CHAPTER 4: SUMMARY AND CONCLUSION

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4.1 INTRODUCTION

A good ending is always a result of a hard beginning as truly said. Thus no real ending ever exist, it might be the place where our journey ends. One can also say that it is leaving of what is over without denying its validity or importance in the past. The researcher has reached the last chapter of the undertaken study and is in a position to summarize the hard work, efforts and the various steps undertaken for the successful fulfilment of the venture in hand.

Thus the summary chapter includes a brief discussion of all that is being done to complete the research work. It includes need and importance of the research in hand along with the objectives of the study. Few assumptions made after deciding the problem in hand are also included in the hypothesis.

The chapter explains in brief about the delimitations and limitations of the study faced by the researcher. A clear view about the universe, technique used for sampling, selected sample unit, sample size is included in the chapter. The procedure for collecting the data from the selected sample is clearly explained along with details of data analysis and interpretation. Finally on the basis of the findings accumulated through data collection a concise conclusion of the study is clearly elucidated.

The undertaken study should prove useful to the concerned group of people for their benefit as well as the benefit of the employees associated with them which in turn should prove advantageous to society at large. Thus certain suggestions and recommendations are being suggested in this chapter for all those to gain who are related to the study.

The undertaken study is not complete in all aspects except for the ones that are included in the study. So there are still certain areas where research could be conducted. Hence such areas are clearly mentioned through scope for further study. When solutions are provided by any piece of research, the areas whether further research could be conducted are also brought into picture. In addition, many unanswered questions during the research give way to suggestions for further research.
4.2 NEED AND SIGNIFICANCE

The study of literatures on the context of Housing Finance and Banking System in India, it is clear that many authors have expressed many different views with this regard. Their studies have revealed many facts of Banking System in India, the problem of NPAs with banks especially Public Sector Banks, Policies of RBI, GOI and NHB about the Home Loan, Consumer’s Perceptions regarding selection of Financial Institution, comparison of any two Financial Institutions or Banks and so on. But it is also clear that the study on comparison of Public and Private Sector Banks with regard to Home Loans has not been initiated especially with special reference to Western Suburban Region of Mumbai. Hence, a keen study of Comparative Analysis of Public Sector and Private Sector Banks with respect to Home Loans with special reference to Western Suburban Region of Mumbai should be initiated so as to put forward the pros and cons of both sectors of banks for the use of the society and the banks so as to adopt the strategies which can help banks to satisfy the customers more and in future to the customers while selecting the banks on the occasion of taking a home loan.
4.3 STATEMENT OF PROBLEM

Among all the different products of loan, Housing Loan is the most promising product to be emphasized in the recent era. It is also true that in view of the same, public sector as well as private sector banks, under the guidance of Indian Government and RBI, have been providing different incentives and schemes for home loans. Taking a home loan becomes the route for tax deductions also on the income of the customer as well as the lender.

And the recent investigators are also in view that there has been very few studies to examine the difference between public sector and private sector in connection with especially home loan segment.
4.4 OBJECTIVES

- To analyze the need and demand of Housing Loan in the context of the study area.
- To study various government schemes and incentive programs related to housing sector in the context of the study area.
- To make a comparative analysis of the Home Loan Financial Portfolios of Public and Private Sector Banks.
- To know the customers’ attitude towards the Home Loan Schemes while applying for the Home Loan.
- To analyze the customers’ satisfaction level while and after dealing with the Bank for Home Loans.
- To develop new strategies for the improvement of customer satisfaction level.
- To find out the reasons for Defaults in Home Loans.
4.5 HYPOTHESIS

H₀: There is no significant difference between the Public and Private sector Banks with respect to Customer Satisfaction Level for their Housing Loan.

H₁: There is significant difference between the Public and Private sector Banks with respect to their Housing Loan Financial Portfolios.
4.6 DELIMITATIONS OF THE STUDY

There are delimitations found in every research. No investigator can claim that his investigation is complete in all aspects. Thus, the boundaries of the study are called as delimitations.

- The authenticity of this research depends upon the honesty of the respondents while filling the structured questionnaire.
- The comparison of Public Sector and Private Sector Banks to be done in this research will be on the basis of only some selected banks i.e 5 Public Sector and 5 Private Sector Banks. Hence the said comparison will be done on the basis of the policies and strategies followed by only those 10 banks, which may differ in case of the excluded Public Sector and Private Sector Banks.
- The banks included in this study are chosen randomly with the keen choice of the researcher.
- This study has taken sample of PSBs and PVBs and the other categories of banks such as RRBs and Foreign Banks are not taken into consideration.
- This study also does not include Private Financial Institutions like Diwan Housing Finance Limited, Indiabulls, GIC Housing Finance etc.
- Also among the banks selected by the researcher, SBI represents the data pertaining to only SBI banks’ overall branches and its Associates are not taken into consideration.
4.7 SCOPE OF THE STUDY

- The study will help the customers to select the appropriate bank for applying for home loan with the help of above Policies, Schemes and Strategies of different banks.
- With the help of the study the banks can adopt the more attractive schemes and strategies to create larger customer base.
- With the help of larger customer base, the study will also help to improve their financial portfolios of home loans.
- The study will enable banks to overcome the deficiencies in the financial portfolios of the banks by getting more revenue from the larger customer base.
- The study will be helpful the society so as to decide whether to select which type of banks i.e Public or Private Sector Bank with the help of the customer satisfaction level and the financial portfolios of both the types of banks.
- The study will also be useful to the housing loan customers so as to take decision regarding the decision whether to retain with the same bank of to switch to the other one as per the above mentioned data.
4.8 LIMITATIONS OF THE STUDY

- The scope of the study is restricted only to Western Suburban Region of Mumbai consisting of the area from Dahisar to Bandra.
- This study covers only the Western Suburban Region of Mumbai which expresses that it does not include the entire Mumbai Region.
- The study of other Metropolitan Cities in India is not covered under this study.
- The study has also not covered the banks that are existing only in southern and well urbanized areas in Mumbai such as Colaba, Trombay, Fort, Nariman Point and so on.
- The study has included only Western Suburban Region of Mumbai and neither of the Central nor of the Harbour Suburban Region of Mumbai including Navi Mumbai being taken into consideration.
4.9 SAMPLE DESIGN

a) Sample Size:
The Sample Size is 500 Home Loan Customers from leading Public Sector and Private Sector Banks. And for secondary data collection, total 10 banks in which 5 Public Sector Banks namely SBI, BOB, BOI, Canara Bank and PNB and 5 Private Sector Banks namely Axis Bank, HDFC Bank, ICICI Bank, IndusInd Bank and KMB are chosen for analysis.

b) Sampling Technique:
The technique to be used for Sampling will be Simple Random Sampling for both Primary and Secondary Data Collection.

c) Tools of Analysis:
The test used is Regression Analysis to analyze the applicability of Hypothesis of the responses of customers and a simple ranking from 1 to 10 and ultimately taking the average of the final ranks of the banks group-wise, the first and second among Public and Private Sector Banks group-wise.

d) Research Area:
The area of research in this study will be the Western Suburban Region of Mumbai consisting of Suburbs from Dahisar to Bandra.
4.10 PROCEDURE FOR DATA COLLECTION

The research design is exploratory and comparative to determine the difference between the financial portfolios, defaulter cases and customer satisfaction level of Public Sector and Private Sector Banks. The research is expected to be completed within the minimum time limit as stated by the University wherein it would take approximately 2 months for further review of more researches so as to get clear idea of the work already done in the related context. But, it is mandatory to complete the course work within 6 months from the date of registration and hence would take the time to prepare the synopsis of the research study and on completion of which DRC to be completed duly. After which some more past researches in the context of the study to be analysed so as to reach to the state of mind of going further in the collection and analysis of data with the proper line of study which would take 2 more months. Then followed by the preparation and finalisation of the accurate and relevant questionnaire would take approximately a month. This obviously would follow the data collection which may take approximately 4 months and then data analyses including testing of hypothesis and interpretation may take approximately 4 more months so as to come to the relevant conclusion and prepare the summary of the thesis.
4.11 DATA ANALYSIS AND INTERPRETATION

- The procedure which helps to make a decision and assign meaning to the collected data and could be applied to the researcher’s problem is termed as data analysis. This data becomes the source of information for group discussions, interviews, publications, reference material etc. After regular reference of the data and by exploring it again and again, patterns and insights significant to the research are sorted out to address the problem under study.

- Obtained usable and useful information is the main aim of analyzing the collected data. Irrespective of the qualitative or quantitative nature of the data, the analysis helps in describing and summarizing the data, establishes relationships among variables, compare them, and understands the differences among variables and to predict the future outcomes.

- Data is being analyzed using statistical software SPSS and Ms Excel.
- Statistical technique used for data analysis is Regression Analysis.
- The Secondary Data has been analyzed by using a simple ranking of the CAMEL parameters among the banks individually and then finally bank group-wise as PSBs and PVBs
4.12 CONCLUSION BASED ON FINDINGS

ON THE BASIS OF THE PRIMARY DATA COLLECTED FROM THE HOUSING LOAN CUSTOMERS THROUGH A STRUCTURED QUESTIONNAIRE

1. As per the data on Age, it has been observed that among all the Public Sector Bank’s Home Loan customers, majority of the customers lied in the age group of 30-40 years with 72 people (42.86%) and only 19 people (11.31%) are above 50 years of age. While in the Private Sector Bank data also majority of the Home Loan customers are in the age group of 30-40 years with 148 people (44.58%) and only 23 people (6.93%) have age above 50 years.

2. Occupationally, of the total 168 Home Loan customers of Public Sector Banks, majority of Home Loan customers are Salaried with the number 101 (60.12%). While, of the total 332 Home Loan customers of Private Sector Banks, majority of Home Loan customers again are Salaried with the number 224 (67.47%).

3. In the Annual Income Group, it was observed that, in Public Sector Banks as well as in Private Sector Bank, majority customers are in the Income Group of 2.5-5 Lakh with the numbers 87 (51.79%) and 157 (47.59%) respectively.

4. Of the Home Loan customers in Public as well as Private Sector Banks, majority got the information about the Schemes regarding Home Loan from the best source of advertisement i.e Word of Mouth with the number 99 (58.93%) in Public Sector Banks and 250 (75.30%) in Private Sector Banks.

5. While considering the attitude of the Home Loan customers when they were supposed to go for Home Loan, following are their responses regarding the different factors or schemes:
   a. In case of Public and Private Sector Banks both, it is observed that majority of the Home Loan customers agreed to have a loan bearing Lower interest rates. The number being 66 (39.29%) who agreed and 79 (47.02%) who strongly agreed out of the total customers of Public Sector Banks. Whereas
in Private Sector Banks to the same was 109 (32.83%) and 173 (52.11%) respectively.

b. In the criteria of lesser paper work, mixed review was received from Public Sector Banks’ total 168 customers, 72 almost disagreed (24 Strongly Disagreed and 48 Disagreed) and 86 almost agreed (51 Agreed and 34 Strongly Agreed). While in Private Sector Banks, the scenario is different as majority of the Home Loan customers agreed for it with 266 (95 Agreed and 171 Strongly Agreed) aggregating 80.12% of the total 332 customers.

c. In case of Longer Period of Credit, out of the total 168 in Public Sector Banks, 117 (69.64%) almost agreed for the same and out of 332 in Private Sector Banks, 201 (60.54%) almost agreed for it.

d. While talking about the different EMI schemes and options, majority of the Public as well as Private Sector Banks supported the for getting those facilities from banks. The average of customers in both Public as well as Private Sector Banks in support of these facilities was approximately 70%.

e. There was a mixed response in case of Public Sector Banks for getting online as well as offline payment of EMI facility for Strongly Agree, Agree and Neutral with 53(31.55%), 44 (26.19) and 36 (21.43%).

6. Majority of the Home Loans were taken for the purpose of Purchase of New Home in case of both the types of banks i.e Public as well as Private Sector Banks with the number 145 (86.31%) and 313 (94.28%) respectively.

7. Majority of the Home Loans were taken due to Non Availability of Cash in case of both Public and Private Sector Banks with 115 (68.45%) and 228 (68.67%) respectively.

8. While considering the range of amount of Home Loans maximum number lies with the range of 5-10 Lakh Rupees with 81 (48.21%) in Public Sector Banks whereas in case of Private Sector Banks, the number of Home Loan customers was almost equal in the ranges 5-10 Lakh and 10-20 Lakh Rupees with the number 114(34.34%) and 109 (32.83%) respectively.

9. Majority of the Public Sector Banks demanded Property Papers only stating the numbers as 85 (50.60%). But in the Private Sector Banks, they demanded
Property Papers as well as Guarantor and/ or LIC Policy as the Security Deposit which is shown by the number 148 (44.58%).

10. In case of security margin applied by the banks in India seems to be standard at 20% for all Public as well as Private Sector Banks as this research it is observed that that 119 (70.83%) and 219 (65.96%) lied in the category of applying 20% margin by Public and Private Sector Banks respectively.

11. Majority of the Public as well as Private Sector Banks lend their loans for a longer period of credit i.e 10-20 years with the numbers 93 (55.36%) and 161 (48.49%) respectively and also a reasonable number was observed in the category of 5-10 years with the numbers 51 (30.36%) and 119 (35.34%) respectively.

12. A large amount of Home Loan customers resisted with both the classes Below 10000 and 10000-20000 with the numbers in Public Sector Banks 87 (51.79%) and 70 (41.67%) and the same in Private Sector Banks 145 (43.67%) and 130 (39.16%) respectively for the above mentioned classes.

13. Now talking about the level of customer satisfaction with respect to Public and Private Sector Banks, following data was achieved for the given facilities or services of the both types of banks:

a. Customer Attraction Schemes: in case of Public Sector Banks as well Private Sector Banks, people are not much aware about the schemes of different banks as they seem to reach to any kind of bank majorly through mouth publicity from their known ones. So, people have replied much more for Average or Not Satisfied for these schemes. The numbers are, among the Public Sector Banks, 99 (42+57) forming 58.93% (25.00+33.93) for Average and Not Satisfies altogether. Whereas, in case of Private Sector Banks also, the same existed with the numbers 198 (135+63) aggregating 59.64% (40.66+18.98) for Average and Not Satisfied altogether.

b. In case of counseling of these schemes. Private Sector Banks seem to be more efficient as the data shows. In Public Sector Banks, none of the customers replied with the response Excellent. The data revealed almost
the same results as the above point (a) as in aggregate 90 customers (53.57%) replied with the same Average and Not Satisfied altogether. While, in case of Private Sector Banks, the scenario is different as the numbers gave the different results as in the above point (a). The numbers reduced to 148 aggregating 44.58% for Average and Not Satisfied combined and the numbers for Good and Satisfied altogether increased from 129 to 164 aggregating 49.40% with these two categories altogether.

c. While taking Rate of Interest in the view, Public Sector Banks’ customers are highly satisfied with the larger numbers in the categories Excellent, Satisfied and Good 33 (19.64%), 38 (22.62%) and 48 (28.57%) respectively aggregating 70.83% in these three categories. While in case of Private Sector Banks, the customers are tend towards the categories Average and Not Satisfied totaling 205 (138+67) aggregating 61.75% (41.57+20.18) and also there was a reasonable number of customers with the category Good with 63 (18.98%).

d. There were mixed responses about the satisfaction from the Security Margin applied by the banks. But aggregating the three categories Excellent, Satisfied and Good altogether 116 (69.05%) of Public Sector Banks’ customers and 212 (63.86%) of Private Sector Banks’ customers seem to be satisfied and the rest being in the category of Average and Not Satisfied.

e. Combining the two of the formalities for getting Home Loans namely Formalities and Paper Work with Legal and Other Procedure, the customers of Private Sector Banks are more satisfied as compared to Public Sector Banks. It is shown by the data that averaging 84 (51% approx) of the Public Sector Banks’ customers were bit dissatisfied with these formalities and 227 (70% approx) of the Private Sector Banks’ customers were quite Satisfied with these formalities.

f. Considering the two more formalities namely Time taken to Sanction the Loan and Time taken to Disburse the Loan, the data again reveals that the customers are highly satisfied in case of Private Sector Banks as compared
to the customers of Public Sector Banks. The data clearly shows this as in Public Sector Banks, only averaging 32 (19% approx.) replied as Excellent and Very Good, and 41 (25% approx.) said Good whereas 95 (57% approx) were not so Satisfied for these formalities as may be these formalities taking much more time in this case. While the data for Private Sector Banks reveals that an average of only 90 (27% approx.) customers were not Satisfied and an average of 250 (75% approx.) customers were satisfied with quick and prompt action for these formalities.

g. While speaking about the Customer Service Personnel, their Quality and Attitude, their attention to Customer Grievances and their Responses to these Grievances, Public Sector Banks are found inefficient to do so as approximately 54% of its customers have responded with the reply Average and Not Satisfied and very few have given the reply as Excellent and Very Good at only 23% approximately. While in this case, again the Private Sector Banks have approximately 70% customers who are satisfied having many responses as Excellent.

h. In case of both Public and Private Sector Banks, customers were bit Satisfied with the Location of Branch with approximately 64% and 75% of the total customers respectively aggregating Excellent, Very Good and Good responses for both.

i. Both the types of banks share the same Satisfaction level of approximately 64% of its customers for the Accessibility of their Loan accounts due to the awareness of Information Technology in today’s times.

j. For the facilities regarding EMI Private Sector Banks’ customers are bit Satisfied in case of Timely Reminders of EMIs and Ease in Payment of EMIs as compared to Public Sector Banks with approximately 72% of its customers as against approximately 64% of customers of Public Sector Banks. Whereas in case of other facilities regarding EMI like Grace Period Allotted, Facilities for Payment of Missed EMIs and Charges for Missing EMIs, the customers of Private Sector Banks seem to be more satisfied except in case of Charges for Missed EMIs where the data shows that
almost 70% of Private Sector Banks’ customers are Dissatisfied. But, obviously it is acceptable that when the Private Sector Banks are providing better services for Payment of Missed EMIs with the help of visiting at the customers’ place for its recovery which is not so in case of Public Sector Banks.

14. The question regarding taking Home Loan again in future if required gives the idea about the average satisfaction level of customers of Public as well as Private Sector Banks. It is observed that approximately 54% of the Public Sector Banks’ customers are willing to take Home Loan again from the same banks and approximately 66% of the Private Sector Banks’ customers are willing to take the Home Loan again from the same bank. It shows that the customers of Private Sector Banks are bit more satisfied than that of Public Sector Banks.

15. The above data only reveals that approximately 46% of Public Sector Banks and approximately 34% of Private Sector Banks are not satisfied with their existing banks and wish to switch to the other banks.

16. Of the Public Sector Banks’ 77 customers who wish to switch to the other banks, a huge majority of them wished to switch to the Private Sector Banks numbering 49 (63.64%) and only 28 (36.36%) of them wished to switch to another Public Sector Bank. Whereas, the scenario is exactly opposite in the case of Private Sector Banks. Out of the total 113 customers who wished to switch to the other bank, majority of them numbering 62 (54.87%) wanted to switch again to the other Private Sector Bank and only 51 (45.13%) of them wished to switch to Public Sector Banks. This reveals that there is a wish of shift of Home Loan customers from their existing banks, but, majority of such customers of the Public Sector Banks are willing to switch to Private Sector Banks and on a contrary, majority of such customers of Private Sector Banks are willing to opt for another Private Sector Bank only due to its short and quick procedures as against the lengthy and time consuming procedures of Public Sector Banks.
17. Speaking about Missing of EMIs a reasonable figure lies with the answer yes with 72 (42.86%) in case of Public Sector Banks and 137 (41.27%) that of Private Sector Banks. Whereas, majority of the data shows that they have not missed any EMIs revealing 96 (57.14%) of Public and 195 (58.73%) of Private Sector Banks.

18. While finding out the reasons for defaults in payment of Home Loan EMIs, the following results were found about different predetermined reasons for defaults:

   a. Considering Hike in Domestic Expenditures due to higher standard of living and inflation both the reasons, the customers responded with a negative reply of Disagree and Strongly Disagree in case of both the types of banks. The corresponding data was approximately 88 (52%) for Public Sector Banks and approximately 165 (50%). And also it is noticeable that a reasonable number of customers [40 (24%) approximately in Public Sector Banks and 81 (24.50%) approximately in Private Sector Banks] were neutral to respond about the same.

   b. Considering Fall in Income due to Recession, this reason was also disagreed by majority of the customers by responding Disagree and Strongly Disagree. The data is 75 (45% approximately) for Public Sector Banks and 143 (43% approximately). Here also, a reasonable number stood with the Neutral responses in case of both the Public and Private Sector Banks. The numbers are 43 (25.60%) and 85 (25.60%) respectively.

   c. Considering Occurrence of Sudden Need for Cash, the customers of both the types of banks gave the same response. The data shows that majority of the customers supported the reason with responding Strongly Agreed and Agreed with the numbers 110 (63% approx.) in case of Public Sector Banks and 212 (64% approx.).

   d. There was a mixed review while considering the reason of Uncertainty of Job/ Business in case of Public Sector Banks as the numbers are 71 (42.26%) for Strongly Agreed and Agreed combined and 76 (45.24%) for Disagree and Strongly Disagree combined. Whereas in case of Private
Sector Banks, the customers clearly unsupported the reason with the number 175 (52.71%) for Disagree and Strongly Disagree combined.

e. Considering Increase in Family Responsibility as the reason, the customers of both Public and Private Sector Banks unsupported it with the numbers 85 (50.60%) and 161 (48.49%).

f. Considering the last reason for missing EMIs, Forgetting to Pay due to too much Busy Schedule, the data gives exactly the opposite responses in case of both Public and Private Sector Banks. The data shows that among the Public Sector Banks’ customers, majority of them unsupported the reason with Disagree and Strongly Disagree responses and the numbers are 91 (54.17%). The same for Private Sector Banks revealed that 171 (51.51%) supported the reason with the responses Agreed and Strongly Agreed.

19. With respect to the Banks’ data which was gathered from the official website of The Reserve Bank of India, it was found that the collection system of the Private Sector Banks was highly effective as compared to that of Public Sector Banks.
II ON THE BASIS OF THE APPLICATION OF THE CAMEL MODEL ON THE SECONDARY DATA COLLECTED

1. Considering the first parameter of CAMEL Model namely Capital Adequacy of the banks, the group of Private sector Banks lead that of Public Sector Banks as the average of the final ranks of these banks group-wise comes to 3.6 and 7.4 respectively giving first rank to Private Sector Banks and the second rank to the group of Public Sector Banks.

2. Considering the second parameter of CAMEL Model namely Assets Quality of the banks, the group of Private sector Banks lead that of Public Sector Banks as the average of the final ranks of these banks group-wise comes to 3 and 8 respectively giving first rank to Private Sector Banks and the second rank to the group of Public Sector Banks.

3. Considering the third parameter of CAMEL Model namely Management Ability of the banks, the group of Private sector Banks lead that of Public Sector Banks as the average of the final ranks of these banks group-wise comes to 3.6 and 7.4 respectively giving first rank to Private Sector Banks and the second rank to the group of Public Sector Banks.

4. Considering the fourth parameter of CAMEL Model namely Earning of the banks, the group of Private sector Banks lead that of Public Sector Banks as the average of the final ranks of these banks group-wise comes to 3 and 8 respectively giving first rank to Private Sector Banks and the second rank to the group of Public Sector Banks.
5. Considering the fifth parameter of CAMEL Model namely Liquidity of the banks, the group of Private sector Banks lead that of Public Sector Banks as the average of the final ranks of these banks group-wise comes to 5.1 and 5.9 respectively giving first rank to Private Sector Banks and the second rank to the group of Public Sector Banks.

6. So, concluding on the basis of the entire CAMEL Model, the Private Sector Banks are the winners with the higher Ratios as against that of the Public Sector Banks for analyzing the financial portfolios of these banks group-wise and comparing them.

CONCLUSION

From the above data, the conclusion can be drawn that there are more number of Home Loan customers of Private Sector Banks as compared to the Public Sector Banks. As the study reveals that out of total 500 Home Loan customers 168 are of Public Sector Banks and 332 are of Private Sector Banks. This clearly shows that people tend to take Home Loan from Private Sector Banks more as compared to Public Sector Banks. It is also observed that the customers of Private Sector Banks are bit more satisfied than that of Public Sector Banks due to the quick and prompt services of Private Sector Banks. The services includes Formalities and Paper Work, Legal and other Formalities, Time taken to Sanction the Loan, Time taken to Disburse the Loan, Quality and Attitude of Service Personnel, Attention and Quick Response to Customer Grievances and so on. But, there are some other factors also where the customers are more satisfied in case of Public Sector Banks viz, Rate of Interest, Charges for Missed EMIs and so on. There are also some factors where the customer satisfaction level was almost equal in case of both Public and Private Sector Banks viz, Location of Branch, Accessibility of Loan Accounts and so on.

Finally, taking into consideration the data relating to take the Home Loan again from the same bank or switch to the other bank, it is clearly seen that the people of Public Sector Banks are less in numbers (54%) as compared to the Private Sector Banks (66%) who
want to stay with the same bank. But, if we consider the customers who want to switch to other banks, majority of Public Sector Banks’ customers want to switch to the Private Sector Banks whereas majority of the Private Sector Banks’ customers want to switch to the other Private Sector Banks but not the Public Sector Banks. This shows that the people are more attracted towards Private Sector Banks even after their higher Rate of Interest and high cost of Loan and other processes.

Concluding on the part of the comparative analysis of the Public and Private Sector Banks with regard to their respective Financial Portfolios, using a very crucial model for the same called as CAMEL Model, Private Sector Banks are the UNDISPUTED WINNERS as against the Public Sector Banks in this regard.
4.13 SUGGESTIONS AND RECOMMENDATIONS

Following strategies are suggested by the researcher so as to grab more customer satisfaction and create a larger customer base of the housing loan customers:

(i) Charging the lowest Rate of Interest among all the other banks existing in the market.
(ii) Giving the Customer Loyalty Benefit to the customers who are very loyal in paying their EMIs on time and not missing any EMIs since a particular period of time usually say a year. Customer Loyalty Benefit in the sense of allowing the Rebate (Discount) in the Rate of Interest as a reward for the regular payment of EMIs.
(iii) No need of Guarantor for the smaller amount of loans.
(iv) No need of Income proof for small loans of the amount ≤ 1 Lac.
(v) No hidden charges should be applied by the banks. That means, all the charges to be incurred by the applicant of the loan must be declared at the beginning of the contract.
(vi) Waiver off of the processing fees should be allowed if the housing loan gets approved.
(vii) No charges should be collected by the banks for prepayments of the housing loans by the customers.
(viii) If a customer defaults in making payment of EMI, then a grace period to be provided so as to make the arrangement of the same and avoid the charges for the delay.
(ix) Rebate to be given in the Rate of Interest if the customer pays EMIs regularly & timely.
(x) Concession in Rate of Interest to be allowed for Economically Weaker Section people applying for Home Loan.
(xi) Waiver off of the part amount of EMI of the Economically Weaker Section of the Society when subsidies granted by the Government.
(xii) Arrangement of an Executive for the collection of the missed EMI/s, if any. This reduces the chances of conversion of such outstanding into the bad debts.

(xiii) Timely review of the customers regarding the services of the bank regarding the housing loan.

(xiv) Appointment of Service Personnel for resolving the customer grievances quickly and promptly so as to increase the customer loyalty towards the bank.

(xv) Establishment of more branches to give ease in accessibility to existing customers and also reaching to new customers for the product.

(xvi) More personalized mobile application software being designed for ease in transacting while repayment of housing loans. This will save the time and energy of the housing loan customers.

(xvii) Offering permanent membership in the bank for the privileged Home Loan customers so as to grab the confidence of the customers.

(xviii) Rewards and gift vouchers for the customers paying regular EMIs, so that they get inspired to do the same in future too.

(xix) The banks need to improve their quality of work especially the PSBs to increase the level of customer satisfaction and grab their attention.

(xx) The PSBs need to improve also their efficiency, productivity and ultimately its profitability so as to compete with the PVBs and maintain their standards.

(xx) The PSBs should pay attention towards the charges they charge to their customers as it is too high in their case and certainly become the reason for dissatisfaction as the finance always matters to us.

(xxii) The PSBs must be more efficient in completing the formalities and paperwork as their customers get dissatisfied due to that. This is so as in today’s rapidly growing era, people do not prefer to spend much of the time in just completing the formalities and other cumbersome procedures and hence move on the PVBs.
4.14 SCOPE FOR FURTHER STUDY

- The researcher has analyzed the data of 10 banks out of which 5 are Public Sector and 5 are Private Sector Banks. But there can be more number of banks to be taken for study in future so as to draw more accurate and prompt conclusion.
- The researcher has taken into consideration, only western suburban region of Mumbai consisting of the area from Dahisar to Bandra only. So, there is the scope for future research taking into account the entire Mumbai region giving options to include some banks which are existing only in the area other than covered under this study.
- The researcher also has considered the banks in the Mumbai region taking into consideration only one of the Metropolitan cities in India. This gives scope for further studies taking more than one Metropolitan cities.
- The researcher has not covered the housing finance institutions such as DHFL, GIC Housing Finance Ltd and many more. These banks today play a very dominant role in the context of the housing loan product and also it is observed in the society that number of these banks are among the leading housing loan providers in India. Hence, in future, these banks should also be taken into consideration while studying in this context.
- The secondary data for the banks included in this study is taken for last 5 years. So, in future, data for last 10 years can also be taken into consideration so as to arrive at the accuracy of the entire data in case of the growth of those banks included in that research.
- The researcher has considered only number of default cases, but while calculating the financial portfolios, if studied in future, the amount of outstanding of the loans can also be taken care of.
- The researcher has applied the CAMEL Model for analyzing the financial portfolios of the respective banks and their respective groups called as Public and Private Sector Banks. But there may also be some other techniques so as to determine and analyze the financial portfolios of the banks which can be taken into account for future studies in this regard.