CHAPTER VIII - FINDINGS AND SUGGESTIONS

8.1 INTRODUCTION:

In this Study the views of 398 respondents consisting of business customers and individual customers were sought and analysed. The views relating to marketing of financial services by private sector banks, the service marketing mix relating to banking business, service quality and linkages between service quality and profile of the respondents were studied.

8.2 FINDINGS:

Profile of Respondents:

Out of 398 respondents interviewed for the purpose of this Study, 76.63 per cent of the customers are individual customers and 23.37 per cent business customers. The male respondents constitute 81.91 per cent of the total and the remaining 18.09 per cent are female respondents. In the case of business customers male respondents constitute 74.19 per cent to its total whereas in the case of individual customers the percentage of male respondents is 84.26.

The important age groups among the respondents are 31 to 40 and 41 to 50 years which constitutes 39.19 and 24.12 per cent to the total respectively. The most important age groups for both business customers (34.41%) and individual customers (40.66%) are 31 – 40 years. It infers the young customers are using the private sector banking services more compared to the aged group of customers.

Married respondents are 93.22 per cent. The percentage of respondents in the category of business customers and individual customers are 90.32 and 94.09 per cent
respectively. It infers that married customers are seen as higher in both the business and individual customers.

Regarding educational qualification of the respondents the analysis infers that the most important level of education among the respondents is degree/diploma (36.18% of the total) which is commonly seen among the business (47.31%) and individual customers (72.79%).

In total, a maximum of 36.68 per cent of the respondents are private employees. It is followed by the businessmen and professional employees which constitutes 16.58 and 13.57 per cent to the total respectively. The most important occupational status among the business customers are businessmen and industrialists which constitute 70.97 and 29.03 per cent to the total respectively. Among the individual customers these are private employees and professionals who constitute 47.86 and 17.70 per cent to the total respectively. The analysis reveals that the important occupational status among the respondents is private employees and businessmen.

The important monthly incomes of the respondents are Rs.30, 001 to 40,000 and Rs.50, 001 to 60,000 which constitutes 21.86 and 19.84 per cent to the total respectively. The respondents with the monthly income of above Rs.60, 000 constitutes 15.07 per cent to the total. The important monthly incomes among the business customers in the public sector banks are Rs.50, 001 to 60,000 and above Rs.60, 000 constitutes 43.01 and 27.96 per cent to the total respectively. Among the individual customers these are Rs.30, 001 to 40,000 and Rs.20, 001 to 30,000 which constitute 26.89 and 22.62 per cent to the total respectively. The analysis reveals that the levels of monthly income among the business customers are higher than that among the individual customers.
The important family sizes among the customers are 3 to 4 and up to 2 since they constitute 59.29 and 24.37 per cent to the total respectively. The respondent with the family size of above 6 members constitutes 4.52 per cent to the total. The important family size of the business customers are 3 to 4 and 5 to 6 members which constitute 58.06 and 19.35 per cent to the total respectively. Among the individual customers these are 3 to 4 and less than 2 which constitutes 59.67 and 27.21 per cent to the total respectively. The important family sizes among the customers are 3 to 4 and up to 2 members.

In total, a maximum of 43.72 per cent to the total are urban customers, followed by 29.39 per cent of the customers who belong to semi-urban. The important nativities among the business customers are semi-urban and urban which constitute 38.71 and 54.84 per cent to the total respectively. Among the individual customers it is semi-urban and urban which constitute 38.36 and 40.33 per cent to the total respectively. The analysis infers that the important nativities among the customers are urban and semi-urban.

In total, a maximum of 55.78 per cent of the customers have only one earning member per family. It is followed by two earning members per family which constitutes 35.68 per cent to the total. The number of respondents with more than three earning members per family constitutes 1.76 per cent to the total. The most important number of earning members among the business customers is one which constitutes 63.44 per cent to its total. Among the individual customers it is also only one which constitutes 53.44 per cent to its total. The analysis indicates that the number of earning members per family
is identified as higher among the individual customers than that among the business customers.

The important family income per month among the customers is Rs.70001 to 90000 and Rs.90001 to 110000 which constitute 24.37 and 22.86 per cent to the total respectively. The number of respondents with the family income of less than Rs.30000 constitutes 3.77 per cent to the total. The important family income per month among the business customers are above 110000 and Rs.90001 to 110000 which constitute 36.56 and 27.96 per cent to its total respectively. Among the individual customers these are Rs.70001 to 90000 and Rs.50001 to 70000 which constitute 25.90 and 23.93 per cent to its total respectively. The analysis reveals that the family incomes per month among the business customers are higher than the family income per month among the individual customers.

The important years of experience in banking among the respondents are 11 to 15 years and 5 to 10 years which constitute 20.35 and 34.17 per cent to the total respectively. The important years of experience among the business customers are 16 to 20 and above 20 years which constitutes 35.80 and 35.48 per cent to its total respectively. Among the individual customers these are 5 to 10 and less than 5 years which constitute 39.67 and 23.27 per cent to its total respectively. The analysis indicates that the banking experience among the business customers is higher than the banking experience among the individual customers.

The important years of experience in the present bank among the customers are 2 to 6 and 7 to 11 years which constitute 25.13 and 27.64 per cent to the total respectively. The respondents with the experience of less than 2 years constitute 8.79 per cent to the
total. The most important years of experience of less than 2 years constitute 8.79 per cent to the total. The most important years of experience among the business customers are 12 to 16 and above 16 years which constitute 38.71 and 31.18 per cent to the total respectively. Among the individual customers, these are 7 to 11 years and 2 to 6 years which constitute 29.18 and 30.49 per cent to the total respectively. The analysis indicates that the total years of experience in the present bank is identified as higher among the business customers than that among the individual customers.

The important frequencies of transaction per month in the bank among the customers are 26 to 50 times and 51 to 100 times which constitute 23.62 and 23.62 per cent to the total respectively. The respondent with the frequency of above 100 times constitutes 16.58 per cent to the total. The important frequency of transaction per month among the business customers is 16 to 25 and 26 to 50 times which constitute 26.88 and 31.18 per cent to the total respectively. Among the individual customers these are 26 to 50 and 51 to 100 times which constitute 23.61 and 21.31 per cent to the total. The analysis infers that the frequency of transaction per month among the business customers is higher than that among the individual customers.

The important frequencies of visit to the branch among the respondents are 5 to 10 per cent to the total. The important frequency of visit among the business customers are 21 to 30 and above 30 times which constitute 30.11 and 31.18 per cent to the total respectively. Among the individual customers these two are less than 5 and 5 to 10 times which constitute 37.70 and 28.19 per cent to the total respectively. The analysis infers that the level of frequency of visit to the branch among the business customers is higher than that among the individual customers.
Customers Perspective of Marketing of financial services offered by Private Sector Banks:

This Study confines to 12 services such as Loans, Deposits, ATM/Debit card, Credit card, Internet Banking, Mobile Banking, Investment Banking, Insurance Services, Electronic Fund Transfer, E-Cheque payment, Wealth Management Services and Equity Trading and Investment.

Customers’ Perspective on Loans:

The eight variables used to measure the views of respondents regarding loans are: Loan amount, Loan processing time, Loan disbursement, Repayment System, Rate of Interest on loan, Varieties of loan, Mortgage of Loan and Processing Fess. The highly viewed variable in loans by the business customers (BC) are loan disbursement and loan amount. Among the individual customers (IC), these two are loan amount and repayment system. Regarding the view on variables in ‘loans’ the significant difference among the BC and IC have been noticed in their view on all eight variables since their respective ‘t’ statistics are significant at five per cent level.

Customers’ Perspective on Deposits:

The customers view on ‘deposits’ services are measured with the help of six variables such as Variety of deposits, Procedure to deposit, Interest on deposit, Closure of deposit, Mortgage of deposit receipts and Tax relief on deposits. The highly viewed variables on ‘Deposits’ services among the business customers are closure of deposit and variety of deposits. Among the individual customers, these two are closure of deposits and mortgage of deposits receipts. There is no significant difference among the business customers and individual customers regarding their view on all variables in deposits.
Customers’ Perspective on ATM / Debit Card Services:

The customers view on the ATM/debit card services (ADC) offered by the banks are measured with the help of eight variables such as Delivery of ATM Cards, Availability of ATM Cards, Balance inquiries, Account Transfer, Stamp Purchases, Deposit of Money, Credit purchases and Fees on usage. The highly viewed variables in ADC by the business customers are account transfer and fees on average. Among the individual customers, these two are credit purchases and delivery of ATM cards. Regarding the view on variables in ADC, there is no significant difference among the Business Customers and Individual Customers.

Customers’ Perspective on Credit Card Services:

The customers view on CCS is measured with the help of eight variables such as Owners Identification, Credit Limit, Scope of wider coverage, Record keeping of all transactions, Anytime Usage, Tracking facilities, Insurance facilities and Fees on coverage. The highly viewed variables in CCS by the business customers are credit limit and records keeping of all transactions. Among the individual customers, these are tracking facilities and credit limit. Regarding the view on variables in credit card services, the significant differences among the BC and IC have been noticed in the case of seven out of eight variables in CCS.

Customers’ Perspective on Internet Banking Services:

The levels of customers view on internet banking services offered by the banks are measured with the help of the nine variables such as, Indirect usage on paying of bills, indirect usage on fund transfer, indirect usage on viewing account statement, indirect
usage to deliver latest services, quick transfer of funds, anytime usage, easy access, cheaper rate of services and mediator services. The highly viewed variables in IBS by the business customers are internet usage on viewing account statement and fund transfer. Among the individual customers, these two are easy access and anytime usage. Regarding the view on variables in IBS, the significant difference among the group of customers has been noticed in their view on nine variables in IBS.

Customers’ Perspective on Mobile Banking Services:

The level of customers view on MBS is measured with the help of eight variables such as, Preferring balance checks through mobile device, Transaction payment through mobile device, Credit application through mobile device, Information on bank products through mobile device, Schedule and receives payments through mobile device, Access bank accounts through mobile device, Security guarantee and Reduction of paper work.

The highly viewed variables in MBS by the business customers are information on bank products through mobile device and reduction of paper work. Among the individual customers, these two are reduction of paper work and information on bank products through mobile device. The significant difference among the business and individual customers has been notices in the perception in credit application through mobile device.

Customers’ Perspective on Investment Banking Services:

The level of customers view on investment banking services is measured with the help of nine variables such as, Raising funds in the capital market, Advice on mergers and acquisitions, Security assistance, Arrangement of deal for client, Leveraged finance,
Asset finance and leasing, Structured finance, Restructuring and High grade debt. The highly viewed variables in IVBS by the business customers are leveraged finance and arrangement of deal for client. Among the individual customers, these two are raising funds in capital market and arrangement of deal for client. The significant difference among the business and individual customers has been noticed in their view on seven out of nine variables in IVBS.

**Customers’ Perspective on Insurance Services:**

The customers views on insurance services offered by banks have been measured with the help of seven variables such as, Variety of life insurance plans, Variety of insurance policies, Collection of premium on insurance policies, Information on insurance services, Mortgage of insurance policies, Easy installment payment and Inflation on maturity. The highly viewed variable in insurance services offered by banks among the business customers are mortgage of insurance policies and easy installment payment. Among the individual customers, these two are variety of life insurance plans and collection of premium on insurance policies. Regarding the view on variables in insurance services, the significant difference among the business customers and individual customers have been noticed in their view on two out of seven variables in it.

**Customers’ Perspective on Electronic Fund Transfer:**

The level of customers view on EFT is measured with the help of seven variables such as, Credit transfer, Debit transfer, Reduction of administrative costs, Simplified book keeping, National electronic fund transfer, Real time gross settlement and immediate payment services. The highly viewed variables credit variables in EFT
services by the business customers are credit transfer and reduction of administrative costs. Among the individual customers, these two are real time gross settlement and immediate payment services. Regarding the view on variables in EFT the significant difference among the business and individual customers have been noticed in their view on all seven variables.

**Customers’ Perspective on E-Cheque Payment Services:**

The levels of view on the e-cheque payment services offered by the banks have been measured with the help of five variables such as, anytime cheque payment, Avoid loss in transit of cheque, Avoidance of late clearing of cheque, lesser service charges and immediate credit to payee’s bank account. The highly viewed variables in ECPS by the business customers are avoid loss in transit of cheque and immediate credit to payees’ bank account. Among the individual customers, these two are also the same bank. Regarding the view on variables in ECPS, the significant difference among the business and individual customers has been noticed in their view on all five variables in ECPS.

**Customers’ Perspective on Wealth Management Services:**

The level of customers view on WMS as measured with the help of nine variables such as, Mutual funds, Life and general insurance, Portfolio management services, Structured products, Real estate funds, Investment in alternate asset class, Venture capital funds, Bonds and Debentures and Depository. The highly viewed variables in WMS by the business customers are structured products and venture capital funds services. Among the individual customers, these two are mutual funds, life and general insurance. Regarding the view on variables in WMS, the significant difference among the business
and individual customers has been noticed in their view on three out of nine variables in it.

**Customers’ Perspective on Equity Trading and Investment Services:**

The customer’s views on ETIS offered by banks have been measured with the help of four variables such as, Trade in shares in secondary market, Investment in shares traded on the NSE, and Investment in shares traded on the BSE and Hassle free way of investing. The highly viewed variable in ETIS by the business customers is hassle-free way for insisting and investment in shares traded on the NSE. Among the individual customers, these two are investment in shares traded on the NSE and BSE. The significant differences among the business and individual customers have not been noticed in all four variables in ETIS.

The variables explaining the loans have been measured with the help of Cronbach alpha. The confirmatory factor analysis results in content and convergent validity. The analysis inferred that the level of view on the ‘loans’ services, ATM / Debit Card Services, credit card services, internet banking services, investment services, e-cheque payment service, electronic fund transfer services and wealth management service offered by the banks are higher among the business customers than that by the individual customers.

The analysis reveals that the level of view on ‘deposits’ services and equity trading and investment services offered by banks is slightly higher among the business customers than that any the individual customers. The analysis reveals that the level of view on insurance services offered by banks in slightly higher among the individual
customers than that by the business customers. It is found that the level of customers view on mobile banking services among the business and individual customers are more or less similar.

**Customers View on various Bank Products / Services:**

The highly viewed bank products/ services by the business customers are E-cheque payment and internet banking. Among the individual customers, these two are ATM/Debit card and Mobile banking. Regarding the view on the bank products/services, the significant difference among the two group of customers have been noticed in their perception on seven out of twelve bank products/service.

**Association between respondents’ profile and their view on bank products/ services:**

The association between the profile of customers and their view on the provision of various bank products/services has been examined with the help of one way analysis of variance and the significantly associating variables are:

**Loan:** Age, level of education, occupational status, monthly income, earning members of family, family income, years of experience in banking and years of experience in present bank

**Deposits:** Age, level of education, occupational status, monthly income, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.
**Investment Banking:** Age, level of education, occupational status, monthly income, family income, years of experience in banking and years of experience in present bank.

**Insurance Services:** Age, level of education, monthly income, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.

**ATM / Debit Card Services:** Age, level of education, occupational status, monthly income, family income, earning members per family, family income, frequency of transaction per month, years of experience in present bank and frequency of visit of bank branch.

**Credit Card Services:** Level of education, occupational status, monthly income, family size, earning members per family, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.

**Internet Banking:** Level of education, occupational status, monthly income, family size, earning members per family, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.

**Mobile Banking:** Level of education, occupational status, monthly income, family size and years of experience in trading.

**Electronic Fund Transfer:** Age, level of education, occupational status, monthly income, family size, earning members per family, family income, years of experience in
banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.

**E-Cheque Payment:** Level of education, occupational status, monthly income, family size and years of experience in banking, years of experience in present bank, frequency of visit of bank branch.

**Wealth Management Services:** Level of education, occupational status, monthly income, family size, earning members per family, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.

**Equity Trading and Investment:** Level of education, occupational status, monthly income, family size, earning members per family, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.

**Discriminant bank Products/Services among the business and Individual Customers:**

Since the business customers’ view on the existence of bank products/services are differing from the view of individual customers, an attempt has been made to exhibit the discriminant bank products/services among the group of customers with the help of two group discriminant analysis.

The significant mean differences are noticed in the case of seven services out of twelve bank products/services. The higher mean differences are noticed in the case of
electronic fund transfer and e-cheque payment. The higher discriminant power is noticed in the case of loans and electronic fund transfers.

The relative contribution of bank products/services in the total discriminant score (TDS) is computed by the products of discriminant coefficient and the mean difference of the respective bank products/services. The analysis reveals that the important discriminant bank products and services among the business and individual customers are investment banking and electronic fund transfer which are highly perceived by the business customers than that by the individual customers.

The score on customers view on bank products and services offered by the banks are measured by the mean score of all variables included into twelve important bank products / services. The analysis reveals that the levels of customers view on bank products/services are higher among the business customers than among the individual customers.

**Customers Perspective of Service marketing Mix of Private Sector Banks:**

The present study focuses on 8 Ps (marketing mixes) such as, Product, Place, Price, Physical Distribution, Processes, Promotion, People and Productivity.

**Product Mix:**

The product mix was measured with the help of eleven variables such as Basic product, Frequency of services, Delivery timing, other services, Details on product, Payment services, Interaction with customers, Friendly services, Assured safety, up to
customers exception and Product width and Length. The highly viewed variables in product mix by the individual customers are Interaction with customers and delivery timing. Among the business customers, these two are frequency of service and other service. Regarding the view on the offering of variables in product mix, the significant differences among the business and individual customers have been noticed in the case of six out of eleven variables in it since their respective ‘t’ statistics are significant at five per cent level.

**Place Mix:**

The place mix place by the private sector banks in the banking industry have been examined with the help of seven variables such as Types of Delivery, Delivery channels, Bank counters, Quickness of response on service, Spacious delivery place, Delivery environment and Franchising services. The highly perceived variables in place mix among the business customers are spacious delivery place and quickness of response on service. Among the individual customers these are franchising services and quickness of response on service. Regarding the view on variables in place mix, the significant differences among the two groups of customers have been noticed in five out of seven variables in it.

**Price Mix:**

The customer’s views on price mix offered by the banks have been examined with the help of eight variables such as Value of products and services, Pricing strategy, Price variations, Transparency in pricing, Fair pricing, Pricing schedules, Fixation of fees and Fixation of penalties. The highly viewed variables in price mix by the individual
customers are pricing strategy and Fair pricing. Among the business customers, these are price variations and value of the product and services. Regarding the view on variables in price mix, the significant differences among the two groups of customers have been noticed in their view on seven out of eight variables in it.

**Promotion Mix:**

The promotion mix offered by the banks in the banking industry has been measured with the help of nine variables such as Communication, Advertising, Promotional measures, Publicity, Public Relations, Instruction materials, Design, Service Outlets and Trade shows. The highly viewed variables in price mix by the individual customers are design and communication. Among the business customers, these are advertising and communication. Regarding the view on variables in promotion mix, the significant difference among the urban and rural customers has been estimated in the case of seven out of nine variables in it. The confirmatory factor analysis has accepted only seven variables.

**Process Mix:**

The view on process mix among the customers is measured with the help of nine variables such as Model of services, Interface with customers, Service strategies, Service standards, Visibility, Interaction, Evidence, Supportive processes and Usage of Information Technology. The highly viewed variables in process mix among the individual customers are interface with customers and interaction. Among the business customers, these are visibility and interface with customers. Regarding the view on variables in process mix, the significant difference among the two group of customers
have not been estimated in all nine variables since their respective ‘t’ statistics are not significant at five per cent level. The CFA has accepted only eight variables.

**Physical Service Environment:**

The level of customers view on the level of existence of service environment mix is measured with the help of ten variables such as Service place, landscaping, Appearance of transport facilities, Decoration, Machineries and other fixed assets, Dressing of staff, Signs, Materials, Visibility and Ambient conditions. The highly viewed variables in PYM by the individual customers are appearance of transport facilities and Visibility. Regarding the view on variables in PYM, the significant difference among the two groups of customers has been estimated in the case of seven out of ten variables. The CFA has accepted only seven variables in it.

**People Mix:**

The customer’s views on the offering of people mix by the banks have been measured with the help of eleven variables such as Behaviour of staff, Delivery of service, Involvement among the employees, Organizational culture, Service delivery systems, Transparency in service delivery, Proactive marketing, Customers orientation, Motivated frontline staffs, Trained frontline staffs and Knowledge frontline staffs. The highly viewed variable in people mix by individual customers, are delivery of service and Behaviour of staff. Among the business customers, these are service delivery systems and Behaviour of staff. Regarding the view on the existence of variables in people mix, the significant difference among the two group of customers have been estimated in the case
of nine out of 10 variables in people mix since their respective ‘t’ statistics are significant at five per cent level. The CFA accepted only nine variables in it.

**Productivity Mix:**

The levels of productivity mix offered by the banks have been measured with the help of ten variables in it such as Minimum cost, Enriched quality, Differentiated services, Automation in service, System development, Customers based services, Customers Driven approach, Minimum service failure, Redressal of complaints and Service recovery process. The highly viewed variables in productivity mix by the customers are service recovery process and product differentiated services. Among the individual customers, these are involving customers based services and minimum service failure. Regarding the view on variables in PYM, the significant difference among the business and individual customers have been noticed in the case of eight out of 10 variables in it since their respective ‘t’ statistics are significant at five per cent level. The CFA has accepted only eight variables out of 10 in it.

The confirmatory factor analysis is carried on to examine the reliability and validity of variables in each marketing mix. The analysis reveals that the level of view on the in all the availed marketing mixes such as product mix, place mix, price mix, promotion mix, process mix, physical service environment mix, people mix and productivity mix is higher among the business customers than among the individual customers.
Customer’s view on Service Marketing Mix offered by the banks:

The customer’s view on all eight service marketing mix have been computed by the mean score of the variables in each marketing mix. The mean score of each service marketing mix among the business and individual customers have been computed along with its ‘t’ statistics. The highly viewed mix by the business customers is people and price mix. Among the individual customers, these are process and product mix. Regarding the view on the existence of product, place, price, physical service environment, promotion, people and productivity mix, the significant difference among the two group of customers have been noticed since their respective ‘t’ statistics are significant at five per cent level.

Association between the Profile of the Customers and their view on Service Mixes

Regarding the view on various components of service mix, the significantly associating important profile variables are age, monthly income, nativity, earning members per family, family income, years of experience in banking and present bank and frequency of visit at per branch since most of its ‘f’ statistics in the above said profile variables are significant at five per cent level.

Discriminant Service Marketing Mix among the business and individual Customers

The present study has made an attempt to identify the important discriminant service mix among the two groups of customers for some policy implications. The higher discriminant power is noticed to some extent in the case of promotion and people mix since their respective Wilks Lambda is 0.1071 and 0.1339. The significant service
marketing mix is included to estimate the two group discriminant function. The higher discriminant co-efficient are noticed in the case of people advertisement promotion mix since their respective discriminant co-efficients are -0.1776 and -0.1344. It shows the higher influence of above said service marketing mixes in the discriminant function. The higher relative contribution in TDS in noticed in the case of people and promotion mix since its relative contribution are 24.43 and 18.26 per cent respectively. The estimated two group discriminant function correctly classifies the cases to an extent of 78.91 per cent. The analysis reveals that the important discriminant service marketing mix among the business and individual customers is people and promotion mix which are highly perceived by the business customers than that by the individual customers.

**Discriminant Validity among various Service Marketing Mixes**

An attempt has been made to examine the discriminant validity among the various service marketing mixes. The mean of average variance extracted (AVE) and the square of correlation coefficient between the all possible pair of service marketing mixes have been computed. The mean of AVEs between product and price mix (0.5619) is greater than its square correlation coefficient between than (0.5177). The same type of results is seen in all possible pair of service marketing mixes. It reveals the discriminant validity among the various service marketing mixes.

**Score on Service Marketing Mixes among the Customers**

The level of customers’ view on all service marketing mixes have been computed by the mean score of the five variables included in all eight service marketing mix. The
analysis reveals that the level of view on the existence of service marketing mixes is higher as per the view of business customers than that by the individual customers.

**Customers Perspective on Service Quality in Private Sector Banks:**

In the present study, the included service qualities of Private Sector Banks are core and additional banking service quality.

**Core Service Quality:**

In the present study, 52 variables are included to measure the core service quality in the Private Sector Banks. The Exploratory Factor Analysis (EFA) has been executed. The EFA result in ten important core service quality factors (CSQFs) such as Modern Banking service, Communication, Tangibility, Competitiveness, Accessibility, Compliance, Reliability, Responsiveness, Assurance and Empathy.

The most important core service quality factor (CSQF) in Private Sector Banks is modern banking service since its Eigen value and the per cent of variance explained are 5.1708 and 11.00 per cent respectively. It is followed by the CSQFs namely communication and tangibility. The fourth CSQF is competitiveness, the fifth and sixth important CSQFs identified by the EFA are accessibility and compliance. The other CSQFs identified by the EFA is reliability, responsiveness, assurance and empathy.

**Modern Banking Service:**

The respondents’ perception on modern banking service has been measured with six variables such as Customers feedback systems, Easy and convenient banking, Telephone and internet banking, Number of ATMs, Electronic banking and Special services to senior citizens. The highly viewed variables in MBS by the individual
customers are number of ATMs and easy and convenient banking. Among the business customers these two are number of ATMs and easy and convenient banking. Regarding the perception on variables in MBS, the significant difference among the business and individual customers has been noticed in all variables in MBS except the special services to senior citizens.

Confirmatory Factor Analysis has been executed to test the reliability of the six variables. The included six variables in this factor explain it to an extent of 76.96 per cent since its Cronbach alpha is 0.7696. Hence, these six variables have been used to measure the ‘modern banking service’ for further analysis.

**Communication:**

The perception on communication has been measured with the help of six variables such as Content of online information, Accuracy of online information, Aesthetics, Timeliness of online information, Ease of usage and Security and privacy of online information. The highly perceived variables in CU by the individual customers are ‘security and privacy of online information’ and ‘accuracy of online information’. Among the business customers these are accuracy of online information and ease of usage of online information service. Regarding the perception on variables in CU, the significant difference among the business and individual customers has been noticed in the case of perception on content of online information and accuracy of online information service. The test of reliability included six variables in communication, is representing it to a reliable extent.
**Tangibility:**

Six variables are included in tangibles such as, adequate space in bank, Good layout, Good comfort, Interior design, High quality of facilities and High quality amenities. The highly perceived variables in TL among the business and individual customers are high quality of facilities and good comfort. Among the business customers these are high quality of facilities and adequate space in facilities. Regarding the perception on variables in TL, the significant difference among the business and individual customers has been noticed in four out of six variables in TL.

The EFA has identified the tangibility as the third important service quality factor. The included six variables in it explain it to an extent of 74.02 per cent since its Cronbach alpha is 0.7402. Hence, these six variables have been included to represent the ‘tangibility’ factor.

**Competitive services:**

The competitive services factor consists of five variables such as all services under one roof, Value added service, Competitive service quality, Competitive pricing and Variety of services. The highly perceived variables in CP among the business and individual customers are competitive service quality and all service under one roof. Among the business customers these are competitive pricing and all services under one roof. Regarding the perception on variables in CP, the significant difference among the two groups of respondents has been noticed in the case of all five variables in CP. The analysis reveals that the included five variables in competitiveness explain it to a reliable extent.
Accessibility:

The accessibility factor consists of five variables such as Convenient location, Convenient business hours, Contact with employees, Contact with managers and Contact with officers. The highly perceived variables in accessibility by the individual customers are convenient business hours and contact with employees. Among the business customers these are contact with employees and convenient business hours. Regarding the views on variables in accessibility, significant differences among the two groups of customers have been noticed in their perception on all five variables in accessibility since their respective ‘t’ statistics are significant at five per cent level. The analysis indicates the included variables in accessibility to represent it.

Compliance:

The factor analysis identified four variables in compliance such as Availability of tax payment facilities, provision of interest free loan, Provision of profit sharing investment product and Provision of lesser interest neither loan. The highly viewed variables in compliance by the individual customers and business customers are availability of tax payment facilities. Regarding the perception on variables in Compliance, the significant difference among the business and individual customers has been noticed in the perception on all the four variables in it. The result indicates that the included four variables in compliance explain it to a reliable extent.
Reliability:

The reliability factor consists of four variables such as performing service right in first time, Error-free records, Sincere in solving problems and providing services as promised. The highly perceived variables in reliability by the individual customers are performing service right in first time and error-free records. Among the business customers these are also the same with the mean scores of 3.7329 and 3.8084 respectively. Significant differences among the business and individual customers have been noticed in the perception on 'sincere in solving the problems.

The analysis reveals that the included four variables in reliability explain it to a reliable extent.

Responsiveness:

The responsiveness factor consists of four variables such as Employees readiness to customers’ request, willing to help customers, Customers are well informed and providing prompt service to customers. Among the individual customers, the highly perceived variables in responsiveness are willing to help customers and providing prompt service to customers. Among the business customers these are also the same with the mean scores of 3.8771 and 3.8542 respectively. Regarding the perception on variables in responsiveness, significant differences among the two groups of customers have been noticed in the perception on employees readiness to customers’ request and customers are informed about service performance. The analysis reveals that the included four variables in ‘responsiveness’ factor explain it to a reliable extent.
Assurance:

The assurance consists of four variables such as knowledgeable employees, Assured services, Trustworthy Employees and Comfortable interaction with employees. The highly perceived variables in assurance by the individual customers are knowledgeable employees and trust worthy employees. Among the business customers, these are knowledgeable employees and assured services. There are no significant differences among the two groups of customers regarding their perception on variables in assurance. The analysis declares that the included four variables in ‘assurance’ explain it to a reliable extent.

Empathy:

The factor analysis narrates the three variables in empathy such as Employees have the best interest at heart, Understand the customers’ needs and Individual attention. The highly perceived variables in empathy by the individual customers are employees have the best interest at heart and understand the customers’ needs. Among the business customers, these are employees have the best interest at heart and individual attention. Regarding the perception on variables in empathy, significant differences among the two groups of customers have been noticed in the perception on understanding the needs of customers and individual attention. The three variables have been included to represent the ‘empathy’ factor for further analysis.
**Discriminant variables of the Service Quality Factors:**

In order to analyze the discriminant validity of the service quality factors, the inter-correlation between the service quality factors has been computed. The mean of AVE between all pairs of CSQFs are higher than the respective square of correlation coefficient. It shows the discriminant validity among the core service quality factors. The similar results are seen in all pairs. Hence, the discriminant validity among the CSQFs has been proved.

**Customers’ Perception on Core Service Quality Factors**

The highly perceived CSQFs by the individual customers are assurance and empathy. Among the business customers these two are empathy and tangibility. Regarding the perception on the CSQFs, significant difference among the two groups of customers have been noticed in the case of modern banking service, tangibility, competitiveness, accessibility, compliance and empathy.

**Association between Profile of Customers and their view on CSQFs**

The profile of the customers may be associated with the level of perception on the CSQFs. The one way analysis of variance has been administered to examine it.

The significantly associating profile variables regarding the perception on modern banking service are age, level of education, occupational status, monthly income, earning members per family, family income, year of experience banking and years of experience. Regarding their perception on communication, the significantly associating profile variables are gender, age, level of education, occupational status, monthly income,
family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.

The significantly associating profile variables with the view on tangibility are age, level of education, occupational status, monthly income, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch whereas in the perception on competitiveness, the significantly associating profile variables are level of education, occupational status, monthly income, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch. The significantly associating profile variables of respondents regarding their view on accessibility are level of education, occupational status, monthly income, family size, family income and years of experience in present bank.

Regarding the perception on compliance, the significantly associating profile variables are gender, age, level of education, occupational status, monthly income, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch. The significantly associating profile variables with the perception on reliability are age, level of education, occupational status, monthly income, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.

Regarding the perception on responsiveness, the significantly associating profile variables are age, level of education, occupational status, monthly income, family
income, years of experience in banking whereas in the perception on assurance, these profile variables are level of education, occupational status, monthly income, family income, years of experience in banking, frequency of transaction per month and frequency of visit of bank branch. The significantly associating profile variables regarding view on empathy are level of education, occupational status, monthly income, family income, years of experience in banking, years of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.

**Discriminant CSQFs among the business and individual customers:**

The two group discriminant analysis has been administered to exhibit the important discriminant CSQFs among the two groups of customers. The significant mean difference are noticed in the case of perception on modern banking service, competitiveness, accessibility, compliance, tangibility and empathy since their respective mean differences are significant at five per cent level. The higher mean differences are noticed in the case of competitiveness and accessibility. The higher discriminant coefficient are noticed in the case of empathy and competitiveness. It shows the higher influence of above said CSQFs in the discriminant function. The higher relative contribution in TDS is noticed in the case of competitiveness and empathy. The analysis reveals that the important discriminant CSQFs among the business and individual customers is competitiveness and empathy which are higher among the business customers than that among the individual customers.
Overall Perception on Core Service Quality in Banks among the Customers

The overall perception on core service quality in banks has been estimated by the mean scores of the variables included in all core service quality factors. The analysis reveals that the level of perception on CSQ among the business customers is higher compared to that among the individual customers.

Additional Service Quality in Private Sector Banks

The additional service quality (ASQ) of Private Sector Banks includes the functional, technical, servicescape quality and service convenience.

Functional Quality in Banks:

The functional quality of Private Sector Banks in the present study is measured with the help of five variables such as Personalization, Customization, Service Orientation, Trust and Confidentiality. The highly viewed variables in functional quality (FQ) by the individual customers are service orientation and personalization. Among the business customers these are service orientation and regarding the perception on variables in FQ, significant differences among the business and individual customers have been noticed in the case of all five variables in FQ. The Cronbach alpha (0.8148) shows that the included five variables in FQ explain it to an extent of 81.48 per cent.

Technical Quality in Banks:

The technical quality in banks has been measured with the help of six variables such as Professionalism, Knowledgeable employees, Economic outcome, Breadth of the service portfolio, Banks fees and interest and Return on investment of funds. The highly viewed in technical quality (TQ) by the individual customers are banks fees and interest
and breadth of the service portfolio. Among the business customers these are knowledge employees and professionalism. Regarding the perception on variables in TQ, significant differences among the business and individual customers have been noticed in the case of their perception on professionalism, economic outcome, breadth of the service portfolio and banks fees and interest. The included six variables in TQ explain it to an extent of 78.42 per cent since its Cronbach alpha is 0.7842.

**Servicescape Quality in Banks:**

The servicescape quality in the banks has been measured with the help of five variables namely facilities in instruments, aesthetics in instruments tailored service, IT environment and IT need based service option. The highly viewed variable in SEQ by the individual customers is IT based service option and IT environment. Among the business customers these are IT environment and tailored service. Regarding the perception on variables in SEQ, significant differences among the two groups of customers have been noticed in their level of perception on facilities in instruments, aesthetics in instruments, tailored service and IT environment. The included five variables in SEQ explain it to an extent of 75.15 per cent since its Cronbach alpha is 0.7515. The results indicate the reliability and validity of variables in all additional service quality factors.

**Service Convenience in Banks:**

The customers’ perception regarding service convenience has been measured with the help of five variables such as Convenience in Decision, Access, Transaction, Benefit and Post Benefit. The highly viewed variable in SCO by the individual customers is access convenience and transaction convenience. Among the business customers these
are benefit convenience and decision convenience. Regarding the perception on variables in SCO, the significant differences among the two groups of customers have been noticed in their perception on decision, transaction, benefit and post benefit convenience. The results indicate the reliability and validity of variables in all additional service quality factors.

**Discriminant Validity of ASQF:**

The degrees of mutual exclusiveness among the ASQFs have been extracted with the help of mean of average variance extracted and the square of correlation co-efficient between all possible pairs of ASQFs. The mean of AVEs between functional and technical quality (0.5456) is higher than its respective square of correlation co-efficient (0.5072). The same types of results are identified in all pairs of ASQFs. It shows the discriminant validity among the ASQFs.

**Customers’ Perception on ASQFs:**

The highly perceived ASQFs among the individual customers are technical and services cape quality. Among the business customers these are service convenience and functional quality. Regarding the perception on ASQFs, significant differences among the two groups of customers have been noticed in the perception on functional quality, services cape quality and service convenience.

**Association between the Profile of the Customers and their Views on ASQFs:**

One way analysis of variance is used to examine the association between the profile of the respondents and their views on ASQFs. Regarding the perception on
functional quality, the significantly associating profile variables are age, level of education, occupational status, monthly income, family income, years of experience in banking, frequency of transaction per month and frequency of visit of bank branch whereas regarding the perception on technical quality, these profile variables are age, monthly income, nativity, family income and frequency of transaction per month. The significantly associating profile variables with the perception on service cape quality are level of education, monthly income, family size, family income, years of experience in banking and years of experience in present bank. Regarding the perception on service convenience, the significantly associating profile variables are age, occupational status, monthly income, nativity, earning members per family, family income, frequency of transaction per month and frequency of visit of bank branch since their respective ‘F’ statistics are significant at five per cent level.

**Discriminant ASQFs among the Business and Individual Customers:**

The significant mean differences are noticed in the case of functional quality, services cape quality and service convenience. The higher mean differences are noticed in the case of functional quality and service. The analysis reveals that important discriminant ASQF among the business and individual customers is service convenience which is higher among the business customers than that among the individual customers.

**Level of Perception on Additional Service Quality at Banks:**

The analysis reveals that the level of perception on ASQ is higher among the business customers than that among the individual customers.
Impact of Services, Service Quality and its Consequences in Banks:

The present study confines the consequences of service quality to customer satisfaction and customer loyalty. The linkage between the service quality and its consequences are studied by both direct and indirect effect since the importance of indirect effect of service quality on its consequences is inevitable in the present era.

Customer Satisfaction:

The customer satisfaction towards banks is measured with the help of 14 variables. The highly viewed variables in customer satisfaction by the individual customers are core services and service process. In the case of business customers these are services cape and core services. Regarding the perception on variables in customers’ satisfaction, significant difference among the two groups of respondents has been noticed in the case of 11 out of 14 variables in customer satisfaction.

Regarding reliability and validity, the included 11 variables in customer satisfaction explain it to an extent of 80.49 per cent since its Cronbach alpha is 0.8049. Regarding the levels of customers’ satisfaction the satisfaction among the business customers are higher than that among the individual customers.

One way analysis of variance is used to examine the association between the profile of the respondents and their level of customer satisfaction. It is found that the significantly associating profile variables with the level of customer satisfaction are age, level of education, occupational status, monthly income, family income, year of experience in banking, year of experience in present bank, frequency of transaction per month and frequency of visit of bank branch.
Customers’ Loyalty:

Customers’ loyalty is measured with the help of eight variables. The highly viewed variables in customers’ loyalty by the individual customers are proud to be a customer of the bank and consider this bank as my first choice. Among the business customers these are proud to be customers of the bank and recommend to others. Regarding the perception on variables in customer satisfaction, significant differences among the two groups of customers have been noticed in the case of six out of eight variables in it.

Regarding the reliability and validity of variables in customers’ loyalty the level of customers’ loyalty among the business customers is higher than that among the individual customers.

One way analysis of variance is used to examine the association between the profile of the respondents and their level of customer loyalty. The significantly associating profile variables with the level of customers’ loyalty among the customers are their age, level of education, occupational status, monthly income, family income, years of experience in banking, years of experience in the present bank and frequency of transaction per month.

Discriminant Consequences of Service Quality among the business and individual customers:

The significant mean differences are noticed in the case of both customer’s satisfaction and loyalty. The higher mean difference and higher discriminant power and
higher discriminant co-efficient are noticed in the case of customer loyalty. The significant consequences are included to estimate the two group discriminant function.

The analysis infers that the most important discriminant consequence of service quality among the business and individual customers is customer loyalty which is higher among the business customers than that among the individual customers.

**Linkage between the bank products/service and Customer’s Satisfaction on banks:**

Multiple Regression Analysis was used to examine the influence of the level of products / services offered by banks on the level of customer loyalty. The impacts of bank products/services on the customer satisfaction are measured among the business and individual customers and also for proved data. The significantly influencing financial products/services on the customers’ satisfaction among the business customers are loans, ATM/debit card, Internet banking, Mobile banking, Electronic fund transfer, e-cheque payment, welfare management services and equity trading and investment since their respective regression co-efficient are significant at five per cent level.

In total, the important financial products/services that determine the customers’ satisfaction are loans, ATM/debit card, Internet banking, Mobile banking, Electronic fund transfer, e-cheque payment and welfare management services.

**Direct and Indirect effect of financial products and services on the customers’ loyalty:**

The present study has made an attempt to examine the direct and indirect offer of financial services /products in the customers’ loyalty with the help of statistical equation
modelling. The included mediator variables in between the delivery of financial products/services and customer loyalty is customer satisfaction. The result of structural equation modelling infer that the significant direct effect are seen in the case of loans, ATM/debit card, Internet banking, Mobile banking, Electronic fund transfer, e-cheque payment since its direct path coefficients are significant at five per cent level. The significant indirect effects are noticed in the case of delivery of loans, deposits, ATM/debit card, Internet banking, Mobile banking, Electronic fund transfer welfare management services and equity trading and investment since the indirect path coefficient are significant at five per cent level. The higher level effect is seven in the case of delivery of loans and ATM/ debit card. The analysis reveals that the individual effects through the customers satisfaction is higher than the direct effect of bank products/services.

**Linkage between the Service Quality and its Consequences**

The impact of Service Quality and Consequences on customers’ satisfaction among business and individual customers has been measured with the help of multiple regression analysis. The significantly and positively influencing SQFs on customers’ satisfaction among the individual customers are communication, accessibility, compliance, reliability, assurance and empathy. The changes in the perception on CSQFs explain the change in customers’ satisfaction to the extent of 68.69 per cent.

Among the business customers, the significantly influencing CSQFs on customer satisfaction are modern banking service, communication, competitiveness, accessibility, compliance, reliability, responsiveness, assurance and empathy. The changes in the
perception on CSQFs explain the changes in customer satisfaction to the extent of 80.45 per cent. The rate of impact of core service quality on customer satisfaction is identified as higher among the business customers than that among the individual customers. The analysis of pooled data reveals the importance of modern banking service, communication, competitiveness, accessibility, compliance reliability, responsiveness, assurance and empathy in the determination of the customer’s satisfaction.

**Direct and Indirect Effect of Core Service Quality Factor on Customer Loyalty:**

The significant direct effect on customer loyalty on the private sector banks is made by modern banking service and empathy since their respective path co-efficients are significant at five per cent level. At the same time, the core service quality factors namely modern banking service, competitiveness, reliability, responsiveness, assurance and empathy have a significant indirect effect on customer loyalty. The higher significant direct and indirect effect on customer loyalty is seen in the case of empathy.

**Linkage between the Additional Service Quality (ASQFs) and Customers’ Satisfaction**

The impact of ASQFs on customers’ satisfaction have been measured among the business and individual customers separately and also for pooled data. The significantly influencing ASQFs on customer satisfaction among the individual customers are functional quality and servicescape quality since their respective regression co-efficient is significant at five per cent level. A unit increase in the perception on above said ASQFs results in an increase in customer satisfaction by 0.1672 and 0.1771 units respectively.
The changes in the perception on ASQFs explain the changes in customer satisfaction to an extent of 71.33 per cent since its $R^2$ is 0.7133.

Among the business customers the changes in the perception of ASQFs explain the changes in customers’ satisfaction to an extent of 79.69 per cent since its $R^2$ is 0.7969. A unit increase in the perception on functional quality, servicescape quality and service conveniences result in an increase in the customers’ satisfaction by 0.1849, 0.1439 and 0.2673 units respectively. The analysis of pooled data reveals the importance of functional quality, servicescape and service convenience in the determination of the customer satisfaction on Private Sector Banks.

**Direct and Indirect Effect of ASQFs on Customer loyalty**

The significant direct effect on customer loyalty is made by the functional quality only whereas the other three ASQFs are not having significant direct effect on customer loyalty. At the same time, the significant indirect of ASQFs on customers loyalty is noticed in the case of functional, servicescape quality and service convenience since their indirect path co-efficients are significant at five per cent level. The higher direct and indirect effect on customer loyalty is made by functional quality and service convenience. The analysis reveals that the indirect effect of ASQFs on customers’ loyalty is higher than its direct effect on customers’ loyalty.

**Linkage between the Service marketing Mix and its Consequences**

The significantly influencing service marketing mixes on the customer satisfaction among the business customers are product, price, physical distribution,
process and people mix. The changes in the perception on the adoption of service marketing mixes explain the changes in the customer satisfaction by 81.43 per cent since its $R^2$ is 0.8143.

Among the individual customers, a unit increase in the mix result in the adoption of product, physical distribution and people mix result in an increase in the customer satisfaction by 0.1336, 0.1303 and 0.1345 units respectively. The changes in the customer satisfaction explains to an extent of 74.02 per cent since its $R^2$ are 0.7402. The analysis of pooled data reveals the relative importance of adoption of product, price, physical distribution, process and people mix in the determination of the customers’ satisfaction by banks.

**Direct and indirect effect of Service Marketing Mix on Customer’s loyalty**

The significant direct effect on the customer loyalty is made by product, physical distribution and people mix whereas the significant indirect effects are made by product, physical distribution, process, promotion, people and product mix.

The higher positive direct effect is made by product mix whereas the indirect effect is made by people mix since their path co-efficient 0.1422 and 0.3089 respectively which are significant at five per cent level. The higher level effect is made by product and people mix since its total effects are 0.4419 and 0.4298 respectively. The analysis reveals the effective role of customer satisfaction in between the service marketing mixes and the customers’ loyalty towards the banks.
8.3 Conclusion:

Private sector banks are really a boon to India. It changed the very functioning of public sector banks which ruled the roost. With the entry of private sector bank especially ICICI by introducing ATM, Debit and credit cards, customer delight was tasted by Indian customers. Information and Technology usage in banking is laudable. It paved the way for easy money transfer, E-cheque service, tele-banking, mobile banking and the like.

Soon public sector banks were compelled to follow suit. It pulled up the socks and tried to align with the new trend and at last it did. However in areas such as providing advances private sector banks are far better compared with public sector banks. The mounting Non-Performing Assets in Banks have appeared a recent issue in India. The Governor of RBI Raghuram Rajan gave a deadline of March 2017 to banks to bring their Balance Sheets to its real level. Similarly Rs.9000 loan default by a business tycoon Vijay Mallya raised eyebrows about the recovery mechanism followed to borrowers of different profiles. Though red corner notice was served to him, it did not materialize with respect to recovery of loan default. In that respect, private sector banks are cautious in the marketing of financial services, though banks like ICICI too suffer from Non-Performing Assets.

The mounting NPAs would have a say in additional provisioning and resultant decrease in the profits of banks for few years. However the financial statements may reflect the true and fair position. The mounting NPAs in banks did not account for in banks all of a sudden. It got accumulated gradually over the years. The lending policy of banks, favoritism to big shots, the political intrusion in the functioning of banks, the
leniency to business tycoons, inefficient recovery mechanism, partiality in recovery and the like attributed to this menace. At the same time, stringent actions with regard to small and medium agricultural borrowers like snatching the tractors and other agricultural impediments owned by agriculturists for non-payment of loan, putting their photos and names in the notice board of the banks or in newspapers are followed by all banks.

The marketing of financial services needs caution with regard to recovery. Recovery is like a foundation for a building. If recovery is improper, the entire building (banking industry) will collapse. Therefore, the marketing strategies followed rather the quality of services provided are still needed to be improved lest one should not feel complacent about it. Innovation is the need of the hour to make customer ecstasy. In banking arena too, this is most needed then and there and off and on. Like the banking reforms which have changed the face of banks in India, with new opportunities unfolding banking sector, India is emerging as a global power in banking services within a short period.

8.4 Suggestions:

The retail banking industry is facing stiff competition and the current scenario is the induction of new payment banks and small banks. However even the industries which were given permission to start payment banks started giving up the opportunity fearing poor chance to survive. ‘Survival of the fittest’ applies to banking industry as well. All the banks are trying to expand their customer base and private sector banks introduced novelty in this. Still, more and more innovations should come up and new financial services should erupt in the banking industry. Private sector banks should be the pioneer
to this. The strategy followed for recovery of loans which is very stringent with the private sector banks in India should be changed and it should be customer-friendly. These would motivate and the people would come voluntarily to banks to become part of financial inclusion measures launched by the Prime Minister of India. Induction of new financial services by private sector banks will go a long way to accelerate financial inclusion and that is the need of the hour for the very survival of private sector banks.

Another problem of private sector banks is combating of the problem of high risk perception which must be taken up by banks on priority basis. Besides, the risk perception associated with borrowings by small enterprises is generally very high because the risk management procedures of Small Medium Enterprises must be setup to make the business more viable. Further, the banks would also need to acquire skills to manage emerging risks resulting from innovations in financial products/services as well as technological advancements. The easy access and availability of reliable information to both banks and regulators/supervisors of the banking system is a key for prudent risk management. Hence, strengthening the existing system would really be a big challenge for the banking industry which must be concentrated further.

The key strategic priority is to improve customer attraction and retention. So, banks are making some major changes to their own business models such as transparency, simplicity, effective communication and useful advice. Meeting these goals are not easy for which banks need to strengthen or develop a range of key capabilities, such as Omni-channel banking, behavioural segmentation, complaint handling, data
analysis, staff empowerment and the effective use of social media. It is expected that in future banking with private sector banks would really be ecstatic.