ATM and Customer Satisfaction: A Case of the Banking Industry in Tanzania

Lucy M Mboma

Abstract

This paper presents the effects of ATMs on customer satisfaction in the Tanzanian banking sector. It is a new way of accessing banking services necessitated by customers' business needs and is enabled by fast changing technology. Due to achievements brought about increased utilization of Information and Communication Technology (ICT) in society, the banking industry has introduced Automated Teller Machines (ATMs). ATMs provide a new method of dispensing customer services which are expected to increase efficiency, sales performance, and enhance customer satisfaction. Three different banks were used as a case study in order to avoid bias and provide general impressions on ATM use by customers. Customers interviewed outside banks were free to express their views minimizing the bias of only saying positive things about ATMs. Consulted secondary sources of information provide understanding and challenges facing ATMs the world over.

The study establishes that ATM services enhance operations and customer satisfaction in terms of flexibility of time. ATMs add value in terms of speedy handling of voluminous transactions which traditional services were unable to handle efficiently and expediently. The level of this satisfaction is reduced by technological and processing failures, the perception that the service delivery mode is expensive and insecure regarding standalone ATMs, which creates customer dissatisfaction. There is no consideration being given to people disabilities such as blindness and people in wheel chair negates the role of serving customers, as they cannot access ATMs. The potential usage rate of ATM services will continue to increase the banking sector's competitive edge and numbers will rise in ten years to come in Tanzania. This provides opportunities to overseas manufacturers and maintenance service providers including skill-training opportunities for academic institutions.