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MARA

**A STUDY ON CUSTOMER'S SATISFACTION  
TOWARDS AUTOMATED TELLER MACHINE SERVICE  
QUALITY AT CIMB BANK, MIRI**

**OTHMAN BIN ELI**

**2004302763**

**BACHELOR OF BUSINESS ADMINISTRATION  
(HONOURS)(MARKETING)**

**FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITY TECKNOLOGI MARA**

**KOTA SAMARAHAN  
SARAWAK**

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## ABSTRACT

This paper was drawn on customer satisfaction in the aspect of services. The aim of the study is to determine the level of customer satisfaction of CIMB BANK with regard to its Automated Teller Machine (Atms) as a service provider.

The study investigates significant dimensions of ATM ( Automated Teller Machine) service quality and its effect on customer satisfaction.

Questionnaire was used to collect data from a convenience sample of 85 respondents of CIMB branches located at Miri City

Regression results indicate that convenience, efficient operation, security and privacy, reliability and responsiveness are significant dimensions of ATM service quality and that ATM service quality positively and significantly contributes toward customer satisfaction.

This study also shows that ATM services provided by the banking sectors proved to be a very good means of service because it allows customers to conduct certain transaction at anytime outside banking's hours and at the convenience of their own time.

Even though they appears to be factors of security and privacy of doing ATM transactions, problems of offline and late respond in answering to complaints, customers CIMB Banks indicate that overall they are satisfied with the bank services and indicate that they would continue to use the ATMs service for their transaction

# **Customer's Satisfaction towards Automated Teller Machine(ATMs) Service Quality in CIMB Bank, Miri**

## **CHAPTER ONE INTRODUCTION**

### **1.0 INTRODUCTION**

The changing business environment offers challenges and opportunities to the organizations. The changing customers' perception of quality poses unique challenge. Excellence in quality has become an imperative for organizational sustainability (Lewis et al., 1994). The developments of technologies have enabled organizations to provide superior services for customers' satisfaction. The number of bank customers preferring to use self- service delivery systems is on the increase. This preference is attributed to increased autonomy in executing the transactions. Banks are increasing their technology-based service options to remain competitive. The ATMs is an innovative service delivery mode that offers diversified financial services like cash withdrawal, funds transfer, cash deposits, payment of utility and credit card bills, cheque book requests, and other financial enquiries. Researchers have stated that users' satisfaction is an essential determinant of success of the technology-based delivery channels (Tong, 2009; Wu & Wang, 2007).

### **1.1 AUTOMATED TELLER MACHINE (ATMs) IN MALAYSIA**

ATM means neither "avoids traveling with money" nor "any time money," but certainly implies both. Slim ATM cards are fast replacing confounding withdrawal forms as a convenient way of getting your money from banks. In a way, they are rewriting the rules of financial transaction and transaction can be at an ATM (automated teller machine).

Automated teller machines (ATMs) were the first well-known machines to provide electronic access to customers. With advent of Automatic Teller Machines (ATM), banks are able to serve customers outside the banking hall. ATM is designed to perform the most important function of

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 INTRODUCTION

Organizations are aware that service quality provides strategic competitiveness in dynamic business environment. Significant relationship between service quality and firms' performance based on improved productivity, increased market share, enhanced customers' attraction and loyalty, improved staff morale, and sustained profitability (Lassar et al., 2000). Research has found that service quality in banks is critical for satisfaction and retention of customers (Jabnoun & Al-Tamimi, 2003). Keeping in view the significance of service quality as a means of competitive advantage and organizational sustainability, the banks are pursuing multi dimensional approaches to improvement in service quality to attract and retain customers (Newman, 2001). According to Castleberry and Resurrection (1989), the physical location of banks' delivery channels influence perception of customers about quality. Consistent delivery of services, physical dimensions and staff interaction with customers, trustworthy processes and procedures positively affect delivery of services quality (Sureshchandar et al., 2002). Pleasant customer interaction with staff significantly affects customers' perception of quality (Yavas et al., 1997). In response to this requirement, banks have initiated flawless delivery processes to reduce delivery timings to improve service quality.

#### 2.2 ATM Service Qualities

Delivering quality service is considered to be the essential strategy in today's competitive environment ( Parasuranaman et.al, 1985; Reichheld and Sasser, 1990; Zeithmal etl, 1990,1996) Service quality are one of the most dated and controversial contemporary topics in the service-marketing literature (Brady and Cronin,2001,Zeitham, 2000) Because service are intangible, consumers assess quality subjectively