ATM AND CUSTOMER SATISFACTION: A CASE OF BANKING INDUSTRY IN TANZANIA*(By Lucy. M. Mboma)*

An Abstract

This paper presents 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 by increased utilization of Information and Communication Technology (ICT) in society, the banking industry has introduced automated Teller Machines (ATMs). ATMs provide new method of dispensing customer services expected to increase efficiency, sales performance, and enhancing customer satisfaction. Three different banks were used as a case study in order to avoid bias and provide general impressions on ATM used by customers. Customers interviewed outside banks were free to express their views minimizing bias of saying only positive aspects about ATMs. Consulted secondary sources of information provided understanding and challenges facing ATMs the world over. The study establishes that ATM services enhance operation and customer satisfaction in terms of flexibility on time access. ATMs add value in terms of speed handling of voluminous transactions for which traditional services were unable to handle efficiently and expediently. The magnitude of this satisfaction is reduced by technology and processing failures, perception that service delivery mode is expensive and insecure surroundings for stand alone ATMs, which creates customer dissatisfaction. In consideration of people with disabilities such as blindness and wheel chaired people negates the role of serving customers, as they cannot access ATMs. The potential of usage rate of ATM services continues 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 to academic institutions.