



## ROLE OF E-BANKING IN INDIA: A EVALUATION OF ATM BANKING

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### Abstract

Electronics banking refers to a system in which payments are made electronically. It allows customers of any bank to conduct financial transactions on a website operated by the concerned financial institution. Nowadays role of e-banking is increasing day by day consumers felt that e-banking is more convenient than other mode of banking. Through e-banking it is very simple the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash. In the current scenario of banking e-banking is more cost effective and less time consuming. This paper assesses the role of e-banking and relevant aspects of it in Indian banking environment.

**Key Words:** E-Banking, Payment, Transactions.

### INTRODUCTION

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. A smart person no longer needs to carry a wallet-full of paper money on his person. All he needs to do is fish out an ATM (automated teller machine) card, insert it in the slot, punch in a few details and go home with hard cash.

**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 bank. The plastic card is replacing cheque, personal attendance of the customer, banking hour's restrictions and paper based verification. ATMs have made hard cash just seconds away all throughout the day at every corner of the globe. ATMs allow you to do a number of banking functions – such as withdrawing cash from one's account, making balance inquiries and transferring money from one account to another – using a plastic, magnetic-strip card and personal identification number issued by the financial institution.

The Indian ATM industry has seen explosive growth in recent times. ATMs represent the single largest investment in the electronic channel services for the Banks. In India, HSBC set the trend and set up the first ATM machine here in 1987.

### REVIEW OF LITERATURE

**Verma, Kanika (2014)** - Measures customer satisfaction towards ATM services In Indian banking industry, E- Banking is at its revolutionary stage and provides various electronic service like Mobile Banking, Internet Banking, ATM services, Electronic Fund Transfer (EFT), Credit Cards and Electronic Clearing Services etc. Among all of these, ATM is the widely used and popular E-Banking services.

**Krishnan, Mahalaxmi (2013)** – this is concerned research is to study the extent of usage of ATM services. Indian Banks have leveraged technology and introduced innovative banking products and services to attract and retain customers. There are several alternate channels available to customers for banking transactions. The purpose of this research is to study the extent of usage of one of the alternate banking channels viz., ATM by means of field study.

**Tandon, Rameshwar(2013)**- has focused on the rapid development of ATM's has stimulated the banking sector towards encouraging customers to use these services. It enables the customers to access accounts and general information related to banks accounts without visiting the branch and waiting on lines. The findings revealed that withdrawal facility provided by the bank ATM is the most common service being used by the customers, the other services provided by ATM 's such as deposits, transfers, utility payments are not so commonly used.

**Chattopadhyay, P. & Saralelimath S., (2012)**- in their study they analyze the relationship between demographic variables and preferences to use ATM; a structure questionnaire was used to collect data from a convenience sampling from three cooperative banks in Pune city. Frequency and percentage analysis and chi square tests are applied for data analysis and interpretation. This study reveals that awareness and preferences to use ATM services offered by cooperative banks is affected by demographic profiles of respondents.

**Kumbhar, Vijay (2011)**- in his study aimed at comparative investigation of the customer satisfaction in ATM service in public and private sector banks, observed that other than cost effectiveness of ATM service perception about all service quality dimensions is approximately same in public and private sector banks. This study concluded that private sector banks are providing more satisfactory ATM service than public sector banks Overall results shows that cost effectiveness of ATM service were core service quality dimension and it were significantly affecting on overall customer satisfaction in ATM service provided by commercial banks.

**Saxena, Karunesh (2011)**- in his study, “Analytical study of customer satisfaction at ICICI Bank with special reference to ATMs” aims at analyzing the satisfaction levels of the customers of ICICI Bank holding ATM cards in Udaipur city with respect to service quality of ATM, personnel, location, sufficient number of ATMs in city and found that customers are highly satisfied with ATM services provided by the ICICI BANK in Udaipur.

**Odachi GN (2011)** – Done a study on ATM technology and banking system. According to him ATM technology is prone to fraud and this has made people shun its use.

#### OBJECTIVE OF THE STUDY

1. To analyze the impact of several services provided by ATM on consumer satisfaction.
2. To find the major problems in ATM banking.

#### RESEARCH METHODOLOGY

To carry out the study following research methodology will be adopted

**The Universe-** The universe of present study consists of all the ATM users in India.

**Area of Investigation-** Roorkee and Haridwar

**Sampling size-** 200 customers

**Sampling method-** Convenience sampling method has been used.

**Data collection-** The study is based on primary as well as secondary data. Primary data has been collected through questionnaire by direct personal interview and secondary data from published journal, magazines, various books and world wide web, annual reports etc.

#### Data Analysis

The collected data will be analyzed through statistical techniques like percentage analysis, descriptive analysis etc.

#### DATA ANALYSIS AND INTEROPERATION

to assess the role of ATMs in banking industry a survey of 200 customers has been conducted.

**Table No. 1 Age**

Age Group	15-25 Yrs	26-35 Yrs	36-45 Yrs	Above 45Yrs
Frequency	90	62	35	13
Percentage	45	31	17.5	6.5

#### Interpretation

Above table depict that 45% users lie under the age of 15-25 years and 31% lie under the age of 26-35 years and 17.5% lie under the age of 36-45 years and 6.5% lie under age of 45 years above. In other words as age increases the no. of respondents decreases. Or we can say that young people are the major user of ATM.

**Table No. 2 Educational Qualification**

Education	No. of Respondents	Percentage
Illiterate	-	-
Intermediate	45	22.5
Graduate	76	38
Post Graduate	79	39.5

#### Interpretation

As above table shows that the 39.5% respondents are highly qualified, means they are post graduate and 38% are graduate. i.e. most of the respondents are educated, they are aware about the ATM.

**Table No. 3A. Occupation**

Occupation	No. of Respondents	Percentage
House Wife	40	20
Professional	71	35.5
Businessman	55	27.5
Students	34	17

#### Interpretation

Above table depict that 35.5% are professionalist, 27.5% are businessman, 20% are housewives and 17% are students.

**Table No. 4 Preference ATM machine rather than going to the branch**

Response	Yes	No
No. of Respondents	185	15
Percentage	92.5	7.5

#### Interpretation

Above graph is showing that most of the users prefer to use ATM rather than going to the branch as ATM can be use anytime in a day.

**Table No. 5 Performance of banks after implementation of ATM technology in the banking industry**

Level of satisfaction	No. of respondents
fully satisfied	80
Satisfied	43
Neutral	50
Dissatisfied	19
fully dissatisfied	8

#### Interpretation

Above table shows that maximum users are fully satisfied with the performance of banks after the implementation of ATM technology in banking industry. Due to this technology customers can save their time.

#### CONCLUSION

In the current scenario of banking practices ATM become indispensable part. People more prefer e-banking through ATMs. It has been found that 58% ATM users are from male category. 90% users agreed that the use of ATM cards has made the services easy.

77.5% users agreed that they are not facing problem in withdrawing cash from the ATM machine. Consumers believe that the use of ATM has brought the promptness in services to customers. Most of the customers are satisfied with the performance of banks after implementation of ATM technology in banking industry. The main reason for availing services of bank is time saving and efficient customer service. Nowadays ATM does not mean the plastic card and PIN (Personal Identification Number) only but the service for which you can use it are the most important part. ATM cards usages has changed the banking practices and consumer attitude towards the modern banking. Now they want to avail more and more advance technology and services too.

#### SUGGESTIONS

on the basis of above discussion and results drawn from the study are as under:

- Banks should conduct an ATM awareness campaign for rural customers.
- To avoid fraud in ATM banking banks and RBI should implement safety measure biometric PIN is recommended.
- Access of private banks ATMs should be increased in the rural areas.
- Infrastructure of Networking should be more sound and uninterrupted in India.

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