

**A STUDY ON E-BANKING SERVICES IN INDIA- WITH SPECIAL REFERENCE TO
ATM SERVICES**

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ABSTRACT

In banking industry, e-services are revolutionizing the way business is conducted. Electronic based business models are replacing conventional banking system and almost of banks are rethinking business process designs and customer relationship management strategies. It is also known as e-banking, online banking which provides various alternative e-channels to using banking services i.e. ATM, credit card, debit card, internet banking, mobile banking, electronic fund transfer, electronic clearing services etc. however, as per Indian e-banking scenario ATM is most acknowledged than other e-channels.

INTRODUCTION

The history of ATM can be traced back to the 1960s, when the first ATM machine was invented by John Shepherd-Barron he was managing director of De La Rue Instruments. That machine used by Barclays Bank (Barclays Bank in Enfield Town in North London, United Kingdom) in 27 June 1967 (Wikipedia E-encyclopedia). However, the first bank to introduce the ATM concept in India was the Hong Kong and Shanghai Banking Corporation (HSBC) in the year 1987 followed by Bank of India in 1988. According to R.B.I. annual report (2008-09) almost commercial banks are providing ATM facilities to its customers and to date 27,277 ATMs installed by public sector banks and 15320 ATMs installed by private sector banks in India.

OBJECTIVE

To investigate the ATM Services in India.

REVIEW OF LITERATURE

V. Dheenadhayalan (2010). The ATM was one of the earliest electronic banking products introduced in the mid 1970s. ATM is the most convenient way to withdraw cash. The total number of ATMs installed by the banks was 43,651 at the end of March 2009 as compared with 34,789 at the end of March 2008, 27088 at end of March 2007 at end March 2006 respectively. The ATM to Branch ratio was much lower for public sector 35.4 percent (32.9 percent in 2007) and old private sector banks 47.2 percent (34.9 percent in 2007). On the whole ATMs to number of Branches was 47.5% at the end of March 2008, and 67% at the end of 2009.

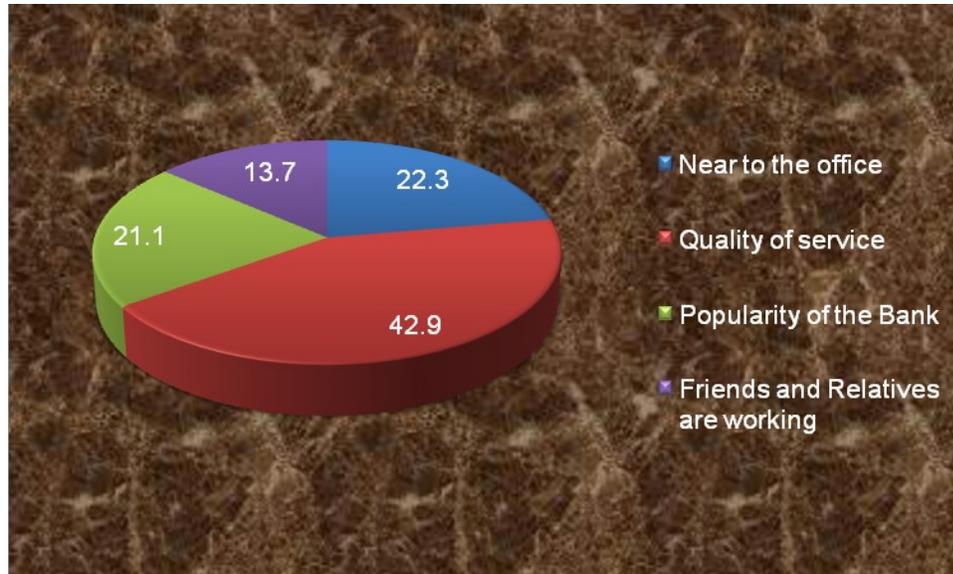
Status of ATM Industry in India

In India ATM is still a new technology. With the emergence of private sector Banks like ICICI Bank, IDBI Bank, HDFC Bank etc. the number of ATM centers has increased tremendously. There are presently all types of Banks offering ATM services. For example State Bank of India (a public Sector Bank), ICICI Bank (a Private Bank), Citibank (A foreign Bank), Greater Bombay CO-OP Bank (a co-op Bank). The Banks are offering various services like Cash withdrawal, fund transfer, Balance enquiry etc. The Banks have tie-ups in between them for sharing of their services this may be bilateral or multilateral by way of consortium like SWADHAN.

Reasons for selecting the branch/bank.

	Nos	Percentage
Near to the office	78	22.3
Quality of service	150	42.9
Popularity of the Bank	74	21.1
Friends and Relatives are working	48	13.7
Total	350	100

Source: Computed from primary data

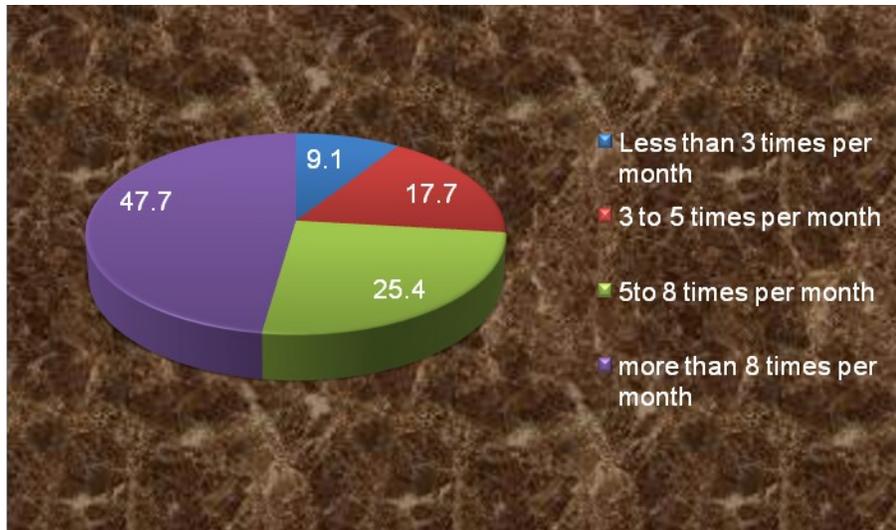


This Table depicts that 22.3 percent of the customers preferred their bank for convenience i.e., proximity to their office or residence; 42.9 percent on quality of service, 21.1 percent on popularity of the branch and another 13.7 percent selected the branch because of their relatives or friends working there. It could be observed that the highest preference was given to Quality of service and the proximity as the second important reason for selecting the branch.

Frequency of the Usage of ATM

	Nos.	Percentage
Less than 3 times per month	32	9.1
3 to 5 times per month	62	17.7
5to 8 times per month	89	25.4
more than 8 times per month	167	47.7
Total	350	100

Source: Computed from the primary survey.



The above Table illustrates the respondents opinion on the frequency of the usage of the ATM services by the customers, 9.1 percent of the respondents opined that they use the ATM services less than 3 times in a month, 17.7 percent of the respondents were use the service for 3 to 5 times, 25.4 percent of the respondents were 5 to 8 times, 47.7 percent of the respondents were using the ATM more than 8 times per month, it could be inferred from the empirical evidence that the usage of ATM is high among the respondent in the study area, it is also found that the respondents were quite comfortable to utilize the electronic device for the transactions frequently.

FINDINGS

The active usage of E-Banking is very high among the customers since large portion of the customers are using ATM services for their transactions, nearly 50 percent of the respondents were using ATM transactions more than 8 times in a month, which implies the frequent use of this mode.

CONCLUSION

Indian banks had grown tremendously since nationalization in the volume of business a number of clientele served. But in recent years the rate of growth was comparatively slow. The survival and growth of Indian banking will depend upon their ability to adjust themselves to customer orientation and bring about an improvement in the service standard which will match to global standards.

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