

ATM CARD: A MAGIC WAND OF E-BANKING

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ABSTRACT

E-banking is the future of banking business in the upcoming century. E-bank of the new millennium is working with no lines, no tellers, no queues and no restricted office hours. Modern banking will tend to be more information based, speedy and boundary less.

Internet banking is the latest wave in information technology. It is another electronic delivery channel. There is no human operator present in a remote location to respond to his needs such as in telephone banking, in a call centre. The bank has a centralized. Database is web-enabled. All the services that the bank has permitted on the internet are displayed in menu. Any service can be selected and further interaction is dictated by the nature of service.

The introduction of Automated Teller Machines (ATMs) imparted flexibility to bank customers. The traditional branch model of a bank is giving place to alternative delivery channel through ATM & net banking. ATM is popularly known as any time money machine.

The objective of this research paper is to estimate the key role of ATM in E-Banking & E-Commerce payments and to explain different payment services through ATM. The study depends on secondary data from various sources. For the purpose of analysis this research paper is divided into two parts. In the first part, the status of internet users, E-Banking financial services and advantages has been discussed. The second part deals with different useful services available with ATM and concluded with findings and suggestions.

Key words: *Internet users, E-banking, ATM*

INTRODUCTION

Electronic Banking essentially involves Electronic Funds Transfer (EFT) network technologies of the IT framework. A new form of e-commerce market place is emerging where various players in the production and distribution chain are positioning themselves and are achieving a kind of integration in business information flow and processing leading to efficiencies in the entire supply chain and across industries. Banks are positioning themselves in such a market in order to be a part of the financial settlements arising out of transactions of this market and providing wholesale financial services. This needs integration of business information flow not only across the players in the supply chain, but with the banks as well.

GROWTH OF INTERNET USERS IN INDIA

It is evident that in absolute terms India's internet users are short by only 36 million as compared with 279 million in the US and higher than that in Japan, Brazil and Russia. However, in relation with its population, only 19% Indians use the internet. This indicates the potential of internet use in India and as internet penetration increases, the potential of growth for the E-Commerce industry will also increase.

An analysis of the demographic profile of internet users further testifies that E-Commerce will rise rapidly in India in coming years. Around 75% of Indian internet users are in the age group of 15 to 34 years. This category shops more than the remaining population. Peer pressure, rising aspirations with career growth, fashion and trends encourage this segment to shop more than any other category and India, therefore, clearly enjoys a demographic dividend that favours the growth of E-Commerce. In coming years, as internet presence increases in rural areas, rural India will yield more E-Commerce business.

Among the top 20 countries, India is the one with the lowest penetration: 19% and the highest yearly growth rate. At the opposite end of the range, United States, Germany, France, U.K., and Canada have the highest penetration: over 80% of population in these countries has an internet connection.

Table 1 demonstrates that, the growth of inter users in India in 2004 was 2.19 crores they increases to 24.31 crores in 2014. In between 2004 to 2014 the internet user's growth was

1108%. When compare to the user growth to the previous year, 2010 has highest growth 48% followed by 2013 with 37% growth.

Penetration percent of population with internet in India in 2004 shows only 1.98%. It increases to 7.50% in 2010 and it increases to 19.19% in 2014.

In 2014 the India's share of world population is 17.50%. The Global rank in the internet usage is 3 in 2014. This Rank was 8 in 2004 and it decrease to 7 in 2006, the rank 6 in 2008, the rank 4 in 2010. From 2011 to 2014 India Global Rank is 3. The first and second potions have occupied by China and USA. The countries share of world internet users in 2004 was 2.41%. It increases to 4.42% in 2010 and increases to 8.33% in 2014.

Year	Internet Users**	User Growth	Penetration (% of Pop. with Internet)	Country's Share of World Population	Country's Share of World Internet Users	Global Rank
2014*	243,198,922	14%	19.19%	17.50%	8.33%	3
2013*	213,339,324	37%	17.04%	17.48%	7.87%	3
2012	155,575,944	27%	12.58%	17.47%	6.18%	3
2011	122,970,441	36%	10.07%	17.45%	5.39%	3
2010	90,421,849	48%	7.50%	17.43%	4.42%	4
2008	51,450,210	12%	4.38%	17.39%	3.27%	6
2006	32,074,981	19%	2.81%	17.34%	2.76%	7
2004	21,947,488	19%	1.98%	17.26%	2.41%	8

Source: www.internetlivestats.com ** estimated

E-BANKING IN INDIA

Considering the volume of business e-commerce banking would position itself in an intermediary role in settling the transactions and offering other trade related services. Besides, the traditional role of financial intermediary and settlement agents, banks have also exploited new opportunities offered by Internet in the fields of integrated service providers, payment gateway services, etc. However, the process is still evolving and banks are repositioning themselves based on new emerging e-commerce business models.

With the integration of business information flow and higher degree of transparency, the banks and other financial services institutions have lost some of the information advantage they used to enjoy and factor in to pricing of their products. However, such institutions have the advantage of long standing relationships, goodwill and brand, which are important sources of assurance in a virtual market. Banks are in fact, converting this goodwill into a business component in e-commerce scenario in providing settlement and other financial services. Some banks have also moved to providing digital certificates for transactions through e-markets.

Banks' strategies in market are responses to different business models emerging in e-commerce. It is, however, sure that e-banking is evolving beyond the traditional limits of banking and many new services are likely to emerge as e-commerce matures.

FINANCIAL SERVICES OF E-BANKING

Internet Banking is a product of e-commerce in the field of banking and financial services. Internet Banking offers different online services like balance enquiry, requests for cheque books, recording stop-payment instructions, balance transfer instructions, account opening and other forms of traditional banking services. Mostly, these are traditional services offered through Internet as a new delivery channel. Banks are also offering payment services on behalf of their customers who shop in different e-shops, e-malls etc. Further, different banks have different levels of such services offered, starting from only information is disseminated through Internet to online transactions are put through.

The traditional branch model of bank is now giving place to an alternative delivery channels with ATM network. Once the branch offices of bank are interconnected through

Satellite links, there would no physical identity for any branch per se. It would a border less entity permitting anytime, anywhere and anyhow banking.

The basic goal of banks is to create connectivity between each and every branches of the bank. The network which connects the various locations and gives connectivity to the central office within the organization is called intranet. These networks are limited to organizations for which they are set up. These intranets can be connected to other intranets forming internet.

Intranet based online banking service is to aid dissemination and sharing of information in a closed group aiding better and faster flow. Intranet eliminates duplication of databases and inconsistencies thereof.

OBJECTIVES

1. To explain the importance of E-Banking
2. To estimate the key role of ATM in E-Banking & E-Commerce payments
3. To explain different payment services through ATM
4. To create awareness among ATM users about different payments

RESEARCH METHODOLOGY

The study depends on secondary data from various sources. The secondary data was collected from RBI annual reports, IAMAI and other web sites. For the purpose of analysis this research paper is divided into two parts.

In the first part, the status of internet users, E-Banking financial services and advantages has been discussed. The second part deals with different useful services (with examples) available with ATM as a part of E-Banking.

SERVICES FROM DEBIT CARD (ATM)

Automated Teller Machine is designed to perform the most important function of bank, i.e. provision of cash facilities. ATM card is operated by plastic card with its special features. The plastic card is replacing cheque, personal attendance of the customer, banking hour's restrictions and paper based verification. These are debit cards. ATMs are used as spring board for Electronic Fund Transfer, Point or Sale has taken many functions performed by cashiers. ATM itself can provide information about customers' account and also receive instructions from ATM cardholders. An ATM is an EFT terminal capable of handling cash deposits, transfer between accounts, balance enquiries, cash withdrawals and pay bills. It may be on-line or off-line. The on-line ATM enables the customer to avail banking facilities from anywhere. In off-line the facilities are confined to that particular ATM assigned.

The use of computers was extended to improve customer service in a direct way. Whenever the customer wants get Fast Cash, withdrawal or cash deposit, he can go to an ATM spot and transact his business. The ATMs located at different spots are linked to the host computer in the bank. The transaction is in real time; that is, instantaneously booked to customers account.

GROWTH OF ATM'S AND DEBIT CARDS IN INDIA

The number of debit cards is on the rise due to the increasing access of people to banking services. Debit card transactions have recorded a healthy uptake, in line with the growth in their number. The lower average debit card spend could be due to the fact that this medium is preferred for mobile recharge and bill payment. The decline in the number of active credit cards can be attributed to the fact that banks became stringent about issuing new credit cards after the financial downturn in 2008 and withdrew cards from defaulters.

Table 2 deals with the bank ATM and debit card statistics during 2011-2015 in India. ATM on site is ATM machines that are set up in the premises where there is a bank branch so that both the physical branches the action can be used. The total ATM's on site in 2011 was 41,268 and they increases to 90,819 in 2015. The growth of onsite ATM's between 2011 and 2015 is 120 %.

ATM's offsite is the machines that are setup on a standalone basis. The total ATM's offsite in 2011 was 34,377 and they increases to 91,661 in 2015. The growth is 166% in between 2011-2015. Among total ATM's the onsite ATM's comprise 49.77% and remain 50.25% is from offsite ATM's.

The number of outstanding ATM cards in 2011 was 23.02 crores and they increases to 56.47 crores in 2015. The increase of ATM cards in between 2011 and 2015 was 145%.

The number of transactions by debit cards at ATM's in 2011 was 39.95 crores and they increases to 61.55 crores in 2015. The growth in between 2011-2015 was 54%.

POS transaction is a retail point of sale system typically includes a cash register (which in recent times comprises a computer monitor, cash drawer, receipt printer, customer display and a barcode scanner) and the majority of retail POS system also include debit/credit card reader.

The number of transactions at POS by debit card in 2011 was 2.25 crores, they increase to 8.01 crores in 2015. The growth in between 2011 and 2015 was 256%. The growth of transaction at POS in indicates to the maximum utilization of ATM cards beside normal or routine work. In the total transactions ATM transactions comprise 88.48% remain by Pos transaction 11.52%.

The amount of transactions at ATM in 2011 was Rs.10,61,653 millions and they increases Rs. 20,00,398 millions in 2015. The growth was 88% in between 2011 to 2015.

The amount of transaction at POS in 2011 was Rs. 3,70,055 millions and they increases to Rs.1,14,991 millions in 2015.

The growth of POS transaction between 2011 and 2015 was 210% (E-retail). The ATM's comprise 94.56% of transactions and POS comprises remain 05.45. It indicates low usage of ATM/debit cards for POS.

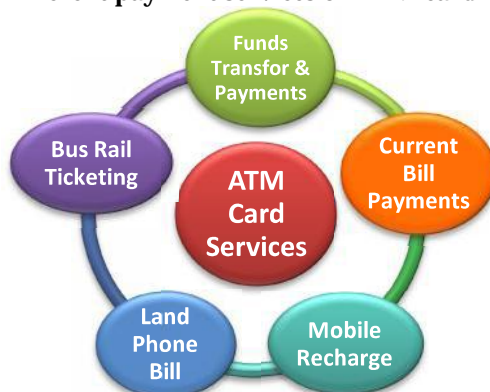
Year / Month	Total ATM's On-site	Total ATM's Off-site	No .of outstanding cards	No. of Transactions (Actual)		Amount of transactions (Rs Million)	
				ATM	POS	ATM	POS
2011	41268	34377	230256833	399553342	22461539	1061653	37055
2012	47914	48828	281896365	452614082	31041360	1280330	50716
2013	57090	59288	336866879	473418167	45286896	1565538	76198
2014	85134	77409	399652017	554034275	56266452	1773477	86847
2015	90819	91661	564707913	615527057	80124846	2000398	114991

Source: RBI Reports from 2011-2015

DIFFERENT PAYMENT SERVICES OF ATM CARD

ATM cards are useful to utilize different online services like balance enquiry, money withdrawal, mini statement, money transfer, payment services who shop in different e-shops, e-mails, e-ticketing, different bills etc., some of the following services are very useful to ATM card holders (figure 1).

Figure 1: Different payment services of ATM card



TRANSFER OF FUNDS AND PAYMENTS

The funds transfer facility enables you to transfer funds, we can transfer aggregating Rs.50,000 per day through ATM Cards. To make a funds transfer, you should have ATM card or the details of ATM card is sufficient. ATM card user can send money anywhere in India.

Payments against Shopping: With a range of all kind of products, we can shop online and the payment is also made conveniently through your ATM card.

Example 1: Payment of College Fees to Sri Chaitanya Online: The process is like given below

Step 1: Just log on to srichaitanya web site (www.srichaitanya.net) and select online fee payment then a popup window will open.

Step 2: Type Student Admission, No.145185087 and Submit.

Step 3: Student details, payment details are available, check that information and enter the amount and choose the pay mode (1) Credit card/Debit card (2) Net Banking. Then give tick at terms and conditions and select pay here and give confirmation as Yes.

Step 4: Pay to Sri Chaitanya Group– continue, Select your preferred payment method – VISA or MASTER CARD option.

Step 5: Enter card details, card number, expiry date, security code, select pay now, payment will complete, receipt will display.

Example 2: Payment of Electricity Bills

ATM card is a simple and convenient service for viewing and paying our bills online. No more late payments, no more queues, no more hassles of depositing money. We can facilitate payment of electricity bills, insurance premium bills with using ATM card from our house or office, 24 hours a day, 365 days a year.

To pay our bills, all we need to do is complete a simple one-time registration for each biller, without registration is also available as quick pay. Once the bill is uploaded by the biller, we can make payment through ATM card. The e-PAY service is available in various cities across the country and you can now make payments to several billers in our region.

The process is very simple like given below

Step 1: Open website www.apsdcl.in and select Pay bill (Bill Desk)

Step 2: It goes to www.billdesk.com and display options like –debit card or debit card + ATM PIN and pay by VISA or MASTERCARD select one option.

Step 3: Enter ATM card details like select debit card (bank), card number, expiration date (month, year), CVV/CVC (number on backside), card holder name and select Make Payment.

Step 4: Then payment was completed, receipt was displayed make it print.

Example 3: Payment of BSNL Land Phone Bills

The payment of land phone bill is very easy through online payment with using ATM Card. We can facilitate payment of telephone bills and other bills with using ATM card from our house or office. Generally, the bank does not charge customers for online bill payment through ATM.

The process is very simple like given below

Step 1: Open BSNL website (www.bsnl.in) and select land line quick pay option

Step 2: Then enter phone number (0877-2246520) and code displayed at screen (58012), then window displayed submit details of our bill, contact information.

Step 3: Please select the payment option, credit/debit/cash card/internet banking options, Select debit card pay by VISA / MASTERCARD,

Step 4: Enter ATM card details like select debit card (bank), card number, expiration date (month, year), CVV/CVC (number on backside), card holder name and select make payment. Enter password (create a password through click on forgot password) and submit.

Step 5: Then payment was completed, receipt was displayed make it print.

Example 4: BSNL Mobile Phone Recharge

Recharging our prepaid phone, top-up our prepaid mobile cards by logging in to BSNL web site. By just selecting our operator's name, entering our mobile number and the amount for recharge, our phone is again back in action within few minutes.

The process is given below

Step 1: Open BSNL website (www.bsnl.in) and select online recharge option

Step 2: Then enter mobile number (9440247274) and confirmation mobile number email id and submit

Step 3: select top up; general top up; select top up voucher amount (110) and submit.

Then popup window will open then select payment option; debit card (bank) and submit.

Step 4: select the payment option in Bill Desk and enter payment information like ATM card details like card number, name on card, expiry date (month, year), CVV (number on backside) and select make payment. Enter password (create a password through click on forgot password) and submit (ex: see Bill Desk Image).

Step 5: Then payment was completed, receipt was displayed make it print.

Example 5: Booking RTC bus E-Ticket

We can book our railway, air and bus tickets online through ATM card. To book bus tickets log on to the APSRTC website. Provide details about the start and end points of your journey, date of journey and number of tickets. Verify availability of seats on the selected date and confirm the transaction. Select payment option. Provide your credentials, press pay, the amount will be debited for the payment. We are provided APSRTC e-Ticket to our mobile and email.

For creating a user name and password open APSRTC website (www.Apsrtc.com) select signup, fill required information like login name, full name, email, gender, date of birth, nationality, address, city, country, state, postal code, Id card type, Id card number, issuing authority and add then user name and password will be created on your name.

The process of online RTC ticket booking is given below

Step 1: open www.apsrtc.in go to login here and enter user name and password then a popup window will open.

Step 2: enter details from (origin point) and to (destination point) and select ticket search then it displays all bus details, select a bus and click on select seat, then it shows some details like, boarding point, dropping point, concession, show layout, click on seat selected.

Step 3: fill passenger details like gender, name and age, seat no, and click continue then it displays onward journey ticket details, passenger details and payment gateway.

Step 4: select all visa/master card & debit card HDFC bank; tick terms and conditions make payment through debit card (visa/master card).

Step 5: enter name on card, card number, card expiry, card CVV, make payment, enter your payment password submit, ticket booking are generated successfully and. print ticket.

FINDINGS AND SUGGESTIONS

ATMs are established in important places by a bank in cities and important towns. The Indian Railways gave a mandate to 10 leading banks to host ATMs at Railway stations. Banks in India realized the need for ATM-inter-change deals to keep their overheads under check. Under ATM inter-change, customers of one bank are offered unlimited free access to the other bank's ATM network.

ATM cards provide comfort to customers. ATM cards saves time of bank as well as those of customers. Personal attention can be given by bank to customer also quality service can be served.

The powerful services of ATM are such as quality customer service, greater reach, customer loyalty, easy access to information, 24 hours access. ATM's should put efforts to multiply the number of strengths.

The major weaknesses they are lack of awareness of internet banking among the customers, obsolescence of technology related to security, complicated procedures of availing internet banking facilities, lack of knowledge among the employees of banks.

It is suggested that banks should conduct various training programmes for the employees, so that they will get aware with the terms of internet banking and maximum utilization of ATM cards for different services. After such programmes they can create awareness amongst the consumers regarding ATM cards utilization for several services or payments.

It is suggested that, there should be an open end discussion on the threats and vulnerabilities coming across the functioning of ATM's work by the employees in the various official forums and meets.

It is suggested that the banks in India should make necessary propaganda relating to duplicate cards, ATM PIN theft and Awareness about online payment through ATM's.

It is recommended that the banks should take necessary steps to improve the security measures at ATM's; awareness about money deposit through ATM. Awareness about online payment through ATM's and should take initiative for creation of own gateways for improve security in the process of online payments or transaction (like HDFC /Bill Desk Gateways).

The suggestions given, if adopted will improve the usage of ATM cards coupled with better service and satisfactions for ATM card users may be achieved.

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The screenshot shows the BillDesk payment gateway interface. At the top, the BillDesk logo is visible. Below it, the merchant name is 'SOUTHERN POWER DISTRIBUTION COMPANY OF ANDHRA PRADESH LIMITED' and the transaction amount is 'Rs. 772.00'. A navigation bar includes 'Credit Cards', 'Internet Banking', and 'Debit Cards'. The main form area is titled 'Please enter your debit card details and click on Make Payment below.' and contains the following fields:

- Select Debit Card:** A dropdown menu showing 'Andhra Bank'.
- Debit Card Number:** A text input field containing '4689171490000000' with a Visa logo to the right.
- Debit Card Holder Name:** A text input field containing 'madhujyoti k'.
- Debit Card Expiry Date:** Two dropdown menus showing '03' and '2016'.
- Security code ('CVC' or 'CW'):** A text input field with three asterisks and a magnifying glass icon to the right.

At the bottom of the form, there are two buttons: 'Cancel' and 'Make Payment'.