, 2001). Technological innovations have been widely used as a means to contribute to the distribution channels of banks. The evolution of banking technology has been driven by changes in distribution channels as evidenced by automated teller machine (ATM), Debit card ,credit card ,visa card, Phone- banking, Tele-banking, PC-banking and most recently internet banking.

ATM is the most common computerized telecommunication electronic device that enable customers to conduct financial transaction anytime and anywhere without the need of human clerk or a bank teller. Cards (debit or ATM) otherwise known as ''Plastic Money'' is widely used by consumers all around the world. To ensure the maximum safety, security, privacy and accuracy, the banks give a plastic ATM card with a magnetic strip that contains a unique card number and personal identification number (PIN) to their customers. They provide safety and convenience to consumers, and it is used as a substitute to cash and cheque. It saves time and provides convenience to the customer due to the fact that the card holders don't need to go to bank branches to withdraw money, and the card holder is able to make shopping, travelling

etc. ATM's offer a 24 hour banking service to the bank customer like cash withdrawal, fund transfer, balance inquiry, card to card transfer, and bill payment, accept deposit etc (Kumbhar, 2011). As far as customer satisfaction is concerned with regard to e-banking products, ATM plays a paramount contribution as they make banking transactions easy to the customers' (Premalatha & Sundaram, 2012). Today's customers of any service including banking are interested to the ease, reliability and faster service. They want autonomy in transacting and so that they prefer self service delivery system (Khan, 2010).

Excellence in the quality of service in the current competitive environment has become imperative for banks to sustain organizational competitiveness in such a dynamic world. Being customer oriented and able to offer quality service is the most effective way of building trust and competitive position in service industries like banks (Athanassopoulos, 2000). Now a day, banks began to adopt ATM banking as a means of widening service options, reaching wider market share, increase customer satisfaction and lower operational costs.

Information technology (IT) is turning into the most important factor in the development of banking, influencing banks' marketing and business strategies. Growth of Electronic banking in a country depends on many factors, such as success of internet access, new online banking features, household growth of internet usage, legal and regulatory framework. Electronic banking is an invaluable and powerful tool driving development, supporting growth, promoting innovation and enhancing competitiveness (Gupta, 2008; Kamel, 2005). In recent years, the adoption of e-banking began to occur quite extensively as a channel of distribution for financial services due to rapid advances in IT and intensive competitive banking markets (Mahdi and Mehrdad, 2010). The advancement of information technology in today's banking makes the services simple, speedier and readily accessible through various devices such as ATM, personal computers, mobile phones, etc.

The paperless banking has become inevitable (Goi 2005). By automating services that were previously completed manually, ATMs can reduce the costs of servicing some customer demands. These potential benefits are multiplied when banks share their ATMs, allowing depositors of banks to access their accounts through other bank's ATM, Mcandrews (2003). Patnaik (2004) in his paper stress upon that shared ATMs is taking place and they are mutually beneficial. More and more banks have adopted technology to deliver their services

and this has resulted in: reduced costs, the creation of value added services for customers (Zhu, 2002), the facilitation of their employees' jobs and ultimately, the provision of self-service options for customers (Dabholkar and Bagozzi 2002). (Lovelock and Wirtz, 2000) identified secure and convenient location, adequate number of ATM, user-friendly system, and functionality of ATM are key factors while adopting it. Davies, Moutinho and Curry, (1996) examined the factors that influence customers' satisfaction about ATM service quality. These factors include costs involved in the use of ATM, and efficient functioning of ATM. (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.

Faraz (2005) stated that customer satisfaction is the situation when customer expectations have been fulfilled to the fullest capacity when using the product or service. Fulfilling customer expectation consequently brings about strong loyalty to the product or services of a company. Timothy (2012), customer's satisfaction holds the potential for increasing an organization's customer base, increase the use of more volatile customer mix and increase the firm's reputation. Consequently, obtaining competitive advantage is secured through intelligent identification and satisfaction of customer's needs better and sooner than competitors and sustenance of customer's satisfaction through better products/services. According to Hoq and Amin (2010), customer satisfaction is the most important driver of commercial banks, since higher customer satisfaction leads to a lower customer intention to switch banks. Thus, technology is one of the powerful instruments in providing faster, reliable and more efficient services to customers.

It is evident that the banking sector in Ethiopia has gone through significant changes following the opening of private banks, which brings a list of options for the customers on the one hand and contribute to the development of the country on the other hand. Despite of the contribution they have made, it is also imperative for the banks to use the state of art technologies and differentiate themselves from their competitors. This may include shifting the service from the traditional way of banking to the modern banking. Furthermore, it is also known that many of the banks have started to adopt a sort of e-banking services including ATM, either to cope with the competition or serve the customers in an efficient and effective

manner. But, it is doubtful whether the effort of such banks has achieved the required result. So, given that many of the banks have started to adopt the ATM banking service: assessing the extent of customer's usage of service's and satisfaction is essential.

1.3 Statement of the Problem

The banking industry of our country is going through rapid and mounting development, where most of them have started to adopt various e-banking services. Mariappan (2006) analyzed that IT revolution has brought stunning changes in the business environment, perhaps no other sector has been influenced by advances in technology as much as banking and finance, as a result, the banking pose a totally new look today.

ATM-banking was adopted by most of our banks with a view of improving the service delivery, decongest queues in the banking hall, enable customers withdraw cash 24/7, track personal banking transaction, request for online statement, or even transfer deposit to a third party account.

Despite of the adoptions of ATM-banking service by many commercial banks, there are lot of setbacks faced by customer and banks while going to use various ATM terminals to get and deliver the services (Darley, 2001). This is evidenced by Long Queues exhibited in bank branches, even for common service like withdrawing and sending money the customers are shown at bank branches. The banks' also are faced with complaints from customers side, due to frequent malfunctioning Automated Teller Machines (ATMs), network downtime, out of cash ATM machines, power failures, wrong transactions, and delayed dispute handling etc. such and other factors may hinder the customers ability of trusting the technology while at the same time creating potential customer dissatisfaction.

To this end, Premier Switch Solutions (PSS) initially formed by three private banks Awash International Bank, Nib International Bank and United Bank has now reached to six private member banks by adding three more banks is entitled to handle the management of member banks shared ATM related issues including maintenance, dispute handling etc. Even though the benefit to be reaped from shared ATM is significant, as more and more banks have come to be member of the PSS the dispute handling time, the time taken to maintain the machines,

the cost of withdrawing and printing mini statement etc, in other member bank ATM's has increased, which may in turn cause frustration of customers to use cards.

Thus, it is imperative to assess the level of usage and satisfaction of customers using ATM banking service and the potential factors causing dissatisfaction of customers and to suggest possible solution.

1.4 Research Questions

1. How do customers of member banks rate the practice of PSS member bank ATM services?
2. What are the benefits that customers get while using ATM services?
3. What are the challenges do customers faces while using ATM services?
4. What are the factors influencing satisfaction of customers?
5. What level of satisfaction do the customers of PSS member bank exhibit in using ATM banking service?

1.5 Research Objectives

1.5.1 General Objective

The general objective of this study is to assess the extent of usage of ATM banking services and satisfaction level of customers.

1.5.2 Specific Objectives

The specific objective of the study is:

1. To determine the practice of ATM banking service of PSS member banks as experienced by customers.
2. To identify benefits of ATM banking service to customers.
3. To identify challenges of ATM banking service faced by customers.
4. To identify factors affecting customers satisfaction with regard to ATM banking Service.
5. To assess the satisfaction levels of customers regarding ATM banking service.

1.6 Scope and Limitation of the Study

1.6.1 Scope of the Study

State owned and private or banks' who are not member of PSS are excluded from this research due to the complexity they will bring to the researcher in reaching and gathering data related to customer and banks in the course of the research.

PSS is selected due to the fact that it is new phenomenon in the country that competing banks share the facilities to serve their customer. The shared facilities being used to give the service while banks are different brings an opportunity of getting customers of six bank and any data relevant to the research including number of customers can be addressed centrally from the consortium of the these banks or PSS.

1.6.1.1 Theoretical Scope

Thanks to the dynamic technological advancement, which have made a significant impact towards e-banking. The banking service is among the industry that has positively affected by the technology. The study is confined to the assessment of the customers' satisfaction level of ATM banking service of PSS member banks.

1.6.1.2 Geographical Scope

The study is confined to the assessment of customer satisfaction and levels of usages of ATM banking services of Ethiopian banks, and due to the time and budgetary constraints the researcher tends to undertake the research activity only in Addis Ababa city.

1.6.1.3 Methodological Scope

The study used descriptive research design and in the course of researching both primary and secondary data's was used. With regard to the secondary sources various publications, books, and journals regarding the subject matter were addressed. Population of this study includes conveniently selected ATM card users of PSS member banks in Addis Ababa. To achieve the objectives of the study, a well design 5 point likert scale questionnaire was distributed among study respondents selected on convenience sampling basis.

1.6.2 Limitation of the Study

Due to the infantry stage of ATM-banking service in Ethiopia, it is very difficult to get relevant secondary data and literatures with regard to the customer satisfaction of ATM-banking service. Moreover, due to the time and financial constraints the researchers tends to

investigate customer coming to awash international and united bank ATM terminals, disregarding other banks who adopted the technology individually. Furthermore, the time and financial constraints are also critical limitation to this study.

1.7 Significance of the Study

The study is intended to assess the ATM banking service and the corresponding satisfaction of customers' and find solutions for the identified problems in such a way that banks and customers benefit from the adoption of the technologies. In addition, the study is intended to add value to the existing knowledge regarding ATM banking and satisfaction of customers in Ethiopia; thereby it will help researchers and students who are interested for further investigation of the issue.

1.8 Organization of the Paper

This paper consists of five chapters with different sections and sub-sections. Chapter one is devoted to the introduction for the main part of the paper, and chapter two focuses on the theoretical and empirical literature review about the adoption of e-banking service in some countries. Chapter three discusses research methodology. Chapter four focuses on results and discussions. Finally, the last chapter (chapter five) is devoted to the finding of the study, conclusion and recommendation of the study.

CHAPTER TWO

LITERATURE REVIEW

This chapter contains the various literatures written on the topic and other related areas. This was made possible by identifying, collecting, reviewing literatures from various sources such as books, journals, reports and the internet.

2   Theoretical Review

2.1 Evolution of ATM

ATM is evolved early from cash dispensing machine and believed to have first been introduced in the early 1970's. It is believed that the history of ATM was started when the Armenian named Luther George Simjian forced to move to USA in the year 1920, under the account of Armenian Genocide. He owned to his credit the invention of a portrait camera and then he later rolled out the formulated idea of ATM. Confident of his invention, he persuaded Citibank to run his product on a six month trial basis. Soon enough, he was disappointed with the performance and the lack of users and concluded that ATM was a wasteful addition to personal banking. The lack of demand for the ATM finally forced him to take a back seat. Lately, The ATM machine has given Shepherd-Barron an ever-lasting recognition in the banking world and paved the way for hi-tech banking techniques, online bank accounts, Personal Identification Number (PIN) and chip security technology. The four-digit internationally accepted standard PIN was also invented by him. Earlier, he had a six-digit Army serial number in his mind but later his wife suggested for a shorter PIN as it would be easy to remember. Finally in 1967, the first ATM that dispensed paper currency round the clock (24 hour basis) was unveiled. The ATM was installed outside a Barclay"s bank in North London. Another source has it that ATM concept was started around 1967, and that it was first installed in Endfield town, on the London Borough of Endfield by Barclays Bank. Thomas (1996) for his wonderful and everlasting contribution that Shepherd-Barron was offered the OBE award in the year 2005.

2.2 Definition of ATM

ATM can be defined as a computerized telecommunication device that links a customer of a given financial institution to his/her bank account with the help of a PIN or Personal

Identification Number, or ATM is a computerized telecommunication device that provides the customer of a financial institution with access to financial transactions in a public space without the need of a human clerk or bank teller. According to Jane (2000) the customer is identified by inserting a plastic ATM card with a magnetic strip or a plastic smart card with a chip that contains a unique card number and some security information such as the expiration date. ATM's are conveniently placed in public places with the aim of enabling customers to transact without the help of a teller of banking officer. ATMs are known by various names which include Automated banking machines, money machine, cash machine, hole in the wall, cash point, Bancomat(in various European countries and Russia), Multibanco (after a registered trademark in Portugal) and Any time Money(in India). An ATM simply is data terminal with two input and four output devices. Like any other data terminal, the ATM has to be connected to communicate through a host processor which is analogous to an internet service provider in that it's the gateway through which all various ATMs network becomes available to the card holder.

2.3 The Impact of Technologies on Banks

During the last two decades the financial sector has developed rapidly in terms of size industry structure and the variety of consumer and business-to-business products and services (Edey, 1996). The Australian financial sector has been transformed from a relatively closed system in the 1950s and 1960s based on traditional bank activities to a more open, effective and competitive system which is able to offer a wide range of products and services (Edey & Gray, 1996). Technological developments and financial liberalization (deregulation) are the main forces that influence the development of the financial sector (Edey & Gray, 1996; Thompson 1996, Gardener et al., 1999). Such changes motivated banks to be aware of future trends in order to survive and compete effectively. Now a days, many retail banks face a huge challenges in reducing the number of branches they currently operate as down-sizing efforts bring with them complex post-merger problems such as social and political issues, organizational culture concerns, product modifications and IT integration (Gyptra & Dixon, 2002). Recently, technology has had a remarkable influence on the growth of service delivery options (Dabholkar & Bagozzi, 2002) and a profound effect on service marketing (Bitner et al., 2000). In order to remain competitive, banks are increasing their technology based service options. More and more banks have adopted technology to deliver their

services and this has resulted in: reduced costs, the creation of value added services for customers (Zhu et al., 2002), the facilitation of their employees' jobs and ultimately, the provision of self-service options for customers (Dabholkar & Bagozzi, 2002). In today's intensely competitive economy, providing excellent customer service plays a vital role in a company's success and failure (Mouawad & Kleiner, 1996). An increasing number of banks are using technology to deliver their regular service to the consumer. Investigations of quality issues of banks' automated services are necessary because of their potential influence on: attractiveness, customer retention, positive word-of-mouth, and maximizing competitive advantages (Santos, 2003). To embrace this new technology–oriented context, it is necessary for banks to realize how quality issues of automated services distinguish their customer services from others.

The inventory theoretic model of demand for cash proposed by Baumol (1952) and Tobin (1956) opined that when deciding how frequently and, equivalently, how much to withdraw, consumers take two factors into account: the cost incurred per withdrawal (possibly including the opportunity cost of the time required per withdrawal) and forgone interest. Baumol and Tobin showed that the optimal withdrawal amount is proportional to the square root of the total value of transactions and indirectly proportional to the square root of interest rates. Stix (2003) revealed that the effect of ATM on cash demand depends on the user groups. On the one hand, if the proportion of people using ATMs frequently is high, ATMs have a negative effect on cash demand. On the other hand, if the proportion of active ATM users is low, ATMs do not affect cash demand. According to (Attanasio et al., 2002) ATM transactions and cashless payments do not only affect optimal cash holdings but also are likely to reduce the time-cost per withdrawal. They reasoned that with ATM, customers withdraw cash more frequently and so hold smaller amounts of cash on average. The small cash demands by most ATM users are enough to address the transaction and speculative motives of demand for money. Goodhart and Krueger (2001) found that the demand for small bank notes is positively related to the number of ATMs. People may visit ATMs more often and withdraw small amounts of cash, which would increase the demand for small bank notes.

Despite the increase in the acceptance of ATM in Nigeria, Echekoba and Ezu (2012) observed that 68.2% of the respondent still complained about long queues in the bank, 28.9% complained of bad attitude of teller officers (cashiers) while 2.89% complained of long

distance of bank locations to their home or work places. Generally, most studies (Hancock and Humphrey, 1998; Boeschoten, 1998; Goodhart and Krueger, 2001) showed that the effects of ATM on cash demand are not highly significant.

2.4 Benefits of ATMs

Before an ATM is placed in a public place, it typically undergoes extensive testing with both test money and the backend computer system that allows it to perform transactions. Bank customers also have come to expect high reliability of ATM machines (Marshall and Heslop, 1988), which dictates that ATM service providers should take a step to minimize machine and network failure. If ATMs go out of services, customer could be left without the ability to make transactions until the beginning of their bank's next time of opening hours. Indeed, ATM machine and network failure do have financial implications for the service providers, so that they should minimize cases of malfunction. It's important to therefore look at the prospects of fully functioning ATMs.

2.4.1 Speed

One of the benefits to be reaped by customers while using ATMs is saving time, this is because there is no need to come to the bank and wait in a queue or filling some information in paper format every time when one wants to transact (Marshall and Heslop, 1988). ATMs are automated machines which are faster than human tellers in processing transactions.

2.4.2 Convenience

Thanks to the introduction of ATMs technologies, which has easier to for the customers to withdraw or deposit money at any particular time and location Daniel (1999). Unlike bank branches, they can be accessed irrespective of the time and days of the week. ATMs are also placed in places away from banking halls and nearer to people's work places and residences thus further increasing the convenience to transact.

2.4.3 Accuracy

Nobody wants to deal with an organization which cannot keep an accurate track of records as to what is going on, particularly where money is concerned, as it was also agreed by (Lewis, 1988) that ATMs have a well deserved reputation in this aspect of the operation.

2.4.4 Acceptability

Godwin (2001) argue that ATMs are the other way that banks are going to make their services accepted by their customers. ATMs allow customers to bank at their own schedule and convenience any where due to a wide ATM networks that the banks avail to their customers.

2.4.5 Safety

Thanks to the ATM technology, now a day there is no need of carrying large sum of money. Once the customers has the ATM card, he or she can access his or her account whenever need arises. One can keep funds at a bank and receive an interest mean while enjoying a quick and easy access to them. ATMs and the supporting electronic financial network are generally very reliable, with industry benchmark typically producing 98.25% customer availability for ATMs and up to 99.999% availability for host systems Godwin (2001).

2.5 Challenges of ATMs

Despite the introduction of ATMs has been to avoid the mistakes of manual systems, it has affected the relationship between financial institution and their customers. (Boateng and Molla, 2006) contends that there are several challenges associated with their operations, these problems include; malfunctioning of machines, some of the ATMs are placed in areas with no privacy for instance in a busy trading area. Other problems include that some people do not have the know how to use them and this points back to their malfunctioning leading to their break down and people end up wasting time. Of course not all errors are caused by customers; there have been cases of machines giving out money without debiting the account, or giving out higher value notes as a result of incorrect denomination of bank note being loaded in money cassettes. Errors may occur due to mechanical (such as card transport mechanisms, keypads, hard disk failures); software (such as operating systems, device drives, applications), communications, or purely down to operator error. Extra costs have been incurred by management that has to invest in expensive ATM network or by allowing their customers to have access to their accounts via net work built by others. This is most experienced by Visa card users.

2.6 Benefits Banks Derive from ATM's

2.6.1 Enhanced Image

Foley (2000) indicated that, e-banking products help to enhance the image of the organization as a customer focused innovative organization. This was especially true in early days when only the most innovative organizations were implementing this channel.

2.6.2 Easier Expansion

Traditionally, when a bank wanted to expand geographically it had to open new branches, thereby incurring high start up and maintenance costs. E-channels, such as the ATM, have made this unnecessary in many circumstances, Ongkasuwan and Tantichattanon (2002). Now banks with a traditional customer base in one part of the country or world can attract customers from other parts, as most of the financial transactions do not require a physical presence near customers living/working place.

2.6.3 Load Reduction on Other Channels

Ongkasuwan and Tantichattanon (2002) connoted that E-Channels are largely automatic, and it undertake most of the routine activities such as account checking or bill payment may be carried out using these channels. This usually results in load reduction on other delivery channels, such as branches. In some countries, routine branch transactions such as cash/cheque deposit related activities are also being automated, further reducing the workload of branch staff, and enabling the time to be used for providing better quality customer services.

2.6.4 Cost Reduction

Ongkasuwan and Tantichattanon (2002) indicate that the main economic argument of e-banking so far has been reduction of overhead costs of other channels such as branches, which require expensive buildings and a staff presence. It also seems that the cost per transaction of e-banking often falls more rapidly than that of traditional banks once a critical mass of customers is achieved. The general consensus is that fixed costs of e-banking are much greater than variable costs, so the larger the customer base of a bank, the lower the cost per transaction would be. Whilst this implies that cost per transaction for smaller banks would in most cases be greater than those of larger banks, even in small banks it is seen as likely that the cost per transaction will be below that of other banking channels.

2.6.5 Organizational Efficiency

To implement e-banking services like ATM, organizations often have to re-engineer their business processes, integrate systems and promote agile working practices. These steps often result in greater efficiency and agility in organizations, Ongkasuwan and Tantichattanon (2002).

2.7 Customer Satisfaction

Customer satisfaction is one of the vital constituents of any organization's strategies, as the customer is the vital source of income for any industry. The organizations are focusing on customer satisfaction to expand their product line. Majority of the banks consider customer satisfaction as its critical success factor, which is due to stiff competition in banking industry. By the outcome of such stiff completion, ultimately the customer has got benefited (Khattak and Kashif, 2010). Now, many financial institutions are trying to increase the customer satisfaction and their retention toward the financial institution through improving the quality of the services and the products they offered to its customers.

Customer satisfaction has increasingly been recognized as an important component of contemporary marketing thought, particularly in case of service industries (Bejou, Ennew and Palmer, 1998). Satisfaction can be defined as a post-choice evaluative judgment concerning a specific purpose decision (Oliver, 1979) and is mostly used as part of the confirmation/disconfirmation paradigm (Oliver and Svan 1989). Although in previous models customer satisfaction is solely seen as the result of cognitive processes, recent studies and conceptualizations suggest that affections contribute to the explanation and prediction of customer satisfaction (Fornell and Wernerfelt, 1987; Homburg and Giering, 2001). Furthermore, several authors have argued that satisfaction is based on the customer's cumulative experience rather than being a transaction-specific phenomenon (Anderson et al., 1994 and Bayus, 1992). Especially in the context of the relationship between loyalty and satisfaction, conceptualizing satisfaction with a single transaction is too restrictive (Homburg and Giering, 2001). Dissatisfaction with a single transaction does not lead to customer switching, neither does one satisfying transaction result in long-term loyalty. It is generally argued that if customers are satisfied with the product and/or service received after its use, then it is likely that they would engage in a repeat purchase and try line extension. In other

words, it is the feeling or attitude of a customer toward a product and/or service after it has been used (Wells and Prensky, 1996). A satisfied customer conveys positive messages about it to others. An unsatisfied customer, on the other hand, is likely to switch to a substitute product and/or service the next time when he/she feels the same need. The same customer will also engage in a negative word of mouth, causing a serious damaging effect on the business (Naser, Jamal and Al-Khatib, 1999; Metawa and Almossawi, 1998). Therefore, it is vital that companies make sure their customers are satisfied with the products/services they offer. This has led to an increase in the popularity of measuring customer satisfaction in recent years (Gulledge, 1996). (Rexha et al., 2003) revealed that the satisfaction of corporate clients with their bank does not directly affect their propensity to use electronic banking. However, satisfaction does have a significant impact on trust and commitment, both of which do affect the likelihood that corporate clients will use electronic banking. Satisfaction therefore tortuously affects the customer's preference to use electronic banking.

Customer satisfaction has been traditionally studied in marketing area as one of the critical attitudinal variables that may influence customer behavior. Best of the studies of satisfaction in marketing literature follow the disconfirmation theory. It assumes that satisfaction results through appraisal between perceptions of a product's performance and expectations (Oliver and Swan, 1989). This theory, representing psychological evaluation processes, provides an understanding of expectations, desires, experiences and performances that may affect customer attitudes. Based on this theory, the study made by (Mckinney, Yoon and Zahedi, 2002) suggested that the difference between expectations and actual performance on system quality and information quality is likely to determine Web customer satisfaction. Similarly, (Khalifa and Liu, 2002) posed that confirmation/ disconfirmation of pre-adoption expectations and desires, upon adoption, could influence overall customer satisfaction. While many researchers have supported the disconfirmation theory, it is hard to operationalize the theory consistently for all product categories (Churchill and Superman, 1982).

Several approaches have been employed to assess satisfaction (Spreng, Mackenzie and Olshavky, 1996). (Giese and Gote, 2000) summarized more than 20 definitions of satisfaction from prior studies in the marketing area. They criticized a lack of consensus about the process leading to satisfaction and the satisfaction construct, and favored the

development of context-specific satisfaction measures. These approaches rely on a customer's affective or emotional response as forming the basis for the measurement of customer satisfaction specific to a context, rather than assessing disconfirmation. Information systems research has also employed a related construct as user satisfaction. Marketing based views consider an Internet shopping store to be a type of shopping store, and suggest obtaining higher customer satisfaction through improvements in conventional factors such as delivery, store image, and service quality (Liau, 2002).

According to (Saha and Zhao, 2006), customer satisfaction is defined as a collection of outcome of perception, evaluation and psychological reactions to the consumption experience with a product/service. In other words, Saha and Zhao further defined customer satisfaction as a result of a cognitive and affective evaluation where some comparison standard is compared to the actually perceived performance. If the performance perceived is less than expected, customers will be dissatisfied. On the other hand, if the perceived performance exceeds expectations, customer will be satisfied. (Boateng and Molla, 2006) contend that operational constraints related to customer location, the need to maintain customer satisfaction and the capabilities of the Bank's main software are influential factors in motivating the decision to enter electronic banking services and consequently influencing the usage experience and thus affecting the level of satisfaction. (Raman et al., 2008) said that service as an intangible good appeal differently to each customer and certain extent of service should be achieved in order to satisfy the customer and that the resulting commitment, loyalty and retention are critical indicators of customer satisfaction. Customer commitment; Power and Associates (2009) note that on average, highly committed customers use more products or services, give more referrals and are much less likely to switch to another bank, compared with customers who have lower commitment levels. Indeed, this view is supported by (Casalo et al., 2008) who contends that higher levels of website usability might lead to higher levels of consumer's affective commitment to the website as well a direct, positive and significant relationship between satisfaction in previous interactions and the consumer's commitment to a financial services website. Customer loyalty; Power and Associates (2009) defines customer loyalty as a deeply held commitment to frequently re buy or re patronize the same product or service, and though multidimensional in nature, it includes re buy, repurchasing and resistance towards price increase

(Wangenheim and Bayòn, 2004). (Michael, 2007) notes that loyalty equates to a willingness to sacrifice on the part of the customer: a loyal customer may forgo a lower cost solution from a competitor or give you time to improve capabilities because they value other aspects of doing business with you.

In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy. It is seen as a key performance indicator within business and is often part of a Balanced Scorecard. Therefore, it is essential for organizations to effectively manage customer satisfaction. To be able do this, organizations need reliable and representative measures of satisfaction.

In researching satisfaction, firms generally ask customers whether their product or service has met or exceeded expectations. Thus, expectations are a key factor behind satisfaction. When customers have high expectations and the reality falls short, they will be disappointed and will likely rate their experience as less than satisfying. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. Customer satisfaction is also measured at the individual level, but it is almost always reported at an aggregate level. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product/service to product/service. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as return and recommend rate. The level of satisfaction can also vary depending on other options the customer may have and other products against which the customer can compare the organization's products David (2010).

Customer satisfaction increase sales (Kish 2000; Levesque and McDougall, 1996), increases market share (Fisher, 2001); (Levesque and McDougall, 1996) and improves corporate image (Newman, 2001). According to (Teich, 1997) product or service loyalty develops over a long period of time consistent provision of service quality above the threshold of customer satisfaction.

2.8 Consequences of Customer Satisfaction

Profitability of firm comes from customer satisfaction which results in behaviors' such as word of mouth recommendation, reduced price sensitivity and product or service loyalty that follows after the achievement of certain level of satisfaction. The under listed are some of the consequences that express satisfied customers.

2.8.1 Loyalty

(Oliver 1999, p. 34) defines loyalty as "a deeply held commitment to re-buy or re patronize a preferred product/service consistently in the future, thereby causing repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior". In particular, loyalty may be defined as a customer's intention or predisposition to purchase from the same organization again, that result from the conviction that the value received from one seller is greater than the value available from other alternatives As a consequence, loyalty has been considered to be a key factor in order to achieve company success and sustainability over time. Therefore, it is hypothesized that loyalty has positive impact on WOM.

2.8.2 Positive Word-of-Mouth (WOM)

Positive Word-of-mouth (WOM) is an informal mode of communication between private parties concerning the evaluation of goods and services. Marketing literature has consistently shown its powerful role in influencing consumers' attitudes. In general, WOM may be defined as an informal type of communication between private parties concerning the evaluation of goods and services and it has been considered to be one of the most powerful forces in the market place (Bansal and Voyer, 2000). To be precise, the importance of WOM resides in the fact that consumer choice is usually influenced by WOM, especially when the purchase is important. This is explained due to the fact that consumers prefer to rely on informal and personal communication sources in making purchase decisions instead of on formal and organizational sources such as advertising campaigns (Bansal and Voyer, 2000).

2.9 Relationship between ATM transactions and customer retention

The key relationship between service quality in this case ATM transactions quality and customer retention or loyalty is that quality which reflect managerial services delivery while satisfaction reflects customer experience with the services. Keeping customers you already have is essential because replacing them is not easy. A customer buys three times that is: the

person, the company and the product. Loyalty creates goodwill and serves as an advertisement through word of mouth. Long term customers provide the organization with testimonial. Generally a bank retains its customers when it is reliable, credible, and attractive and has empathy for customers. This means that the bank should put its self in the customers' shoes (Looy et al., 1998), customers are highly inconvenienced when ATMs are repeatedly faulty out of money and without proper networking. This is what could cause defection and if the bank is empathetic it would make sure that such occurrences are on the minimal thus retaining its existing customers.

2.10 Customer retention

Customer retention is the ability to keep a customer. It is the customer, who converts economic resources into wealth through his willingness to pay for a good or service. A business entity retains its customers by satisfying them for instance with value and good feeling. A satisfied customer will tell 1 to 5 people about his experience and is likely to remain loyal to the business. (Kotler and Armstrong, 2012), in their book noted that although markets currently focus on formulating marketing mixes that will create sales and new customers, the firm's first line of defense lies in customer retention. Business survival is the continued existence, sustenance and growth of business entity. The survival of an organization calls for managerial and innovative skills in the execution of various business activities/functions in a competitive environment. It is through such skills that an organization can adapt to its environment and even then change the environment in order to harness its competencies and eventually out rival potential and actual competitors. In the provision of products and services it is usual for the seller and the customer to come into contact. It is during this contact that client form their impression of the quality of the services that the bank is delivering. This may be termed as moment of truth. The contact with customer puts to test previous claim made by the organization via communication channels of performance, quality of product or services and others. Customer retention is the activity that the selling organization undertakes to reduce customer account defections. The success of this activity is when the customer account places an additional order before a 12 months period has expired. Note that ideally these orders will need to contribute similar financial amounts to the previous 12 months. It can also be described as a series of actions that the selling organization undertakes to reduce defections. This is the selling organization's

perspective of what they have to implement after the agreement in principle stage of the buying cycle. The success of the customer retention process is measured when the customer places an additional order before a 12 months period has expired.

2.11 Empirical Review

Vijay (2011) has made a preliminary comparative investigation of the customer satisfaction in ATM service of public and private sector banks in India. For this investigation primary data was collected from 150 respondents of public and private sector banks through a structured questionnaire. Collected data was analyzed according to the objectives of the research and result of the statistical analysis indicates that private sector banks are providing more satisfactory ATM service as compared to public sector banks. Empirical evidences indicates that customers perception about Efficiency, Security and Responsiveness, Cost Effectiveness, Problem Handling and Compensation and Contact service related to ATM service is low in both public and privates sector banks (ranging between 3.00 to 3.50). Therefore both types of banks should aware about these aspects of ATM service to enhance customers' satisfaction.

Jannatul (2010) has done empirical study on e-banking and customer satisfaction. The purpose of the research was to understand the impact of variables of e-banking on customer satisfaction in Bangladesh. The study period is from 2006 to November, 2009 because customers enjoyed the e-banking services newly during this period. Five service quality dimensions namely reliability, responsiveness, assurance, empathy, and tangibles have been established based on the SERVQUAL model and the literature review. These variables have been tested in e-banking to explore the relationship between service quality and the customer satisfaction. The data were gathered through survey interview by a structured questionnaire with 250 customers. The study shows that these factors are the core service quality dimensions for customer satisfaction in e-banking. The study also explores that reliability, responsiveness and assurance have more contribution to satisfy the customers of e-banking in Bangladesh.

Fragata and Moustakas (2011), proposes two models for the determinants of E-banking Loyalty for large business customers. The results demonstrated that five main quality dimensions were identified for the e-banking portals: assurance, reliability, convenience and

quality monitoring by the financial director of the company. The results also confirm that e-banking quality has a strong impact on e-banking loyalty via the mediating effect of e-trust and switching costs have strong a impact on e-banking loyalty. Further their findings also suggest that interpersonal relationships generated between the bank manager and the decision maker of the company have a strong impact on the perceptions of service quality in online banking, and will also affect positively E-Banking Loyalty.

Elisha(2010) empirically examined the impact of e-banking in Nigeria's economy using Kaiser-Meyar-Olkin (KMO) approach and Barlett's Test of sphericity which support the use of factor analysis in order to extract independent variables associated with e-banking. The paper explores the major factors responsible for internet banking based on respondents' perception on various e-banking applications. It also provides a framework of the factors which are taken to assess the e-banking perception. Due to emergence of global economy, e-business has increasingly become a necessary component of business strategy and a strong catalyst for economic development. E-banking has become popular because of its convenience and flexibility, and also transaction related benefits like speed, efficiency, accessibility, etc. The result of the study shows that e-banking serves several advantages to Nigerian banking sector. The customers (respondents) perception is that e-banking provides convenience and flexible advantages. It also provides transaction related benefits like easy transfer, speedy transaction, less cost and time saving. However, the study shows that the Nigerian customers have security, access, and no enough knowledge regarding e-banking services rendered by banking sector in Nigeria. The study suggest that critical infrastructure like power and telecommunication should be provided and with high level of stability to ensure the application of e-banking in Nigeria. Also, the relative skewed nature of banks location mostly in urban area should be addressed to ensure spread and accessibility by rural dwellers.

Alhaji, Tasmin and Josu (2013), the rapid spread of information and communication technology (ICT) has made electronic banking the best channel to provide banking services/products to customers. The quality of online banking services has become a major area of attention among researchers and bank managers due to its strong impact on business performance, profitability and customer service delivery. Hence, banks now consider online banking as part of their strategic plan. This paper provides a model with 5 factors on the
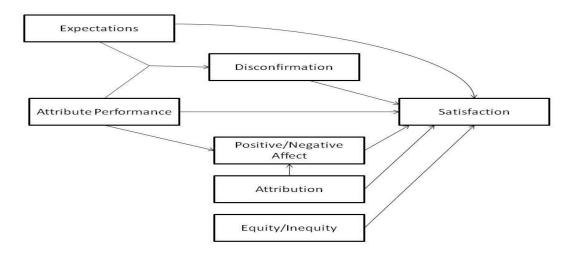
following dimensions: cost, convenience, security, online banking and customer service delivery. The study employed some hypotheses in order to guide the research in achieving the overall aim of the research as well as testing the stated hypotheses by using Structural Equation Modeling (SEM). The findings of the study reveal that security and convenience are the major drivers of customer service delivery of online banking in Malaysia. In addition, using online banking service context, the study also found a strong empirical evidence for measuring customer satisfaction with electronic banking services.

2.12 Conceptual Framework

Consumer satisfaction is a post-choice evaluation made by the customer concerning a specific purchase or choice for fulfillment of a need or want. Giese and Cote (2000) summarized satisfaction literature by stating that satisfaction is an emotional or cognitive response to a particular focus such as expectations, product or consumption experience, and the response occur at a particular time after consumption or accumulated experience. Customers' satisfaction with their banks is based on the expectations, interactions and experiences with the banks.

Oliver (1993) tested a model to represent influences on satisfaction response. The model theorized that expectations and attribute performance each influence satisfaction. In addition, if attribute performance and expectations do not match, then disconfirmation may occur, which impacts satisfaction (Oliver, 1993).

Figure 2.1: Consumer satisfaction/dissatisfaction Model

Source: Adapted from Oliver (1993)

There is a strong link between customer satisfaction and repurchase intentions (Patterson, Johnson and Spreng, 1997). If the customer is dissatisfied, he/she is less likely to repurchase the product (Oliver, 1993). Repurchase intentions are based on the evaluation of many underlying service dimensions (Boulton, Kannan, and Bramlett, 2000). In banks, retention is a repurchase decision. Ideally, satisfied customers will be retained at a higher rate than dissatisfied customers (Patterson et al.,1996).

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

According to Kerlinger (1978) research designs are invented to enable answering the research questions as validly, objectively, accurately and as economically as possible. The study used descriptive research design. The collected data are organized and tabulated to describe the state of happenings. Descriptive statistics are also used to reduce the data to manageable form. When in-depth, narrative descriptions of small numbers of cases are involved, the researcher uses description as a tool to organize data into patterns that emerge during analysis. This design will be appropriate as the variables in this study were varied in different properties and degrees.

3.2 Target Population

To achieve the research objectives customers of PSS member bank are the target population of the study, and the study is confined to various awash international bank and united bank ATM terminals as this two banks have the largest number of customers among all having 124,777 and 82,042 respectively from the total 276,994 customers. So that given that 75% of the customers belong to the two banks, the researcher tends to focus on various awash international bank and united bank terminals while also addressing other member bank customers.

3.3 Sampling Technique and Sample size determination

To achieve the research objective the data was collected from the customer of six PSS member banks, on a convenience sampling technique. The researcher opts to use awash international and united banks S.C ATM terminals for sampling. Even though, the researcher opts to use the two banks ATM terminals; the data was collected from any of the six bank customers'. Given that the arrival rate of customers to ATM will increase during off hours and weekends when the bank branches are closed and the customers are off duty at such times. The researcher tends to collect the data in off hours Friday, Saturday in the late afternoon and Sunday in the afternoon. To protect collection of data more than once from a

respondent, the researcher uses the terminal that is far from where the data was collected in the previous day.

The sample size of the study will be determined by the equation developed by (Daniel, 1999).

$$n= Z^2 P(1-P)/d^2$$

n= 1.96^2*0.4 (1-0.4)/0.05^2 which is approximated 369

Where

n= sample size

Z= Statistic for the level of confidence 95% and Z value of is 1.96

P= expected prevalence or proportion assumed to be 0.40

d= the degree of accuracy (precession) expressed as a proportion (0.05)\

3.4 Data Collection Technique

The designed questionnaires were prepared for PSS member bank customers. Once the questionnaires were designed, it was distributed to respondents on convenience sampling basis on various five ATM terminals of awash international and five ATM terminals of united banks.

3.5 Types of Data and Tools/Instruments of Data Collection

Both primary and secondary data were used in the research. Primary method of data collection was made using 5 point likert scale questionnaire. Secondary data's are collected from the books, publications, articles, journals and websites etc also are used.

3.6 Reliability Testing

The level of reliability of the instrument is measured by the consistency of the variables and it was checked with the Cronbach's alpha statistics. Cronbach's alpha is an index of reliability associated with the variation accounted for by the true score of the "underlying construct" (Nunnaly, 1978). Cronbach's Alpha's can only be measured for variables which have more than one measurement question. Nunnaly (1978) has stated that 0.5 is a sufficient value, while 0.7 is a more reasonable Cronbach's alpha. The results were extracted and presented by the table below, and it shows a result of 0.85. According the result is more than 0.7.

Reliability Statistics	
Cronbach's Alpha	NO of Items
0.850	34

Source: SPSS Output

3.7 Validity of the Instrument

Validity is defined as how much any measuring instrument measures what it is intended to measure. Bryman and Bell (2003) also suggested that the important issue of measurement validity relates to whether measures of concepts really measure the concept. "Validity refers to the issue of whether an indicator (or set of indicators) that is devised to gauge a concept really measures that concept. To increase the validity of the instrument content validity has been used. According to Bryman and Bell (2003), content validity is typically estimated by gathering a group of subject matter experts together to review the test items. Specifically, these subject matter experts are given the list of content areas specified in the test blue print, along with the test item intended to be based on each content area. The subject matter experts are then asked to indicate whether or not they agree that each item is appropriately matched to the content area indicated. Any items that subject matter experts identify as being inadequately matched to the test blueprint or flawed in any other way, are either revised or dropped from the test. Accordingly, the researcher forwarded the instrument for 10 customer relation supervisors of united bank to give their comment on the test item, and their comments have been incorporated in the questionnaire.

3.8 Procedures of Data Collection

5 point likert scale designed questionnaire were distributed to 369 respondents in a convenience sampling technique. To collect the data five awash international bank and five united bank ATM terminals found in various malls and buildings were used. Even though, the researcher opts to use the two banks ATM terminals; the data will be collected from any of the six bank customers' who arrived during Friday, Saturday in the late afternoon and Sunday in the afternoon.

3.9 Methods of Data Analysis

The data collected using the questionnaires were edited, coded and tabulated for completeness and accuracy. First raw data gathered was analyzed using Statistical Package for Social Scientist (SPSS) program version 20. Descriptive statistics such as tables were used in the presentation of the data and the qualitative data collected required a descriptive analysis.

CHAPTER FOUR
RESULTS AND DISCUSIION

4.1 Introduction

In the course of the research a total of 369 questionnaires were prepared and distributed of which 95% or 352 questionnaires were collected back, the collected data are presented and discussed below.

Table1; Demographic Profile of the Respondents

Gender	Frequency	Percent	Cumulative Percent
Gender of the respondents			
Female	135	38.4	38.4
Male	217	61.6	100.0
Total	352	100.0	
Age of the respondents			
Age Group	Frequency	Percent	Cumulative Percent
18-30	158	44.9	44.9
31-40	48	13.6	58.5
41-50	35	9.9	68.5
51-60	80	22.7	91.2
Over 60	31	8.8	100.0
Total	352	100.0	
Educational level of the respondents			
Educational Level	Frequency	Percent	Cumulative Percent
High school complete	28	8.0	8.0
Diploma	47	13.4	21.3
First degree	195	55.4	76.7
Masters degree and above	82	23.3	100.0
Total	352	100.0	
Which bank customer are you			
Customer of Banks	Frequency	Percent	Cumulative Percent
Addis International Bank	17	4.8	15.9
Awash International Bank	135	38.4	43.2
Berhan International Bank	20	5.7	48.9
Cooperative bank of Oromia	48	13.6	62.5
NIB International Bank	35	9.9	72.4
United Bank	97	27.6	100.0
Total	352	100.0	

Source: own survey (2015)

As shown in the above table 38.4% of the respondents are females and 61.6% of the respondents are male. As shown in the above table majority of the respondents are male.

With regard to age 44.9% of the respondents belong to the age group 18-30 years, 13.6% of the respondents are between the ages of 31-40 years, 9.9% of the respondents are between the ages of 41-50 years, 22.7% of the respondents belong to the age between 51-60 years and 8.8% of the respondents' are over the age of 60 years. Showing that, most of the ATM card holder's are youngsters.

As shown in the above tables 8% of the respondents are high school complete, 13.4% of the respondents have Diploma, 55.4% of the respondents' have first degree and the rest 23.3% have an education level of masters' degree and above. From this, we can infer that almost all of the respondents are educated and majority has an educational level of diploma and above.

As presented in the above table 4.8% of the respondents are the customer of Addis international bank, 38.4% of the respondents which takes the majority are the customer of Awash international bank, 5.7% of the respondents are the customer of Berhan international banks, 13.6% of the respondents are the customer of Cooperative bank of Oromia , 9.9% of the respondents are the customer of NIB international bank and the remaining 27.6% of the respondents which take the second higher number of users are the customer of United bank.

Table 2: The Current Practice of PSS Member Banks

No	Statement	Mean	SDV	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
				F	%	F	%	F	%	F	%	F	%	F	%
1	The card delivery process of my bank is quicker	3.46	1.434	97	27.6	135	38.4	4	1.1	64	18.2	52	14.8	352	100
2	I am informed that I should keep my PIN (personal identification number) secret and properly handle the ATM card; since failure to keep it secret will expose me to lose my money	3.12	1.41	66	18.8	114	32.4	29	8.2	82	23.3	61	17.3	352	100
3	I know all the services I can get from the ATM including withdrawing money.	3.02	1.406	61	17.3	107	30.4	21	6	103	29.3	60	17	352	100
4	I am well informed that I can use my ATM card to get the service in six PSS member banks' ATM terminals.	3.67	1.222	84	23.9	179	50.9	6	1.7	55	15.6	28	8	352	100
5	The banks give guidelines as to how to use ATM service	2.73	1.237	28	8	78	22.2	89	25.3	85	24.1	72	20.5	352	100
6	The banks properly maintained customer compliant handling procedure in case of problems experienced in connection with ATM services	3.12	1.188	23	6.5	170	48.3	19	5.4	107	30.4	33	9.4	352	100
7	The banks offer the service using diesel generators during the time of electric power interruptions	2.60	1.143	8	2.3	90	25.6	81	23	100	28.4	73	20.7	352	100
8	I am well informed that the charge of getting service from my home bank is lower than the charge of getting the service from other PSS member banks' ATM terminals.	2.95	1.428	59	16.8	104	29.5	16	4.5	105	29.8	68	19.3	352	100

Source: own survey (2015)

Table 2 No 1 shows that 27.6% of the respondents strongly agree, 38.4% of the respondents agree, 1.1% of the respondents are neutral and 18.2% of the respondents disagree and 14.8% of the respondents strongly disagree with the quickness of the card deliver process of the PSS member banks with a mean score of 3.46. The result indicated that majority of the PSS member bank customers agreed that the banks quickly deliver the ATM cards.

Table 2 No 2 shows that 18.8% of the respondents strongly agree, 32.4% of the respondents agree, 8.2% of the respondents are neutral, 23.3% of the respondents disagree and 17.3% of the respondents strongly disagree that the banks informed them to keep their PIN secrete and to properly handle the ATM card with a mean value 3.12. From the above table, we can infer that the majority of the respondents have been informed to keep their PIN secret and handle their cards with care.

Table 2 No 3 shows that 17.3% of the respondents strongly agree, 30.4% of the respondents agree, 6% of the respondents are neutral, 29.3% of the respondents disagree and 17% of the respondents strongly disagree that they know all the services they can get from ATM showing a mean value of 3.02. The figures in the table shows that 46.31% of the respondents disagree and 47.73% of the respondents agree that they know all the services they can get from ATM, indicating that there is a gap in promoting all the services rendered through ATM beyond withdrawing money like money transfer, balance enquiry etc. It is also a matter of fact that despite using shared facilities the services the account holder can get from the ATM differs depending on being the customer of certain bank. For ex, AIB has announced its user that they can get the service in Oromifa and Tigrigna language as additions to Amharic and English etc.

Table 2 No 4 shows that 23.9% of the respondents strongly agree, 50.9% of the respondents agree, 1.7% of the respondents are neutral, 15.6% of the respondents disagree and 8% of the respondents strongly disagree with a mean value of 3.67 that the bank informed them that they can use their ATM cards in six PSS member banks. This shows that the banks created the awareness to their customer that they can use their ATM card to get the service in PSS member banks, and the fact that all bank customers was found in the course of the research in the two bank ATM terminal validates it.

Table 2 No 5 shows that 8% of the respondents strongly agree, 22.2% of the respondents agree, 25.3% of the respondents are neutral, 24.1% of the respondents disagree, and 20.5% of the respondents strongly disagree that banks give guidance as to how to use the ATM machine with a lower mean value of 2.73. Most of the respondents witnessed that their banks don't give them the guidance as to how to use ATM; this will cause barriers for those customers that are not familiar with the technology.

Table 2 No 6 shows that 6.53% of the respondents strongly agree, 48.3% of the respondents agree, 5.40 of the respondents are neutral, 30.4% of the respondents disagree and 9.4% of the respondents strongly disagree that banks have properly maintained compliant handling procedures with a mean value of 3.12. Majority of the respondents agree that the banks do properly respond to complaint, while at the same time most of the respondents believe that banks don't have proper compliant handling procedures. From this we can infer that the banks do not established consistent compliant handling procedure, by which the customers can easily access whenever they encountered a problem.

Table 2 No 7 shows that 2.3% of the respondents strongly agree, 25.6% of the respondents agree, 23% of the respondents are neutral, 28.41% of the respondents disagree and 20.7% of the respondents strongly disagree that the banks give the ATM service using diesel generators during the time of electric power interruption with a mean value of 2.6. Majority of the respondents agree that the banks are not giving the ATM service at a 24/7, this is especially true for off hours, weekends and holidays which the bank branches are closed.

Table 2 No 8 shows that 16.8% of the respondents strongly agree, 29.5% of the respondents agree, 4.5% of the respondents are neutral, 29.8% of the respondents disagree and 19.3% of the respondents strongly disagree with a mean value of 2.95, that they know the charge of getting service from the home bank is lower than the charge of getting the service from other PSS member banks' ATM terminals. This shows us that the banks don't let their customer know about the service charges associated with using various banks ATM terminals.

Table 3: Benefits of ATM Banking Service to Customers

No	Statement	Mean	SDV	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
				F	%	F	%	F	%	F	%	F	%	F	%
1	I get much benefit from my ATM card since I can use it in banks under PSS service network.	3.67	1.120	80	22.7	155	44.0	58	16.5	38	10.8	21	6.0	352	100
2	Using ATM saves my time.	3.95	1.640	125	35.5	134	38.1	57	16.2	20	5.7	15	4.3	351	99.7
3	The maximum daily withdrawal limits set for ATM are fair.	2.39	1.292	44	12.5	22	6.3	58	16.5	131	37.2	97	27.6	352	100
4	The speeds of processing transaction by ATM are much faster.	3.91	0.955	97	27.6	162	46	66	18.8	15	4.3	11	3.1	351	99.7
5	The ATM card eases my life that it has enabled me to purchase commodities from supermarkets, malls etc.	3.08	1.327	50	14.2	121	34.4	39	11.1	88	25.0	52	14.8	350	99.4

Source: own survey (2015)

Table 3 No 1 shows that 22.7% of the respondents strongly agree, 44% of the respondents agree, 16.5% of the respondents are neutral, 10.8% of the respondents disagree and 6% of the respondents strongly disagree that they are getting much benefit from the ATM card since they are using it in banks under PSS service network with a mean value of 3.67. The figures show that the customers are getting much benefit out of the shared ATMs, as it will give them the opportunity to use the service in other bank ATM's whenever their bank ATM doesn't give service due to various reasons and or the distance of the home bank ATM terminal is far from where they are etc.

Table 3 No 2 shows that 35.5% of the respondents strongly agree, 38.1% of the respondents agree, 16.2% of the respondents are neutral, 5.7% of the respondents disagree, 4.3% of the

respondents strongly disagree and 0.3% of the respondents didn't responded to the view that using ATM saves time with a mean value of 3.95 indicating that using ATM saves time.

Table 3 No 3 shows that 12.5% of the respondents strongly agree, 6.3% of the respondents agree, 16.5% of the respondents are neutral, 37.2% of the respondents disagree and 27.6% of the respondents strongly disagree that the maximum withdrawal limit set for ATM is fair with a lower mean value of 2.39. We can infer from the above table that the daily withdrawal limits set for ATM are not sufficient for the customers demand.

Table 3 No 4 shows that 27.6% of the respondents strongly agree, 46% of the respondents agree, 18.8% of the respondents are neutral, 4.3% of the respondents disagree, 3.1% of the respondents strongly disagree and 0.3% of the respondents didn't responded regarding the speed of processing transaction by ATM is much faster with a mean value of 3.91. This shows that the ATMs are processing the customer's request quickly.

Table 3 No 5 shows that 14.2% of the respondents strongly agree, 34.4% of the respondents agree, 11.1% of the respondents are neutral, 25% of the respondents disagree, 14.8% of the respondents strongly disagree and 0.6% of the respondents didn't responded for the question that ATM card eases their life that it has enabled them to purchase commodities from supermarkets, malls etc with a mean value of 3.08. The figures shows most of the customers are not satisfied and also significant number of customers are satisfied that it eases their life that they can buy commodities in supermarkets, malls etc.

Table 4: Challenges of ATM Banking Service to Customers

No	Statement	Mean	SD	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
				F	%	F	%	F	%	F	%	F	%	F	%
1	Having ATM card exposed me to extravagant behavior.	2.26	1.130	14	4	63	17.9	10	2.8	180	51.1	85	24.1	352	100
2	Due to the problems and charges while using ATM, I prefer to go to bank branches for the service	2.14	1.143	20	5.7	39	11.1	17	4.8	165	46.9	107	30.4	348	98.9
3	There are cases in which either the ATM machines dispense the cash without debiting the account or debiting the account without dispensing cash.	3.62	1.250	75	21.3	187	53.1	4	1.1	49	13.9	36	10.2	351	99.7
4	In case of errors the banks give quick response	2.41	1.226	9	2.6	93	26.4	30	8.5	118	33.5	100	28.4	350	99.4
5	There are times where the ATM's go out of cash.	3.14	1.331	53	15.1	128	36.4	34	9.7	84	23.9	50	14.2	349	99.1
6	There is frequent interruption of ATM service due to network failures	4.17	1.263	231	65.6	29	8.2	18	5.1	69	19.6	5	1.4	352	100
7	There is frequent interruption of ATM service due to electric power	3.5	1.265	95	27.0	116	33.0	12	3.4	118	33.5	7	2.0	348	98.9

Source: own survey (2015)

Table 4 No1 shows that 4% of the respondents strongly agree, 17.9% of the respondents agree, 2.8% of the respondents are neutral, 51.1% of the respondents disagree and 24.1% of the respondents strongly disagree that the ATM card exposed them to extravagant behavior with a mean value of 2.26. This implies that given that the customers have the ATM card which gives them an opportunity to withdraw money anytime; it doesn't expose them to extravagant behavior.

Table 4 No 2 shows that 5.7% of the respondents strongly agree, 11.1% of the respondents agree, 4.8% of the respondents are neutral, 46.9% of the respondents disagree, 30.4% of the respondents strongly disagree and 1.1% of the respondents didn't responded for the question that due to the problems and charges while using ATM they prefer to go to bank branches for the service with a mean value of 2.14. Even though, there are problem with the ATMs the customers still prefer to get the services through ATM than going in to bank branches.

Table 4 No 3 shows that 21.3% of the respondents strongly agree, 53.1% of the respondents agree, 1.1% of the respondents are neutral, 13.9% of the respondents disagree, 10.2% of the respondents strongly disagree and 0.3% of the respondents didn't responded for the question that there were cases in which either the ATM machines dispense the cash without debiting the account or debiting the account without dispensing cash with a mean value of 3.62. This implies that the ATM machine dispense the cash without debiting the account or debiting the account without dispensing cash and this affects the service experience of the customers negatively.

Table 4 No 4 shows that 2.6% of the respondents strongly agree, 26.4% of the respondents agree, 8.5% of the respondents are neutral, 33.5% of the respondents disagree, 28.4% of the respondents strongly disagree and 0.6% of the respondents didn't responded that in case of errors the banks give quick response with a mean value of 2.41. This shows that whenever there is an error caused by the ATM the customers are not enjoying the quick responses through the banks side, this is because the ATMs are managed by independent institution (PSS) cases should be forwarded for further investigation so that it takes time until the two independent institutions communicate each other.

Table 4 No 5 shows that 15.1% of the respondents strongly agree, 36.4% of the respondents agree, 9.7% of the respondents are neutral, 23.9% of the respondents disagree, 14.2% of the respondents strongly disagree and 0.9% of the respondents didn't responded for the question that that there are times that the ATM go out of cash with a mean value of 3.14. This shows that the there are times the banks don't properly load the cash in to ATMs so the customers can access their balance whenever the need arises, this problem may aggravate during the weekends, holidays etc where the respective branches handling the ATM are closed.

Table 4 No 6 shows that 65.6% of the respondents strongly agree, 8.2% of the respondents agree, 5.1% of the respondents are neutral, 19.6% of the respondents disagree and 1.4% of the respondents strongly disagree that there are frequent interruption of ATM service due to network failures with a mean value of 4.17. This implies that there are times that the customers don't get the ATM service due to frequent interruption of network failures. This will lead the customer to mistrust the ATM service and to withdraw money from banks branches or the ATM prior to their needs by fearing that there might not be service especially of the weekend and holidays.

Table 4 No 7 shows that 27% of the respondents strongly agree, 33% of the respondents agree, 3.41% of the respondents are neutral, 33.5% of the respondents disagree, 2% of the respondents strongly disagree and 1.14% of the respondents didn't responded for the question that there are frequent interruption of ATM service due to interruption of electric power with a mean value of 3.5. This implies that there are times that the customers don't get the ATM service due to frequent interruption of electric power; this will lead the customer to mistrust the ATM service and to withdraw money from banks branches or the ATM prior to their need by fearing that there might not be service especially of the weekend and holidays.

Table 5: Factors Affecting Customers' Satisfaction with regard to ATM Banking Service

No	Statement	Mean	SD	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
				F	%	F	%	F	%	F	%	F	%	F	%
1	The ATM's are placed in convenient and accessible locations in such a way that my Safety, Security and Privacy are maintained.	2.89	1.217	18	5.1	132	37.5	50	14.2	96	27.3	56	15.9	352	100
2	I get faster transaction from ATM whenever I go to the terminals	3.29	1.220	57	16.2	127	36.1	56	15.9	84	23.9	28	8	352	100
3	In case of errors the banks give quick response	2.41	1.226	9	2.6	93	26.4	30	8.5	118	33.5	100	28.4	350	99.4
4	There are times where the ATM's go out of cash.	3.14	1.331	53	15.1	128	36.4	34	9.7	84	23.9	50	14.2	349	99.1
5	The charge of getting service from my home bank ATM terminal is fair.	3.20	1.510	79	22.4	119	33.8	35	9.9	32	9.1	87	24.7	352	100
6	The charge of getting service from other bank ATM terminal is fair.	2.96	1.433	55	15.6	113	32.1	24	6.8	84	23.9	76	21.6	352	100
7	The number of ATMs across distance is fair.	3.55	1.212	65	18.5	176	50	34	9.7	41	11.6	36	10.2	352	100
8	The ATM always works properly without any abnormality whenever I go.	2.58	1.198	20	5.7	96	27.3	4	1.1	179	50.9	53	15.1	352	100
9	The ATM has user friendly system environment to handle transactions and get services	3.34	1.189	50	14.2	148	42	53	15.1	72	20.5	29	8.2	352	100

Source: own survey (2015)

Table 5 No1 shows that 5.11% of the respondents strongly agree, 37.5% of the respondents

agree, 14.2% of the respondents are neutral, 27.3% of the respondents disagree and 15.9% of

the respondents strongly disagree that ATM's are placed in convenient and accessible locations in such a way that my Safety, Security and Privacy are maintained with a mean value of 2.89. Most of the customers are not satisfied with the places where the ATMs are located which poses safety, security and privacy threat to customers. Now a day's placing ATMs in large malls and buildings where many people make transaction is becoming common, but the way they place their ATM doesn't give complete privacy for customers to insert their PIN, watch their account balance and withdraw money etc, because there are large queues in the compound.

Table 5 No 2 shows that 16.2% of the respondents strongly agree, 36.1% of the respondents agree, 36.1% of the respondents agree, 15.9% of the respondents are neutral, 23.9% of the respondents disagree and 8% of the respondents strongly disagree they get faster transaction from ATM whenever they go to the terminals with a mean value of 3.29. From the above table we can infer that the customers are satisfied with the speed of processing transaction of the ATMs.

Table 5 No 3 shows that 2.6% of the respondents strongly agree, 26.4% of the respondents agree, 8.5% of the respondents are neutral, 33.5% of the respondents disagree, 28.4% of the respondents strongly disagree and 0.6% of the respondents didn't responded that in case of errors the banks give quick response with a mean value of 2.41. This shows that whenever there is an error caused by the ATM the customers are not enjoying the quick responses through the banks side, this is because the ATMs are managed by independent institution (PSS) cases should be forwarded for further investigation so that it takes time until the two independent institutions communicate each other whereby causing dissatisfaction towards customers.

Table 5 No 4 shows that 15.1% of the respondents strongly agree, 36.4% of the respondents agree, 9.7% of the respondents are neutral, 23.9% of the respondents disagree, 14.2% of the respondents strongly disagree and 0.9% of the respondents didn't responded for the question that there are times that the ATM go out of cash with a mean value of 3.14. This shows that the there are times the banks don't properly load the cash in to ATMs so the customers can access their balance whenever the need arises, this problem may aggravate during the

weekends, holidays etc where the respective branches handling the ATM are closed, it has caused dissatisfaction.

Table 5 No 5 shows that 22.4% of the respondents strongly agree, 33.8% of the respondents agree, 9.9% of the respondents are neutral, 9.1% of the respondents disagree and 24.7% of the respondents strongly disagree that the charge of getting service from the home bank ATM terminal is fair with a mean value of 3.20. This implies that majority of the customers are satisfied with the charges they pay in home bank ATM terminal.

Table 5 No 6 shows that 15.6% of the respondents strongly agree, 32.1% of the respondents agree, 6.8% of the respondents are neutral, 23.9% of the respondents disagree and 21.6% of the respondents strongly disagree that the charge of getting service from other bank ATM terminal is fair with a mean value of 2.96. This implies that most of the customers feel that it is fair where as there are also significant number of customers are not filling fair with the charges they pay in other bank ATM terminals.

Table 5 No 7 above shows that 18.5% of the respondents strongly agree, 50% of the respondents agree, 9.7% of the respondents are neutral, 11.6% of the respondents disagree and 10.2% of the respondents strongly disagree that the number of ATMs across distance is fair with a mean value of 3.55. From the above table we can infer that majority of the customer are satisfied with the availability of ATM across distance. The fact that the banks shared the ATM gives many alternatives to customers without going long distance.

Table 5 No 8 shows that 5.7% of the respondents strongly agree, 27.3% of the respondents agree, 1.1% of the respondents are neutral, 50.9% of the respondents disagree and 15.1% of the respondents strongly disagree that the ATM always work properly without any abnormality whenever I go with a lower mean value of 2.91. Majority of the customers are dissatisfied with the unavailability of ATM service whenever they go, indicating that the ATMs go out of service due to various reasons.

Table 5 No 9 shows that 14.2% of the respondents strongly agree, 42% of the respondents agree, 15.1% of the respondents are neutral, 205% of the respondents disagree and 8.2% of the respondents strongly disagree that the ATM has user friendly system environment to

handle transactions and get services with a mean score of 3.34, showing the they are satisfied with the user friendliness of the system interface of the ATM.

Table 6: The level of Satisfaction of Customers

No	Statement	Mean	SD	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total	
				F	%	F	%	F	%	F	%	F	%	F	%
1	The services by ATMs satisfied my card banking service needs.	2.43	1.303	33	9.4	67	19	7	2	156	44.3	89	25.3	352	100
2	I recommend my families and relatives to use the ATM services.	2.76	1.299	32	9.1	103	29.3	30	8.5	122	34.7	65	18.5	352	100

Source: own survey (2015)

Table 6 No 1 shows that 9.4% of the respondents strongly agree, 19% of the respondents agree, 2% of the respondents are neutral, 44.3% of the respondents disagree and 25.3% of the respondents strongly disagree that the ATMs satisfied their card banking service needs with a mean score of 2.4. From the above table, we can infer that the due to various reasons discussed so far, the card banking needs of customers are not satisfied, this result is consistent with Islam et al. (2007).

Table 6 No 2 shows that 9.1 % of the respondents strongly agree, 29.3% of the respondents disagree, 8.5% of the respondents are neutral, 34.7% of the respondents disagree and 18.5% of the respondents strongly disagree that they recommend families and relatives to use PSS ATM services with a mean score of 2.76. Majority of the respondents don't recommend others to use the ATM service, implying that due to the malfunctioning of ATM and other problems they are not willing to recommend to their families and relatives; while most of the respondents agree that they will recommend their families and relatives to use ATM service.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS & RECOMMENDATIONS

5.1 Summary of Findings

The study was conducted to assess the extent of usage of ATM banking services and satisfaction level of customers, to achieve this objective five specific objective was drawn. On the process some attributes have identified listed to achieve the research objective

- ➢ It is found that the card delivery processes of banks are quicker.

- ➢ Majority of the respondents have been informed to safely handle their PIN and ATM card.

- ➢ It is found that most of the customers don't know all the services rendered through ATM.

- ➢ The banks have created knowledge to their customers that they can use their card to get the service in six bank ATM terminals.

- ➢ It is found that most of the respondents have not been given guidance as to how to use ATM.

- ➢ Majority of the respondents agree that the banks do properly respond to the customer's complaint, while at the same time most of the respondents believe that banks don't have proper compliant handling procedures.

- ➢ Most of the respondents agree that the banks are not giving the service using diesel generator.

- ➢ It is also found that the banks do not let their customers know the charge of getting service from the home bank is lower than the charge of getting the service from other PSS member banks' ATM terminal.

- ➢ Majority of the respondents agree that they are getting much benefit from the ATM card since they are using it in banks under PSS service network.

From the attribute listed to the asses the benefits of ATM the following summaries are drawn

- ➢ The shared ATM gives customers the opportunity to use the service in other bank ATM's.

➢ Majority of the respondents agree that using ATM give them an advantage of saving time.

➢ Most of the customers are not satisfied that the ATM eased their life, while also almost equivalent number of customers are satisfied that the ATMs eased their life that they can buy commodities in supermarkets, malls etc.

➢ From the listed attributes to identify the benefit of ATM the maximum withdrawal limit set for ATM has got the lowest mean value indicating that majority believe that it is too small.

From the attribute listed to assess the challenges of ATM the following summaries are drawn

➢ It is found that having ATM card doesn't expose customers to extravagant behavior.

➢ Even though, there are problem with the ATMs the customers still prefer to get the services through ATM than going in to bank branches.

➢ It is also found that there is a challenge associated with using ATM that there were cases in which both the ATM machines dispense the cash without debiting the account or debiting the account without dispensing cash.

➢ It is also found that customers are not getting quick response whenever the dispute arises while using ATM.

➢ Moreover, majority of the respondents agree that there are times that the ATM gets out of cash, there is frequent interruptions of ATM service due to network failures and electric power.

➢ It is also found that despite of the availability of the problems while using ATM, it doesn't lead the majority to go to bank branches for the service.

From the attribute listed to the asses the factors influencing satisfaction and the level of satisfaction of customers the following summaries are drawn

➢ It is found that most of the customers are not satisfied with the places where the ATMs are located as it poses safety, security and privacy threat to customers.

➢ It is found that the customers are satisfied with the speed of processing transaction of the ATMs.

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> ➢ Majority of the respondents agree that most of the time ATM doesn't properly work due to various reasons like network failure, unavailability of electric power, out of cash ATM, error while processing transaction etc. and in case of errors the banks don't give quick responses
>
> ➢ The customers also are not satisfied with the charge of getting the service from other banks ATM terminals.

The above factors has dissatisfied the card banking service need of the customers having the lowest mean values as compared to the other factors

> ➢ Majority of the respondents agree that the number of ATMs across distance is fair
>
> ➢ Majority of the respondents agree that that the ATM has user friendly system environment to handle transactions and get services.
>
> ➢ Majority of the respondents don't recommend others to use the ATM service
>
> ➢ Majority of the respondents agree that the card banking needs are not satisfied

5.2 Conclusions

The major objective of the research was to assess the extent of usage of ATM banking services and satisfaction level of customers. It is evident that the banks should implement the state of art technologies and keep themselves up to date to win the competition in the track. Hence, the fact that the banks shared the ATM facility gives them many advantages to deliver the service to their respective customers and in fact it has benefits to customers too; as it gives them a sort of alternative to use the service. Despite of the benefits it brings, the research finding shows that there is dissatisfaction.

The following are the list of problems encountered, transactional errors, the withdrawal limit set for ATM, and the fact the banks don't give guidance as to how to use ATM, the customers are not informed about the charges of using home bank and other bank ATM terminal, absence of ATM service in the absence of electric power, transactional errors of the ATM, delayed response time in case of dispute or errors, out of cash ATM, electric power interruption and network failures, places where the ATMs are installed are the major dissatisfying factors of ATM banking services in PSS. Interruption of the service due to various setbacks poses a challenge for the customers to get the service at their convenience. So that it caused potential dissatisfaction. Even if there are problems, the customers still prefer to get the service through ATM while the ATM works properly.

5.3 Recommendation

The following recommendations are made based on the finding of the research

⇨ Due to the fact that ATM banking is a recent phenomenon to our country the exposures for most of the customers will be new, so that the PSS member banks should prepare brochures, fliers etc in a printed form to the customer; so that they can know all the services rendered, the charges associated with using the ATM and how to operate the machine etc to get the various services.

⇨ Availability of network is the key to give E-banking service like ATM; the banks should negotiate with the telecom provider about the matter. Most of the time in the absence of electric power the network fails, so the member banks should try to negotiate with Ethio telecom to give electric power to the telecom equipments around the machines as part of improving their service.

⇨ The PSS member banks should review their maximum withdrawal limit set for ATM.

⇨ The PSS member banks should try to solve or minimize case of systemic errors of the ATM and/or try to reduce the time required to amend errors.

⇨ The PSS member banks should construct a department or section that monitors the ATM cash balance in off hours, weekends and holidays, so that they will at least solve the problem of cash by supplying it to such ATMs'.

⇨ The PSS member banks should install their ATM machines in such a way that it protects or gives complete privacy from passersby or from the other customer waiting to get the services, like by constructing small shades to the machine where only one customer will get in to it to get the service.

⇨ The PSS member banks should reconsider the charge of getting the service from other banks ATM terminals so that the card banking service needs of the customer's will be satisfied.

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Appendix 1

St. Mary's University
School of Graduate Studies

Dear Sir/Madam

This research questionnaire is designed to collect data from the respondents, in connection with ATM Banking Service and Satisfaction of customers in Ethiopian Private Banks: A Case Study of PSS (Premier Switch Solutions) member Banks'. The purpose of this paper is to assess the level of usage and satisfaction of customers using ATM banking services and identify the potential factors causing dissatisfaction of customers and propose solutions.

Moreover, the result of this study will be used as additional reference for those who want to conduct detailed research on the area. Your involvement in this regard has a precious value. The quality of the result of this research will be based on the accuracy of the information you provide while filling out the questionnaire.

Eventually, I would like to assure you that utmost care will be taken for the confidentiality of the information you will provide.

Thank you for your cooperation!

<div align="right">

Regards,
Ephrem Oumer
Email: ephreame.oumer@yahoo.com

</div>

General Guidelines

This questionnaire has two parts; you are kindly requested to respond to the questions based on the instructions under each section. If you have any comment or further explanation please don't hesitate to use space provided at the end of the questionnaire or you can contact me by my email address mentioned on the 1st page.

During analysis the following values are assigned to the likert scales

1= Disagree 1, 2= Strongly Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

Section I. Demographic profile of the respondents

Please indicate the following information's by ticking (√) on the spaces provided in front of the options.

1.1.   Gender

Male ☐   Female ☐

1.2.   Age

18-30 ☐   31-40 ☐   41-50 ☐   51-60 ☐ over 60 ☐

1.3.   Educational Level

High School Complete ☐ Diploma ☐ First Degree ☐

Masters Degree and above ☐

1.4.   Which bank customer are you?

Addis International Bank ☐   Awash International Bank ☐   Berhan International ☐ Bank

Cooperative Bank of Oromia ☐   Nib International Bank ☐   United Bank ☐

Section II. Question used for the assessment of customer's satisfaction regarding ATM service of Premier switch solutions (PSS) member banks.

Guidelines: below are list of statements used to get relevant information for the accomplishment of the research objective. Please indicate your level of agreement with each statement by ticking (√) on the spaces provided under each option. The options range from strongly agree to strongly disagree.

Note: SA- Strongly Agree, A- Agree, N- Neutral, D- Disagree, SD- Strongly Disagree

		SD	D	N	A	SA
I. Questions used to assess the practice of PSS member banks						
1	The card delivery process of my bank is quicker.					
2	I am informed that I should keep my PIN (personal identification number) secret and properly handle the ATM card; since failure to keep it secret will expose me to lose my money					
3	I know all the services I can get from the ATM including withdrawing money.					
4	I am well informed that I can use my ATM card to get the service in six PSS member banks' ATM terminals.					
5	The banks give guidelines as to how to use ATM service.					
6	The banks properly maintained customer compliant handling procedure in case of problems experienced in connection with ATM services.					
7	I am well informed that the charge of getting service from my home bank is lower than the charge of getting the service from other PSS member banks' ATM terminals.					
8	I do have knowledge that my ATM card has expiry date.					

		SA	A	N	D	SD
II. Questions used to identify benefits of ATM banking						
1	I get much benefit from my ATM card since I can use it in banks under PSS service network.					
2	Using ATM saves time.					
3	The maximum daily withdrawal limits set for ATM are fair.					
4	The speeds of processing transaction by ATM are much faster.					
5	The ATM card eases my life that it has enabled me to purchase commodities from supermarkets, malls etc.					

		SA	A	N	D	SD
III. **Questions used to identify the challenges of ATM banking**						
1	Having ATM card exposed me to extravagant behavior.					
2	Due to the charges while using ATM, I prefer to go to bank branches for the service.					

		SA	A	N	D	SD
3	There are cases in which either the ATM machines dispense the cash without debiting the account or debiting the account without dispensing cash.					
4	In case of errors the banks give quick response					
5	There are times where the ATM's go out of cash.					
6	There is frequent interruption of ATM service due to network failures.					
7	There is frequent interruption of ATM service due to interruption of electric power.					
IV. Questions used to assess Factors Affecting satisfaction level of customers with regard to ATM		SA	A	N	D	SD
1	The ATM's are placed in convenient and accessible locations in such a way that my Safety, Security and Privacy are maintained.					
2	I get faster transaction from ATM whenever I go to the terminals.					
3	In case of errors the banks give quick response					
4	There are times where the ATM's go out of cash.					
5	The charger of getting service from my home bank ATM terminal is fair					
6	The charger of getting service from other bank ATM terminal is fair.					
7	The number of ATMs across distance is fair.					
8	The ATM always works properly without any abnormality whenever I go.					
9	The ATM has user friendly system environment to handle transactions and get services.					
V. Questions used to assess the overall satisfaction level of customers with regard to ATM		SA	A	N	D	SD
1	The services by ATMs satisfied my card banking service needs.					
2	I recommend my families and relatives to use the ATM services.					

DECLARATION

I, the undersigned, hereby declare that the thesis entitled "**Assessment of ATM Banking Service and Satisfaction of customers in Ethiopian Private Banks: A Case Study of PSS Member Banks'** " Submitted by me to undertake a research in partial fulfillment of the requirements for the award of the Degree of Master of Business Administration (MBA) to the School of Graduate Studies, St. Marry University, is my original work and the matters embodied in this research proposal work has not been submitted earlier for the award of any degree or diploma to any other university or institution and all the reference materials referred in the process have been duly acknowledged.

Student Name	Signature	Date
Ephreame Oumer	_____	**01/01/2016**

ENDORSEMENT PAGE

This is to certify that **Ephreame Oumer** has carried out his research work on the topic entitled **''Assessment of ATM Banking Service and Satisfaction of customers in Ethiopian Private Banks: A Case Study of PSS Member Banks.''** This work is original in nature and is suitable for submission to the award of Masters of Business Administration.

Name of advisor: _____   Signature: _____

Place: _____   Date: _____