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Indian Banks Marketing Strategies for Individual Loan Approvals

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Abstract

The paper aims at to study the market segments and target market strategies for Individual loans adopted by the Public Sector and Private Sector banks in India. The study has been conducted in banks operating in the states of Punjab, Haryana and Union Territory of Chandigarh. Total 10 leading banks considered for the purpose of study out of which 5 are from public sector and 5 from private sector. Out of total sample of 500 bank officials, 250 comprised from each sector bank. The data was collected from respondents who are presently handling banking services through structured questionnaire. Weighted Average method is used to determine the relative significance of one variable over the others as perceived by the respondents. The findings of study reveal that maximum disbursement of Home Loan, Vehicle Loan, Education Loan, Agricultural Loan, Entrepreneurial Loan and Personal Loan is made to Other Individuals followed by Female Individuals. For Home Loan, Senior Citizens are ranked third, High Networth Individuals are ranked fourth and minimum disbursement is made to NRIs. For Agricultural Loans, NRIs are ranked third, High Networth Individuals are ranked fourth and minimum disbursement is made to Senior Citizens. For Entrepreneurial Loan, High Networth Individuals are ranked third, NRIs are ranked fourth and minimum disbursement is made to Senior Citizens. For Education Loan, both these sectors rank Other Individuals as first, Female Individuals as second. At third rank, public sector banks placed NRIs and private sector banks placed High Networth Individuals. The results of study may be useful for bank officials, corporate sector, financial consultants and researcher working in the area of banking and financial sector.



Keywords: Education loans, Home loans, Individual loans, Market Segmentation, Public and Private Banks, JEL Classification: G2, G5.

1. Introduction

Marketing function not only includes segmentation of the market, but also includes identifying target market for the organisation's product or services. The target should be to win the new customer and retain the old ones (Panigrahy D., 2000). Marketing is an organisational philosophy which acknowledges and accepts customer satisfaction as a goal. It is highly essential to customize marketing activities (Rossi, et al., 1996). Marketing is an attitude of mind. This implies that the key focus of all the activities of any organisation is the customer. Customers are the center of any organisation and in this way of prime significance for the marketers (Parasuraman, et al., 1991). The business environment is witnessing a sea change. The present economic system is characterized by globalization, liberalization, changing technology, high competition, expanding economies, shrinking distances. Market information is available freely to the customers across the countries. Thus, the customers have become more aware, empowered and demanding. In this era of increasing competition, effective marketing management has become very essential for any organisation to survive to compete and to grow in today's marketplace.

The marketing process helps in analyzing the industry by employing various economic tools such as understanding gap between demand and supply, pricing strategies, etc. Once a firm has obtained an adequate understanding of its own competitive position in the industry, it can formulate a better corporate strategy for achievement of its objectives. The marketing approach is about matching company's potentialities with the customers requirements in the marketing context. It recognizes the needs of the customers and making decisions to satisfy them in an efficient way than other competitors in the industry (Day and Winsley, 1988). In the dynamic business scenario, organisations could not deliver efficiently without adequate marketing strategies. The products or services tendered by an organisation may be of reasonably high standards, yet the benefits of accepting those products or services should reach at large. In the global market arena, the service sector is necessitated to be consumer oriented and service centered. Inadequate service to the customer affect an organisation adversely in many ways. If a customer is not steadily satisfied by the services, the organisation loses not only its market share, loyal customers but also goodwill. Hence, customer satisfaction provides the business with an opportunity to earn a loyal customer base (Peter and Waterman, 1982). The success achieved by the management in maximizing its returns would mainly build upon two factors (a) on its competency to maintain and improve the quality of work (Keshav, 1970), and (b) the barricades, the competitors would have in matching the differentiation and the cost advantage (Ghemawat, 1986). Improvement in quality of work with the least expenditure requires identification of skills and resources that exert the most leverage on positional edge and future achievements and then allocating the resources for creating a niche in the market (Ohmae, 1982).

Banks and financial institutions also needs to adopt proper marketing segmentation planning and targeting right customers to remain and gain edge over competition in the market. In the present scenario the banks have adopted a segmentation strategy to develop their customer



retention skills for lending purposes. It is necessary to adopt marketing segmentation practices as the main basis for allocating resources for marketing, service and delivery programs as well as product development. Asiedu E 2015). Smith (1956 proposed as an alternative technique for market development where there are few competitors with identical products. Smith tried to define market segmentation as a condition of growth when core markets are developed on a generalized basis to the point where additional promotional expenditures are yielding diminishing returns. Pagano and Jappelli, 1993) viewed that lenders can improve their knowledge about new customers by exchanging information with other lenders through information brokers, who are generally known as "credit bureaus." The latter collect, file, and distribute the information voluntarily supplied by their members and operate on the principle of reciprocity. Banks whose market segmentation cut across all boundaries benefit from market share increment. Those banks which cut across commercial banking, retail banking, construction banking, small business banking, treasury, off-shore commercial banking, government and institution banking, brokerage, credit card, manufacturing, investment banking, and leasing among others, have a wide market segmentation Fitch Ratings Report (2012). Onaolapo AA, Salami AO, Oyedokun AJ (2011) pointed out that Since financial institutions and many other companies have finite resources, the best is to provide selected offerings for selected groups of people. Thus, different banks offer different products and services based on their geographical location, demography, and psychographic. This process enables firms to focus on the specific needs of customers in the most effective and efficient manner. Further, the needs for segmentation practices by many firms are often influenced by the needs to satisfy customer's requirements.

2. Research Methodology

The universe of the study is the banks operating in the states of Punjab, Haryana and Union Territory of Chandigarh. The study include 10 leading banks out of which 5 are from public sector (SBI, PNB, OBC, UCO Bank and Corporation Bank), and 5 from private sector (ICICI Bank Ltd., HDFC Bank Ltd., AXIS Bank, The Federal Bank Ltd. and ING Vysya Bank Ltd). The officials of 10 leading banks were contacted for the purpose of the study. A sample of 500 officials were selected from the above banks. The sample scheme comprised of 250 officials from each sector bank. The data collection was collected from respondents who are presently handling banking services through structured questionnaire. An effort was made to make the sample more representative. Weighted Average method is used to determine the relative significance of one variable over the others as perceived by the respondents.

3. Discussion and Analysis

For the purpose of identifying market segments and target market for the loan products of the banks, the two broad categories of loans i.e. corporate loans and individual loans were studied. A questionnaire containing the questions related to maximum disbursement of corporate and individual loans was developed to know the market segment and target market of the public sector and private sector banks in India.

Market for six categories of corporate loans i.e. Manufacturing Loan, Agri-based Business Loan, Fixed Assets Loan, Working Capital Loan, Business Administration Loan and Start-up Business Loan was studied. Similarly, the target market for seven types of individual loans was also



studied. The individual loans include Home Loan, Vehicle Loan, Education Loan, Agricultural Loan, Entrepreneurial Loan, Cash Credit Facility and Personal Loan.

Identifying Market Segments and Target Market of Public Sector and Private Sector Banks for Marketing of Individual Loans

A question containing seven types of individual loans was framed and the respondents were asked to rank among High Net-worth Individuals, Non- Resident Individuals, Senior Citizens, Female Individuals and Other Individual according to the amount of disbursement of loan. The respondents were asked to show their preference by assigning 1 to the type of individual taking maximum loan and 5 to the type of individual taking minimum loan. The distribution of preferences shown by the officials of public sector and private sector banks is shown as under.

Distribution of Responses Shown by Respondents of Public Sector and Private Sector Banks for Disbursement of Individual Loans

The distribution of preferences shown by the officials of public sector and private sector banks is shown under in table 1.

Table 1: Distribution of Preferences for Target Market for Individual Loans on the Basis of Share of each Loan Disbursement

Individual Loans/ Segment of Individuals		High Net- worth Individuals n(%)	NRI's n(%)	Senior Citizens n(%)	Female Individuals n(%)	Other Individuals n(%)
Home Loan	Rank 1	2(0.4)	3(0.6)	10(2)	96(19.2)	389(77.8)
	Rank 2	19(3.8)	8(1.6)	39(7.8)	342(68.4)	92(18.4)
	Rank 3	91(18.2)	72(14.4)	289(57.8)	36(7.2)	12(2.4)
	Rank 4	276(55.2)	118(23.6)	82(16.4)	19(3.8)	5(1)
	Rank 5	112(22.4)	299(59.8)	80(16)	7(1.4)	2(0.4)
Vehicle Loan	Rank 1	69(13.8)	34(6.8)	28(5.6)	120(24)	249(49.8)
	Rank 2	49(9.8)	74(14.8)	19(3.8)	206(41.2)	152(30.4)
	Rank 3	113(22.6)	65(13)	166(33.2)	87(17.4)	69(13.8)
	Rank 4	84(16.8)	139(27.8)	194(38.8)	59(11.8)	24(4.8)
	Rank 5	185(37)	188(37.6)	93(18.6)	28(5.6)	6(1.2)
Education Loan	Rank 1	6(1.2)	12(2.4)	3(0.6)	167(33.4)	312(62.4)
	Rank 2	17(3.4)	21(4.2)	12(2.4)	279(55.8)	171(34.2)
	Rank 3	196(39.2)	138(27.6)	124(24.8)	36(7.2)	6(1.2)
	Rank 4	187(37.4)	254(50.8)	40(8)	12(2.4)	7(1.4)
	Rank 5	94(18.8)	75(15)	321(64.2)	6(1.2)	4(0.8)



Agricultural Loan	Rank 1	10(2)	18(3.6)	3(0.6)	21(4.2)	448(89.6)
	Rank 2	82(16.4)	65(13)	56(11.2)	251(50.2)	46(9.2)
	Rank 3	79(15.8)	219(43.8)	43(8.6)	154(30.8)	5(1)
	Rank 4	161(32.2)	96(19.2)	174(34.8)	68(13.6)	1(0.2)
	Rank 5	168(33.6)	102(20.4)	224(44.8)	6(1.2)	0(0)
Entrepreneurial Loan	Rank 1	53(10.6)	25(5)	17(3.4)	189(37.8)	216(43.2)
	Rank 2	34(6.8)	28(5.6)	21(4.2)	174(34.8)	243(48.6)
	Rank 3	289(57.8)	63(12.6)	68(13.6)	53(10.6)	27(5.4)
	Rank 4	67(13.4)	294(58.8)	82(16.4)	49(9.8)	8(1.6)
	Rank 5	57(11.4)	90(18)	312(62.4)	35(7)	6(1.2)
Cash Credit Facility	Rank 1	172(34.4)	125(25)	8(1.6)	67(13.4)	128(25.6)
	Rank 2	116(23.2)	139(27.8)	25(5)	89(17.8)	131(26.2)
	Rank 3	96(19.2)	108(21.6)	78(15.6)	115(23)	103(20.6)
	Rank 4	79(15.8)	55(11)	133(26.6)	138(27.6)	95(19)
	Rank 5	37(7.4)	73(14.6)	256(51.2)	91(18.2)	43(8.6)
Personal Loan	Rank 1	9(1.8)	12(2.4)	54(10.8)	178(35.6)	247(49.4)
	Rank 2	10(2)	4(0.8)	67(13.4)	226(45.2)	193(38.6)
	Rank 3	107(21.4)	109(21.8)	187(37.4)	59(11.8)	38(7.6)
	Rank 4	121(24.2)	178(35.6)	153(30.6)	29(5.8)	19(3.8)
	Rank 5	253(50.6)	197(39.4)	39(7.8)	8(1.6)	3(0.6)

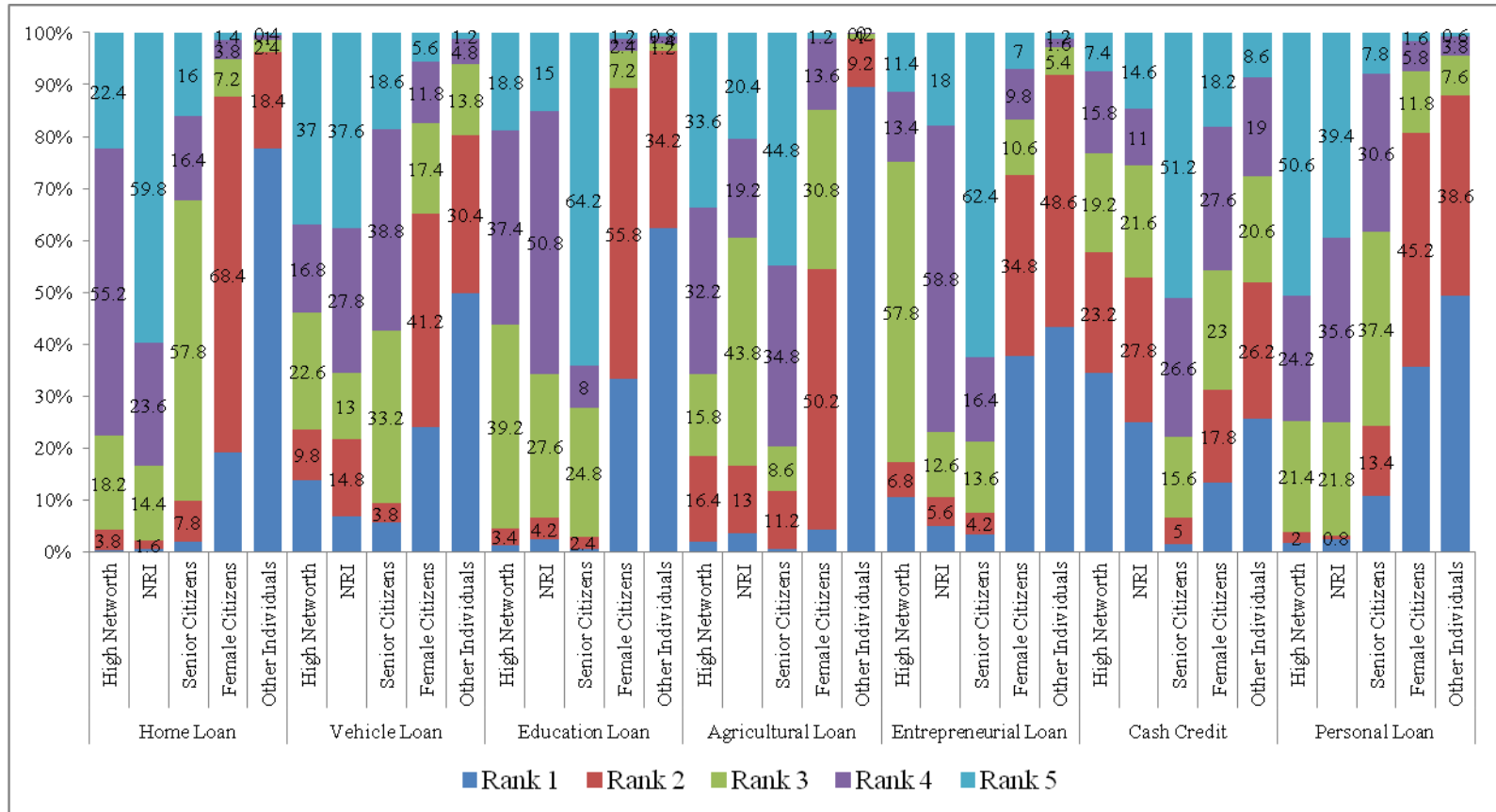
Table 1 presents the details of target market of private and public sector banks for individual loans on the basis of share of loan disbursement. The number and the percentage of responses of public sector and private sector banks in favour of all the five types of beneficiaries for each category of individual loan is depicted in the above table.

Distribution of responses for target market for individual loans on the basis of share of each loan disbursement is shown in figure 1.





Figure 1: Distribution of Responses for Target Market for Individual Loans on the Basis of Share of each Loan Disbursement





Ranking by the Public Sector and Private Sector Banks for Individual Loans on the basis of Share of each Loan Disbursement

Ranking by the public sector and private sector banks for corporate loans on the basis of share of each loan disbursement is shown in table 2.

Table 2: Ranking by the Public Sector and Private Sector Banks for Individual Loans on the basis of Share of each Loan Disbursement

Segment/ Individual Loans	Home Loan		Vehicle Loan		Education Loan		Agricultural Loan		Entrepreneurial Loan		Cash Credit Facility		Personal Loan	
	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank
High Net- worth Individuals	2.05	R4	2.47	R3	2.31	R3	2.21	R4	2.92	R3	3.61	R1	1.80	R5
NRI	1.60	R5	2.25	R5	2.28	R4	2.60	R3	2.21	R4	3.38	R3	1.91	R4
Senior Citizens	2.63	R3	2.39	R4	1.67	R5	1.88	R5	1.70	R5	1.79	R5	2.89	R3
Female Individuals	4.00	R2	3.66	R2	4.18	R2	3.43	R2	3.87	R2	2.81	R4	4.07	R2
Other Individuals	4.72	R1	4.23	R1	4.56	R1	4.48	R1	4.31	R1	3.41	R2	4.32	R1

Table 2 presents that maximum disbursement of Home Loan and Vehicle Loan is made to Other Individuals and minimum to the Non- Resident Individuals. In case of Educational Loan and Agricultural Loan, maximum disbursement is made to Other Individuals and minimum to Senior Citizens. For Entrepreneurial Loan, Female Individuals avail the maximum benefit and Senior Citizens are benefited the least by this loan. Maximum Cash Credit Facility is availed by the High Net-worth Individuals and minimum by the Senior Citizens. In the end, the maximum amount of Personal Loan are disbursed to the Other Individuals and minimum to the High Net-worth Individuals.

Distribution of Responses shown by Respondents of Public Sector banks for Disbursement of Individual Loans

The distribution of preferences shown by the officials of public sector banks for individual loans is shown under in table 3.



Table 3: Distribution of Preferences for Target Market of Public Sector Banks for Individual Loans on the basis of Share of each Loan Disbursement

Individual Loans/ Segment of Individuals		High Net- worth Individuals n(%)	NRIs n(%)	Senior Citizens n(%)	Female Individuals n(%)	Other Individuals n(%)
Home Loan	Rank 1	1(0.4)	0(0)	3(1.2)	47(18.8)	199(79.6)
	Rank 2	6(2.4)	4(1.6)	19(7.6)	182(72.8)	39(15.6)
	Rank 3	40(16)	28(11.2)	169(67.6)	5(2)	8(3.2)
	Rank 4	108(43.2)	91(36.4)	38(15.2)	10(4)	3(1.2)
	Rank 5	95(38)	127(50.8)	21(8.4)	6(2.4)	1(0.4)
Vehicle Loan	Rank 1	21(8.4)	11(4.4)	5(2)	63(25.2)	150(60)
	Rank 2	29(11.6)	20(8)	11(4.4)	126(50.4)	64(25.6)
	Rank 3	48(19.2)	39(15.6)	104(41.6)	38(15.2)	21(8.4)
	Rank 4	39(15.6)	106(42.4)	82(32.8)	12(4.8)	11(4.4)
	Rank 5	113(45.2)	74(29.6)	48(19.2)	11(4.4)	4(1.6)
Education Loan	Rank 1	1(0.4)	3(1.2)	0(0)	113(45.2)	133(53.2)
	Rank 2	9(3.6)	8(3.2)	8(3.2)	116(46.4)	109(43.6)
	Rank 3	75(30)	85(34)	74(29.6)	14(5.6)	2(0.8)
	Rank 4	107(42.8)	105(42)	28(11.2)	6(2.4)	4(1.6)
	Rank 5	58(23.2)	49(19.6)	140(56)	1(0.4)	2(0.8)
Agricultural Loan	Rank 1	1(0.4)	3(1.2)	0(0)	19(7.6)	227(90.8)
	Rank 2	35(14)	24(9.6)	34(13.6)	138(55.2)	19(7.6)



	Rank 3	24(9.6)	136(54.4)	31(12.4)	56(22.4)	3(1.2)
	Rank 4	92(36.8)	39(15.6)	84(33.6)	34(13.6)	1(0.4)
	Rank 5	98(39.2)	48(19.2)	101(40.4)	3(1.2)	0(0)
Entrepreneurial Loan	Rank 1	21(8.4)	9(3.6)	3(1.2)	99(39.6)	118(47.2)
	Rank 2	24(9.6)	13(5.2)	15(6)	93(37.2)	105(42)
	Rank 3	146(58.4)	31(12.4)	14(5.6)	38(15.2)	21(8.4)
	Rank 4	35(14)	158(63.2)	45(18)	8(3.2)	4(1.6)
	Rank 5	24(9.6)	39(15.6)	173(69.2)	12(4.8)	2(0.8)
Cash Credit Facility	Rank 1	76(30.4)	51(20.4)	1(0.4)	42(16.8)	80(32)
	Rank 2	47(18.8)	53(21.2)	11(4.4)	57(22.8)	82(32.8)
	Rank 3	41(16.4)	62(24.8)	36(14.4)	77(30.8)	34(13.6)
	Rank 4	59(23.6)	45(18)	68(27.2)	41(16.4)	37(14.8)
	Rank 5	27(10.8)	39(15.6)	134(53.6)	33(13.2)	17(6.8)
Personal Loan	Rank 1	3(1.2)	4(1.6)	21(8.4)	81(32.4)	141(56.4)
	Rank 2	3(1.2)	1(0.4)	49(19.6)	128(51.2)	69(27.6)
	Rank 3	37(14.8)	63(25.2)	102(40.8)	20(8)	28(11.2)
	Rank 4	82(32.8)	74(29.6)	66(26.4)	18(7.2)	10(4)
	Rank 5	125(50)	108(43.2)	12(4.8)	3(1.2)	2(0.8)

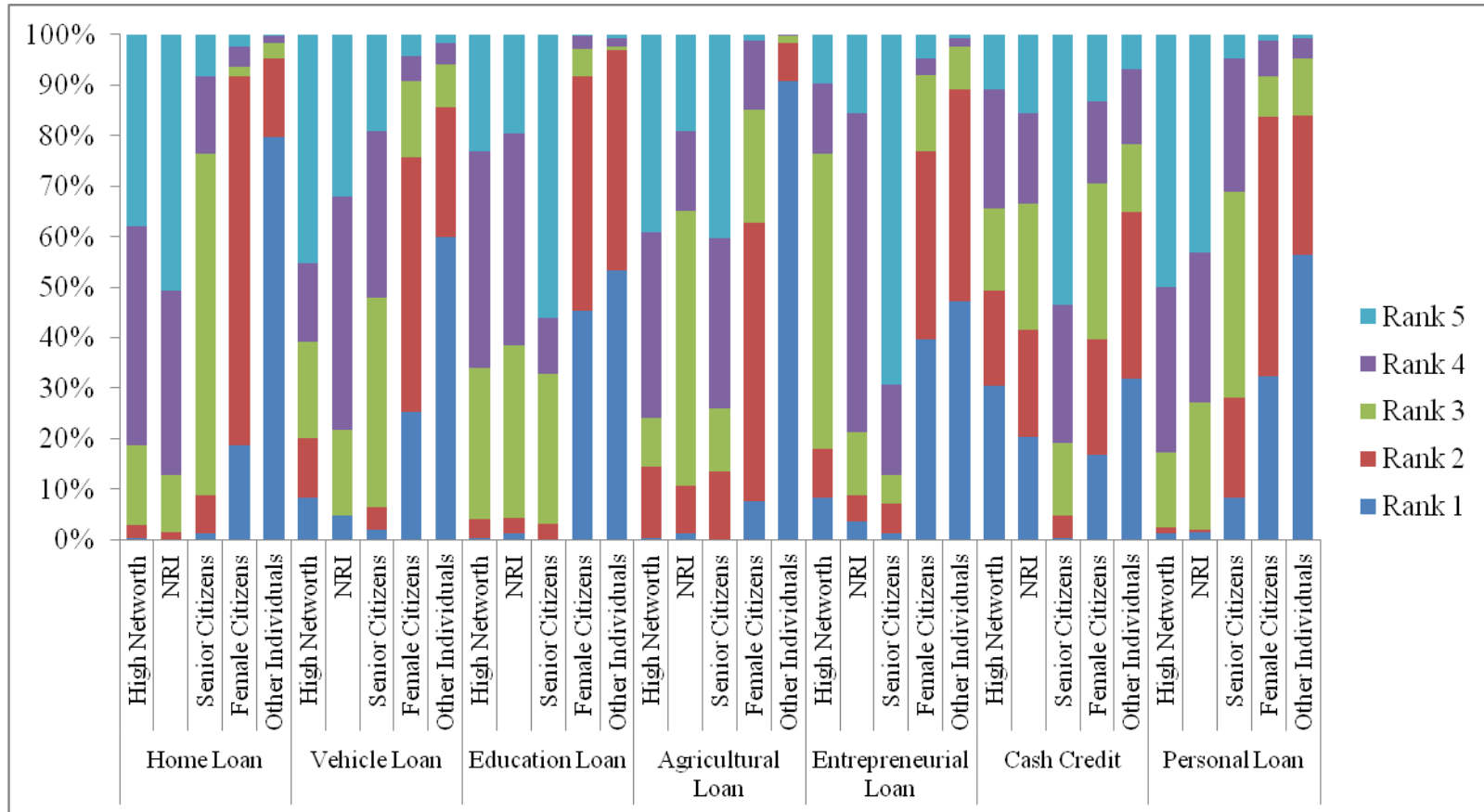


Table 3 presents the details of target market of public sector banks for individual loans on the basis of share of loan disbursement. The number and the percentage of responses of public sector banks in favour of all the five types of beneficiaries for each category of individual loan is depicted in the above table.

Distribution of responses for target market of public sector banks for individual loans on the basis of share of each loan disbursement is shown in figure 2.



Figure 2: Distribution of Responses for Target Market of Public Sector Banks for Individual Loans on the basis of Share of each Loan Disbursement





Ranking by the Public Sector Banks for Individual Loans on the basis of Share of each Loan Disbursement

Ranking by the public sector banks for Individual Loans on the basis of share of each loan disbursement is shown in table 4.

Table 4: Ranking by the Public Sector Banks for Individual Loans on the Basis of Share of each Loan Disbursement

Segment/ Individual Loans	Home Loan		Vehicle Loan		Education Loan		Agricultural Loan		Entrepreneurial Loan		Cash Credit Facility		Personal Loan	
	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank
High Net- worth Individuals	0.92	R4	1.11	R4	1.08	R4	0.998	R4	1.47	R3	1.67	R2	0.85	R5
NRI s	0.82	R5	1.08	R5	1.12	R3	1.29	R3	1.09	R4	1.56	R4	0.94	R4
Senior Citizens	1.39	R3	1.19	R3	0.9	R5	0.996	R5	0.76	R5	0.85	R5	1.50	R3
Female Individuals	2.00	R2	1.94	R2	2.16	R2	1.77	R2	2.02	R2	1.57	R3	2.03	R2
Other Individuals	2.36	R1	2.19	R1	2.23	R1	2.44	R1	2.17	R1	1.84	R1	2.17	R1

Table 4 shows the ranking by public sector banks for individual loans on the basis of share of each loan disbursement. From the above table, it is clear that maximum disbursement for all types of loans is made to Other Individuals. In case of Home Loan, minimum disbursement is made to Non-Resident individuals. For Vehicle Loan and Personal Loan, minimum disbursement is made to High Net-worth Individuals. In case of Educational Loan, Agricultural Loan, Entrepreneurial Loan and Cash Credit Facility, minimum disbursement is made to Senior Citizens.

Distribution of Responses Shown by Respondents of Private Sector Banks for Disbursement of Individual Loans

The respondents of the private sector banks were asked to rank among High Net- worth Individuals, Non- Resident Individuals, Senior Citizens, Female Individuals and Other Individual according to the amount of disbursement of loan. The respondents were asked to show their preference by assigning 1 to the type of individual loan taking maximum loan and 5 to the type of individual taking minimum loan. The distribution of preferences shown by the officials of private sector banks is shown under in table 5.



Table 5: Distribution of Responses Shown by Respondents of Private Sector Banks for Disbursement of Individual Loans

Individual Loans/ Segment of Individuals		High Net-worth Individuals n(%)	NRIs n(%)	Senior Citizens n(%)	Female Individuals n(%)	Other Individuals n(%)
Home Loan	Rank 1	1(0.4)	3(1.2)	7(2.8)	49(19.6)	190(76)
	Rank 2	13(5.2)	4(1.6)	20(8)	160(64)	53(21.2)
	Rank 3	51(20.4)	44(17.6)	120(48)	31(12.4)	4(1.6)
	Rank 4	168(67.2)	27(10.8)	44(17.6)	9(3.6)	2(0.8)
	Rank 5	17(6.8)	172(68.8)	59(23.6)	1(0.4)	1(0.4)
Vehicle Loan	Rank 1	48(19.2)	23(9.2)	23(9.2)	57(22.8)	99(39.6)
	Rank 2	20(8)	54(21.6)	8(3.2)	80(32)	88(35.2)
	Rank 3	65(26)	26(10.4)	62(24.8)	49(19.6)	48(19.2)
	Rank 4	45(18)	33(13.2)	112(44.8)	47(18.8)	13(5.2)
	Rank 5	72(28.8)	114(45.6)	45(18)	17(6.8)	2(0.8)
Education Loan	Rank 1	5(2)	9(3.6)	3(1.2)	54(21.6)	179(71.6)
	Rank 2	8(3.2)	13(5.2)	4(1.6)	163(65.2)	62(24.8)
	Rank 3	121(48.4)	53(21.2)	50(20)	22(8.8)	4(1.6)
	Rank 4	80(32)	149(59.6)	12(4.8)	6(2.4)	3(1.2)
	Rank 5	36(14.4)	26(10.4)	181(72.4)	5(2)	2(0.8)
Agricultural Loan	Rank 1	9(3.6)	15(6)	3(1.2)	2(0.8)	221(88.4)
	Rank 2	47(18.8)	41(16.4)	22(8.8)	113(45.2)	27(10.8)
	Rank 3	55(22)	83(33.2)	12(4.8)	98(39.2)	2(0.8)
	Rank 4	69(27.6)	57(22.8)	90(36)	34(13.6)	0(0)
	Rank 5	70(28)	54(21.6)	123(49.2)	3(1.2)	0(0)
Entrepreneurial Loan	Rank 1	32(12.8)	16(6.4)	14(5.6)	90(36)	98(39.2)
	Rank 2	10(4)	15(6)	6(2.4)	81(32.4)	138(55.2)
	Rank 3	143(57.2)	32(12.8)	54(21.6)	15(6)	6(2.4)
	Rank 4	32(12.8)	136(54.4)	37(14.8)	41(16.4)	4(1.6)
	Rank 5	33(13.2)	51(20.4)	139(55.6)	23(9.2)	4(1.6)
Cash Credit Facility	Rank 1	96(38.4)	74(29.6)	7(2.8)	25(10)	48(19.2)
	Rank 2	69(27.6)	86(34.4)	14(5.6)	32(12.8)	49(19.6)
	Rank 3	55(22)	46(18.4)	42(16.8)	38(15.2)	69(27.6)
	Rank 4	20(8)	10(4)	65(26)	97(38.8)	58(23.2)
	Rank 5	10(4)	34(13.6)	122(48.8)	58(23.2)	26(10.4)
Personal Loan	Rank 1	6(2.4)	8(3.2)	33(13.2)	97(38.8)	106(42.4)
	Rank 2	7(2.8)	3(1.2)	18(7.2)	98(39.2)	124(49.6)
	Rank 3	70(28)	46(18.4)	85(34)	39(15.6)	10(4)
	Rank 4	39(15.6)	104(41.6)	87(34.8)	11(4.4)	9(3.6)
	Rank 5	128(51.2)	89(35.6)	27(10.8)	5(2)	1(0.4)

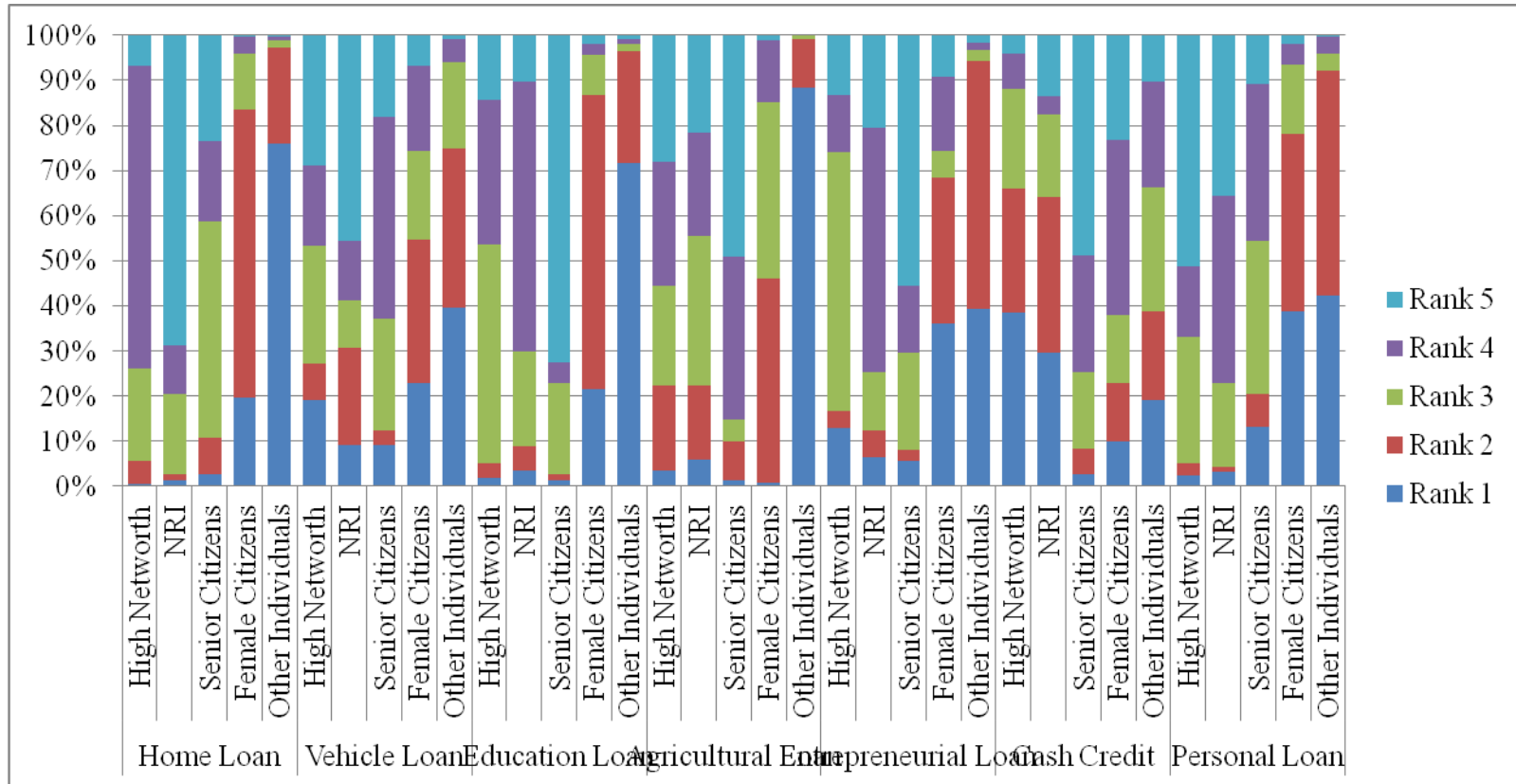


Table 5 presents the details of target market of private sector banks for individual loans on the basis of share of loan disbursement. It was seen that maximum disbursement for all types of loans is made to Other Individuals except in case of Cash Credit Facility where High Net-worth Individuals are benefited the most. As regards minimum disbursement, Non-Resident individuals avail the facility of Home Loan and Vehicle Loan to the minimum extent. High Net-worth Individuals are the least beneficiaries in case of Personal Loan and for all other loans minimum disbursement is made to Senior Citizens.

Distribution of responses for target market of private sector banks for individual loans on the basis of share of each loan disbursement is shown in figure 3.



Figure 3: Distribution of Responses for Target Market of Private Sector Banks for Individual Loans on the basis of Share of each Loan Disbursement





Ranking by the Private Sector Banks for Individual Loans on the Basis of Share of Each Loan Disbursement

Ranking by the private sector banks for Individual Loans on the basis of share of each loan disbursement is shown in table 6.

Table 6: Ranking by the Private Sector Banks for Individual Loans on the basis of Share of each Loan Disbursement

Segment/ Individual Loans	Home Loan		Vehicle Loan		Education Loan		Agricultural Loan		Entrepreneurial Loan		Cash Credit Facility		Personal Loan	
	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank	Mean	Rank
High Net-worth Individuals	1.13	R4	1.35	R3	1.23	R3	1.21	R4	1.45	R3	1.94	R1	0.95	R5
NRIs	0.78	R5	1.18	R5	1.16	R4	1.31	R3	1.12	R4	1.81	R2	0.97	R4
Senior Citizens	1.24	R3	1.20	R4	0.77	R5	0.88	R5	0.94	R5	0.94	R5	1.39	R3
Female Individuals	1.99	R2	1.73	R2	2.01	R2	1.65	R2	1.85	R2	1.24	R4	2.04	R2
Other Individuals	2.36	R1	2.04	R1	2.33	R1	2.44	R1	2.14	R1	1.57	R3	2.15	R1

Table 6 presents that maximum disbursement by private sector banks for all types of loans is made to Other Individuals except in case of Cash Credit Facility where High Net-worth Individuals are benefited the most. As regards minimum disbursement, Non-Resident individuals avail the facility of Home Loan and Vehicle Loan to the minimum extent. High Net-worth Individuals are the least beneficiaries in case of Personal Loan and for all other loans minimum disbursement is made to Senior Citizens.

4. Conclusion

From the combined weighted mean of public sector and private sector banks, it can be concluded that maximum disbursement of Home Loan, Vehicle Loan, Education Loan, Agricultural Loan, Entrepreneurial Loan and Personal Loan is made to Other Individuals followed by Female Individuals. For Home Loan, Senior Citizens are ranked third, High Networth Individuals are ranked fourth and minimum disbursement is made to NRIs. For Vehicle Loan, High Network Individuals are ranked third, Senior Citizens are ranked fourth and minimum disbursement is made to NRIs. For Education Loan, High Network Individuals are ranked third, NRIs are ranked fourth and minimum disbursement is made to Senior Citizens. For Agricultural Loans, NRIs are ranked third, High Network Individuals are ranked fourth and minimum disbursement is made to Senior Citizens. For Entrepreneurial Loan, High Network Individuals are ranked third, NRIs are ranked fourth and minimum disbursement is made to Senior Citizens. For Personal Loan, High Network



Individuals are the third largest beneficiaries, NRIs are ranked fourth and the Senior Citizens avail the least benefit of this loan. For Cash Credit, High Networth customers are the largest beneficiaries, Other Individuals are ranked second, followed by the NRIs and then Female Individuals. Senior Citizens avail the least benefit of cash credit facility.

While calculating individual weighted mean of public sector and private sector banks, it was seen that for Home Loan, both these sectors rank Other Individuals as first, Female Individuals as second, Senior Citizens as third, High Net-Worth Customers as fourth and NRIs as fifth. For Vehicle Loan, both these sectors rank Other Individuals as first, Female Individuals as second. However, public sector banks ranked Senior Citizens as third largest beneficiaries and High Networth customers at fourth largest beneficiaries whereas, private sector banks ranked High Networth customers at first place and Senior Citizens at fourth. NRIs were declared as the least beneficiary of vehicle loan by both sectors. For Education Loan, both these sectors rank Other Individuals as first, Female Individuals as second. At third rank, public sector banks placed NRIs and private sector banks placed High Networth Individuals. At fourth rank, public sector banks placed High Networth Individuals and private sector banks placed NRIs. Senior Citizens were ranked fifth by both sectors. For Agricultural Loan, it was observed that, there is no difference between the ranking given by public and private sector banks. Other Individuals were ranked first, Female Individuals were ranked second, NRIs were ranked third, High Networth Individuals were at fourth place and Senior Citizens were ranked fifth. For Entrepreneurial Loan also, there is no difference between the ranking given by public and private sector banks. Other Individuals were ranked first, Female Individuals were ranked second, High Networth Individuals were ranked third, NRIs were at fourth place and Senior Citizens were ranked fifth. With regard to Cash Credit Facility, Public Sector banks ranked Other Individuals as first, High Networth Individuals as second, Female Individuals as third, NRIs as fourth and Senior Citizens as fifth whereas the private sector banks ranked High Networth Individuals as first, NRIs as second, Other Individuals as third, Female Individuals as fourth and Senior Citizens as fifth. For personal Loan, there is no difference between the ranking given by public and private sector banks. Both the sectors ranked Other Individuals as first, Female Individuals as second, Senior Citizens third, NRIs as fourth and High Networth Customers at fifth.

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