A STUDY ON ANALYSIS OF PROS AND CONS OF AUTOMATED TELLER MACHINE IN SALEM DISTRICT

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ABSTRACT

In the current scenario use of ATMs has become an important part of human routine. This machine is a telecommunicated and computerized device that provides services related to financial transactions to customers. In this transfer process, the customer does not need the help of cashier, clerk or bank teller. In this article we are describing the facts about the pros and cons of invention and use of ATMs. Promotion is a tactic for the utilities of ATM. There are various, but not all of them are effective in marketing, as brand image, perceived value, and intention are also associated. 100 copies of questionnaire are distributed to the people. The research result present the percentage analysis of the opinion of respondents is about 25 the various characteristics of ATM.

Keywords: Promotion, ATM, Utility, brand, etc.

Introduction

The ATM industry today badly needs a stimulus package to keep afloat and augment the banking system in the country and we seek your kind support on the same. An Automated Teller Machine (ATM) is an electronic telecommunications device that enables customers of financial institutions to perform financial transactions, such as cash withdrawals, deposits, transfer funds, or obtaining account information, at any time and without the need for direct interaction with bank staff.
ATM’s different name in different countries


- ATM machine is also called in a Some countries automated banking machine (ABM, Canadian English), cash point (British English), cash line, mini bank, cash machine, time machine, cash dispenser, bank mat. Using an ATM, customers can access their bank deposit or credit accounts in order to make a variety of financial transactions such as cash withdrawals, check balances, or credit mobile phones. ATMs can be used to withdraw cash in a foreign country. If the currency being withdrawn from the ATM is different from that in which the bank account is denominated, the money will be converted at the financial institution’s exchange rate.

Advantages

- Withdrawing money.
- Checking how much money is remaining in the account.
- Round the Clock Services: It provides banking services to its customers round the clock, 24 hours a day, 7 days a week and 365 days a year.
- Access to bank from any part of the world: Essential banking services like deposits, withdrawals transfer of funds, etc can be accessed by customers from any part of the world.
- Expansion of Services to any corner of the world: Of the Banks can expand their services to any corner of the world by providing electronic access to its customers.
- For shopping Purpose: Now a day’s almost every shopping mall, restaurant and other organizations are accepting debit or credit card payments.

Disadvantages

- If problem with credit card you cannot withdraw your money.
- If someone watches or hacks an ATM machine your details may be taken if you forget your PIN number you cannot use the card.
• Cannot be provided in rural areas: In a country like India, where banks are having large number of rural and non-computerized branches, ATM services cannot be provided.

• Limitation of cash withdrawals: Again there is a limitation of cash withdrawals from ATM. For example, many banks do not permit withdrawal of more than 25,000 at a time.

• Cash deposit facility is not safe: Similarly cash deposit facility is restricted and not safe as dropping of envelope and ATM is not advisable.

• Possibility of misusing ATM card: ATM card, if misplaced, lost or stolen, may be misused. There are number of such reported incidences now a day.

• Loss of personal touch with the Banks: Last but not the least; customers lose personal touch with their bankers.

**Review of Literature**

• R. Renuka et al (2014), in the study —customers satisfaction towards ATM She ways to focuses on the customer satisfaction towards ATM services offered by the banks and tries to suggest improve services. 24 hours access got the first rank while quality of receipt got the second rank for level of satisfaction. To find out the level of satisfaction respondents were provided a list of fourteen factors which were to be ranked. Likert scale was used for the purpose.

• Obgbuji et al (2012), in their research paper —analysis of the negative effects of automated teller machine as a channel for delivering banking services‖ He proposed that the ATM system of delivering banking services not only contribute to increasing rate of fraud but equally lures people into profligate expenditure. The study reveals that ATM was lauded by several customers as an alternative to standing in long queues. But today, this has become a source of worry to customers and banks. ATM fraud could be reduced but cannot be wiped out completely.

• Tuli et al (2012), in the research paper —a comparative study of customer attitude towards ATM of SBIn and ICICI bank‖ the authors have made sincere efforts to compare the attitude of people towards ATM of SBI and ICICI Bank. The study aimed at finding out the factors influencing the use of ATMs and the problems faced by customers.
Background of the study

Transactions were initiated by inserting paper cheques issued by a teller or cashier, marked with carbon-14 for machine readability and security, which in a later model were matched with a six-digit personal identification number (PIN). The idea of a PIN stored on the card was developed by a group of engineers working at Smiths Group on the Chubb MD2 in 1965 and which has been credited to James Good fellow (patent GB1197183 filed on 2 May 1966 with Anthony Davies). The essence of this system was that it enabled the verification of the customer with the debited account without human intervention. This patent is also the earliest instance of a complete —currency dispenser system in the patent record. This patent was filled on 5 March 196 in the US (US 3543904) and granted on 1 December 1970. It had a profound influence on the industry as a whole. Not only did future entrants into the cash dispenser market such as NCR Corporation and IBM licence Good fellow’s PIN system, but a number of later patents reference this patent as —Prior Art Device.

ATM Located in Many place for public Convenience

ATMs can be placed at any location but are most often placed near or inside banks, shopping centres/malls, airports, railway stations, grocery shops, petrol or gas stations, restaurants, and other locations. ATMs are also found on cruise ships and on some US Navy ships, where sailors can draw out their pay. It may be on- and off-premises. On-premises ATMs are typically more advanced, multifunction machines that complement a bank branch’s capabilities, and are thus more expensive.

Off-premises machines are developed by financial institutions and Independent Sales Organisations (ISOs) where there is a simple need for cash, so they are gradually cheaper single functions devices. In the US, Canada and some Gulf countries, banks may have drive-thru lanes providing access to ATMs using an automobile.

Benefits of Usage

Originally developed as cash dispensers, ATMs have evolved to include to many other bank-related functions:

- Paying routine bills, fees, and taxes (utilities, phone bills, social security, legal fees, income taxes, etc.)
• Printing bank statements
• Updating passbooks
• Cash advances
• Cheque Processing Module

**Different kinds of ATM fraud**

In the recent past there has been a rise in the number of banking frauds related to ATM card transactions and fraudsters are using new techniques to rob customers of their savings. India’s largest bank, State Bank of India, said it had blocked close to 6 lakhs debit cards following a malware-related security breach in a non-SBI ATM network. Several other banks, such as Axis Bank, HDFC Bank and ICICI Bank, too have admitted being hit by similar cyber attacks — forcing Indian banks to either replace or request users to change the security codes of as many as 3.2 million debit cards.

- **CARD SKIMMING:** Skimming refers to the stealing of the electronic card data, enabling the criminal to counterfeit the card. Consumers experience a normal ATM transaction and are usually unable to notice a problem until their account is defrauded.
- **EAVESDROPPING:** This is typically achieved via a wiretap, sniffing the functionality of the card reader, or connection to a magnetic read head within the card reader.
- **CASH SHIMMING:** The installation by a criminal of a foreign device on an ATM to capture data from the chip of a customer’s card. The defining characteristic of a card shimming device is, therefore, the targeting of the data contained on the chip on the customer's card
- **CARD TRAPPING:** Trapping is the stealing of the physical card itself through a device fixed to the ATM. In a pre-EMV or chip-and-signature environment, the PIN does not need to be compromised.
- **ATM MALWARE/ CASH OUT ATTACK/ JACKPOTTING:** Malware that takes control of the ATM cash dispense functions, thereby allowing the criminals to take out cash.
• **KEYPAD JAMMING:** The fraudster jams the _Enter_ and _Cancel_ buttons with glue or by inserting a pin or blade at the buttons' edge. A customer trying to press the _Enter/OK_ button after entering the PIN, does not succeed, and thinks the machine is not working. An attempt to _Cancel_ the transaction fails as well. In many cases, the customer leaves — and is quickly replaced at the machine by the fraudster. A transaction is active for around 30 seconds (20 seconds in some cases), and he is able to remove the glue or pin from the _Enter_ button to go ahead with the withdrawal.

**OBJECTIVES OF THE STUDY**

1. The objective of the study was to examine the awareness level of ATM service in Chennai.

2. To identify customer problem while using ATM

3. To offer suggestions to overcome the problem in ATM

**RESEARCH METHODOLOGY**

**DATA COLLECTION**

The data is collected from both primary and secondary sources. Primary data is collected through interview schedule and the secondary data is collected from books and websites through interview schedule and the secondary data is collected from book and website

**Analysis and Interpretation**

<table>
<thead>
<tr>
<th>particulars</th>
<th>No. of respondents</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waiting in a long queue</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>Limit on daily withdrawal</td>
<td>7</td>
<td>28</td>
</tr>
<tr>
<td>Machine out of cash</td>
<td>9</td>
<td>36</td>
</tr>
<tr>
<td>Machine out of order</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

**Interpretation:** From the above table, it was found that 16% of the respondents faced the problem of waiting in a long queue, 28% of the respondents faced the problem with limit on daily withdrawal, 36% of the respondents faced the problem with machine out of cash and
remaining 20% of the respondents faced the problem with machine out of order. From this, it understood that majority of the respondents faced problem with machine out of cash.

**Satisfaction level of withdrawal limits of respondents**

<table>
<thead>
<tr>
<th>particulars</th>
<th>No. of respondents</th>
<th>percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>No</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td>At times</td>
<td>6</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

**Interpretation:**

From the above table, it was found that 12% of the respondents were satisfied with the withdrawal limits, whereas 64% of the respondents were not satisfied with the withdrawal limits and remaining 24% of the respondents have satisfied only at times. It is clear that the majority of them are not satisfied with the withdrawal limits imposed.

**FINDINGS OF THE STUDY**

- 100% of the respondents are using ATM
- 74% of the respondents have completed degree
- 20% of the respondents have completed high school
- 8% of the respondents have completed intermediate
- 20% of respondents have encountered problems due to machine out of order 16% of respondents have faced difficulties due to long queue at ATM

**SUGGESTIONS OF THE STUDY**

The following suggestions can be implemented so that it helps the respondents to use ATM with better service provide by the bank.

1. Respondents have suggested to reduce the cost of services of ATM
2. Respondents have suggested reduce the ATM withdrawal charges.
3. Respondents have suggested the increase of withdrawal limits.

4. Respondents have suggested in taking necessary steps to maintain the machine well and also to avoid technical issues.

**Conclusion**

ATM usage was predominant among young age groups who had completed higher secondary level of education. It was used mainly for accessibility and for emergency purposes. The public felt that there should be price reduction in service charges and also to extend the withdrawal limits. They also suggested in reducing the withdrawal charges. people are advised that they have to ensure that there is no hidden camera, Choose their ATM machine carefully, prefer ATM’s near bank, Don’t let anyone distract or assist you, cancel their card immediately if it is lost.No person can dispute the massive amount of money that this spectacular machine makes.. it is very clear that this machine in particular helped our economy greatly when it was made and even now, even to this day is just as popular as it ever has been.

**BIBLIOGRAPHY**


