

AUTOMATED TELLER MACHINE: USAGE AND ISSUES - A CONCEPTUAL STUDY

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Abstract

The Automated Teller Machine has become an integral part of our society. ATM is effectively reached out a large customer base at low cost. At present most banks have networking systems for their e-banking services like ATMs. A network connected ATMs of various banks had resulted in the development of customer services. The paper highlights ATM services most preferred by customers as well as the problems faced by customers regarding ATM services. The bankers should understand the service through ATMs only not satisfying their customers and they never forget that the purpose of ATM. Hence, the researcher strongly concluded that human to human relation only the way to improve the better service quality into quality of service.

Keywords:-Automated teller machine, banks, networks, customers

I.INTRODUCTION

People are living in a knowledge based market. Where new technologies are evolving and new products are introduced on daily basis. Some

of these goods are directly consumed by the customers and some are used for facilitating the services being provided to individuals and groups around the world. Technological developments in service sectors have added a lot of comfort for the people.

Financial institutions particularly the banks used to be maintained on manual entry registers and ledgers and customers were serving through cheques and pay orders. The amount of transactions used to be limited with no or very less international transactions. In the past few decades this sector has also seen enormous application of technologies in its day to day functions as well as interaction with the clients. One of the most significant of such technology has been the beginning of Automatic Teller Machines (ATMs) to interact with customers.

II.OBJECTIVES:

- To know about the advantages and disadvantages of ATM.
- To describe about the problems of ATM.
- To know about precautions while using ATM and ATM cards.

III. AUTOMATED TELLER MACHINE

ATMs (Automatic Teller Machines) were introduced to the world in 1983. These modern marvels of technology were well received by consumers because they made it possible for them to access money from their credit cards or debit cards 24 hours per day with a quick and simple system. ATMs also made it possible for consumers to travel in a safer manner they no longer had to carry large amounts of cash with them. Instead, they could access money anywhere in the world with the help of the ATM. Although ATMs made certain aspects of life safer, it did make it easier for counterfeiters and thieves to take advantage of unsuspecting consumers.

A. Parts of an ATM

Although the design of each ATM may be different, they all contain the same basic parts:

- **Card reader:** This part reads the chip on the front or the magnetic stripe on the back of the card.
- **Keypad:** The keypad allows the consumer to input information like the PIN the type of transaction he or she intends to do, and the amount of the transaction.
- **Cash dispenser:** Bills are dispensed through a slot in the machine, which is connected to a safe at the bottom of the machine.
- **Printer:** If required consumers can request receipts which are printed here. The receipt records the type of transaction, the amount, and the account balance.

- **Screen:** The ATM issues prompts that guide the consumer through the process of executing the transaction. Information is also transmitted on the screen such as account information and balances.

IV. ADVANTAGES OF AUTOMATED TELLER MACHINE:

Some of the advantages of Automated Teller Machine are given below:

- Automated teller machines are electronic banking outlets that allow people to complete transactions without the help of a bank representative.
- ATM transactions can be as simple as a deposit or balance inquiry, or more complex like a balance transfer or bill payment.
- In order to use an ATM, consumers need to have a debit or credit card, and a personal identification number.
- In order to check how much money is remaining in the account.
- Round the Clock Services 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 which is Essential for 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 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.

V.DISADVANTAGES OFAUTOMATED

TELLER MACHINE:

The few disadvantages of Automated Teller Machine are as follows:

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

VI.FUNCTIONS OF ATM

- Flexibility of using ATM of other banks we can make transactions from any other ATM while our account not in same bank.
- Recharge their mobile phone prepaid connection.
- Money transfer from one account to another one.
- By depositing the amount in to an account.

VII.PROBLEMS OF ATM

The problems of Automated Teller Machine have been categorized in to two:

➤ A. Problem Faced by customers:

- They didn't receive cash while the account is debited
- Wrong insert the ATM card as this is the most common with new ATM users who are not familiar with ATM machine.
- They didn't receive slip of account balance.
- Sometimes there might be the problem regarding money transfer.
- The machine might do not accept the ATM cards.

➤ B. Problem Faced by bankers

- Theft of money from ATM's
- Burglary of ATMs including theft of entire ATMs
- System problem including server down.
- Sometimes due to system crash or the software not work properly.
- Hack the bank's site which will affect whole banking system.

VIII.PRECAUTIONS WHILE USING ATM AND ATM CARDS

Some of the precaution that are to be considered while using Automated Teller Machine and ATM cards.

- ❖ Don't write down your PIN. If you must write it down do not store it in your wallet or purse.
- ❖ Avoid using birth dates, initials, house numbers or your phone numbers.
- ❖ Make your PIN a series of letters or numbers that you can easily remember but that cannot easily be associated with you personally.
- ❖ Store your ATM card in your purse or wallet in an area where it won't get scratched or bent.
- ❖ Get the card out before you approach the ATM
- ❖ Stand directly in front of the ATM keypad when typing in your pin. This prevents anyone waiting to use the machine from seeing your personal information.
- ❖ After your transaction take your receipt card and money away. Do not stand in front of the machine and count your money.
- ❖ If you are using a drive-up ATM get your vehicle as close to the machine as possible to prevent anyone from coming up to your window. Also make sure that your doors are locked before you drive up to the machine.
- ❖ If someone or something makes you uncomfortable cancel your transaction and leave the machine immediately. Follow up with your bank to make sure the transaction

was cancelled and alert the bank to any suspicious people.

IX.SUGGESTIONS

- ❖ The banks improve their performance for the ATM facilities.
- ❖ The bankers are provided the safety measures for ATM centers.
- ❖ The bankers are given the new card for quickly if the card is missing.
- ❖ The bankers are increasing awareness to their customers about ATM, Debit Cards and Credit cards.

X.CONCLUSION:

ATM is now introduced so many banks in almost all in the globe. ATMs have become a way of life and the banks which do not offer ATM services are by and large, not regarded favorable by the customer. ATM is one of the most popular delivery channels as it permits customers to do anywhere, anytime banking. Both the bank and customers stand to gain in several ways. While ATMs bring down the cost per transaction, increase efficiency by reducing workload of staff, they help to increase accuracy, speed, save time, money and efforts of customers. The commercial purpose of ATM is now demanding all among like students, service man, business man and general people. Users are saving from danger like stealing money etc. The popularity of ATM machine is now increased. Thus, ATM is one of the gifts from the inventor to humanity.

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