Digital Transactions and Modern Banking Services: An Assessment in the Public Sector Banks of Bangalore Metropolitan

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Abstract:

Digital transactions are an integral part of the modern banking services of the financial institutions, particularly of the scheduled commercial banks. The transactions having been technology supported, attracted most of the new generation customers from late eighties. Interestingly, new generation products and services of the banks have also been designed to encourage digital transactions in India. However, the augmented thrust on modern banking services have thrown open new challenges like erosion of social face of the banks besides denting the banker - customer relationship, as imposed by the process of nationalization of banks. This research has presented a detailed account of the modern banking services based digital transactions in the context of public sector banks in a metropolitan setup of southern part of the country. With empirical evidence and the data support, the paper has classified the financial products and services into two major categories as traditional and modern banking services. After having captured the concern of the main stakeholders (bankers and customers), the research has offered a good number of policy implications to sensitize the necessary changes in the banking sector in order to upkeep the social banking intact and not to lose sight of the public in general and customers in particular.

Keywords: Digital Transactions, Modern banking Services, Public Sector Banks, Implications.

Acknowledgements: This paper is submitted for consideration of presentation in the "National Seminar "Digital India: A Roadmap to Achieve Self - Reliant India" to be organized by Vishwa Vishwani School of Business, Hyderabad – 500 078 on 20 - 21 May 2022. This research output is based on a major study conducted in the Department of Master of Business Administration (MBA) with the financial support of Dr Ambedkar Institute of Technology, Bengaluru under the faculty research promotion scheme. But for the financial support, we would not have been able to conduct this study. The financial support for the empirical research is gratefully remembered.

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I. Introduction: Ever since the mechanization process commenced, digital transaction has been a major trait of the modern banking services across the banking sector in the country. In fact, digital transactions are promoted to provide number of banking services through electronic networks with the help of the Internet. These transactions are provided not only to ensure effectiveness in the business but also to catch up with technological innovations. Interestingly, the Public Sector Banks (PSBs) that are once known for rigidities in operations have no longer lagging in providing the digital transaction services to the customers despite the costs for the technological adoption. With this transformation, digital transactions have become an integral service, although the traditional human interventions are continuing to exist on critical services and products. Banking services with monetary or economic value can be considered beneficial to both the providers and the recipient. The providers charge the cost for the financial services and customer being a recipient agrees to meet the cost after having met the needs. Also, in the other sense, it is typically an agreement between the parties after arriving a mutual contract agreed. Financial services being an integral part, without which the existence of the financial institutions would be in question, especially in the case of banks be it public, private or the others. The financial services are provided by the designated financial institutions such as banks, insurance companies, brokerage firms, consumer finance companies, and investment companies. From the providers' perspective, these financial services are generally designed to meet the household and individual consumption and investment of consumers/customers, businessmen or other organizations, including government and its authorities. The nature, scope and purpose are by and large the same with the Indian Financial System, which has created good mechanism to transfer the surplus funds of individuals, organizations and government that is in the disposal of the financial institutions into the deficit units or to business ventures. The business ventures that have potentials to absorb investment with their know-how knowledge would produce the goods and services for the society and people. It is like a win-win situation to the providers as well as the customers. The provider by investing their resources (capital and service) would earn return from the investments and customers meets their business needs by utilizing the financial opportunities.

Financial services exists ever since the establishment of financial institutions. Customers are exposed to these services only at the time of using these services and as such banks have not presented or displayed about the services in the comparative perspective. It is especially the case of the public sector banks. Since the academic attempts are limited to stray write ups, capturing an overview of the services of the public sector banks is by and large lacking. However, the academic studies attempted in this area of subject can be classified into three categories. (a) Sustainable Business Strategies; (b) Retail Services; and (c) Modern Banking Services. Adoption of sustainable banking tools, the extent to which banking institutions practices and ranking the banking institutions on the basis of their performance is attempted by Kumar and Prakash (2019). It is found that adoption of the code of conduct of international sustainability is still in the beginning stage in Indian banking sector. It indicated that sustainability issues are directly related to their business operations such as financial inclusion, financial literacy and social dimension than development of green products and services. Bapat and Mazumdar (2015) explored the business strategy and strategic orientation in the context of Indian banking sector and pointed out that four major factors like, competition, cost, innovation and customer needs have been the strategic preferences. The assessment of the customer's satisfaction over the various service quality in the private and public sector banks in India (Paul, Mittal and Srivastava 2016) argued that the private sector banks were found positively associated. The public sector banks knowledge of the product and fast service are negatively associated. An assessment of the customer satisfaction over the financial services indicated that the service delivery factors differ substantially by design and delivery to enhance satisfaction with product offerings. The approach and findings have significant implications for managing customer satisfaction in the financial services industry (Krishnan MS & et al, 1999). The research by Mittal and Garg (2019) found that sales misconduct is largely affected by products complexity, facts misrepresentation and lack of disclosure and accounted the sales approaches leads to malpractices and the impact of the different categories of the customers. It further demonstrated the various factors responsible for the sales misconduct in retail banking services across the world and in the Indian banking industry. The study also find that the private sector banks have been achieving the targets without much misconduct in their business activities.

Secondly, retail banking services have been evaluated in an integrated perspective taking five primary dimensions like, service quality, tangibility, reliability, core service and competence by Mittal, Gera and Batra (2015) and it is found that the tangibility is the most important dimension of perceived service quality in India. A comparative study of retail banking practices in compliance with regulatory standard is attempted by Mittal, Garg and Aggarwal (2019) evaluating the adherence of Banking Codes and Standards Board of India (BCSBI) and also the customer perception has been evaluated. The research founded that overall adherence of the dimension of code are not in sync with the objectives of the code and the mind-set of the Indian bankers is to earn more profit and incentives. Thirdly, Schindler and John (2017) researched on the growth and application of Fintech to financial products and services, and points that the technologies that support innovations are not new, but are being applied now. The analysis of the supply and demand factors that drive 'traditional' financial innovation reveals a confluence of factors driving a large quantity of innovation. The role of the financial system in economies and how technological change and financial innovation can affect social welfare with new products or services, new production processes or new organizational forms (Scott FW and Lawrence 2014). Alam (2012) investigated the issues of new service development in India's business-to-business financial services sector and found that the strategies of the multinational financial firms are different from Indian firms. The study focusing the internet banking services by Malhotra and Singh (2010) examined the factors affecting the services in comparison with the public sector, the private sector and the foreign banks. It conclude that the advanced internet banking services are provided with wider networks and maintain the advanced resources for fast services to the customers. The size, experiences, financing pattern and ownership of the bank found to be more significant determinants of the internet banking services. Roy, Paul, Quazi and Nguyen (2018) study revealed a seven-dimensional scale for measuring service which includes service equity, service quality, customer intimacy, product leadership, operational effectiveness, customer communication, and perceived sacrifice. It has validated a scale for measuring consumers' perceived service value in the Indian banking services. Yet other study explored development of marketing capabilities scale in banking sector (Chahal and Kaur 2014) to develop, measure and empirically validate marketing capabilities scale in the banking sector. It found three dimensions of marketing capabilities like, outside-in, inside-out and spanning and the study found outside-in capabilities to positively correlate with marketing capabilities development followed by the other two.

There are two very important limitations in the studies reviewed over the various aspects of the financial services: (a) none of these studies have attempted to capture the different nature and features of the financial services; and (b) lack of such studies in a most vibrant and business oriented urban setup in South India, particularly in the context of the public sector banks. This study has a sole objective to comprehensively account the modern banking services of the public sector banks. This research was conducted in Bangalore city, which is a capital of the state of Karnataka, which can be characterized as most populous, high density of the financial institutions, higher bank-population ratio etc. This research being part of a major study 'cross marketing strategies of the financial products' of the public sector banks, has adopted scientific research procedure for collection of the primary data. Ten per cent of the bank branches (153) were selected as the sample size with stratified method spread over to all the twelve major public sector banks.

II. Digital Transactions: Supply of finance and financial services to the people in general and the needy in particular have been the major function of the financial institutions that are governed by the central bank of the country. Especially, meeting financial needs of the individuals, households and all the sectors (agriculture, manufacturing and service) has been a mandatory responsibility of the financial institutions. Banks have been imposed strict adherence for the investment policy of the central bank and the government. Ever since imposition of social responsibility, banking institutions have developed number of financial or banking products and services in India to meet all segment of financial needs, which can be broadly classified into; (a) Modern Banking and Miscellaneous Services; and (b) Traditional Products like Deposits and Loans, as detailed in table 1.

Modern Banking Services: Modern Banking and Miscellaneous services have occupied an important place in the current banking business trend next to the deposits and loans. These services are such that which cannot be strictly included under the gamut of either the bank deposits or the bank loans. These services, going by their nature and type can be considered as alternative banking or new generation features of the modern banking (Kumbhar VM 2009, Anu Sharma 2021) or. These services have been given significant thrust as part of the mechanization and digitization of the banking operations, pursuant to the recommendation of the expert committee and high level committee reports (RB1 1984 & 2019). Unfortunately, the un-avowed objective of the thrust on these service has been to decongest the banking businesses and to facilitate the customers manage their financial transactions. Interestingly, most of these services are not only non-traditional but are non-funded in nature and by offering these services, banks earn income in the form commission or as service charges without investment. These services are popularly considered as the new generation activities that are largely preferred by the bank customers. The most important fact is that a good number of these services are system driven (electronic) transactions, especially the credit and debit cards, payment and remittances, online banking, mobile banking, home banking etc. Equally significant to know that a host of other services are human driven, as these services have to be executed only in the presence of the customers and to their satisfaction.

Table 1
Chronological Glimpse of the Digital Transactions of the PSBs

No	Services & Products	Traits of the Services & Products
		Facilitate withdrawals/payment of money through the Automated Transfer of Money (ATM) in the merchant and e-commerce transactions respectively. Selling gold coins to the public and encouraging them

01	**<u>Modern Banking Services</u>** Credit & Debit Cards Gold Coins & Gold Bonds Payment and Remittances Overdraft Currency Exchange Online Banking Mobile Banking Home Banking Lockers Money Transfers Investment Banking Wealth Management Solvency Certificates Mutual Funds Insurance Services	to buy or invest in gold. Similarly, on the government security denominated gold bond or Sovereign Gold Bonds (SGB) issued by the Reserve Bank of India on behalf of the government. Selling the gold bonds became one of the cross marketing functions, since it is a government financial product and issued by RBI. Cash remittance facility from the sender deposits in India and cash is then paid out to a recipient abroad. The remittance services is used for international payments like, Donations (to India), Gifts, Medical treatment, Educational programs, educational tuition fees, Financial support, Travel expenses of family members, Proceeds from domestic deposits/sale of assets. The benefit is made available for the customers of current account not just to ensure uninterrupted business but to ensure customers image up kept. The customer is supposed to arrange money and clear the excess drawn amount within such time specified to avoid bank charges. Facilitating to swap the currencies after charging a nominal commission to the customers who goes abroad as tourists, higher education, medical treatments, etc. Offers clients financial analysis on different aspects of financial life, including assets, expenses and income, and help them to prepare a financial plan to reach different goals. Facilitating transactions without visiting the banking premises to the customers who opt for the same. Permitting customer to carry out all banking transactions confidentially using their mobile phone or device with the login credentials and personal identification number. Authorizing customers to do banking operations from their private places using electronic gadgets like computer, laptop or mobile phones with the internet. Offering locker facility on hire to customers for keeping their valuable documents or items. Authorizing customers to transfer money to the beneficiary using the internet banking, mobile banking or home banking services under National Electronic Fund Transfer (NEFT), Real Time Gross Settlements (RTGS), Immediate Payment Service (IMPS), Unified Payments Interface (UPI) and Cheque. Offering special banking operation of helping individuals or organizations to raise capital and provide financial consultancy services to them. Offering expert advices on (a) Legal and estate

		planning advices; (b) Accounting and tax related services; and (c) Help for starting or selling a business etc., for further maximizing the wealth of the firms that are high net worth companies. Issuing solvency certificates of the customers after verifying the financial status and position to statutory bodies. Advisory services on the mutual fund business of their own subsidiary financial institutions to the public and the customers. Offering insurance services as per the Insurance Act provisions and the guidelines of Insurance Regulatory and Development Authority of India (IRDAI).
02	**<u>Traditional Products</u>** **Deposits/Accounts** Saving Bank Deposits Fixed Deposits Recurring Deposits Current Accounts **Loans (Two different types)** **(a) For Business** Working Capital Loans Term Loans (Short & Long Term) Letter of Credit Bill/Invoice Discounting Overdraft Facility Equipment Loans Loans under Government Schemes Merchant Cash Advances (PoS)	Savings Bank Account is of a bank citizenship and a critical requirement. It gives stake holding status to customers, with which all the banking products and services can be availed. Fixed Deposit facilitates earning higher rate of interest, with a clearly defined term of period. Recurring Deposit cultivates thrift habits and promotes periodical saving among the general public, including poor and unaffordable sections. Current Account is a business oriented account to avail credit and overdraft from time to time by all entrepreneur, irrespective of large, medium, small, and micro enterprises. A short term capital to meet day to day expenses like wages and salaries of the staff/workers, input costs and establishment charges. Availed to meet contingencies and capital investment of the ventures ranging from one to seven years. A guarantee offered to customers make payments against the invoice. Payments are made on behalf of the customers over a nominal charges. CA holders are facilitated to draw over the balance amount for making immediate payments. Financing purchase of costly equipment to commence the business. Subsidies and grants for socio-economic development activities of the poor, vulnerable and targeted groups. Loans for small business enterprises to repay the same in instalments.

	(b) For Individuals Personal Loans Credit Card Loans Home Loans for New houses/ for renovations and improvements Vehicle Loans Small Business Loans Pay Day/Cash Advances Agriculture Loans Gold Loans Education Loans Customer Durable Loans Loans against Insurance/FD/Mutual Funds/Shares	Loans and advances with high rates of interest to salaried individuals for one year with regular income and collateral securities. Credit cards issued to individuals to make all payment with predefined credit limit every month. Loans for construction of new houses/acquire houses/renovation and redevelopment on competitive interest rates with longer period of repayment options. Loans for buying new vehicles, used cars & two wheelers by all income families. Loans to unemployed individuals to undertake productive activities and socio-economic advancement. Loans with high rate and without security to make immediate payments. Credit card holders to withdraw cash against the credit availability from the ATMs on a mandatory processing charges. Loans to acquire farm assets like land, equipment, tools, inputs and the development. Short term loans to customers to acquire gold asset and to promote gold consumption with high security. Loans for students on parent guarantee with moratorium facility for pursuing education from post-secondary to higher education degrees in India and abroad that cover the costs like tuition fees, books, stationaries and living expenses. Loans with no or low interest and on flexible terms for consumers for purchasing household items like, Television, Refrigerator, washing machine, air conditioner, microwaves, furniture, clothes, electronic gadgets etc. Loans and advances against the investment in insurance schemes, fixed deposits, closed ended mutual funds and shares to meet the emergency and exigency needs.

Source: Recorded from the bank authorities during the field survey through a structured questionnaire.

Traditional Products: Ever since the beginning of the banking operations, deposits have been one of the traditional products and accepting deposits are one of the major functions of the banks. This function is being practiced across the banks irrespective of their ownerships like public, private, cooperative after obtaining the necessary license, approval and recognition mandatorily by the central bank of the country. Bank deposits are considered as the safest mode of parking people's money in any bank as deposits. Because, majority of the people believe that keeping money in the banks as deposit is highly safe and secure than in any other financial institutions, which are not governed by the norms and regulations of the central bank of the country. Against the customer's deposits, the banks are offering interests from time to time as per the banking regulations, schemes and government policies. Also, at times of need and emergencies, customers are entitled to raise loans against their deposits on commercial terms. To meet a wide variety of customer requirements and to cover the spectrum of the savings, banks have introduced a number major deposits schemes keeping the short, medium and long terms in view. The reason behind this strategy is to facilitate the customers' convenience. They are Savings Bank Account, Fixed Deposit, Current Account and Recurring Deposit. It goes without saying that the un-avowed purpose has been to inculcate the habit of savings to the customer and to promote savings, which can be used for investment purposes on commercial terms.

After mobilization of the various deposits by the bank customers, conversion of the deposit resources into capital for investment purposes is an important bank business process and task and use the resource in the form of loans and advances. In fact, no bank can afford to keep the deposit resource unspent or invested, as the banks are supposed to offer interest against the deposits periodically. The other reason has been that banks have to earn sufficient income to meet the various establishment costs, including profit for their existence and sustenance. Thus, the commercial value is added in the form of cost to the loan at the administration/decision making level, keeping all the factor costs, including the interest payable to the depositors in view. The commercial banks offer loans to the various purposes to fulfill the needs and wants of the customers. Different types of loans and advances products have been designed and made available in the banking industry to fulfill business as well as individual demands. Interestingly, it may not be wrong to say that corporates and business houses have been absolutely depending on the banks loans and advances for their business commitments, apart from their own contributions. It goes without saying the cost/interest of the loans is very competitive, unlike the borrowings from informal sources which is generally exorbitant and harassments in the event of defaults. As against these trends, individuals opt for bank loans despite the procedures and undue delays up to the extent of the investment gaps after their share of investment in the venture.

III. Results of the Research: The financial products and financial services with business implications have undoubtedly given social face to the banks and financial institutions. As a principal function, the banking institutions have reached all segment of the financial needs covering individual/household and major sectors of the economy. The institutions undertakes marketing and selling of their products keeping twin objectives in view: one to facilitate the customers to get the products and financial services and to counter the informal/high cost financing activities and the other to sustain the bank business as part of the social responsibility imposed by the nationalization. While doing so, the banks have been able to transform the financial resources of the endowed people to the financially needy to undertake various social and economic development activities. The following are some of the specific findings of the study:

Public Sector Banks: There are twelve public sector banks in the country after their mergers, which have a history to have established from first decade of 20th century. Since then these banks have expanded by leaps and bounds across the country (Table 2). Over the years these banks have opened a good number of branches in the unbanked areas and in the places that have business potentials. Public sector banks have a total number of branches of 90,881. By average, each bank has 7573 branches. It is interesting to note that some banks have more number of branches and at the same time less number of branches below the national average. Of the five public sector banks, which have more number of branches above the average, State bank of India tops the rank with 24,720 to the extent of more than three times the average. Perhaps, State Bank of India being the state owned bank is the only one which has highest number of branches in the country. SBI branches accounts to over 27 per cent of the total number of branches in the country. It must be mentioned; no other public sector bank has these many network branches like the SBI. Punjab National Bank (PNB) is the second largest in terms of the networking branches. PNB has a total number of 11,790 branches which is about 13 per cent of the total branches in the country. This is followed by the Canara Bank with 10,691 branches accounting to about 12 per cent of the branches in India. Union Bank of India and Bank of Baroda being the fourth and the fifth largest bank which have respectively opened 9708 and 8309 branches with around 11 and 9 per cent in the total branches. Together these five major banks account to 65,224 branches or 72 per cent of the total branches in the country.

Table 2
Number of Public Sector Banks and their Branches

Public Sector Banks	**Total Number of Public Sector Banks**				**Share of PSBs in Bengaluru City (Percent)**		
	India	**Karnataka**	**Bengaluru Rural & urban Districts**	**Bengaluru City**	**Country**	**State**	**District**
State Bank of India	24720	1721	467	440	1.78	25.57	94.21
Punjab National Bank	11790	179	87	83	0.70	46.37	95.40
Canara Bank	10697	1927	368	322	3.01	16.71	87.98
Union Bank of India	9708	842	248	230	2.37	27.32	92.74
Bank of Baroda	8309	715	176	161	1.94	22.52	91.48
Indian bank	6099	187	86	84	1.38	49.92	97.67
Bank of India	5206	143	54	51	0.98	35.66	94.45
Central Bank of India	4687	114	46	43	0.76	37.72	91.49
Indian Overseas Bank	3141	224	61	56	1.78	25.00	91.80
UCO Bank	3062	65	32	28	0.91	43.08	87.5
Bank of Maharashtra	1912	61	22	22	1.15	36.07	100
Punjab and Sind Bank	1550	13	08	08	0.52	61.54	100
Total	**90881**	**6191**	**1655**	**1528**	**1.68**	**24.68**	**92.32**

Source: Official websites of the Banks, as on date.

The second category of the banks that have registered less number of branches below the national average are Indian Bank with 6,099 branches, followed by Bank of India (5,206), Central Bank of India (4687), Indian Overseas Bank (3141), UCO Bank (3062), Bank of Maharashtra (1912) and Punjab and Sind Bank (1550) branches. These seven banks account to the total number of 25,657 branches with 28 per cent. In relative terms, the share of these branches in the total work out to respectively 6.71, 5.73, 5.16, 3.46, 3.37, 2.10 and

1.71 per cent. The average number of banks in the second category of the bank works out to 3,665, which is certainly below than the average number of branches in the first category. Quite interestingly excepting Indian Bank, Bank of India and Central Bank of India all the other banks have less number of branches, which is even below the average number of bank branches in the second category. Further, Bank of Maharashtra and Punjab and Sind Bank have the lowest number of branches respectively at 1920 and 1550 branches.

Karnataka State is one of the beneficiaries in terms of the presence of the public sector banks. It has 6191 branches in its soil that account to 6.81 per cent of bank branches in the country. The state of Karnataka having given birth to the establishment of the Canara Bank, its large number of branches has been very well justified. Like the national scenario, four banks have been playing a major role in providing the financial services in the state. These four banks have a total branches of 5205 accounting to major share of over 84 per cent in the total bank business. The emerging scenario is led by the Canara Bank with 1927 branches. The Canara Bank alone has 31 per cent exposure in the total bank business of the state. It is followed by the branches of State Bank of India with a total number of 1721 or 28 per cent of the bank business. Union Bank is found to be the third largest bank branches in the state with 842 branches or 14 per cent in the total branches. Lastly, Bank of Baroda has about 9 per cent of its branches in the state of Karnataka that account to about 12 per cent in the bank business. With this scenario, the rest of the eight banks have a total control of only 16 per cent of the total bank business in the state with only the limited number of 986 branches.

In terms of the presence of the public sector banks, it can be straight away said that Bengaluru city alone emerge as the major beneficiary as compared to any other cities and urban areas in the state. Bengaluru city being a major hub for economic activities, it has attracted more number of public sector banks in the state. It has total presence of 1528 bank branches spread across to twelve public sector banks of the country. It is important to note that about 25 per cent of the public sector banks of the state presence in Bengaluru city alone. It goes without saying that no other city corporations of the state having benefits of the presence of the banks like the Bengaluru city. Other interesting reality is four leading public sector banks have their major business exposure with their 1153 branches in the city of Bengaluru which is over 75 per cent of the total bank business of the city. Interestingly, State Bank of India has emerged as the major bank with 440 branches. This bank has also added the advantageous of its erstwhile branches of the subsidiary banks. It's also a reality that but for the merger of the subsidiary banks has state Bank of India would not have accounted to the present order of bank branches. It may not be go wrong to say that Canara Bank is a true leader with 322 branches in the city. The third bank which has a large number of branches in Bengaluru city is the Union Bank of India. It has 230 branches after the merger of Andhra Bank and Corporation Bank. Lastly, with 161 branches, Bank of Baroda has emerged as the fourth largest bank in Bengaluru city after merger of Vijaya Bank and Dena Bank. With this the other eight banks have the only a business exposure of 25 per cent in Bengaluru city with only 375 branches in the city.

Bengaluru City: It is being the capital city of the state of Karnataka, which has been a power center - economically, politically and in all measures. It has been the head quarter for many of the establishments, including the head of the government. The city has become very important in such a way that the economic performance and achievement of the state is largely influenced. Infrastructure wise, Bangalore city is far ahead of many other cities of the state. The Silicon Valley status to the city has earned the name as 'International City' has been attracting people from other parts of the country as well as people from other countries. The city has a population of over 1.2 Crores has been attracting the people due to its favorable features of human settlements, notwithstanding the drinking water crisis due to lack of the perennial water source. The city is contributing over 45 per cent to the total State Domestic Product (SDP) and obviously is a center of economic activities with good number of Special Economic Zones (SEZs). It has been housing all the public institutions of administration, including the headquarters of the state government. The city being a major hub has seen the presence of most of the public sector banks, private sector banks and cooperative banks in large numbers. It is a fact that the city has accounted for 25 percent of the public sector banks of the state of Karnataka with the large number of presence of State Bank of India, Canara Bank, Union Bank of India and Bank of Baroda.

Financial Products for All: The research has identified all the financial products and financial services offered by the public sector banks with a view to account their nature and types. It was emanated that while introducing the financial products, the banks have drawn balance conspicuously between the bank interest of earning profit for their sustenance and complying the government norms, which is obviously to meet the financial needs of the people. Second and significant point is that sufficient care has been executed to respond to the socio-economic needs of the society while introducing the financial products, which is what the overall aim of the banks nationalization. Thirdly, having provided stake holding opportunities to all, the banks have strived hard to promote thrift among the people to save periodically according to their income and convenience. The saving resources being the critical source, the banks have also designed the products for investment across all the sector and activities in urban and rural areas. At this juncture, it may not be wrong to say that the credit opportunities of the banks have been seen as threats to the informal lending activities, although the neediest are yet to be released fully from the high costs clutches. The bank loans as detailed already covers almost entire gamut of the human requirements like personal segments, businesses in the short/medium/long terms, small business products for unemployed, educated youths, domestic needs, emergency needs, apart from offering bank guarantees and administering grants as well as subsidies of the government programmes. Lastly but important segment is the modern banking service that involves a great of digital transactions. They includes credits, payments, remittances, overdrafts, online and mobile banking, transfers, cross marketing, exchange, wealth management and a host of others. With these services, it can be said that the banks have given major thrust for strengthening non-fund business and embraced global practices in spirit under the ongoing globalization practices of the economy.

Emphasis on Non-Fund Business: One of the major findings of the research is the voluminous emphasis and increasing practice of the non-fund business in the banking sector. Most importantly the public sector banks have also fall in line in this regard like any other private sector banks. Thanks to the competitive business environment, which has compelled even the public sector banks not to lag behind, especially in the application of banking technology. Non-fund business of the bank is necessarily means the business carried out without the investment but is for earning income. In other words, non-fund business is nothing but a bunch of banking services offered to the customers against nominal charges or commission for each service, with the help of the technology. These services being mostly the traits of the modern banking business, have largely attracted the young or new generation customers, than majority of the existing ones who have also been catching up with the trend rather slowly. Interestingly, one of the very important criticisms being attributed to the growth of non-fund businesses of the banks is that having been fully protected and assured of the remuneration packages, the non-fund business especially in the public sector banks has dented the banker-customer relationship by further distancing the customers. It is argued commonly that when the incidence of financial exclusion is still visible, the non-fund business has aggravated the situation.

Public Norms as Guiding Force: While designing and offering the financial products and services to the general public, the banks and financial institutions have considered a number of factors while adhering to the government expectations and directions. It is evident from the table that all the financial products and services of the public sector banks have been aiming at achieving the social and public welfare. It only means that the financial institutions have joined hands to improve the living standard of the people and the social welfare by facilitating improving income earning activities. Over the years after the nationalization, the commercial organizations have strived hard to draw a balance between the profit of the banks and promotion of the welfare, ever since the imposition of the social responsibility. But for the nationalization, PSBs and other financial institutions would not have cared for the cause of the promotion of the social welfare. It should also be noted that while according priority in fulfilling the government norms, the social needs and people needs have also been fulfilled, as other priority. But to upscale the priority of the people and the social need, innovative products should be introduced by the banking institutions to further interface between them.

IV. Conclusions & Implications: Banks have been providing fund based and non-fund based services to the people and customers. They cannot afford to desist themselves from dealing with the financial products and financial services, as they have not only been the lifeline of the banks but also their existence in question if they don't. These products and services are being provided for a definite time period and against the income return. At the same time and importantly, providing or facilitating a bunch of technology linked modern banking services has been the order of the day, as part of the non-fund business. With the two distinctive banking services, the customers have been conspicuously divided into old timers and new generation customers. It goes without saying that the formers mostly happy with the traditional services with deposits and loans and the latter, mostly oriented and equipped with technology supported modern banking services. As a result of the manifold increase in the modern services than the traditional products, the banks and their premises have become decongested or less crowded, which would have resulted in increased work efficiency among the employees and undoubtedly would have brought down the work pressure. However, one of the criticisms attributed to the trend is that the bankers are not showing interest and enthusiasm in marketing their own banking products, largely owing to fixation of accountability upon any possible defaults by the customer. Further, it is also very commonly attributed to the fact of continued rigidity of the bankers, which has left the customers in lurch and pushing them back to high cost informal financial system. This trend has damaged the image of the public sector banks in many ways. The emerging scenario has given rise to losing social face of the banking institutions besides given birth to strained relationship between the bankers and customers, especially resulted in the erosion of retail business. This fact has been corroborated by number of bank employees in the interactive sessions and pointed that the banks may become workforce less institutions, if the same trend continues. It is even argued that fulfilling the core banking functions as well as earning more income and profit through non-fund business would become the challenges in the days to come. One of the serious limitations is the products gap between the people needs in the socio-economic development and the products available, which is undoubtedly conspicuous. This makes a case for designing the new innovative products, which could be marketed through their own networking institutions and also through cross marketing. Besides, the new innovative products would augment the process of financial inclusion, instead of marketing the known products already exist in the structured organizational network. Designing the innovative financial products reinforces the role of the non-banking institutions in development of the society and the country.

The public sector banks and financial institutions should thrust on maximizing the benefits for the people, especially their customers, than distancing themselves and focusing on promotion of non-fund business. Although, banks have exhibited their concern over the people's interest over the years, development of marginalized people oriented products across the financial institutions is yet to be reality. The economies of the scale and the benefits of operation synergy can be the additional benefits to the banks. Therefore, the need of the hour is to design a variety of the people – led or tailor made financial products than the bank oriented ones. Given the security that the public sector banks enjoy in terms of the protection, they need to concentrate on the people – oriented products. Secondly, non-engagement of the Micro Finance Institutions (MFIs) and Self-Help Groups' (SHGs) networks at the branch level to market the banks products has been the setback in itself. The presence of these institutions shall be used to popularize the banking products in the unbanked areas. MFIs and SHGs, apart from being functioning as the business correspondents can also serve as the commission agents to the banks in the marketing services. But what is critically need is the skill development and the necessary training to the MFIs and SHGs. Thirdly and undoubtedly, the banks and financial institutions have been largely engaged in traditional marketing avenues through their employees. It has been noticed during the interaction that the banks and financial institutions have not attempted to market the products in social events, like weekly market, monthly market and social gatherings. Additionally, the banks and financial institutions can market their products on other events, adopting the unbanked areas and educational institutions, this strategy would broadly canvas the marketing and facilitate earning non-fund income. Fourthly, the banks and financial institutions should largely engage themselves in campaigning cum marketing events periodically not only to advertise about their financial products but also their readiness to market the same. Being the public funded financial institutions, these must be carried to the society as a social responsibility activity. The products and schemes availability details needs to be communicated effectively to all the age group. The people at large, whether they use the product or not, the knowledge of the various products must be known by everyone in the society. The separate commission agents shall be appointed for marketing the banking products by the public sector banks and financial institutions on competitive terms on the lines of the other banks. Lastly, as part of the cross marketing strategy, banks and the financial institutions can enter into Memorandum of Understanding (MoU) and agreements largely in the backward and unbanked areas with the help of business correspondents like, micro finance institutions, self-help groups and cooperative credit institutions. Lack of such MoUs and agreements and not taking the MFIs, SHGs and cooperatives is found to be a major setback for the cross marketing business.

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