

ATM Modes of Banking Transactions and Usage in Coimbatore City

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Abstract

When banks offer so many and adopt new techniques to satisfy their customers, they should also try to find out if the customers are really satisfied with their customers, whether or not the customers are satisfied with their services. Issues such as providing a proper reception at the counter, taking their time into account, updating their passbooks, quick collection of checks and drafts are considered to be of the utmost importance to most customers. In light of this, the present study has undertaken to evaluate the quality of ATM services to customers.

Keywords: ATM Services, Cash Deposit Machine, Customers Service, technology upgradation.

INTRODUCTION

ATM is an automated teller machine or automatic teller machine (ATM) which is an electronic computerized telecommunications device that enables customers of a financial institution to directly access their bank accounts using a secure method of communication, order or make cash withdrawals (or cash advances using a credit card) and check their account balances without the need for a human bank.

For many people, electronic banking means 24-hour cash access via an ATM or direct deposit of paychecks into checking accounts or savings accounts. Electronic banking, however, involves many types of transactions, rights, responsibilities, and sometimes fees. For this purpose, many financial institutions use ATM or debit cards as well as personal identification numbers (PINs). Some use other debit card types that require signing or scanning.

ATMs are electronic terminals that practically always allow you to bank. In general, you insert an ATM card and enter your PIN to withdraw cash, make deposits or transfer funds between accounts. Some financial institutions and ATM owners charge a fee, especially if you have no accounts with them or if your transactions are carried out remotely. In general, ATMs have to tell you that they charge a fee and the amount on or on the terminal screen before the transaction is completed.

Pay-by-Phone Systems allows you to call your financial institution to pay certain bills or transfer funds between accounts. You must be able to make these transfers with your institution.

Personal Computer Banking allows you to use your personal computer to handle many banking transactions. For instance, you can use your computer to request electronically transfers between accounts and pay bills.

Purchase of a debit card or payment transactions allow you to make purchases or payments using a debit card, which can also be your ATM. Transactions may be carried out in person, online or by telephone. The process is similar to using a credit card, with some important exceptions: a debit card purchase or payment transfers money quickly from your bank account to your company account, so that you have enough money to cover your purchase in your account.

There are different types of ATMs

1. Onsite ATM

When a bank installs an ATM in the office of the branch or in a location near the branch, it is called an ATM on site. ATM is always useful on site for customers who visit the branch often. Without standing in the queue, he can take advantage of the banking services via ATM and can also carry out other banking activities for himself. On the other hand, it is easy for bank personnel to take care of ATM and its maintenance.

2. Offsite ATM

In order to provide customers with maximum facilities, banks have also decided to install their ATMs in places far from the branch, such as malls, railway stations, hospitals, markets, large institutions, etc.

3. Bio-Metric ATM

The illiterates unable to read the instructions on the ATM screen can use their thumb or fingerprints instead of a PIN number for the use of banks.

4. Mobile ATM

Some banks have begun mobile ATMs. They are placed on a specially designed vehicle and move on specific days to different areas. All normal ATM functions can be performed on these ATMs.

The basic transaction types that the MICRO ATM will support are:

1. Deposits,
2. Withdrawals,
3. Fund transfers, and
4. Balance Enquiry and mini statements.

Most people go to banks to deposit cash or checks because they believe that they are safe. Many people don't know that one deposit cash is also available at the ATM. Most ATMs have a cash deposit machine (CDM), which is a self-service terminal that allows cash transactions and deposits.

In contrast to banks that close at some point, the cash deposit service is available on ATMs 24/7. Cash deposit at ATMs is a more convenient option for those who do not have a bank branch near them. You need your debit card or your bank account number to deposit your money into ATMs. Although some CDMs allow you to switch your debit card for a transaction, others require you to enter your bank account manually.

How to use Cash Deposit Machine by using debit card: Just like you do when you withdraw money, insert your card into the machine. Enter your PIN with precision. Enter the amount in the account you want to deposit. Confirm the amount entered and proceed. Once you have successfully completed all of the above steps, you will receive a confirmation slip.

How to deposit money using account number: To deposit money without a debit card, you must select the option Deposit without a card on the CDM. To proceed further, the machine will ask you to enter your account number. Enter the amount to be transferred. Confirm the amount required to finish the process. Place the cash on the slot and wait for the machine to receive it, when the machine receives cash.

The transaction limit for deposit money is different from bank to bank. The minimum amount that can be deposited with an ATM is however ₹100 and the maximum amount is ₹49,900 per transaction. The CDM accepts all monetary notes from ₹100 to ₹2000.

OBJECTIVES OF THE STUDY

- ❖ To evaluate how information accessibility and accuracy in ATM services which facilitated the customers with satisfactory and to identify their issues faced by the customers.

STATEMENT OF THE PROBLEM

Now ATM is becoming more popular among customers, most of the banks are providing E-banking facility. Today, most of the customers are increasingly using the e-banking facility to avail their banking services. It reduces cost and save times. Most people go to banks to deposit cash or checks because they believe that they are safe. Most ATMs have a cash deposit machine (CDM), which is a self-service terminal that allows cash transactions and deposits. Even though there are some issues on ATM services like transferring their amount without the help of cardholder and thereby customers while go deposit cash by using ATM machine some currency notes are not accepted due to that customers are not satisfy. Through this study these problems are going to held on between customers how far they are using the ATMs and CDMs.

RESEARCH METHODOLOGY

This section discusses research design and techniques for dealing with the research issue. The research was investigative to gain insight into the topic. Data collection was used for the study in both primary and secondary methods. The sample was collected randomly fifty customers. The statistical tools used for this study are percentage analysis, descriptive analysis, factor analysis and ANOVA. The study is limited only to the ATMs and CDMs in electronic mode of transactions. This study is conducted especially in Coimbatore City.

REVIEW OF LITERATURE

Lamin B Ceesa (2017) Consumers develop brand knowledge to give meaning to the company and its products and services based on their opinion of the brand or information. Studies have shown that associations deep in the memory affect the behavior of consumers towards the company or its brand. Switching behavior among consumers in the retail banking sector in Gambia has become quite unprecedented, and several reasons explain this practice. Pearson

correlation statistics showed that there is a significant negative relationship between the perception of the customer's brand (price perception, corporate image, customer satisfaction, service quality and trust) and the intention to change the bank.

Amutha D (2016) his paper deals with consumer perception of the e-banking system in connection with consumer awareness of the e-banking system, with particular reference to the Tuticorin district of Tamilnadu. Data from both primary and secondary sources have been collected for this investigation. The main problem with using the E-banking facility is less knowledge of the operation of the banking facility (50%). The respondents also feel that e-banking services are too complex to use (30%) and they also believe that e-banking is risky (12.22%). The research report is based on data from primary sources. In addition, banks must take the necessary steps to inform customers about the new technology and other services offered by banks.

Dr. Gomathy Thyagarajan (2011) in his study reveals about the India's smartphone revolution has paved the way for an unprecedented increase in mobile trade and mobile banking in India. Mobile banking is already the largest channel for banking transactions, but adoption is predominantly high only in some urban areas and metropolitan towns, but very low and untapped elsewhere. Against this background, it is very important to understand why some consumers are reluctant to accept m-banking. The purpose of this review paper is to briefly review the existing literature on mobile banking in India and around the world. The review document also attempted to synthesize the results and highlight the factors affecting the adoption of mobile banking in India and Worldwide. The results of the review show that trust, perceived costs, perceived ease of use, perceived credibility, perceived utility, ease of use, conditions of facilitation and social influence are important factors that influence the adoption of mobile banking by consumers. The most common use of mobile banking is to check the balance of accounts and to transfer funds.

Shilpan Vyas (2010) his study examined about Internet banking industry is changing and has a major impact on banking relations. Banking is no longer confined to the branches where you have to approach the branch in person, withdraw cash or deposit a check or request an account statement. Any inquiries or transactions are processed online in real Internet banking without any reference to the branch (anywhere banks) at any time. Net banking is therefore now more a norm

than an exception in many developed countries, because it is the cheapest way to deliver banking services. This research paper presents you with the meaning, functions, types, benefits and limitations of e-banking. It will also demonstrate the impact of e-banking on traditional services and the results of it.

ANALYSIS AND INTERPRETATION

Table No.1
Demographic Profile of the Customers

S. No	Variable	Particulars	No. of Respondents	Percentage (%)
1	Age	Below 25 years	10	20
		26-35 years	11	22
		36-45 years	16	32
		46-55 years	8	16
		Above 55 years	5	10
		Total	50	100
2	Gender	Male	25	50
		Female	25	50
		Total	50	100
3	Educational Qualification	School level	8	16
		Graduate	12	24
		Diploma	13	26
		Professional	17	34
		Total	50	100
4	Occupational Status	Student	5	10
		Salaried	12	24
		Professional	14	28
		Business	16	32
		Others	3	6
		Total	50	100
5	Family Monthly	Below ₹15,000	10	20

	Income	₹15000 – 20,000	18	36
		₹20,000 – 30,000	5	10
		₹30,000 – 40,000	9	18
		₹Above 40,000	8	16
		Total	50	100

Source: Primary Data

From the above table no. 1 it revealed that mostly, 32% of the customers are belongs to the age group of 36-45 years, 50 % of the customers are belongs to male and female, 34% of the respondents are belong to professional in qualification of the customers, 32% of the customers occupational status is business peoples and 36% of the customers family monthly income is ₹15,000 - ₹20,000.

One way ANOVA – Age Vs ATM Experience

The table no. 2 exhibits the customers Age with usage of ATM Experience and describes with the results of sum of squares, df, mean square, p-value and significant value.

Table No. 2

ANOVA – Customers' Age and ATM Experience

Personal Factor		Sum of Squares	Df	Mean Square	F	p-value	S/NS
Age	Between Groups	7.900	4	1.975	1.595	.192	NS
	Within Groups	55.720	45	1.238			
	Total	63.620	49				

Note: Significant at 5% level

From the above table no.2 it is determined that the p-value is greater than 0.05 of age factor of the customers. Therefore, the null hypothesis is accepted and the difference between a age and ATM experience is statistically significant.

Level of Customers Satisfaction towards Usage of ATM

The table no. 3 illustrates the customers' level of satisfaction towards the usage of ATM and CDM Services and Descriptive Statistics of different categories services provided to the customers.

Table No.3

Descriptive Statistics- Level of Customers Satisfaction towards Usage of ATM

Variables	N	Minimum	Maximum	Mean	Std. Deviation
Usage of Screen and language	50	3.00	5.00	4.3200	.55107
Number of transaction	50	2.00	5.00	4.0600	.68243
Availability of Cash in Machine	50	1.00	5.00	3.3400	1.00224
The quality of currency notes	50	1.00	5.00	3.7600	.95959
Delivery of Receipt at all time	50	1.00	5.00	3.2200	1.18304
Change of pin facility	50	1.00	5.00	3.2800	1.01096
Mini Statement and Balance inquiry	50	1.00	5.00	3.3800	1.27600
Wide ATM coverage	50	1.00	5.00	3.5200	1.03490
Quick and efficient services	50	1.00	5.00	3.4600	1.01439
Privacy in transaction	50	1.00	5.00	3.3200	1.07741
Amount of withdrawal per day limit	50	1.00	5.00	3.6600	1.23899

From the table it revealed that, the customers are satisfied with ATM and CDM services are (4.32) usage of screen and language among the services provided. Followed by (4.06) number of transaction, (3.76) the quality of currency notes, (3.66) amount of withdrawal per day limit, (3.52) wide ATM coverage, (3.46) quick and efficient services, (3.38) mini statement and balance inquiry (3.34) availability of Cash in machine, (3.32) privacy in transaction, (3.28) change of pin facility and (3.22) delivery of receipt at all time.

Most (4.06) of customers satisfied ATM and CDM service provided are usage of screen and language.

Table No.4.1

Factor Analysis – Customers' Satisfaction towards ATM and CDM Services - KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.448
Bartlett's Test of Sphericity	Approx. Chi-Square	121.206
	Df	55
	Sig.	.000

From Table No.4.1 above it is obvious that the KMO measure 0.448 is greater than 0.5 and therefore acceptable for a satisfactory analysis of the factor. The selected variables are therefore found to correspond to the data. Since Bartlett 's Sphericity test value is (.000) less than 0.5, the null hypothesis is therefore rejected. This means that the correlation matrix is not an identity matrix and that the variables are correlated.

Table No. 4.2

Factor Analysis - Customers' Satisfaction towards ATM and CDM Services - Rotated Component Matrix

	Component			
	1	2	3	4
Usage of Screen and language	.764		.292	
Number of transaction	.711			-.125
Availability of Cash in Machine	.697		-.211	.280
The quality of currency notes	-.161	.863	.173	
Delivery of Receipt at all time	.275	.680	-.242	.300
Change of pin facility	.462	.541	.132	
Mini Statement and Balance inquiry	.215	.445	.249	.303
Wide ATM coverage	.101		.804	.112
Quick and efficient services		.323	.804	
Privacy in transaction				.853
Amount of withdrawal per day limit	.126			.702

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Table no.4.2 above shows that the use of the screen and language in factor one has the highest load (0.764) followed by the number of transactions (0.711) and the availability of cash in the machine (0.697). And these variables were called the **ATM usage convention**.

In factor Two the highest loading is the quality of currency notes (0.863) and Delivery of Receipt at all time (0.680) these variables are named as **Promptness of Service**.

In Factor Three the highest loading factor is wide ATM coverage and quick and efficient services (0.804) these variables are named as **Effectual Services**.

In factor Four the highest loading factor is Privacy in transaction (0.853) and Amount of withdrawal per day limit (0.702) these variables are named as **Assurance and Efficient services**.

SUGGESTIONS

Once the card issuer or bank is informed of the fraudulent transaction, a written compliance with the nearest police station should be filed. When you know that a suspicious transaction has been made on your credit / debit card, immediately inform the issuer. You should complain to the bank formally and ideally call the customer care number to block the card or account immediately. Having informed the bank, as per the RBI rules, the resolution has to be over within 90 days. Banks have to credit or reverse the unauthorised electronic transaction to the customer's account within 10 working days from the date of notification by the customer. Credit card frauds are known to be more common in case of their usage abroad.

In addition, the number of mobile banking transactions has increased by 120 per cent. During this period, cash withdrawn from ATMs using debit cards increased slightly more than 9 percent (from Rs 2.15 lakh crore in November 2015 to Rs 2.75 lakh crore in August 2018).

According to an old directive issued by the Indian Reserve Bank (RBI), magnetic strip cards must be replaced by EMV, PIN-based cards by 31 December 2018. The new EMV card has more security features and is less susceptible to fraud. The central bank issued the directive on 27 August 2015 and allowed banks to complete the transition for more than three years. The RBI stated that all new cards issued—debit and credit, domestic and international—will be EMV chips and PIN cards with effect from 1 September 2015.

CONCLUSION

A fraudulent online transaction on your bank account, debit or credit card could be due to the spoofing, phishing or cloning of your card by e-mail. As the digital way of life increases, particularly in financial transactions, the risk of financial fraud cannot be ignored. A fraudulent online transaction on your bank account, debit or credit card may have been caused by e-mail spoofing, phishing or by cloning your card. ATM banking services has been popular with computer writers for many years, but its popularity grows exponentially as Internet usage increases and people discover the many benefits of online banking. In today's increasingly integrated financial systems that are faced with higher volatility, competition and time constraints in this way, the increased expectations of Indian banking participants are fulfilled.

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