

Sustenance of Customers through Innovative Banking Practices with Special Reference to E-Banking Kiosks

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Abstract:

Services sector which is commonly known as tertiary sector contribute about 61.5 percent to Indian economy. Among all service industries, contribution of banking industry is very significant. It bridges those who possess surplus money with those who need money for various purposes. Banking industry was traced with accepting deposits and lending or investment of money received from the public and this traditional way of banking practices are lead by numerous innovations that arose according to the need of the customers of banks. This way forward has been undertaken by both public and private sector banks in India. Innovations in providing banking services has become the need of the hour to withstand in the business as well as to compete with other banks in the country. Some of the innovations in this regard are introduced by private sector banks and further taken up by public sector banks and public sector banks have come up to the state where they are able to provide new dimensions in the innovations brought in the banking business by others. Hence the functions of accepting deposits and lending money is done with the help of technology that aids for better delivery of services for the fullest satisfaction of customers. This study aims at understanding customers attitude and use of technology for deposits and withdrawal by means of new dimensions.

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I. INTRODUCTION

Innovations are the need of the hour in excel in any business and banking business in particular. As the technology develops, banking sector takes advantage of them to provide their delivery of services in an effective manner. Customers tend to admire the way banking services are provided by banks and use them for day today banking in a easy manner. In this regard traditional function of accepting deposits and lending of money is undertaken with the help of technology. Hence

the banking industry has moved forward from traditional banking towards technology based banking which is widely accepted by customers and prepare themselves for using technology based delivery of services. Numerous innovations are brought in banking business and some of them are; Automated Teller Machines, e-banking kiosks, Cash Deposit Machines, Cheque deposit machines, pass book printing machines, fund transfers through net banking, mobile

applications, Real Time Gross Settlements, National Electronic Fund Transfers and the like.

All the above innovations in banking industry have been introduced not only with a view to provide better delivery of services, compete with other banks but also to sustain the existing customers and attract new customers as well. Prospective customers choose banks in the present era that offers more and more innovative banking and in a way make customers' banking transactions more easier.

II. E-BANKING KIOSKS

E-corner or e-banking kiosks are set up in the country to make deposits, withdrawals and fund transfers more easily. Under this umbrella services, Automated Teller Machines, Cash Deposit Machines, Pass book printing machine and cheque deposit machines are found in a single room. A customer may walk in to this e-banking kiosks and get all their banking needs fulfilled. New dimensions in providing services have also been identified. Initially cash deposit machines are introduced for deposit of money into the concerned bank accounts by the customer him/herself using the customers ATM cum debit cards. Further it was enabled that customers' account can be credited by any one who can deposit by using the option cardless deposit and it still improved that cards issued by banks are not mandatory for deposit. Personal Identification Number set by the customer him/herself is necessary while using debit cards for deposits, withdrawals and for fund transfers. It was demanded initially that ATM cum debit cards with PIN are mandatory for withdrawal of money and today it is developed in such a way that withdrawal is possible without cards but with the use of One Time Passwords sent to the concerned mobile number and with the OTP sent by the banks' servers, customers can withdraw money. Hence the banking services are moved from traditional card use for services to cardless banking services.

The following is introduced very recently that the depositor deposits into the account of the beneficiary by using the account number of the beneficiary without the ATM cum debit card. The beneficiary withdraws from his account that was deposited by another person without the ATM cum debit card but using cardless withdrawal, OTP sent to the mobile number by the bank. Hence carrying of ATM cum debit card is not essential.

III. RESULTS AND ANALYSIS

An inquiry was made with customers who use innovative banking services offered through e-banking kiosks set up by banks themselves and excludes those customers who use innovative banking services offered through net banking and mobile applications created by banks and Point of Sales (PoS)

50 customers of five public sector banks were interviewed individually to inquire about the use of innovative banking services offered through e-banking kiosks. The selected public sector banks were chosen according to the highest number of branches in Madurai District. Random sampling method has been used for the purpose of collecting primary data. Percentile analysis is used to exhibit results of the study and no other advanced tools were used in the present study.

The results have been presented below.

1. 42 % of the respondents are between the age group of 20 to 40 years.
2. 65 % of the respondents are male.
3. 18 % of the respondents have below 12th standard as their educational qualification.
4. 60 % of the respondents belong to urban area and the remaining of them belong to rural and semi-urban area of Madurai District.
5. 100 % of the respondents use technology based banking services
6. 83 % of the respondents use e-banking kiosks for deposits, withdrawal and fund transfer.

7. The greater majority of 66% of the respondents use cards issued by banks to avail services.

8. 34 % of the respondents do transaction in the e-banking kiosks with out cards issued by banks.

9. 53 % of the respondents are satisfied with technology based delivery of banking services.

10. 6 % of the respondents use e-banking kiosks with the help of others as they have poor knowledge in use of technology.

11. 51 % of the respondents are in favour of OTP while withdrawal and remaining 49 % of customers are against OTP in using debit cards for withdrawal.

12. 95 % of the respondents are in favour of OTP while withdrawal and remaning 5% of customers are not in favour of OTP for the purpose of withdrawal.

13. 53 % of the respondents use e-banking kiosks for withdrawal, 44 % of customers use e-banking kiosks for deposits.

14. Among 44 % of the respondents who use e-banking kiosks for deposits, 62 % of customers deposit in their own bank account and 38 % of customers deposit in another customer's account.

15. 40 % of the respondents use pass book printing machine in the kiosk for printing banking transactions.

16. Among 40 % the respondents who use pass book printing machine, greater majority of 70 % of customers use it as it is forced by bank clerks.

17. 20 % of the respondents use cheque deposit machines for deposit of their cheques and the remaining 80 % customers prefer to visit banks for presentation of cheques at banks in person.

18. 84 % of the respondents are of the view that ATMs and CDMs in the e-bankig kiosks are not useable.

19. 100 % of the respondents agree that e-banking kiosks are not clean.

20. 78 % of the respondents support for issue of printed receipt for their transactions as it is not currently issued as a measure to promote eco-friendly efforts.

21. 60 % of the respondents are not happy about the maximum daily withdrawal.

22. 65 % of the respondents are happy about the number of withdrawals.

IV. SUGGESTIONS

1. Banks need to take care of the Automated Teller Machines and Cash Deposit Machines by servicing them at regular basis.

2. Cleanliness of the kiosks are to be concentrated by way of disposal of printed papers issued by the machines.

3. Daily maximum withdrawal limit is to be increased to meet out the emergency expenses.

4. Rewards may be awarded to the customers of users of innovative banking practices.

5. Use of debit cards in other bank ATMs can be considered with out levying additional charges by concerned banks.

V. CONCLUSION

Innovative banking practices offered through e-banking kiosks are of great help as customers are busy with their own work schedules. They find very little time to visit banks during working hours and hence it becomes inevitable to visit e-banking kiosks and corners. E-banking kiosks build high morale among the customers towards their banks. Failure on the part of the banks to concentrate more on these kiosks will surely lead to dissatisfaction and withdrawal of themselves from those banks that do not recognise the needs of their customers. Programmes such as 'Digital India' can be a force to make customers go digital but it need to get acceptance of people who are actually the ultimate beneficiaries. Before introducing such programmes, ways of making people to bring all their incomes to bank account is to be encouraged and it is a great challenge on the part of the Government and banks. All the efforts to bring innovative banking practices would be of no use when due recognition is not provided to customers. Hence due recognition of customers

and intermediaries of financial system coupled with innovations in banking sector will sure to sustain them as customers of banks in India.

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