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## A Study on Usage of Kiosk Banking Services with Special Reference to City Union Bank Ltd., Vellore Branch, Tamil Nadu, India

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### **Abstract:**

*In Banking some operations like opening deposits, fund transfer, Passbook Printing and Cheque Clearing can be access only during in banking hours. The banks have implemented the certain technology in few services to cut down the access time intervention implemented Self Service Technologies.*

**Keywords:** *Self service banking technology. Kiosk banking, current trend, effective utilization, pros & cons*

### **1. Introduction**

Modern banking industry is fully computerized. All the bank branches are networked with Core Banking Solutions (CBS). The customers can access their account in any branch of same bank from anywhere which is known as anywhere banking. The advancement in the technology such as ATM, Internet Banking and Mobile Banking has set a trend for anytime banking.

The bank setup lobbies in their premises and in main business area location termed as E-Lounge to facilitate their customers to access their certain banking services 24\*7\*365 under one roof. It also called as Kiosk Banking.

Kiosk banking like a booth access certain banking channels and the bank utilize this for their marketing purposes. It's a low-cost marketing strategy. A kiosk will usually create attention by attractive display and messages to get new customers. It is one stop point for the bank to their certain targeted clients depending on their needs. In E-Lounge they installed certain banking channel kiosks are

- a. Clearing Cheque Kiosk
- b. Passbook Printing Kiosk
- c. Multi Function Kiosk
- d. Bulk Note Recycling Machine [BRM]

### **2. Kiosk Banking Technology Services**

#### **2.1. Clearing Cheque Kiosk**

Cheque clearing is the process of moving a cheque from the bank in which it was deposited to the bank on which it was drawn, and the movement of the money in the opposite direction. This process is called the clearing cycle and normally results in a credit to the account at the bank of deposit, and an equivalent debit to the account at the bank on which it was drawn. [1]

After implementation of Cheque Truncation System [CTS] clearing process, Cheque movement in the form of Electronic Image no need of physical cheque movement as older Clearing House method. It saves more cost and time to bank and Reserve Bank of India.

In impact to Self Service Technology and customer to access banking channel 24\*7\*365 for clearing cheque deposit Kiosk has been developed for this channel.

#### **2.1.1. Pros of Clearing Cheque Kiosk**

- Reduces Paper work and no need to fill Challans
- Simple Procedure to Operate
- Menu Available in English, Tamil and Hindi Languages
- Acknowledgement with the scanned image to the Presented Cheque no worry about without proper acknowledgement put the cheque in Drop Box
- Customer feel happy their cheque has been booked and not make delay in clearance by the bank
- Works as per CTS Clearing Batch Process timings
- Can book their cheque anytime 24\*7\*365
- Compare to Manual Booking Process is Quicker
- Acknowledgement copy is very useful for Record Maintenance purpose – With clear detail
- For a single a/c can present multiple cheques easily by using add more option by completion of every cheques

**Cons of Clearing Cheque Kiosk:**

- Customer feel little bit difficult to access the touch screen to entry the numbers
- Some Government Cheques will not pass, need to Present through Paper to Follow Clearing
- In some banks issuing CTS Cheques but the a/c number in not printed its manual rubber stamp sealed that cheques will not accepted
- Mostly to clearing cheques are presented in bank by a/c holder shop labours and 3<sup>rd</sup> party, they won't show interest in book in kiosk, simply put the cheque in drop box.
- Cheque got stuck inside the kiosk if any network disturbance or place any damaged cheques
- Acknowledgement receipt print becomes dull after few days.

**2.2. Passbook Printing Kiosk:**

For Savings bank account holder the main proof and certain details like A/c holder Name, A/c Number, A/c Holder Address, Photo of the A/c holder, IFSC Code, Branch address etc., Passbook provide for the purpose of record of bank a/c transaction of their savings deposit account .

Earlier the passbook entries written in manual by the clerical afterwards entries verify by the officer and initials the entries. After became Computerised and CBS environment passbook printer installed and issued computerised passbook, easily generate the report and print the entries.

Now in advancement of technology in banking environment and also implement of self service technology for Passbook printing Kiosk introduced. It saves more time to customer and transaction cost to banks. By one time simply print details of bank and customer in 1<sup>st</sup> page place barcode in back of passbook is enough. The customer can took passbook entries print by own in passbook printing kiosk till the passbook become full of entries.

**Pros of Passbook Printing Kiosk:**

- Kiosk Print text is Clear and bold compare to previous pass book print machine
- Simply by one time print of Barcode in back side of passbook and Print of Front page is enough
- No need enter details any details, by simply place the passbook it reads the barcode and starts printing
- Clear voice instruction for to place passbook, printing process and to turn the next page once current page entries are full
- No need wait in bank so long for passbook print, save lot of time. In older method teller collect the passbook, need to generate entries, print it and hand over to officer and initials the entries.
- Can access 24\*7\*365
- Menu available in Languages of English and Hindi

**Cons in Passbook Printing Kiosk:**

- After select language and insert the passbook if any network disturbance passbook struck inside the printer, after few seconds the passbook came return, that moment customer afraid about their passbook
- No Local Language (Tamil) instruction, most of people don't know to operate while using 1<sup>st</sup> time, need some assistance for few times till get familiar in options.

**2.3. Multi Function Kiosk**

It is the best option to create the awareness about the benefits of Internet Banking and Mobile banking. The leading manufacturers of Self Service Kiosk to banks are Accel Frontline Pvt. Ltd and NCR Corporation.

To operate this Customer should have ATM card or Internet banking service to access Kiosk. By the authentication one of these modes, Customer can do their transaction like

- Open Online Deposit
- Funds Transfer
  - Beneficiary Management – Add / View / Modify / Delete
  - Inter Bank Transfer
  - RTGS (Real Time Gross Settlement)
  - NEFT (National Electronic Fund Transfer)
- Cheque Book request
- A/c Statement View
- View their Profile

**Pros of Multi Function Kiosk:**

- Reduce work burden to staff and transaction cost for doing Inter Bank transfer/ RTGS/ NEFT.
- Save lot of time and Paper work reduce by filling up of Challans and it Save around Rs.15 to 30, RTGS/NEFT transaction Commission and banks transaction costs.
- Customer can View their A/c Statement as the period they want.
- Beneficiary added in 24hours due to security reasons.
- Per transaction can fix the limit up to Rs.5,00,000
- The every transaction got authorised finally by OTP (One Time Password) to customers Registered Mobile Number.

Cons of Multi Function Kiosk:

- Standing instruction Mark option not available in Multi Function Kiosk like Internet Banking
- Branch and ATM Locator not available, its easy to customer when they need to find out other branch location.
- No Acknowledgement Receipt, so that again stand in counter for a/c statement and not doing any transaction without any record.

2.4. Bulk Note Recycling Machine [BRM]

One of the primary reasons a customer visits a bank branch is to deposit cash. For someone who deposits cash on a regular basis, it can prove to be a lengthy and time-consuming process and need to remit in Working hours. Bulk Note Recycling Machine [BRM] is a terminal that uses to deposit cash in a/c without any time dependent and manual staff intervention. Now no need to stand in long queues at the cash counter and filling challans. In BRM deposit the cash very fast and simple.

The BRM accepts only good notes and hence reduces the risks of capturing fake currency. All unfit and suspect notes will be rejected by the machine. The currency accepted by the BRM will be sorted and stacked in the cassettes inside the BRM denomination-wise. All cash deposits happen on a real-time basis. [2] The machine also acts as ATM so it has the facility to provide mini statement, account balance, interbank transfer, Mobile Banking Registration and Cheque Book Request for all card-based transactions.

Nautilus Hyosung, NCR Corporation are Leading Cash Acceptor Manufacturers. To access the BRM, you need to have City Union Bank Debit Card or know the City Union Bank's 15 digit account number in which you wish to deposit the money.

In City Union Bank BRM acts as 2 in 1. It works as Cash Acceptor and also ATM. In the machine deposit cash by card / card-less based and also withdraws money with all bank ATM card. These technologies impress the customers and it increase customer base by word-of-mouth concept.

Pros of BNA:

- Instant credit in a/c with printed acknowledgement of full details as A/c number, A/c Name, Deposited Amount and Denomination Details
- No need to fill up the challans and stand in long queues.
- Independent from Working Hours and Holidays, Can access 24\*7\*365
- Present acceptable denominations 50,100,500,1000
- Can accept 200 notes per transaction
- Can deposit Rs.200000 in single transaction for PAN holders

Cons in BNA:

- No awareness about soil note placed in Retain, have to give manual credit by branch after verify
- Cash got Retract while any disturbance in Network.
- Once Retract Box filled with 200 Notes machine stop accepting and dispense of cash.

Mostly BNA placed has replacing the On Site ATM, but 1<sup>st</sup> time City Union Bank Ltd, Placed BNA in off-site, in Mitta Anand Rao Street, Gandhi Road, Vellore which facilitate for Bazar and retail business Customer benefit to remit their fund and withdraw money in a/c Anytime 24\*7\*365

3. Effective Utilization of Kiosk Banking Services in City Union Bank LTD, Vellore Branch

By suggesting these channels to customers they do not accept and adopt the technology immediately. After some time the customers' acceptance will gradually increase. During the five months of the study period (from 01.11.2015 to 31.03.2016) the total number of time the customers adopted the technology are given in the table below:

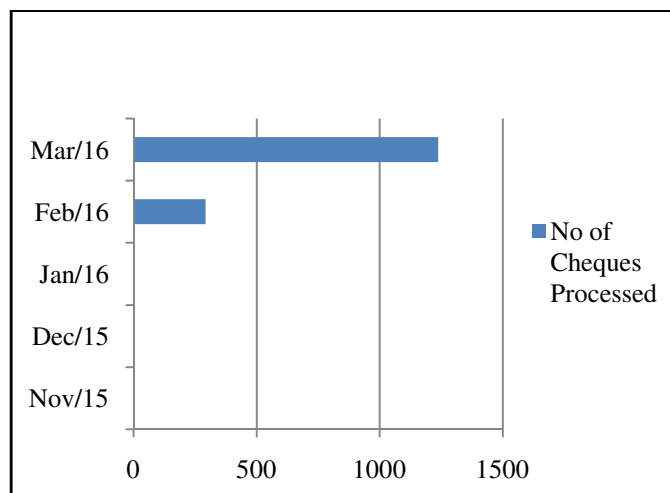


Table 1: Clearing Cheque Kiosk

In CUB Vellore Branch this Kiosk has installed on 24<sup>th</sup> Feb 2016.

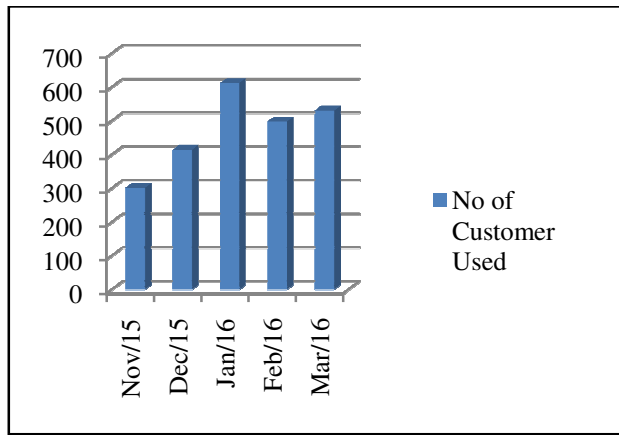


Table 2: Passbook Printing Kiosk

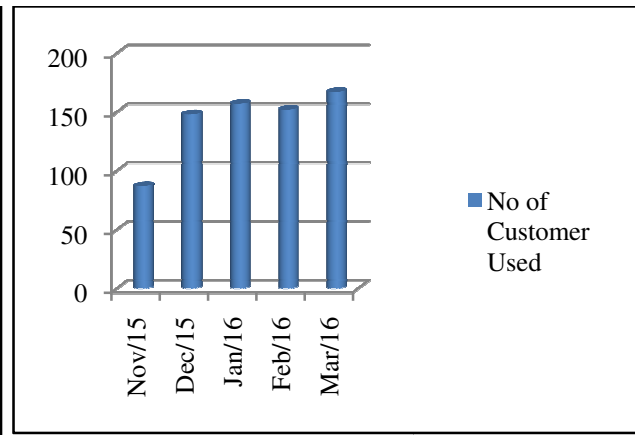


Table 3: Multi Function Kiosk

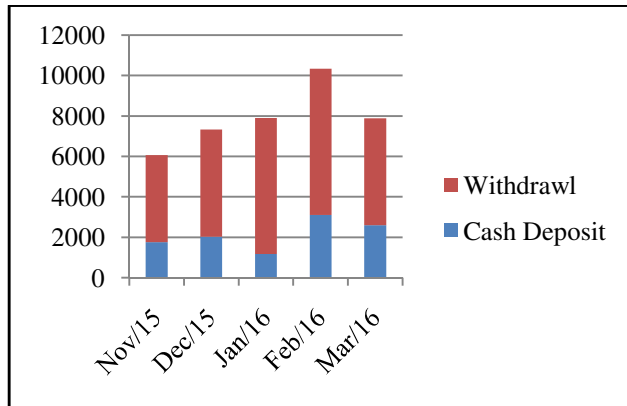


Table 4: ONSITE BRM

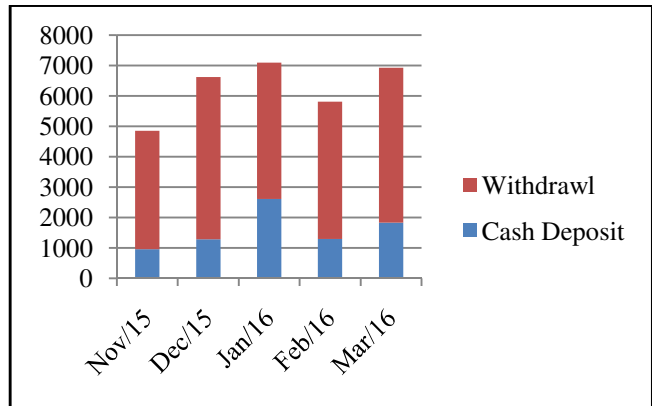


Table 5: Off Site BRM

The total number of customers in Vellore branch is around 14000 out of which (approximately) 9000 customers and 2000 customers adopted Green Channel and passbook printing kiosk respectively. BRM and Clearing Cheque Kiosk have been in increasing trend. The Paper presenter interaction with the customers shows that many customers are observing how the self service technology works and are slowly adopting this new era of Kiosk banking for their banking transaction.

**4. Conclusion**

More Paperwork reduced, more burdens reduce to both Customers and Banks. If the Bank wants to render best service to customer and the customer want to get good service from the bank, both of them have to think “Technology Service” and access the Kiosk banking channels. Expect Loan process and Locker operation customer fulfill their banking needs in E-Lounge itself.

City Union Bank Ltd., have to advertise about these technology service features on their website like SBI, Indian Bank, HDFC Bank, Axis Bank and ICICI Bank and the bank have to conduct a special awareness campaign and open E-Lounge in potential places, So that the customers base increases to the bank and people will get familiarization, access with the technology and adopt the same

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