

An Empirical Study on Efficient Banking System and Services: Reality or Myth

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1. Abstract

Purpose- In 1991-1992 Liberalisation has been initiated in Indian economy, and liberalization was incomplete without Globalization and Privatisation (LPG). All these initiatives have opened the doors for the private and foreign parties, who were interested in banking business. LPG has fastened the pace of growth in Indian economy, mobilizing the funds, immense infrastructure development, investment churning etc. From the customer perspective, services have been improved drastically, transaction time has been reduced, customers are empowered by technology driven banking. Earlier customers had to choose Public sector banks as an only option, to avail the banking services but after LPG there are many options to get banking services. Although private sector banks has given a intense competition to the PSU (Public sector units) banks but they joined the banking industry with a motive of profitability and wealth maximisation, a large number of complex products are introduced to meet the different requirements of the customer, but these products are not easily understood by the customers and leads to mis-selllling. In the name of the superior services, multiple and exorbitant charges are levied on the customers and erode the customer money. By arranging the modern looking facilities and maintaining physical appearance of the branch premises, higher Average balance is demanded from the customers. The services are based on the financial health of the customer. In this paper we briefly elaborate the post liberalization scenario and the bank practices with the provisions of the Customer service code 2018 (CSC, 2018) (Issued by Reserve Bank of India to take care of the customer interest by monitoring the customer services practices in banks). In this research we found that banks are lacking in providing services as per the commitments made by CSC and certain issues are raised by the customers regarding insufficiency in the services.

Methodology- Structured questionnaire has been used to collect the data from private sector and public sector bank customers. So that, a representative data can be collected to draw the conclusions.

Findings- In this research we found that banks are lacking in providing services as per the commitments made by CSC and certain issues are raised by the customers regarding insufficiency in the services.

Practical Implication- This study provides an in-depth analysis of consumer's problem and the level of unawareness among the customers about their rights. Hence, the apex banking authorities should take relevant steps to spread the awareness among the customer and take corrective actions, so that banking activities can be done as per the norms of customer service code.

Originality- This research work is totally new in this field, researcher is able to collect only couple of studies in this field, rest are the literature is similar but not in the same field. It will add to the existing literature for further research.

Keywords: Profit Motive, customer service code, Bank Practice, Customer Services

2. Introduction

Banking industry is a symbol of trust in any economy and regulator works as a watchdog, to safeguard that trust from erosion by regular monitoring and by setting up rules, regulations and standards. After independence in 1947 Indian banking industry was in miserable state but gradually various steps were taken by the government for the overall development of the country including banks. But the turning point was the introduction of Liberalisation, due to which norms were relaxed for the private banks to enter in the market. Private Banks were very aggressive in grabbing the market share and hence provided good physical facilities, ambiance and excellent customer service, where the PSU banks were lacking. Private Banks also introduced the computers in banking, which created a great difference in transaction timing in private and PSU banks. PSU banks have also undertaken all these changes to retain the customer from losing to private banks. Private Banks also make use of liberalized interest rates and provide higher interest to the customers on their deposits with the banks but same time charges a higher rate of interest from the loan customers. When private banks started to establish they used penetration strategy to grab the market share by opening zero balance accounts and the basic accounts for the general masses, but gradually the strategy has been changed from penetration to skim the cream. In this skimming strategy private banks has started concentrating on wealthy individuals, corporate, wholesale customers etc, which is called as a creamy layer of the society. In short, the actual image of the private banks appears after some time that these banks are meant for the customers who are not poor and above an average class, if a customer is having adequate amount to fulfill the average balance criterion of the private banks only then they are welcomed. In this case poor is still excluded from getting good financial services and they have to stand in the long waiting queues for hours, where no customer is entertained by the staff during the long lunch and tea hours. Can we assume this practice as Financial Exclusion of the disadvantage group?

Not only poor public but rich and wealthy customers are also exploited on the name of service. Such a wide range of products are documented by banks that neither the bankers nor the customers are able to remember or recall all the products/services. Those product/services are sold to the customers which products are targeted by bank or to earn revenue without identifying the need of the customer, customer need identification is just an eye wash or as a formality for the sake of adherence of regulations. Products which incentivize the employees are sold in market. Not only in Indian Banking but all over the world banking history has seen scandals for the wealth maximisation like LIBOR scandal 2014, financial crisis in 2008, Deutsche Bank's \$10 billion scam, Lehman brothers collapse etc. in the core of all these scam activities, making easy money was the motive. Generally in international frauds poorer countries become more poor and rich become richer.

In this paper we have elaborated those services which are mentioned in the CSC commitments and all the member banks are bind to follow the same. We have recorded customer's perception regarding the fulfillment of these services and done a bank wise comparison of the adherence of the regulations.

3. Literature Review

To check the service quality of the bank (*Parsuraman et.al, 1985,1988*) has developed a scale named SERVQUAL having five dimension of service quality named as Reliability, assurance, tangibility, empathy and responsiveness and that create the acronym RATER. Which was not suitable to capture cross country culture (*Coulthard, 2004; Furrer et al., 2000*). Although private sector banks are good in providing services but still there is a huge gap in resolving customer issues emphatically by the bankers (*Mittal, et.al, 2018*), they have modern looking facilities, good ambiance and mannered staff but still lacks in understanding the customer (*Anant et.al., 2010*). Various researches has found that banks concentrate on other facilities but do not work on their human resource, it's the personal touch of the banker that makes a difference, because services are available in all the banks (*Saraswathi 2012*). Researchers have also found that bank branches have skewed distributed, the average density in urban branches are 6000 population and in rural area this average density is 24000 population per branch (*The International bank for reconstruction and development, 2009*). It also states that as per census of 2011, 9% of the deposit and 8% of the advances are contributed by the rural population and India's rural population is 68% of the total population. Urban population contribute 32% of the total population and approximately 91-92% of the deposit and advances come from urban population and moreover in this urban contribution 92% of the total contribution comes from some affluent business families (*RBI, 2015*). This shows the changing mind set of the banking industry, that discrimination exists on the basis of the location and in the core its financial difference (*Dubey, 2014*). Since the inception of the banking industry the focus has been shifted a lot in terms of services to marketing activities (*Aggarwal & Kamal, 2015*). Nowadays banking marketing strategies are only concentrating on those persons who are getting rich income through agriculture, industry , business sector and neglecting the rural masses and the retail customer segment, which is actually creating the wealth for the nation by working in these industries and business (*Mittal et al., 2018*). Banks unwillingly market those products that are pushed by the government and basically meant for poor and rural masses (*Subbaiah, 2012*). Not only this but sometimes the basic products like Lockers are given to the customers only after getting a big amount in their accounts or a handsome amount of investment policies purchased by the customers. Nowadays bank uses locker as a product for completing their third party product targets (*Why it is difficult to get a locker 2011*).

Regulators also keeps an eye on the banking activities and levies fine if the regulations are not obeyed by, in 2013 The Reserve bank of India has imposed penalty on 22 banks amounting Rs. 50 lacs to 3 crores. All the big banks were included in it like State bank of India, ICICI, HDFC and others for violating the KYC norms, procedures and compliance system in April 2013. Money laundering charges have been levied on various banks including ICICI, HDFC, INDUSIND, AXIS etc. (*RBI fines 22 banks for violating KYC norms 2013*).

It is not only the banks but customer's orientation has also been changed in terms of getting services, they have high expectation but their perceived quality is quite low particularly across the public sector banks. Continuous feedback from the customer is required to improve the service quality and reliability of the bank (*Meharajan et al, 2015*). There are seven reasons which are identified by the researches which are responsible for switching bank by customers, these are price, service quality, reputation, Involuntary action, advertising, distance, cost and other factors. Among all these factors reputation and pricing are main factors to influence the customer decision of switching the bank (*Subramaniam & Ramachandran 2012*). Last 5 years report of banking ombudsman shows that ,they used to receive approximately 70-80 thousand

complaints every year from the customers and approximately 25-30% of the complaints are related to non fulfillment of CSC/ unfair banking practices. One more thing which was highlighted that approximately two third of the complaints are received by urban area, it shows the level of awareness among the customers (*Reserve Bank of India-Banking Ombudsman reports from 2010-2011 to 2015-2016*).

Researcher have tried to check the level of services provided to the customer while keeping the CSC code as a standard for comparison and developed a questionnaire on the basis of code and evaluated the bank wise services provided to the customers.

4. Scope of the Study

In our study CSC, 2018 has been taken as the regulatory standard for comparing the actual banking practices. CSC code is meant for two type of customers one is for MSME (Micro, Small and Medium Enterprises) and another is for retail customer, in this study we have taken Retail customers for our study. 8 major banks of India have been covered for this research (Maximum market capitalization and branch network).

5. Conceptual Framework

In 2006 Customer service Code was initiated by Reserve Bank of India to safeguard the interest of common bank customer, CSC is established to maintain and monitor the bank services as per the provisions of the code. Code made provisions for the fair and equal treatment of the bank customers, to spread awareness about the rights of the customers, to use the different type of banking services, to empathies the customer if something wrong happens financially, to use his/her monetary resources beneficially and to monitor the bank practices to safe guard the interest of customer. This code is revised time to time in this study we are working on latest i.e. Code of Bank's Commitment to Customers – January 2018

Other Initiative taken by Regulators to improve the customer services

- *Committee on Capacity Building 2014, Purpose- Human Resource development in Financial sector*
- *Goiporia Committee 1990, Purpose- Improvement in Customer service*
- *Damodaran Committee 2011, Purpose-Improvement in Customer service*
- *R. Jilani Committee 2016, Purpose-for Audit/inspection soundness and accountability*

6. Objective and Hypothesis of the Study

Objectives

1. To check the overall score of bank practices with the commitments of Customer service code.
2. To do a bank type wise comparative analysis of bank practices w.r.t customer service code.

Hypothesis

1st Objective- H0- Customers are satisfied by the bank practices. $\mu \geq 4$

H1- Customers are not satisfied by the bank practices. $\mu < 4$

2nd Objective- H0- There is no significant difference in the bank practice of different type of banks.

H1- There is a significant difference in the bank practice of different type of banks.

7. Research Methodology

Research type- Exploratory, Descriptive and Explanatory

Sampling Technique- Banks are chosen randomly and customer are chosen by Stratified sampling technique.

Sample Size- 570 customers have been chosen for the study from 8 banks, among which 4 are public sector banks and 4 are Private sector banks. These banks are selected Randomly, while measuring the highest number of branches in Delhi-NCR region (Data has been provided by lead bank about the number of branches).

Table:1 Bank wise Number of respondents

Private Banks	No. of Actual Respondents
Axis- Bank	71
HDFC- Bank	74
ICICI- Bank	72
Kotak Mahindra -Bank	69
Public Banks	
Syndicate- Bank	71
Canara- Bank	71
Punjab National- Bank	72
State Bank of India	70
Total	570

Source: Author's calculation

Questionnaire Design and Data Collection

Questionnaire is designed by using the commitment of CSC and data is collected by the researcher only. Questionnaire is having 35 statements related to below mention 7 dimensions.

Table: 2 Variable identification and Instrument design

Sr. No.	Commitments	Variable
1.	<ul style="list-style-type: none"> To provide fair, reasonable and adequate services to the customers Maintain a efficient payment system 	<ul style="list-style-type: none"> Code of Conduct (CC) Task Efficiency (TE)
2.	<ul style="list-style-type: none"> To provide knowledge about the banking products and services. Advertising material should be clear Pricing and terms related to product/service should be clear to the customer 	<ul style="list-style-type: none"> Sales Approach (SA)
3.	<ul style="list-style-type: none"> To advice the customer in using their financial product/ services Customer should inform about the change in fee/ interest rates. 	<ul style="list-style-type: none"> Communication (CO)
4.	<ul style="list-style-type: none"> Resolve the customer complaints emphatically and satisfy the customer 	<ul style="list-style-type: none"> Empathy (EM)
5.	<ul style="list-style-type: none"> Treat the personal and financial information as important and secret. 	<ul style="list-style-type: none"> Merged with Task Efficiency (TE)
6.	<ul style="list-style-type: none"> To create awareness about the services and products and customer's rights. 	<ul style="list-style-type: none"> Post Purchase Information (PPI)
7.	<ul style="list-style-type: none"> Customer cannot be discriminated based on their caste, financial status ,religion, etc. 	<ul style="list-style-type: none"> Discrimination (DI)

Code of Conduct- includes statements related to day to day dealing with the customers

Task efficiency- includes statements related to transactional efficiency of the bank staff

Sales Approach- includes statements related to sales practice, need identification and disclosure norms

Communication- includes statements related to updating the customer about the change in bank rates and fee structure

Empathy- includes statements related to resolving the customer complaints empathetically

Post Purchase Information- includes statements related to awareness about the rights of the customers.

Discrimination- includes statements related to check the discrimination on the basis of caste, location or economic position of the customer.

8. Analysis and Interpretation

Reliability Testing

Reliability testing is done to analysis the reliability of the responses provided by the respondents, that are the providing the answer in right manner.

Table:3 - Reliability - Statistics

Table:3 - Reliability Statistics

Cronbach's Alpha	N of Items
.867	35

Source: SPSS Statistics 21 Output

Cronbach's Alpha should be more than .7 for considering the responses as reliable. Value more than .8 is considered as excellent value in terms of reliability (Field, 2009).

1st Objective Analysis

1. To check the overall score of bank practices with the commitments of CSC.

Technique- Frequency Distribution, one sample T test

Confidence Interval- Alpha (α)- 95%

Table: 4– Statement wise analysis (Mean Values)

Sr No.	Statement	Mean Value	Comment
1.	Basic banking facility like cash transaction	3.65	Moderate to agree
2.	Friendly behavior of bank employees	2.96	Disagree to moderate
3.	Minimum time is required to fulfill the transactions	2.83	Disagree to moderate
4.	Delays are common due to staff shortage	3.91	Agree
5.	Employees help the customers	3.02	Moderate
6.	Special services arranged for senior citizens and disabled.	3.02	Moderate
7.	Employees respect the customer	2.87	Disagree to moderate
8.	Misbehavior is very common.	3.69	Agree
9.	Reasonable cost	2.96	Disagree to moderate
10.	Provides a sense of security	3.59	Agree
11.	Treats information important and keep secrecy	3.98	Agree
12.	Error free transactions	2.97	Disagree to moderate
13.	Marketing promotions are not misleading	2.38	Disagree to moderate
14.	T&C are fully explained to the consumers	2.20	Disagree
15.	Banking products are easy to understand	2.08	Disagree
16.	Negative features of product are not disclosed	4.25	Agree
17.	Customer's need are not identified	4.02	Agree
18.	Products are sold to complete targets	4.09	Agree
19.	Employees work undue pressure	3.67	Agree
20.	Customers have to suffer loss	4.00	Agree
21.	Employees are able to resolve the complaints	3.56	Moderate to agree

22.	Sales malpractices lead complaints	3.47	Agree to moderate
23.	Provides information for all new services	2.02	Disagree
24.	Provide information about change in fee/interest rate	2.10	Disagree
25.	Marketing material is available in the local language	2.32	Disagree
26.	Marketing material are visually appealing in premises.	2.69	Disagree to moderate
27.	Employees are equipped to resolve complaints	2.58	Moderate
28.	Staff shows interest to resolve complaints	2.69	Disagree to moderate
29.	Fully aware about Customer Service code	1.55	Disagree
30.	Fully aware about complaints escalation	1.58	Disagree
31.	Fully aware about Informational portal/ Booklet.	1.63	Disagree
32.	Fully aware about Citizen Charter	1.57	Disagree
33.	Convenient location of bank branches for all	1.61	Disagree
34.	Bank employees difference on the basis of wealth of customers	3.59	Agree
35.	EWS can get loan easily	1.72	Disagree

Table No. 4 shows that none of the statement scored close to 5, hence there is a need of drastic improvement. Services provided by bank staff are not up-to the level of satisfaction. Sales approaches are also misleading and only for the benefits of the staff where they can earn revenue of fulfill the target and the customer need are neglected. Majorly complaints are driven by sales malpractices, mis-behavior by employees, delays and such other practices. one more aspect where customer awareness is on lowest level about the rights of the customer in banks.

One Sample T Test is done of overall dimension

Table-5 One-Sample –Statistics

	N	Mean	Std. Deviation	Std. Error Mean
Code of conduct	570	2.9968	.85064	.03563
Task Efficiency	570	3.3759	1.03022	.04315
Sales approach	570	2.3111	.82471	.03454
Communication	570	2.2829	.80986	.03392
Empathy	570	2.6377	1.25622	.05262
Post Purchase Information	570	1.5838	.70594	.02957
Discrimination	570	1.6116	.60799	.02547

Source: SPSS statistics 21 output

Table- 6 One-Sample –Test

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	Test Value = 4					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Code of Conduct	-28.157	569	.000	-1.00323	-1.0732	-.9332
Task Efficiency	-14.464	569	.000	-.62412	-.7089	-.5394
Sales Approach	-48.894	569	.000	-1.68895	-1.7568	-1.6211
Communication	-50.620	569	.000	-1.71711	-1.7837	-1.6505
Empathy	-25.890	569	.000	-1.36228	-1.4656	-1.2589
Post purchase information	-81.716	569	.000	-2.41623	-2.4743	-2.3582
Discrimination	-93.786	569	.000	-2.38835	-2.4384	-2.3383

Source: SPSS statistics 21 output

Table no. 6 shows that all the dimensions of the CSC code is significantly different from the score of 4 (Which is the test value for T). Table no.5 shows that the all the mean value of all the dimension of standard is lower from customer expectation (which is lower than test value of 4). Actual values are ranging between 1.5 to 3.3, hence quality of services provided by banks are not up to the mark to provide satisfaction to the customers.

Hypothesis Testing

1st Objective- H0- Customers are satisfied by the bank practices. $\mu \geq 4$

H1- Customers are not satisfied by the bank practices. $\mu < 4$

To check the above mentioned hypothesis we have to use 7 sub hypotheses, as we have seven dimensions.

Table- 7: 1stobjective , Hypothesis results

Null Hypothesis	Sig. Value	Result
1.1 Customers are satisfied by the COC practices of the banks. $\mu \geq 4$	.000***	Fail to accept Null Hypothesis
1.2 Customers are satisfied by the TE of the banks. $\mu \geq 4$	.000***	Fail to accept Null Hypothesis
1.3 Customers are satisfied by the SA practices of the banks. $\mu \geq 4$	.000***	Fail to accept Null Hypothesis
1.4 Customers are satisfied by the CO practices of the banks. $\mu \geq 4$	.000***	Fail to accept Null Hypothesis
1.5 Customers are satisfied by the EM practices of the bank. $\mu \geq 4$	.000***	Fail to accept Null Hypothesis
1.6 Customers are satisfied by the Spreading PPI practices of the bank. $\mu \geq 4$	.000***	Fail to accept Null Hypothesis
1.7 Customers are satisfied by the DI practices of the bank. $\mu \geq 4$	.000***	Fail to accept Null Hypothesis

Sig. Value-*** significant at 1% level, ** significant at 5%, * significant at 10%

2nd Objective

1. To do a bank wise comparative analysis of the dimensions of the bank practices.

Technique- Independent sample T test

Confidence Interval- Alpha (α)- 95%

Table No. 8 Bank wise number of customers

Table No. 8 TYPE OF BANK

	Frequency	Percent	Valid Percent	Cumulative Percent
1 PRIVATE BANK	286	50.2	50.2	50.2
Valid 2 PUBLIC BANK	284	49.8	49.8	100.0
Total	570	100.0	100.0	

Source: SPSS Statistics 21 output

Table-8 shows the number of respondents from each type of bank which are used for the analysis.

Table no. 9-Independent Samples Test

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		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Code of conduct	Equal variances assumed	1.307	.253	6.883	568	.000	.47161	.06852	.33702	.60619
	Equal variances not assumed			6.883	567.516	.000	.47161	.06851	.33704	.60618
Task efficiency	Equal variances assumed	11.245	.001	4.807	568	.000	.40702	.08467	.24071	.57333
	Equal variances not assumed			4.804	551.903	.000	.40702	.08472	.24060	.57343
Sales approach	Equal variances assumed	35.007	.000	-3.107	568	.002	-.21306	.06857	-.34774	-.07839
	Equal variances not assumed			-3.104	522.852	.002	-.21306	.06864	-.34790	-.07823

Communication	Equal variances assumed	8.105	.005	3.402	568	.001	.22872	.06722	.09669	.36075
	Equal variances not assumed			3.404	559.582	.001	.22872	.06719	.09674	.36070
Empathy	Equal variances assumed	.972	.325	11.063	568	.000	1.05694	.09554	.86929	1.24459
	Equal variances not assumed			11.065	567.296	.000	1.05694	.09552	.86932	1.24456
Post purchase Information	Equal variances assumed	.998	.318	1.073	568	.284	.06345	.05913	-.05269	.17959
	Equal variances not assumed			1.074	558.224	.283	.06345	.05910	-.05264	.17954
Discrimination	Equal variances assumed	2.256	.134	.376	568	.707	.01915	.05097	-.08097	.11926
	Equal variances not assumed			.376	567.923	.707	.01915	.05097	-.08097	.11926

Source: SPSS Statistics 21 output

In table no. 9, the data assumption of equality of variance is checked by the use of Levene's test of homogeneity of variances. As per this test COC, EM, PPI and DI variables having equal variance hence interpretation of first line i.e. equal variance will be referred for further interpretation. On the other hand variable like TE, SA, CO did not have equal variance, hence second line of unequal variance would be used for further interpretation. The P value of AW (P value= Sig. .284) and DI (P Value = Sig. .707) is more than .05 hence these variables are not significantly different in both the type of banks. Both the banks are same in spreading awareness among the customers and discrimination policy, it means that both the type of banks whether private or public both are not creating awareness among the customers about their rights and equally discriminating between the customers on the basis of their financial position, race, location and other status. Rest of the variable are significantly different in both the banks COC (Sig.-.000***), TE (Sig.-.000***), SA (Sig.-.002***), CO (Sig.-.001***), EM (Sig.-.000***).

Table no. 10- Group Statistics

Table no. 10- Group Statistics

	TYPE OF BANK	N	Mean	Std. Deviation	Std. Error Mean
Code of conduct	1 PRIVATE BANK	286	3.2317	.83260	.04923
	2 PUBLIC BANK	284	2.7601	.80295	.04765
Task Efficiency	1 PRIVATE BANK	286	3.5787	.92453	.05467
	2 PUBLIC BANK	284	3.1717	1.09075	.06472
Sales approach	1 PRIVATE BANK	286	2.2049	.69143	.04089

Communication	2 PUBLIC BANK	284	2.4180	.92907	.05513
	1 PRIVATE BANK	286	2.3969	.85267	.05042
Empathy	2 PUBLIC BANK	284	2.1681	.74846	.04441
	1 PRIVATE BANK	286	3.1643	1.16420	.06884
Post purchase information	2 PUBLIC BANK	284	2.1074	1.11602	.06622
	1 PRIVATE BANK	286	1.6154	.75322	.04454
Discrimination	2 PUBLIC BANK	284	1.5519	.65468	.03885
	1 PRIVATE BANK	286	1.6212	.60705	.03590
	2 PUBLIC BANK	284	1.6020	.60985	.03619

Source: SPSS Statistics 21 Output

Table no. 10 shows that private banks (Higher mean value) are performing better than public sector banks in terms of COC, TE, CO and EM. On the contrary in SA public banks are providing better services to the customer in comparison to private sector banks. Although sales malpractices are prevailing in both the type of banks but still public banks are somewhat better.

2nd Objective- Hypothesis Testing

H0- There is no significant difference in the bank practice of different type of banks.

H1- There is a significant difference in the bank practice of different type of banks.

To check the above mentioned hypothesis we have to use 7 sub hypothesis, as we have seven dimensions.

Table- 11: 2nd objective, Hypothesis results

Null Hypothesis	Sig. Value	Result
There is no significant difference in private and public sector bank COC .	.000***	Fail to accept Null Hypothesis
There is no significant difference in private and public sector bank TE.	.000***	Fail to accept Null Hypothesis
There is no significant difference in private and public sector bank SA.	.000***	Fail to accept Null Hypothesis
There is no significant difference in private and public sector bank CO Practices.	.002***	Fail to accept Null Hypothesis
There is no significant difference in private and public sector bank EM practices.	.000***	Fail to accept Null Hypothesis
There is no significant difference in private and public sector bank PPI practices.	.228	Fail to reject Null Hypothesis
There is no significant difference in private and public sector bank DI practices.	.066*	Fail to reject Null Hypothesis

Sig. Value-*** significant at 1% level, ** significant at 5%, * significant at 10%

9. Findings

1st Objective

By analyzing the 1st objective we have found that in non of the service dimension the bank is providing the satisfactory services to the customers, in fact the level of services are quite poor, the highest mean value was 3.3 in transactional efficiency and rest of the dimensions are less than 3.3, which says that customers are not at all satisfied in code of conduct, task efficiency, communication, sales approach, empathy, post purchase information and discrimination practices of the banks. Public and private sector banks both needs to gear up in providing services to the customers up to the level of satisfaction and at an acceptable level.

The result of this objective shows another side of the coin:

Low score of code of conduct means- code of conduct is not proper prevailing in the industry

Low score of task efficiency means- transactional inefficiency

Low score of Sales Approach means- Sales misconduct or Misselling is prevailing in the industry

Low score of Communication means- Customer is not updated about the changes in fees/interest rates

Low score of Empathy means- customer complaints are not resolved properly

Low score of Post purchase information means- Customers are not aware about their rights

Low score of Discrimination means- Discrimination of financial basis is prevailing in the industry

2nd Objective

The study depicts that the banks are significantly different in providing services in all the dimensions except PPI and discrimination score. Both the banks are same in spreading PPI among the customers and discrimination policy, it means that both the type of banks whether private or public both are not creating awareness among the customers about their rights and equally discriminating between the customers on the basis of their financial status, race, location and other status.

Private sector banks provide better services to the clients in terms of code of conduct, task efficiency, complaint resolution and communication. Private Banks are also ahead in sales misconduct practices. Although public banks are not good in sales conduct but still they are better.

10. Conclusion

Private Banks are blindly following the money; hence they are not able to see the mutual benefit of all the stakeholders. Public banks have relaxation in terms of monitoring and supervision, hence they did not bother the customer and their services and behavior is not up to the required standard. In both the cases some sort of action is required on the part of the regulators. In Private Banks auditors or monitoring staff should take necessary care that equal services should be provided to all the section of the society and in public banks they should have strict standards for customer services.

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