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Address

- Vikram Nagar, Boudhi Chouk, Latur.
- Tq. Latur, Dis. Latur 413512
- (+91) 9922455749, (+91) 9158387437

Email

- editor@aiirjournal.com
- aiirjpramod@gmail.com

Website

- www.aiirjournal.com

CHIEF EDITOR – PRAMOD PRAKASHRAO TANDALE

The Role of ATMs in Urban Areas of India: With Special Reference to Dombivli City**Dr. Vinay G. Bhole**Associate Professor
Model College, Dombivli.**Abstract**

The automated teller machine (ATM) is an electronic telecommunication device that provides utmost convenience to the customers of financial institutions and banks. It performs financial transactions. The facilities like cash withdrawal, cash deposit, transfer of funds, obtaining information about the bank balances, printout of recent transactions etc. are provided by ATMs.

In February, 1962 Adrian Ashfield invented the basic idea of a card that had combination of key and user's identity. The govt. of UK granted patent to the same. It was initially utilised at petrol pumps.

The first ATM in the world was put into use on 27th June 1967 in Enfield Town, London, UK. Then it became worldwide banking facility.

First ATM in India was put into use at Andheri, Mumbai by HSBC (Hong Kong Shanghai Bank) Bank in 1987. In Dombivli which is a city in Thane district popularly known as a suburb of Mumbai was established in 1998.

Keywords: ATMs, Customer services, Plastic money, Indian banking.

Introduction:

A notable change in the banking system came into existence after globalisation and liberalisation. Financial liberalisation resulted into real need for the convenient banking services. It resulted into change in the definition of banking. Initially, banks were associated with two basic functions of accepting deposits and granting loans and advances. With the emergence of ATM facility banks are able to provide facilities to customers outside the banking premises. The special feature was, it provided service 24x7. Plastic card is the main feature of this facility. Within seconds by using this facility customers cater to the financial needs.

ATMs got recognition on priority level when introduced in India. It was a miracle for many Indians. The small card has replaced completely the personal attention and presence in the bank as well it has replaced the cheques. At any corner of the nation or even at the international level a common man can withdraw cash from the ATM machines.

ATM is an electronic machine which is operated by the customer himself. It is meant for deposits, withdrawal, balance enquiry, cheque book request and so on. The ATMs located at the busy public places like malls, super markets, bus stops, railway stations, petrol pumps, etc. are known as offset ATMs.

Review of Literature:

A renowned author Mr. Piyush Agnihotri in his research paper published in 2001 named 'IT Way of Getting Cash' mentioned that, ATM penetration is per million persons in Asian countries. He has emphasised on the e security as well as the frauds taken place at ATM centers.

Simhan Raja in his article published in 2003 named 'Shared ATM Networks Gain Favour' mentions that, the Indian banks have very well established shared network of ATMs.

Puri and Kamath in their research article published in 2004 named 'Indian Banks: Bigger, Better and Remote Controlled' say that, Indian banks use to calculate and evaluate their strength on the basis of number of branches they have in different parts of India. The idea was, more the number of branches more will be the network, more customers, more transactions and finally huge profits. But

in Japan less number of branches and big business volume was the propriety for the banks. The same tendency banking managements spread everywhere.

Kaul and Urvashi in their research paper published in 2007 under the name 'ATM: The Power of Cash' mentioned importance and benefits of ATMs, the players in the market who are ready to have customer satisfaction have increased number of ATMs.

Research Methodology:

The present study is based on customer psychology in Dombivli city. Dombivli is a city of well educated people in Maharashtra. Kottayam in Kerala is ranked number one for the literacy and the second is Dombivli. Educated people use ATMs on large scale. But in the recent past computerisation has changed the tendency to go for online transactions. This has hampered the growth of ATMs in India and especially cities like Dombivli.

The primary data is collected from customers of various co-operative banks, nationalised banks and private banks. The secondary data was collected from web sites, RBI bulletins, commercial magazines, etc. ample literature is available on this subject.

Objectives of the study:

1. To study the present ATM facilities provided by the banks.
2. To study the factors affecting the selection of ATMs by the customers.
3. To evaluate the impact of ATMs on customer satisfaction.

ATMs were accepted by customers as electronic vending machines. Day by day ATMs have become need of the time. The term e-lobby developed by many banks where with ATM cheque deposit machine, pass book printing machine etc. are provided at one stop only. It has made ATMs popular though the developments in technology have become day to day venture.

These sophisticated machines provide following functions:

1. Withdrawal of cash on daily basis upto a stipulated basis.
2. Deposit of cash, cheques and demand drafts.
3. Up to date bank account balance appears on the ATM screen.
4. The bank account balance is also provided in a printed form.
5. Mini statement with recent transactions is provided to the customers on figure tips.
6. Cheque book and detailed bank account statement can be obtained through ATM.
7. The bank statements can be emailed to the customer after request lodged at ATM.
8. A customer can avail on demand add-on ATM card, generally used by husband and wife for the common joint account.
9. Now the card is ATM cum debit and or credit card.
10. Due to connectivity all banks are interconnected so from any ATM with any bank card the cash can be withdrawn.

Types of ATM: There are two types of ATMs. One is multifunctional ATM and the other one is dispenser ATMs.

The multifunctional ATMs in addition to money payment and conventional functions the ATMs provide scanned receipt of cash and documents from customers. The dispenser ATM is commonly used for the payment of cash and cheques.

Advantages of ATMs: ATMs are advantageous to the banks as well as customers.

Customers enjoy following advantages of ATMs:

- 24x7 availability of ATMs.

- Cash withdrawals up to certain specifies limits.
- Multiple services available with cash withdrawal.
- Better quality new currency notes.
- No need to visit bank branches.
- No need to stand in long queues for bank transactions.
- No need to carry cash.
- Convenience in shopping.

Advantages of ATMs to the banks:

- Low and negligible transaction cost.
- Fast and quick money dispensing.
- Time provided to bank employees to perform other functions as the withdrawal function is delegated to the ATM machine.
- Limited space required to set up ATMs.
- Anytime anywhere banking services.

Study of Actual Utility of ATMs: Installation of ATM does not require permission from RBI. From the research conducted in Dombivli city some of the limitations of ATMs were observed such as:

Limitations or Negative factors related to ATMs from the banks point of view:

- Heavy installation cost.
- Security services and the cost factor.
- Rent for the premises.
- Continuous Air Conditioning and electricity charges.
- Limited cash storage capacity.
- Problem of denominations expected by customers.
- Maintenance of ATMs by inserting cash regularly.
- Crunch of cash on public holidays and dissatisfaction of customers.
- Declining value of ATMs due to popularity of credit, debit cards and online banking.
- Limited cash withdrawal by customers for daily use.

Limitations of ATMs for customers:

- Non availability of cash when needed urgently.
- Charges to be to other banks' ATM utilisation.
- Limited cash withdrawal.
- Non availability in many places.
- Long queues in from of ATM centers.
- Lack of preference of denominations needed.

Conclusion:

In the city like Dombivli though the ATM centers are installed on large scale, it is necessary to understand the declining importance and popularity of the same due to on line transactions, Paytm etc. Mostly retired people use ATMs for the balance enquiry, withdrawal of small cash volumes for purchase of grocery and vegetables etc. It is also observed that in the near future the need for the ATMs may decline tremendously.

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