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## ATM BANKING BEHAVIOR IN SAUDI ARABIA

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### **ABSTRACT**

Banks have taken note of service failures in most ATMs and designed ways to ensuring that this is either arrested or reduced. There has been a proliferation of cases involving abnormal ATM behaviors and ATM frauds. This study aims at carrying out an empirical research to assess the ATM banking behavior in the Kingdom of Saudi Arabia and to understand customer's behavior and the reasoning behind the lack of usability of ATMs, and if these reasons affect the efficiency of ATMs. For this purpose, an online questionnaire has been created and distributed to 100 clients. The valid sample only 89 respondents consisted of both male and female individuals who have different bank accounts. The study concluded that the behaviors of ATM machines in so far as the banking services are concerned in rendering electronic cash transactions in Saudi Arabia. It was proposed that lack of technical know-how; technical hitches from ATMs leading to failures and the frustrating networks were a direct contributor to numerous cases of ATM problems.

CCS CONCEPTS • Insert your first CCS term here • Insert your second CCS term here • Insert your third CCS term here

### ***ACM Reference Format:***

First Author's Name, Initials, and Last Name, Second Author's Name, Initials, and Last Name, and Third Author's Name, Initials, and Last Name. 2018. The Title of the Paper: ACM Conference Proceedings Manuscript Submission Template: This is the subtitle of the paper, this document both explains and embodies the submission format for authors using Word. In Woodstock '18: ACM Symposium on Neural Gaze Detection, June 03–05, 2018, Woodstock, NY. ACM, New York, NY, USA, 10 pages. NOTE: This block will be automatically generated when manuscripts are processed after acceptance.

## INTRODUCTION

The advent of new technology in the banking industry, as well as its diffusion within the sector in Saudi Arabia, has injected new energy and revitalized the services in the banking sector through increasing the credibility, reliability, and efficiency of the system [1, 2]. Consequently, the banks have been at the epicenter of embracing the emerging technologies in a bid to ensuring that the companies remain at the top of their game as well as increasing their relevance in the role of contributing to the technological society. The plethora of electronic banking services has been witnessed to shape the economic progress of developing countries, especially the adoption of the electronic banking [3].

As a matter of fact, the use of ATM has been seen to attract huge preference, especially in the United Arab Emirates. Being an economically competitive region of the world, Saudi Arabia enjoys a huge use of electronic banking system. Most scholars and business experts posit that the electronic banking system has been noted to command a huge following, much as the functionality of the same is yet to experience the real added value of the same [4].

The counter issues that arise from the business scholars about the banking technologies revolve mainly around the difficulties that are technically related plus the emerging attitudes about perfection as well as beliefs among the Saudi Arabian ATM users. These users put forward such issues as security, consumer privacy and reputation as the primary concerns in the advancement of technology in bank operations within Saudi Arabia, Jeddah.

Banking security is an aspect of a socio-technical system where customers meet technology in a fashion that enhances both efficiency and safety of their money [5]. While the security of money saved by clients is of great interest, this study focuses on the specific behaviors of technology as used in the automated teller machines (ATMs) with particular attention paid to the Kingdom of Saudi Arabia (KSA). It is a general banking policy that personal credentials relating to banking information are kept very confidential for purposes of enhancing security [6]. However, a considerable number of customers have been known to share their personal data with third parties as well as authentication credentials for reasons like trust, esteem on parents and driving restrictions. These are some of the practices that bear grave consequences on the banking system in the vast kingdom of Saudi Arabia.

It is not doubted that the emerging technologies have had great impacts on the means and ways in which most of the world economies transact their businesses [7]. In the banking industry, the banking technologies plus the customers are seeking for better means of attaining the convenience and the control of the offers these technologies have in store for them. The kingdom of Saudi Arabia is not left out in this technological dispensation [8]. The people of Saudi Arabia can today boast of having access to their banking services irrespective of location, time, and the amount of cash to be transacted and the status of life one commands. The kind of banking technology in the country

Kingdom of Saudi Arabia includes electronic banking, phone banking, and mobile banking.

Automated teller machines (ATMs) are computerized interactive machines that provide many banking services like withdrawal, deposits, and payment of bills [9]. An ATM can thus be defined as any computer terminal that is activated through a magnetically encoded card that allows customers to make withdrawals, deposits, transfer money between bank accounts, pay bills, print their statement and perform other activities that they would normally carry out in the teller windows. Some of the ATMs in the US have been programmed to offer all the banking services, a fact that has made it possible to duplicate the banking system on the display screen of the ATM.

The adoptions of such inventions as digital banking systems have seen the provisions of tremendous benefits to the clients [10]. The system supported the quality of services in the banking sector thereby enabling access, speed, and convenience in so far as an improved economy is concerned. In the present day, banks do their definition of activities and products via electronic banking in a bid to fulfill their mandate and the requirement to meet competitive advantage as well as an image of the company [8].

Much as millions of users all over the world have adopted the use of ATMs, a considerable number of these users still experience usability issues which include inappropriate ATM-user interactions, display issues, errors among others. Therefore, this research explores the customers' behavior with regard to using an ATM in Saudi Arabia.

## **METHODOLOGY**

Research is a systematic procedure that makes use of either qualitative or quantitative approaches so as to meet various objectives based on the study. Many studies have fronted the idea that a mix of the two approaches reduces the bias of either of them and helps in making use of the views and numbers of the respondents to come up with a recommendation and a conclusion. However, this study employed quantitative approach.

### ***Sampling Method***

A convenient method of sampling was adopted for the study. The method was chosen for it was the only sure approach of getting to access the ATM users in a more convenient fashion. Nonetheless, a questionnaire with dichotomous, multiple choice questions and open-ended questionnaire to the respondents were administered in all convenient spaces. The questionnaires were all duly filled and returned to the researchers at the same venue and time. Those who didn't return their questionnaires were ignored in the study. This was a move that would see to it that questionnaires that were distributed were all recovered.

### ***Data Collection***

The study involved both primary and secondary data, the primary data being gathered from ATM users in the banks namely; the SABB, Saudi British Bank, and Samba Bank. The size of the sample was taken for convenience sampling by using survey questions that were related to the aspects of banking services like their experiences at the bank, the availability of cash, the grievances at the bank, their safety, security and available numbers regarding sufficiency. The primary data in this study was obtained through the online survey using surveymonkey.com.

This study also makes use of secondary data since economists and social analysts consider these sources very essential in compiling any meaningful data. Furthermore, secondary data is known to save time as time that would be spent collecting data is stored through analysis and comparison of the existing data on the subject matter. Evidently, data obtained from secondary sources are very imperative in qualitative data in that they offer larger and considerably higher quality databases that are derived from the existing literature reviews, published texts, case studies, as well as satisfaction from certified and reputable publications.

### ***Data Assessment***

In this survey, data was collected from the study questions in terms of close-ended questionnaire from the bank customers and later on analyzed by statistical techniques and tool such as descriptive statistics, percentage methods, and ranking. The conclusion was also interpreted accordingly.

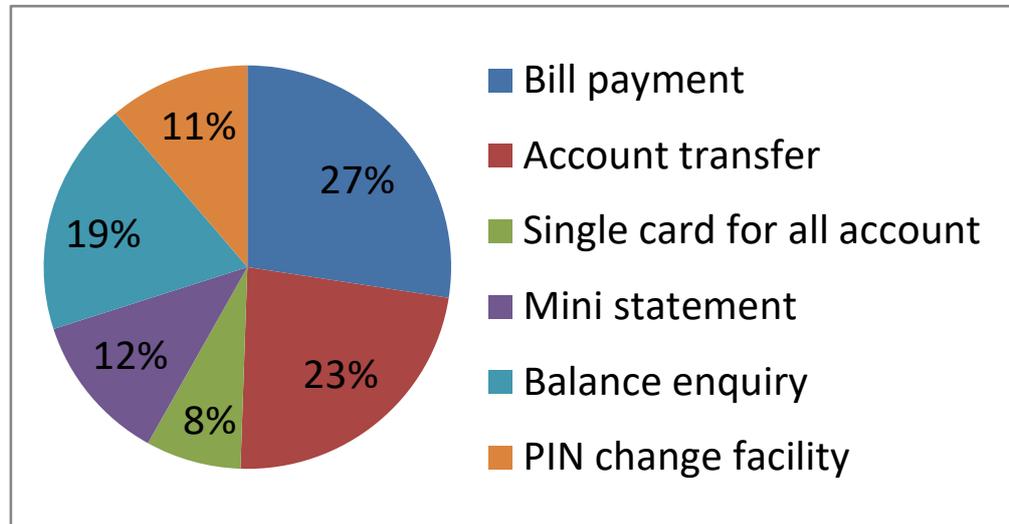
### ***Result and discussion***

This study evaluated users of ATM through a survey in the Saudi Banks, shopping malls, and hotels. The rationale for selecting these points is that they constitute clients from different points of the country with varying tastes and preferences. A total of 92 respondents were engaged in this survey. 80% of the respondents were females (73 respondents) while the other 20% were males (19 respondents).

Out of this sample size (92 people), 10 % of the respondents were college students (slightly above 18 years of age), 40% were between the age of 20 and 30, 30% were between the ages of 35 and 49 while the rest were between the ages of 50 to 59 years. Of the total sample used, only 96% of the respondents returned with the results. Those who failed to turn up were deemed as null.

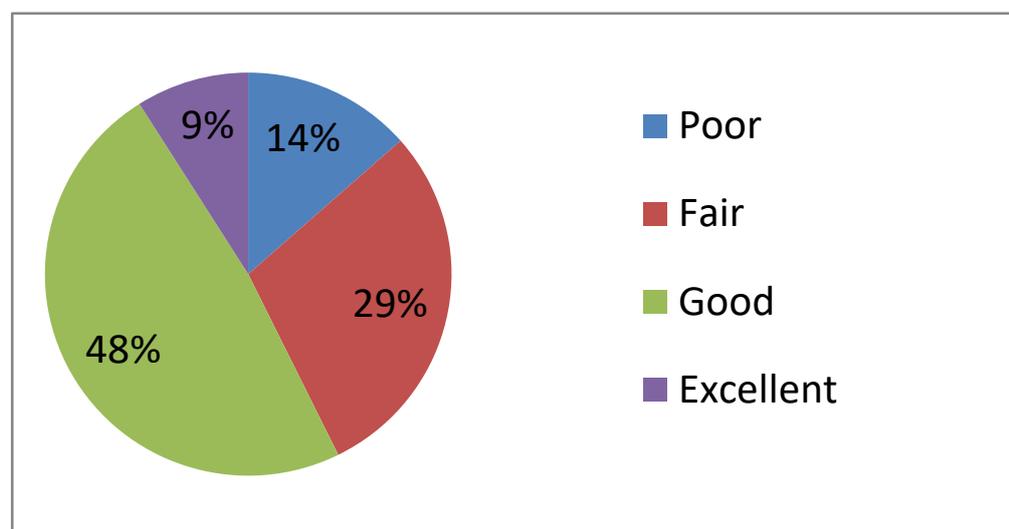
This study investigated the behaviors of ATM machines in so far as the banking services are concerned in rendering electronic cash transactions in Saudi Arabia. It was proposed that lack of technical know-how; technical hitches from ATMs leading to failures and the frustrating networks were a direct contributor to numerous cases of ATM problems. Moreover, the standard deviation registered from the study ranged from 1.15 and 1.25 which is somehow small. This was an indicator that the results were reliable.

Figure 1 shows majority of the respondents used the ATM services for bill payment and fund transfer by 27% and 23% respectively. There are also 19% use the ATM for balance enquiry, 12% use the ATM for mini statement, and 11% use the ATM for PIN change facility. Only 8% use the ATM for single card for all account.



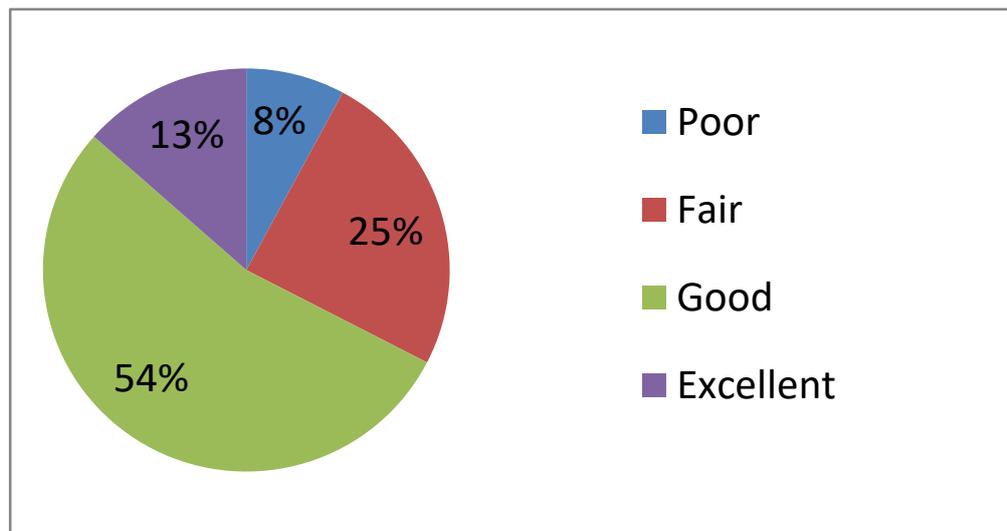
**Figure 1:** Services used on ATM

The study got 92 respondents. Of these, 89 answered while 3 skipped. On their opinions of the bank's ATMs regarding their availability and downtime, Figure 2 indicates that majority rated the services as good at a 48%. Only 14% of the respondents registered their frustration of the ATM while 9% seemed to have had full satisfaction of the same.



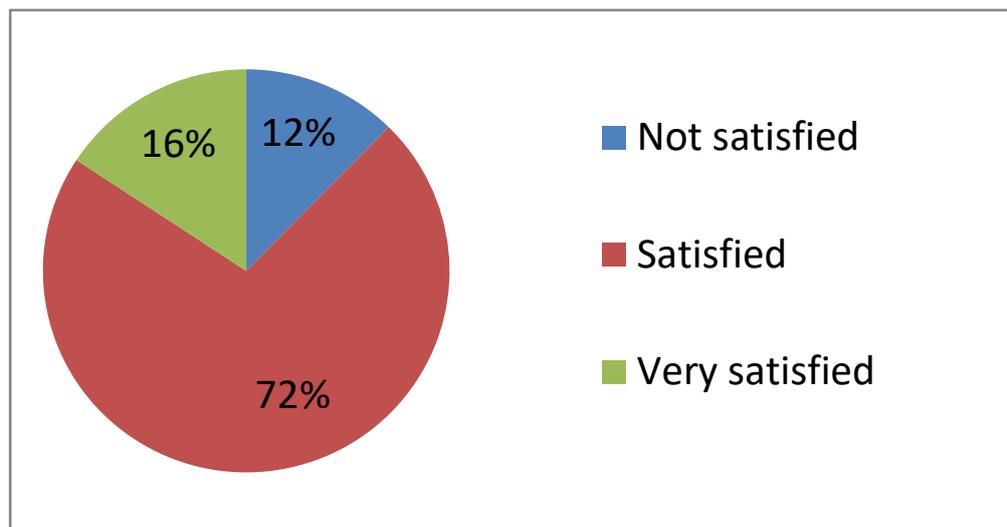
**Figure 2:** Bank ATM availability and downtime

Figure 3 shows the respondent's opinions on the speed of ATM transactions. About 54% of the respondents rated the speed as good. While only 8% rated the speed as poor, only 13% were pleased with the operation speed of ATMs.



**Figure 3:** Speed of the bank ATM transaction service

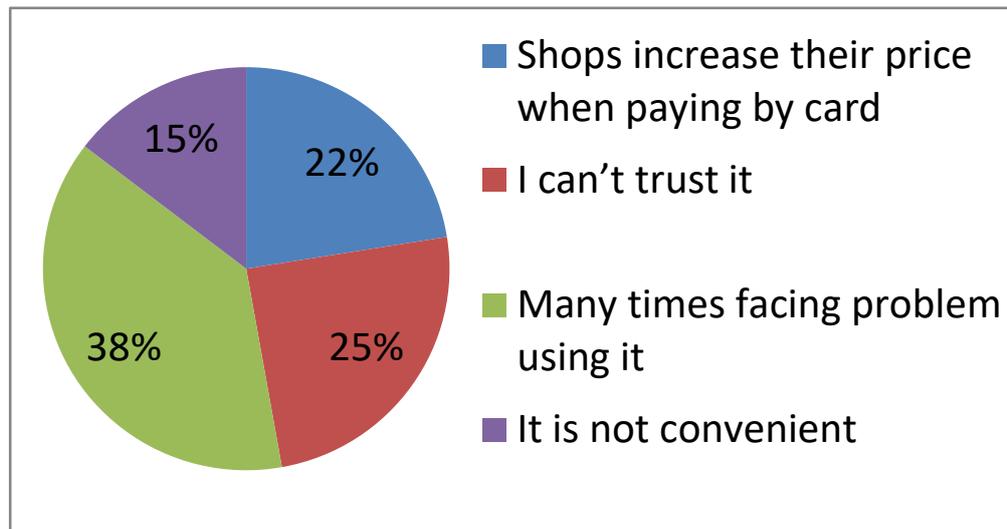
While the overall view of the respondents was better in so far as the general functioning of the ATMs were concerned (Figure 4). It remained apparent that the bottom line of these was the obstacles they faced while shopping.



**Figure 4:** Overall satisfaction of the Bank ATM service

Figure 5 shows about 22% of the respondents complained that their purchasing prices increased when they purchased using the cards. Of the same sample size, 25% of these held that they could not trust these money dispensers. A considerable few opined that they deemed the machines inconvenient when it comes to operations. Some of the notable failures of ATM as expressed by the users is the “no cash signal” from the ATMs, at times the ATM is out of service or use, sometimes they fail to print out

receipts, and others expressed their fears of not being able to deposit money on them.



**Figure 5:** The obstacles of using ATM card for shopping

In addition, some clients claimed that the failure of the ATMs to deliver services for 24 hours was in itself a problem. Besides, the incapacity of the machines to provide seamless services to the clients, poor network, and poor maintenance of the machines by management and the processors of cards were viewed as the main impedance for the efficient use of ATM cards. This was a claim that was later confirmed by and validated by responses got from the respondents in the study.

The respondents also cited their satisfaction over the private bank as opposed to public banks based on their quick response to emergencies and security concerns. While for the other factors like the efficiency of ATM, and other convenience factors, the private sector outperformed the banks in the public sector.

The findings have revealed that there are various functionality issues about the function ATMs. Voluminous factors derived from the empirical studies can be recommended to have a three reduction factor. According to Gulf News, a record number of customers reported a loss of cash upon transacting in the ATM [11]. One client claimed to have received an SMS instead of neither receipts nor money. This is a case that is shared by several other customers.

Other instances have been reported in the case where ATMs fail to deliver the intended function as deemed by the clients. This is a case that was found to be rampant across banks. This is an idea shared by Network International. Much as the study came to an understanding that the system of ATM contributed to the increase in many erroneous transactional services, the degree of such behavior as witnessed by the ATM users was not accurately established. The reason behind this is that it is an area that has not been widely given light and could leave room for future studies and researchers. It was also found that most users of the ATM cards were big spenders.

## CONCLUSION

The introduction of ATM terminals in banks as a means of payment and banking instrument was lauded as the best alternative to frustrating queues characterized by the banking hall in the country. Nonetheless, the situation is currently a changed one with dynamics seen to be drastic. The machines have become a source of worry to the general public, the users and bank operators alike. This is based on the fears that the purpose the ATMs were meant to fulfill has since been eroded contrary to the expectations. The ATMs have since become money wheels for the fraudsters who not only hack the system but also tamper with the normal network operations and functionality of these devices. This study which aimed at examining the ATM banking behavior in business as a service in Saudi Arabia comes up with the following conclusions; ATMs contribute to the upsetting rate of ATM misbehavior and faults in the Saudi Arabian banking sector, but the proportion of this behavior attributes to the ATMs being normal. ATMs provide electronic means of rendering banking services thus making consumer's lives riotous with extravagance.

## *Acknowledgment*

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