

The Impact of ATM Services on Customer Satisfaction of Nepalese Commercial Banks

Puja Awasthi*

Abstract

This study examines the impact of ATM services on customer satisfaction in Nepalese commercial banks. Customer satisfaction is the dependent variable. The selected independent variables are tangible, reliability, responsiveness, assurance, and price charged. The primary source of data is used to assess the opinions of respondents regarding tangible, reliability, responsiveness, assurance, price charged, and customer satisfaction. The study is based on primary data of 129 respondents. To achieve the purpose of the study, structured questionnaire is prepared. The correlation and multiple regression models are estimated to test the significance and importance of the impact of ATM services on customer satisfaction in Nepalese commercial banks.

The study showed a positive impact of tangibility on customer satisfaction. It indicates that ease of locating the ATM like visibility, accessibility etc. influenced the level of satisfaction of customers. Similarly, the study showed a positive impact of reliability on customer satisfaction. It indicates that higher the reliability of ATM service provided by banks influences the level of customer satisfaction. Likewise, the study also revealed a positive impact of responsiveness on customer satisfaction. It indicates that being able to react quickly leads to an increase in customer satisfaction. Further, the study observed a positive impact of assurance on customer satisfaction. It indicates that customers get influenced by the assurance of ATM service provided by banks that lead to increase in customer satisfaction. In addition, the study observed a positive impact of price charged on customer satisfaction. It indicates that fairly charged prices on ATMs lead to an increase in customer satisfaction.

Keywords: tangible, reliability, responsiveness, assurance, price charged, customer satisfaction

1. Introduction

Customer satisfaction is the level of contentment and fulfillment felt by customers during transactions with banks and financial organizations. Customer satisfaction is critical in the banking business since it has a direct impact on the bank's long-term success and reputation. Satisfied clients are more likely to stay loyal, use more services, and refer the bank to others, resulting in improved profitability and market share. ATMs (Automated Teller Machines) have a significant impact on consumer satisfaction since they provide convenient, 24/7 access to financial services. Customers no longer need to adhere to regular banking hours or wait in large lines, resulting in enhanced convenience and time savings. Furthermore, ATMs offer speedy cash withdrawals, balance inquiries, fund transfers, and other basic transactions, thereby considerably improving customer experience and overall satisfaction with banking services. While comparing other industries banking has always been a highly information-concentrated service that relies heavily on information technology to obtain, process, and deliver the information to all relevant users (Tan and Thompson, 2000). Electronic banking

* Ms. Awasthi is a Freelance Researcher, Kathmandu, Nepal.

can offer quicker and more reliable services to customers for which they may be relatively more satisfied than that of a labor-intensive system of banking (Weligodapola *et al.*, 2020). According to Ogbuji *et al.* (2020), the converging innovations of technological forces have changed the manual way of service delivery of banks tremendously and have subsequently paved the way for electronic delivery platforms in recent times. The Automated Teller Machine is one of the outcomes of this situation which is replacing the paper-based payment instruments. An automated teller machine is an electronic terminal that lets customers bank almost anytime. It's a computerized telecommunication device that provides the customer of a bank or financial institution with access to financial transactions in public space without the need for a bank teller. Automated Teller Machine (ATM) is an innovative service delivery mode that offers diversified financial services like cash withdrawal, funds transfer, cash deposits, payment for utility and credit card bills, cheque book requests, and other financial inquiries. The advantages of using ATMs have given new impetus in dimensions of service quality and banks are offering new choices to customers.

Singh (2011) examined the impact of ATM services on customer satisfaction in Indian banks. The study concluded that ATM services have a positive impact on customer satisfaction. It indicates that if proper functioning is ensured by the banks, there will be significantly higher customer satisfaction. Similarly, Mwatsika (2014) analyzed the customer satisfaction with ATM banking in Malawi. The study found that ATM banking has a positive relationship with customer satisfaction. However, the results revealed that investment in ATM banking would only be ideal for improvement in bank customer satisfaction but strategies to lure customers from rival banks to switch banks should come from other strategic marketing alternatives. Likewise, Weerasiri and Koththagoda (2017) investigated the impact of automated teller machines (ATMS) service on customer satisfaction. The study showed that the five dimensions of service quality reliability, security, time, cost, and ease of use are found to be positively and significantly related to customer satisfaction. Peng and Moghavvemi (2015) assessed the dimension of service quality and its impact on customer satisfaction, trust, and loyalty. The study concluded that four dimensions - tangibles, empathy, reliability and security, and online banking - are statistically significant and affect perceived value. The tangibles of the service facility such as equipment and machinery, empathetic service to customers, providing customer service with reliability and security, and online banking will result in improved quality of the service delivery which in turn, will lead to a higher perceived value. Moreover, Al-Azzam (2015) examined the impact of service quality dimensions on customer satisfaction. The study showed that customer satisfaction in Jordanian banking services is significantly affected by tangibility, reliability, responsiveness, empathy, and security. It also demonstrated that customer perception is the highest in the reliability area. The study concluded that there is a significant relationship between empathy and customer satisfaction, so customers prefer to get bank services face-to-face.

Amene and Buta (2019) analyzed the factors affecting customer satisfaction towards the use of automated teller machines (ATMs). The study concluded that the responsiveness, efficiency, appearance, reliability, and convenience of ATMs have a positive and significant effect on customer satisfaction. The study also concluded that responsiveness is regarded as the most important factor by customers and it has a significant impact on customer satisfaction followed by Service efficiency, appearance, and reliability. Similarly, Syahrizal *et al.* (2022) investigated the analysis of student's satisfaction with the quality of ATM services at Bank

Syariah Indonesia in Jambi City. The study showed that out of the five dimensions of service quality measurement three dimensions, namely physical evidence, reliability, and assurance have a positive and significant effect on student satisfaction, while the responsiveness dimension has a negative effect and the empathy dimension did not affect student satisfaction. Likewise, Chandra (2023) assessed the mediating effects of customer satisfaction in the relationship between ATM service quality and customer loyalty. The study showed that tangibility, reliability, responsiveness, assurance, empathy, access, and effectiveness have significantly and positively influenced customer loyalty in terms of satisfaction, which means that service quality dimensions are crucial for customer satisfaction in the private banking sector in Bangladesh. Nshimiyimana (2020) examined the mediating effects of customer satisfaction in the relationship between ATM service quality and customer loyalty. The study revealed that there is a significant and positive relationship observed between ATM service quality and customer loyalty. This study found that customer satisfaction has a positive and significant effect on customer loyalty. The study also showed that there are positive and significant effects of customer satisfaction as a mediator in the relationship between ATM service quality dimensions (responsiveness, assurance, and tangibles) and customer loyalty. Similarly, Salihu and Metin (2017) investigated the impact of services, assurance, and efficiency in customer satisfaction on electronic banking services offered by the banking sector. The study concluded that service and reliability have a positive effect on customer satisfaction and efficiency has a negative effect.

Singh (2011) analyzed the impact of ATM services on customer satisfaction in Indian banking sector. The study showed that the ATM services have a positive impact on the customer satisfaction. Similarly, Issahaku (2013) examined the customers' experiences with ATM: A comparative analysis of GCB and Barclays bank ATM services. The study found critical ATM customer satisfaction parameters to be promptness of card issue, service quality of ATM personnel, quality of notes, machine performance, safety and security, cost effectiveness, and service quality of ATM personnel. Likewise, Bhuvaneswari (2013) assessed the customers' perception towards the ATM services of banks. The study showed that most of the customers are satisfied with the ATM services provided by the banks. The study also found that security problems like the absence of security personnel and the non-functioning of auto door locks have a negative impact on customer satisfaction. Further, Mwatsika (2016) investigated the impact of ATM banking performance on customer satisfaction with the bank in Malawi. The study found that ATM banking has a positive relationship with customer satisfaction. In addition, Ali (2016) analyzed the impact of automated teller machines on banking services delivery in Nigeria. The study found that ATM transactions positively and significantly impact private sector demand deposits in Nigeria but not private sector savings deposits and private sector time deposits. Moreover, Sadekin and Shaikh (2017) examined the customers' assessment on ATM services in Bangladesh. The study showed that ATM cardholders in Bangladesh feel insecure from hijackers to withdraw and deposit money from ATM booths and all the ATM booths of Bangladeshi banks are not in a safe position.

Worako (2018) assessed the impacts of ATM services on the customers' saving/withdrawal rate in the commercial bank of Ethiopia. The study concluded that ATM services have negative influences on the saving rate. Similarly, Khan and Abdullah (2019) analyzed the effect of ATM service quality on customer satisfaction and loyalty. The study showed that the majority of dimensions are significantly correlated with overall customer

satisfaction. Likewise, Elifneh *et al.* (2020) examined the customers' satisfaction in ATM Service - Empirical Evidence from the Leading Bank in Ethiopia. The study concluded that all the service quality dimensions are significantly and positively associated with overall customer satisfaction. Further, Birjandi (2020) investigated the effect of ATM service quality of city banks on brand loyalty. The study found that the quality of ATM services affects brand loyalty and customer satisfaction. However, it does not affect brand loyalty through customer satisfaction. In addition, Buddhika (2021) assessed the impact of ATM, internet banking, and mobile banking on customer satisfaction. The study showed that ATM banking has a positive impact and internet banking as well as mobile banking have a negative impact on customer satisfaction. Moreover, Tadesse and Bakala (2021) analyzed the effects of automated teller machine service on client satisfaction in the commercial bank of Ethiopia. The study showed a positive relationship between tangibles, reliability, responsiveness, empathy and assurance, and client satisfaction. Similarly, Yoeung *et al.* (2023) examined the ATM Service Quality and Customer Satisfaction: The Empirical Evidence from Commercial banks in Cambodia's Siem Reap Province. The study found that the dimensions of five-ATM service quality were positively and significantly related to customer satisfaction. Likewise, Chandra (2023) investigated the mediating effects of customer satisfaction in the relationship between ATM service quality and customer loyalty. The study showed that tangibility, reliability, responsiveness, assurance, empathy, access, and effectiveness significantly and positively influenced customer loyalty in terms of satisfaction. Further, Nigatu *et al.* (2023) assessed The Effects of Automated Teller Machine Service Quality on Customer Satisfaction: Evidence from the Commercial Bank of Ethiopia. . The study concluded that convenience, reliability, ease of use, fulfillment, and security/privacy of ATM service quality dimensions are positively and significantly associated with customer satisfaction.

In the context of Nepal, Thapa (2016) assessed the ATM service quality and customer satisfaction in Nepalese commercial banks. The study showed that there is a positive impact of ATM service dimensions (convenience, reliability, ease of use, and cost-effectiveness) on customer satisfaction. It indicated that the greater the convenience of ATM service and higher the reliability of ATM service, the higher would be the customer satisfaction. Likewise, the higher the cost-effectiveness of services and ease of use, the better would be customer satisfaction. The study also showed that there is a positive relationship between security and customer satisfaction which implies that the higher the security, the higher would be the customer satisfaction. Similarly, Shrestha (2019) examined the banking customer attitudes toward ATM service in Nepal. The study found that most of the customers have positive attitudes towards ATM services in terms of responsiveness, convenience, ease of use, and speed. It is said that Nepalese commercial banks have adopted ATMs as a way of providing efficient and effective services to their customers.

The above discussion shows that empirical evidences vary greatly across the studies on the impact of ATM services on customer satisfaction in Nepalese commercial banks. Though there are above mentioned empirical evidences in the context of other countries and in Nepal, no such findings using more recent data exist in the context of Nepal. Therefore, in order to support one view or the other, this study has been conducted.

The major objective of the study is to examine the impact of ATM services on customer satisfaction in Nepalese commercial banks. Specifically, it examines the relationship of tangibility, reliability, responsiveness, assurance, and price charged with the impact of

ATM services on customer satisfaction in Nepalese commercial banks.

The remainder of this study is organized as follows: section two describes the sample, data, and methodology. Section three presents the empirical results and final section draws the conclusion.

2. Methodological aspects

The study is based on the primary data which were collected from 129 respondents through questionnaire. The study employed convenience sampling method. The respondents' views were collected on tangibility, reliability, responsiveness, assurance, price charged and customer satisfaction. This study is based on descriptive as well as causal comparative research designs.

The model

The model estimated in this study assumes that the customer satisfaction of ATM service depends on tangible, reliability, responsiveness, assurance, and price charged. Therefore, the model takes the following form:

Customer satisfaction = f (tangible, reliability, responsiveness, assurance, and price charged)

This study estimates a regression model to examine the impacts of ATM services on customer satisfaction of Nepalese Commercial banks which is specified as under:

$$CS = \beta_0 + \beta_1 T + \beta_2 RL + \beta_3 ES + \beta_4 CBL + \beta_5 C + e$$

Where,

CS = Customer satisfaction

T = Tangible

RL = Reliability

RS = Responsiveness

A = Assurance

PC = Price Charged

Customer satisfaction was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There are 5 items and sample items include "The ATM is easy to use", "The ATM transaction process is quick" and so on. The reliability of the items was measured by computing Cronbach's alpha ($\alpha = 0.858$).

Tangibles were measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There are 5 items and sample items include "The physical appearance of the ATM like cleanliness influences my overall satisfaction with the service", "The ease of locating the ATM like visibility, accessibility impacts my satisfaction with the service" and so on. The reliability of

the items was measured by computing the Cronbach's alpha ($\alpha = 0.839$).

Reliability was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There are 5 items and sample items include "The ATM service provided by our bank is reliable", "ATM machines are rarely out of service" and so on. The reliability of the items was measured by computing the Cronbach's alpha ($\alpha = 0.838$).

Responsiveness were measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There are 5 items and sample items include "The responsiveness of ATM staff meets customers' expectations.", "ATM staff are helpful and polite when assisting" and so on. The reliability of the items was measured by computing the Cronbach's alpha ($\alpha = 0.856$).

Assurance was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There are 5 items and sample items include "The bank provides clear information about ATM services", "The bank staff is knowledgeable and helpful regarding ATM-related queries." and so on. The reliability of the items was measured by computing the Cronbach's alpha ($\alpha = 0.805$).

Price charged was measured using a 5-point Likert scale where the respondents were asked to indicate the responses using 5 for strongly agree and 1 for strongly disagree. There are 5 items and sample items include "The price charged for ATM transaction is reasonable", "The price charged for ATM transactions matches the convenience provided" and so on. The reliability of the items was measured by computing the Cronbach's alpha ($\alpha = 0.870$).

The following section describes the independent variables used in this study along with the hypothesis formulation.

Tangible

Tangible aspects of ATM services refer to the physical or concrete elements that users can directly experience or interact with when using an ATM. Chandra (2023) found that tangible has a significant impact on customer satisfaction. Similarly, Elfineh *et al.* (2020) found that tangible contributed significantly and positively to the customer satisfaction. Likewise, Singh *et al.* (2020) found that tangibility is positively correlated with the satisfaction of customers toward the ATMs's service quality. Moreover, Syahrizal *et al.* (2022) found that tangible has a positive and significant effect on the satisfaction felt by students. The physical evidence seen in the BSI Automatic Teller Machine (ATM) service is felt by students to be quite good and satisfying where there is garbage disposal so that the room looks neat and clean without scattered garbage, the placement of the Automatic Teller Machine (ATM) which is still strategic, the Automatic Teller room Machine (ATM) which is felt quite comfortable by students with a simple layout and design but pleasing to the eye and equipped with air conditioning. Further, Al-Azzam (2015) found that customer satisfaction in Jordanian banking services is significantly affected by tangibility. The findings also indicated that tangibility has a positive influence on customer satisfaction. Based on it, this study develops the following hypothesis:

H₁: There is a positive relationship between tangibility and customer satisfaction.

Reliability

The reliability of ATM services refers to how consistently and dependably these machines function to facilitate banking transactions for customers. Worako (2018) found that there is a positive and significant relationship between reliability and customer satisfaction. Similarly, Chandra (2023) found that reliability has a significant impact on customer satisfaction. Likewise, Elfineh *et al.* (2020) found that reliability contributed significantly and positively to the customer satisfaction. Further, Nigatu *et al.* (2023) showed reliability as the major determinant of customer satisfaction with ATMs. The study also showed that the dimension of reliability has a positive and significant association with customer satisfaction. This implies that ATM services are reliable enough that users don't need to carry cash wherever they go, deliver the service exactly as promised, and complete the service right the first time client will be more satisfied with ATM banking services. Moreover, Ayimey *et al.* (2012) found that the majority of the respondents felt the bank's ATM services were reliable. Those who think the ATMs are not reliable mention instances when the ATMs run out of cash, as a major cause of unreliability of the ATM services. Similarly, Al-Azzam (2015) found that customer satisfaction in Jordanian banking services is significantly affected by reliability. Based on it, this study develops the following hypothesis:

H₂: There is a positive relationship between reliability and customer satisfaction.

Responsiveness

The responsiveness of ATM services refers to how effectively and quickly the ATM system operates and responds to user input and transactions. Chandra (2023) found that responsiveness has a significant impact on customer satisfaction. Similarly, Elfineh *et al.* (2020) found that responsiveness contributed significantly and positively to customer satisfaction. Likewise, Singh *et al.* (2020) found that responsiveness is positively correlated with the satisfaction of customers toward the ATMs's service quality. Further, Syahrizal *et al.* (2022) found that the service responsiveness of the Automatic Teller Machine (ATM) provided by Bank Syariah Indonesia Jambi City has a negative and significant effect on the level of satisfaction felt by students. Moreover, Al-Azzam (2015) found that customer satisfaction in Jordanian banking services is

Significantly affected by responsiveness. Based on it, this study develops the following hypothesis:

H₃: There is a positive relationship between responsiveness and customer satisfaction.

Assurance

Assurance of ATM service refers to the measures and practices implemented to ensure that ATM operations are reliable, secure, and meet the expectations of customers and stakeholders. Chandra (2023) found that assurance has a significant impact on customer satisfaction. Similarly, Elfineh *et al.* (2020) concluded that assurance is the most significant dimension that the bank should put priority focus on to improve customer satisfaction. Likewise, Singh *et al.* (2020) found that assurance is positively correlated with the satisfaction of customers toward the ATMs's service quality. Moreover, Syahrizal *et al.* (2022) found that assurance of the Automatic Teller Machine (ATM) provided by Bank Syariah Indonesia Jambi City has a positive and significant effect on the level of satisfaction felt by students.

Most of the students who use Automatic Teller Machines (ATM) are satisfied with the security guarantees in their transactions, both related to account balances and their data as well as environmental security. Similarly, Al-Azzam (2015) found that customer satisfaction in Jordanian banking services is significantly affected by assurance. Likewise, Weerasiri and Koththagoda (2017) found that assurance is positively and significantly related to customer satisfaction. Based on it, this study develops the following hypothesis:

H₄: There is a positive relationship between assurance and customer satisfaction.

Price charged

The price charged at an ATM typically refers to the fees associated with using an automated teller machine (ATM) for financial transactions. Kaur and Singh (2018) found that customers tend to be more satisfied with ATM services when prices are perceived as fair and reasonable. Similarly, Weerasiri and Koththagoda (2017) found that the price charged is positively and significantly related to customer satisfaction. Based on it, this study develops the following hypothesis:

H₅: There is a positive relationship between price charged and customer satisfaction.

3. Results and discussion

Correlation analysis

On analysis of data, correlation analysis has been undertaken first and for this purpose, Kendall's Tau correlation coefficients along with mean and standard deviation has been computed and the results are presented in Table 1.

Table 1

Kendall's Tau correlation coefficients matrix

This table presents Kendall's Tau coefficients between a dependent variable and independent variables. The correlation coefficients are based on 129 observations. The dependent variable is CS (Customer satisfaction). The independent variables are T (Tangible), RL (Reliability), RS (Responsiveness), A (Assurance), and PC (Price charged).

Variable	Mean	S.D.	CS	T	RL	RS	A	PC
CS	3.806	1.049	1					
T	3.719	1.123	0.461**	1				
RL	3.545	0.974	0.618**	0.515**	1			
RS	3.400	1.006	0.480**	0.529**	0.601**	1		
A	3.698	1.015	0.632**	0.506**	0.559**	0.637**	1	
PC	3.284	1.051	0.473**	0.180**	0.442**	0.367**	0.408**	1

Notes: The asterisk signs (**) and (*) indicate that the result are significant at one percent and five percent levels respectively.

Table 1 shows that tangibility is positively correlated to customer satisfaction indicating that higher the tangibility in ATM services lead to an increase in customer satisfaction. Likewise, reliability is positively correlated to customer satisfaction. It indicates that higher the reliability, higher would be the customer satisfaction. Similarly, responsiveness

is positively correlated to customer satisfaction indicating that being able to react quickly leads to an increase in customer satisfaction. Further, assurance is positively correlated to customer satisfaction. It indicates that customers get influenced by the assurance of ATM service provided by banks that lead to increase in customer satisfaction. In addition, price charged is positively correlated to customer satisfaction. It indicates that fairly charged prices on ATMs lead to an increase in customer satisfaction.

Regression analysis

Having indicated the Kendall's Tau correlation coefficients, the regression analysis has been carried out and the results are presented in Table 2. More specifically, it shows the regression results of tangibility, reliability, responsiveness, assurance, and price charged on customer satisfaction.

Table 2

Estimated regression results of tangibility, reliability, responsiveness, assurance, and price charged on ATMs with customer satisfaction

The results are based on 129 observations using linear regression model. The model is $CS = \beta_0 + \beta_1T + \beta_2RL + \beta_3ES + \beta_4CBL + \beta_5C + e$ where the dependent variable is CS (Customer satisfaction). The independent variables are T (Tangibility), RL (Reliability), RS (Responsiveness), A (Assurance), and PC (Price charged).

Model	Intercept	Regression coefficients of					Adj. R _{bar} ²	SEE	F-value
		T	RL	RS	A	PC			
1	1.021 (5.299)**	0.749 (15.103)**					0.640	0.210	228.113
2	0.646 (3.269)**		0.891 (16.596)**				0.682	0.592	275.433
3	1.143 (5.278)**			0.783 (12.816)**			0.561	0.695	164.257
4	0.474 (2.747)**				0.901 (20.044)**		0.758	0.516	401.751
5	1.425 (6.790)**					0.725 (11.910)**	0.524	0.724	141.838
6	0.545 (2.916)**	0.340 (4.250)**	0.563 (6.104)**				0.720	0.555	165.246
7	0.526 (2.787)**	0.169 (2.308)*	0.521 (4.937)**	0.079 (0.825)			0.719	0.556	110.11
8	0.526 (2.787)**	0.169 (2.308)*	0.377 (4.269)**	0.224 (2.572)**	0.646 (7.906)**		0.812	0.455	138.843
9	0.526 (2.787)**	0.276 (3.934)**	0.231 (2.686)**	0.223 (2.803)**	0.485 (5.956)**	0.257 (5.020)**	0.842	0.417	137.791

Notes:

- Figures in parenthesis are t-values.
- The asterisk signs (**) and (*) indicate that the results are significant at one percent and five percent level respectively.
- Customer satisfaction is dependent variable.

Table 2 show that the beta coefficients for tangibility are positive with customer satisfaction. It indicates that tangibility has a positive impact on customer satisfaction. This finding is consistent with the findings of Elfineh *et al.* (2020). Likewise, the beta coefficients for reliability are positive with customer satisfaction. It indicates that reliability has a positive impact on customer satisfaction. This finding is consistent with the findings of Nigatu *et al.* (2023). In addition, the beta coefficients for responsiveness are positive with customer

satisfaction. It indicates that responsiveness has a positive impact on customer satisfaction. This finding is consistent with the findings of Singh *et al.* (2020). Further, the beta coefficients for assurance are positive with customer satisfaction. It indicates that assurance has a positive impact on customer satisfaction. This finding is consistent with the findings of Syahrizal *et al.* (2022). In addition, the beta coefficients for price charged on ATM are positive with customer satisfaction. It indicates that price charged has a positive impact on customer satisfaction. This finding is similar to the findings of Weerasiri and Koththagoda (2017).

4. Summary and conclusion

Customer satisfaction is the level of contentment and fulfillment felt by customers during transactions with banks and financial organizations. Customer satisfaction is critical in the banking business since it has a direct impact on the bank's long-term success and reputation. Satisfied clients are more likely to stay loyal, use more services, and refer the bank to others, resulting in improved profitability and market share. ATMs (Automated Teller Machines) have a significant impact on consumer satisfaction since they provide convenient, 24/7 access to financial services. Customers no longer need to adhere to regular banking hours or wait in large lines, resulting in enhanced convenience and time savings. Furthermore, ATMs offer speedy cash withdrawals, balance inquiries, fund transfers, and other basic transactions, thereby considerably improving customer experience and overall satisfaction with banking services.

This study attempts to examine the impact of ATM services on customer satisfaction in Nepalese commercial banks. The study is based on primary data of 129 respondents.

The major conclusion of the study is that tangibility, reliability, responsiveness, assurance, and price charged on ATMs have positive impact on customer satisfaction. It indicates that higher the tangibility, reliability, responsiveness, assurance, and price charged on ATMs, higher would be the customer satisfaction. The study also concludes that assurance is the most significant factor followed by reliability that determines the customer satisfaction on ATM service in Nepalese commercial banks.

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