

# A STUDY ON PERCEPTION OF CONSUMERS FOR RTGS SERVICES

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## Abstract

Now services of banks are available at the fingertip in mobile and customer can do practically all type of banking transactions from anywhere and at any time. An effort to make the remittance or payment transactions convenient, fast and at affordable cost, in the last few years, the use of information technology-enabled payment and settlements systems such as Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT) and National Electronic Clearing Service (NECS) had grown significantly. Customers' migration to electronic payments has also been growing extensively. The present study is focusing on analyzing the Reason for Failure of RTGS service in Ahmedabad City.

**Keywords:** Real Time Gross Settlement (RTGS), National Electronic Fund Transfer (NEFT) and National Electronic Clearing Service (NECS)

## INTRODUCTION

Payment & settlement systems constitute the backbone of the financial economy. The objective of an efficient payment system is to minimize systematic risk. Moreover, operating in a globally competitive environment requires a high level of technology development. The oversight of payment system is an essential function of central bank, aiming to ensure the smooth functioning of payment system and seeking to contribute to financial stability. The payment system is also important for the integration of financial markets, which in turn facilitates transmission of monetary policy impulses. The payment system influences the speed, financial risk, reliability & cost of domestic and international transaction. The RBI has made concerted efforts at developing a safe, secure & efficient payment & settlement system to enhance financial stability. In the process of improving the overall efficiency of the payment & settlement system in the country, the RBI, apart from performing the regulatory and oversight functions, has also under taken promotional & institutional activities. During 2004-05 the thrust of reserve bank's policy initiatives was on widening the range electronic payment products and building a sound institutional frame work for regulation and supervision. The stabilization of the RTGS (Real Time Gross Settlement) system is a significant development. In the last decade banking become speedy & paperless. The consumers' expectation of fast services of banking facility as well as at anywhere in the country can be satisfied with the RTGS. RTGS is the fastest possible money transfer system through the banking channel. Because settlements are made in real time, transactions are not subject to any waiting periods. With RTGS, transferring money becomes an easier, faster process.

## LITERATURE REVIEW

**D.Muthamizh Vendan Murugavel**, 'Empirical Evidence on Customers' Perception Towards RTGS Services', Al-Barkaat Journal of Finance & Management volume 3, no 2, July 2011. **Lele M.M. and Sheth J.D.** (July 1998) on "The fourth fundamentals of customer satisfaction"; published in the journal of "Business Marketing"; Vol. 73; PP.80-92 Stated that "Expectations of customers regarding such after-sales support as warranties, parts availability and other post-purchase services will be a factor determining customer satisfaction particularly for durables. After-sales support is said to be the litmus test of a firm's intentions towards its customers." **Naumann Earl, and Donald W. Jackson Jr.**, (May/June 1999) in their article entitled "One More Time. How Do You Satisfy Customers?" published in the "Business Horizons"; PP. 71-76 has modified work of Fredrick Herzberg. They have developed a similar type of modified two-factor theory applied to customer satisfaction. According to them exploring the process of value creation will give firms a better grasp of the ups and downs of customer satisfaction.

## SCOPE OF THE STUDY

Keeping in view the availability of time finance and ability of the researcher the study is restricted to the geographical area of Ahmadabad City. The Users of RTGS Services of Public Sector Banks in Ahmadabad City are the main source of Primary Data.

## OBJECTIVES OF THE STUDY

The following are the objectives of the present research paper:

- 1) To study the existing operations of RTGS Services.
- 2) To study customers level of awareness & usage of RTGS Services.
- 3) To analyze the factor reasonable for utilizing RTGS Services.
- 4) To make suggestion for improvement or change in the services of banks.

## SIGNIFICANCE OF RESEARCH

This study gives a clear picture of RTGS Services of Banks related to the customers. It draws an attention towards the problems faced by the customers for services and suggestions made by them. It may help the bank to improve operational efficiency. The study gives an idea of customer satisfaction and RTGS Services of banks.

### Universe of the study

All type of bank account holders of Ahmadabad City constitutes the universe of the study.

### Population of the Study

The bank account holders of public sector banks of Ahmadabad City constitute the population of the study.

### Sample Design

With the help of convenient sampling technique, a sample size of 150 bank account holders of public sector banks of Ahmadabad City was selected as respondents and questionnaires were distributed among 150 respondents randomly out of them 116 respondents have returned it. Out of them 110 questionnaire were found fully filled up. Out of 110 questionnaires 100 questionnaires were considered for the study.

**Data Collection:** The study is based mainly on primary data and supported by secondary data. The primary data were collected with the help of questionnaire from the bank account holders of public sector banks who were using RTGS Services to evaluate customer satisfaction of RTGS services.

## DATA ANALYSIS & FINDINGS OF THE STUDY

Data analysis is an important part of any research work. The dully filled in questionnaires were edited by the researcher and in accordance with the requirements of the objectives and hypothesis table were prepared. The raw data collected through questionnaires were quantified with the help of Likert's 5-point scale. Further the processed data were analyzed with the help of statistical tools and techniques. The tools and techniques used by researcher for data analysis were; Simple Percentage, Averages, Likert's Scale, Wilcoxon Matched – Pairs Test and Sandler's A – Test. Scales were developed by utilizing the item analysis approach. Wherein a particular item is evaluated on the basis of how well it discriminates between those persons whose total score was high and those whose total score was low. Those items or statements that best meet this sort of discrimination test were included in the final instrument.

**Table: 1 Average Score and Differences Therein Regarding Satisfaction level of RTGS**

Serial no of Reasons	Average Scores			Differences (P1-P2) D	D2	Ranks of Differences	
	Service (P1)	Business (P2)	All			+	-
Quick Service	4.32	4.51	4.39	-0.19	0.0361		5
Minimum Time	4.09	4.43	4.21	-0.34	0.1156		7
Handling Inquiry	3.86	4.26	4.00	-0.4	0.16		8.5
Time for Short-out Complain	3.85	4.09	3.93	-0.24	0.0576		6
Attitude of Bank Staff	4.06	4.06	4.06	0	0		
Co-Operation of Bank Staff	4.14	4.17	4.15	-0.03	0.0009		1
Customer Care Satisfaction	4.14	4.09	4.12	0.05	0.0025	2	
Affordable Bank Charges	4.09	4.49	4.23	-0.4	0.16		8.5
Limit of RTGS	3.82	4.43	4.03	-0.61	0.3721		11
Maintenance of Secrecy	3.72	4.17	3.88	-0.45	0.2025		10
Prompt Service	4.60	4.74	4.65	-0.14	0.0196		4
Success Ratio	4.52	4.60	4.55	-0.08	0.0064		3
<b>Overall average/Total</b>	<b>4.10</b>	<b>4.34</b>	<b>4.18</b>	<b>-2.83</b>	<b>1.1333</b>	<b>2</b>	<b>64</b>

**(Source: Computed From Questionnaires)**

The researcher made an effort to know the satisfaction level of RTGS services from the RTGS users. Different response of reasons given in structured questionnaire. In this connection 12 major reasons for satisfaction level were (1) Quick service (2) Minimum time to complete transaction (3) Handling inquiry (4) Time taken to short out complain (5) Attitude of bank staff (6) co-operation of bank staff (7) Satisfaction with customer care (8) Bank charges affordable (9) limit of RTGS (10) Secrecy (11) Prompt service (12) Success ratio.

As such, the average scores of the satisfaction level separately for service sector and business sector users shown in table were not considered. Instead, the average score of each satisfaction level for both sector users taken together were used for the conclusions. Out of the 12 reasons, 10 reason had average score value more than 4 while other 2 reasons had values equal to or less than 3.93 As such in order to preference, 10 reasons with their score values was considered to be highly agreed (more than 80% level of agreement) Satisfaction level of RTGS.

The users of RTGS showed their highest agreement for ‘Prompt Service (4.65)’ followed by ‘Success Ratio (4.55) as satisfaction level during operation of RTGS. The users of RTGS showed their less agreement for ‘Time taken to short out complain (3.93)’ & ‘Maintenance of Secrecy (3.88)’ as satisfaction level during operation of RTGS.

**Hypothesis Testing:** The statements of null and alternative hypothesis set forth for the study were as under:

**H<sub>0</sub>:** There is no significance difference between Service sector and business sector users in relation to Satisfaction level of RTGS.

**H<sub>1</sub>:** There is significance difference between Service sector and business sector users in relation to Satisfaction level of RTGS.

Level of significance = 5%, Degree of Freedom (12-1) = 11, Wilcoxon Matched Pairs Test (Wilcoxon Test), Calculated Value of T-Statistic = 2, Table Value of T-Statistic = 11.

➤ Sandler’s A Test

Calculated Value of A-Statistic = 1.1333

$$\frac{(-2.83)^2}{2} = 0.14$$

Table Value of A-Statistic = 0.273

The average scores for all the 12 Satisfaction level was 4.10 for service sector and 4.34 for business sector users on a five point scale. The calculated value of T-Statistic (Wilcoxon Test) was 2 as against its table value 11 and the calculated value of A-Statistic was 0.14 as against its corresponding table value 0.273, a condition leading to the rejection of the Null Hypothesis denoting that both the averages were different. Hence, the difference between these two averages was not found statistically significant as per Wilcoxon Test and Sandler’s Test at 5% level of significance. In other words, the average scores for both the categories of the users were not found uniform having the value 4.18 on 5 point scale.

### LIMITATIONS OF THE STUDY

- [1] The information given by the respondents might be biased because some of them might not be interested to give correct information.
- [2] The research was carried out in a short period.
- [3] Because of small sample size the conclusions drawn cannot be applied in general.
- [4] The research is purely based in primary data collected through questionnaire being filled by the customers. Hence, the quality of outcome is largely depending on quality of data provided by individual respondents, personal judgment and attitude.

### CONCLUSION

RTGS is fully secured electronic funds transfer system where banks and customers can receive payments on real time basis. The outreach of RTGS transactions has also grown geographically. Based on the findings of the study, quite a few suggestions were given. If those are properly taken care of, it would be profitable to the banks and help them to popularize this wonderful payment system more and more.

## REFERENCES

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