



MARKETING OF HOUSING FINANCE PRODUCTS BY BANKS FOR THE FAST HOUSING DEVELOPMENT IN DIGITAL INDIA: NEED, RELEVANCE AND POLICY OPTIONS

Firos Khan M C* Prof. (Dr.) K C Sankaranarayanan Dr. Manoj P K*****

* *Ph.D. Scholar, Cochin University of Science and Technology, Kochi, Kerala–682022. (INDIA).*

** *Former Dean (Social Sciences), and Professor & Head, Dept. of Applied Economics, Cochin University of Science and Technology, Kari, Kerala–682022. (INDIA).*

*** *Research Co-ordinator & DC Member, Dept. of Applied Economics, Cochin University of Science and Technology, Kochi, Kerala–682022. (INDIA).*

Abstract

Housing finance, the most significant retail credit product of commercial banks, needs to be deliberately marketed in the present scenario since this segment has better asset quality and lower default rates, thus prompting banks to lend more in this safe segment. From a macroeconomic perspective, more investments in housing can speed up the pace of national economic development because of the vast forward and backward linkages of housing sector other sectors. Investments in housing can kick-start a recession-hit economy and create large scale employment too. In India, as the country is already committed to the national goal of 'Housing for All by 2022' since June 2015, mass scale housing development is required which in turn needs housing finance as the vast majority of the shelter-less are from the low income and economically weaker sections of the society. In this context, the present paper which is a sequel of the earlier paper of the authors, argues that deliberate efforts to systematically market housing loans is required so that it can lead to faster economic development of the nation and also attainment of the national housing goal. Equally important, as the authors point out, is the need to adopt the latest ICT advances, modern tools like CRM especially its ICT-based version called e-CRM. Above all, there is the utmost need for attaining sustainability in housing development and hence thrust is required on environment-friendly housing designs (like, Green Houses), and environment- friendly marketing approaches like Green Marketing. So, the authors suggest strategies for the marketing of housing loans befitting the priorities of 'Digital India' that seeks to attain 'Housing for All by 2022'.

Key Words: *Housing, Linkages, Housing Micro Finance, CRM, ICT, e-CRM, Green Housing, Green Marketing*

1. Introduction

Of the various retail banking products housing finance has the most prominent place as it seeks to fulfill one of the basic pre-requisites of human life. It can even kick-start recession-hit economy and so housing credit needs to be promoted especially in situations of economic slowdown (Manoj, P. K, 2003) [13] & (Firos Khan et. al, 2017) [5] that are often characterized by poor credit off-take into the so-called 'productive' segments like corporate credit or industrial credit. It accounts for nearly 80 percent of the total retail credit portfolio of most of the banks. Housing credit is considered much safer than other types of retail credit and also industrial and corporate loans as the asset quality is higher and hence default rate is very low and hence the NPAs. The growing housing credit in times of falling interest rates has been noted by Sengupta, U. (2006) [37] pointing out that housing credit trebled when interest rates halved in 5 years' period (FY 1999 to FY 2003). Mohan, R. (2004) [29] after discussing the situations that forced the Govt. of India (GOI) to initiate financial sector reforms in the early 1990s and has noted that India exhibited high resilience to economic shocks and its financial stability has been robust in the post-reforms era. Indian situation has been distinct from many parts of



the world which have witnessed crises. Given the reasonably strong and resilient economy and still stronger financial system, however, does not support any complacency. Rather, the general slump persisting in Indian economy even after the worst slump noticed in FY 2012 (RBI's Annual Report) [45] suggests that India needs to kick-start its economy from the present slumber by way of promoting housing investments. Also, India must accelerate the pace of reforms process in its journey towards 'Digital India' characterized by 'Housing for All', by the year 2022. As a continuation of their earlier paper (Firos Khan et. al, 2017) [5], this paper seeks to study the need for housing loan marketing and also strategies for the same.

2. Relevance and Significance of the Study

The vital significance of micro credit in facilitating socio-economic development of nations, women empowerment and gender mainstreaming etc. is widely recognised (ADB, 2015) [1] and in respect of micro finance for housing or housing micro finance (HMF) is yet to pick up momentum in India (Manoj P K, 2007) [15] have pointed out the significance of microcredit, mostly availed by women beneficiaries, in facilitating their socio-economic empowerment and hence gender mainstreaming. In the present scenario, housing credit plays a key role in facilitating equitable, inclusive, and balanced economic growth in India given the general slump being faced by Indian economy even after witnessing the worst slump in FY 2011-12. (RBI, Annual Report 2011-12)[45]. Housing finance, as a typical retail credit product can act as the growth engine of the economy owing to its vast linkages thus facilitating rapid economic development. (Manoj, P. K, 2003) [13] & (Firos Khan et. al, 2017) [5]. Accordingly, the vast linkage forward and backward linkages of housing sector, ensures a dynamic housing sector which in turn provides growth momentum to nearly 350 other allied industries; thus leading to rapid economic development of the whole economy. Besides, the positive impact because of the linkage effects of housing, another vital advantage of promoting housing is its capacity for mass employment creation. Above all, India is committed to a great national goal of 'Housing for All by 2022' since June 2015 as part of PMAY (Pradhan Mantri Awas Yojana) scheme under the Ministry of Housing Urban Poverty Alleviation (MoHUPA), GOI. Yet another dimension of housing development through providing housing finance, particularly HMF is that it ensures inclusive, balanced and equitable growth of the economy. More relevant is the models like PHIRA of NHB that seeks to ensure economic empowerment of poor women because repayment of housing loans availed by them is linked to some economic (income generating) activity. In the ongoing context of 'not-so-encouraging' performance of Indian economy even after worst economic slump of 2011-12 as well as the national commitment of 'Housing for All by 2022' since June 2015, it is relevant to make a detailed study of the need for systematic and deliberate efforts for marketing of housing loans by banks in India and also to chalk out the specific road map for their marketing efforts.

3. Review of Literature

Asian Development Bank Institute (ADB) (2016) in its Working paper on housing markets and housing policies have made a detailed study from a historical perspective, right from the pre-independence to the ongoing reforms era and again into the future of housing in India. The population projections and its implications on housing policies, detailed analysis of urban and rural housing problems etc. are part and parcel of this very informative policy report of ADB. Kiran Keswani (1997) [11] has done a study of the causes for the slow growth of low-income housing projects in India. Using his research findings the author has made a few suggestions for speeding up the growth rate in low-cost housing initiatives in India. The main suggestion is that the Government should play the role of a facilitator rather than a provider of housing. Peer Smets (1999) [34] has presented a definitional issue relating to formal sector housing finance. The author has pointed out that the so called 'eligibility' criterion for housing loans that often consider the 'affordability criteria in one go'. This 'one go' mode



of eligibility checking excludes the vast majority of the urban poor from availing housing finance as they might not be eligible for the same. Instead if an ‘incremental housing’ model is adopted then many of them might be eligible as they can meet the eligibility conditions as per incremental housing model which offers ‘affordability in a phased in manner’. In a research paper by Manoj PK (2003)[13], ‘Retail Banking: Strategies for Success in the Emerging Scenario’ in *IBA Bulletin* the author has noted that in the changed scenario (of early 2000s) the retail banking scenario in India has fully changed and therefore offered some competitive strategies which can help the commercial banks in India to ensure sustained growth of their retail banking portfolio. The vital role played by the ‘Linkage effects’ has been pointed out.

Sengupta, U. (2006) [37] has discussed the vital significance of PPP (Public Private Partnership) mode for expanding the public housing situation in India. The author has discussed in detail the successful PPP experience in respect of the successful construction of a mass public housing project in Kolkata city in India. The author suggests that by learning from this public housing project, similar ones can be replicated in other parts of India. In another research article by the author, Manoj PK (2004) [14], ‘Dynamics of Housing Finance in India’ in *Bank Quest* has noted the growing interest by the commercial banks (CBs) in India for providing housing finance resulting in steady fall in the relative market share of the housing finance companies (HFCs) in India – the second major agency group in India’s home loans market. Based on the then (early 2000s) macroeconomic environment and financial market scenario, the author has suggested a few strategies for the balanced, inclusive, equitable and sustained growth of housing finance sector in India. Working Paper 19 by IFMR (2007)[7] has made a systematic study of the vital significance of promoting HMF in India as an effective alternative tool for serving the housing needs of the poor, since only models like HMF can solve the ‘real housing problem’ in India which is mainly (95 percent) that of the low income group (LIG) and economically weaker section (EWS) categories. Another report released published more recently by IFMR (2015)[8] on Affordable Housing Finance Sector makes a detailed analysis of this vital sector of Indian economy and the need for promoting it in view of its socio-economic benefits as well as national goals and priorities.

A research paper on housing microfinance (HMF) authored by Manoj P. K. (2008)[15], “Learning from Cross-country Experiences in Housing Finance: a Microfinance Approach” in *Journal of Global Economy*, has noted the vital importance of encouraging housing finance via microfinance more, or housing microfinance (HMF, in short) so that needy poor can meet their housing finance requirements. As HMF assists the poor and underprivileged segments of the society, it should be promoted for balanced housing development and hence economic development. Several successful HMF experiences at the global level have been pointed out by the author. An edited book by the same author, Manoj, P. K. (2009)[16], *Emerging Technologies and Financing Models for Affordable Housing in India*, Directorate of Public Relations and Publications of CUSAT, Kerala has discussed diverse financing models (like, HMF) and also various emerging technologies (eg. straw bale construction) that can help the poor households, both rural and urban poor, to fulfil their dream of ‘own homes’ in an affordable manner in the existing banking, financial and regulatory framework in India. Pickens (2009)[35] has observed that ICT advances that are easily adopted by general public including the poor (eg. mobile phones) can be effectively used for extending banking services to them – the unbanked segments hitherto not covered by the formal system. It is noted that such devices are used almost every citizen including the poor people. Naturally such devices are the most suitable ones for the purpose of banking the unbanked, the author has pointed out along with the support of empirical data. Thus, his field study in Philippines has noted mobile phones could significantly help the poor to avail financial services from the formal system.



A paper on Kerala-based HMF by Manoj P K (2010) [21], “Prospects and Problems of Housing Microfinance in India: Evidence from “Bhavanashree” Project in Kerala State” in *European Journal of Economics, Finance and Administrative Sciences* has made a detailed study of ‘Bhavanashree’ the HMF under ‘Kudumbashree’ – the poverty alleviation project of GOK. Strategies for its sustained growth are suggested based on its problems and prospects. A detailed comparative study of the performance of Housing Finance Companies (HFCs) in India by Manoj PK (2010) [18], ‘Benchmarking Housing Finance Companies in India: Strategies for Enhanced Operational Efficiency and Competitiveness’ in *European Journal of Economics, Finance and Administrative Sciences* shows the relative competitive position of all the major HFCs in India. Based on this benchmarking exercise the author has suggested some strategies for improving their operational efficiency and competitiveness. An industry analysis report by KPMG (2010)[12] has sought a detailed analysis of the impact of affordable housing sector in propelling the growth prospects of India’s real estate sector given the positive macroeconomic conditions and policy support from the successive Governments. A research article by Manoj, PK (2010) [19], ‘Financial Soundness Housing Finance Companies in India and Determinants of Profitability: A ‘CAMEL’ Approach along with ROE Decomposition Analysis’ in *International Journal of Business Policy & Economics* has used the ‘CAMEL’ method along with ROE decomposition analysis to find the profitability determinants of HFCs in India.

A research paper by Manoj, P K, (2010) [20] ‘Determinants of Successful Financial Performance of Housing Finance Companies in India and Strategies for Competitiveness: a Multivariate Discriminant Analysis’ in *Middle Eastern Finance and Economics*, has sought to determine the determinants of enhanced financial performance of HFCs in India by using the MDA methodology and thus a discriminant function consisting of five distinct parameters (out of the total of 21 parameters used in MDA) that significantly affect the financial performance of HFCs under study has been framed. A paper by Manoj, P K (2010)[21] “Impact of technology on the efficiency and risk management of old private sector banks in India: Evidence from banks based in Kerala” in *European Journal of Social Sciences* has noted the impact of ICT on the efficiency and risk management of Kerala-based private sector banks. Another paper by Manoj, PK (2011)[22], ‘Determinants of Profitability of Housing Finance Companies in India and Strategies for Competitiveness: a Multiple Partial Correlation Approach’ in *International Journal of Business Intelligence and Management* has used multiple partial correlation method to formulate the competitive strategies for the various groups of HFCs in India, using some basic parameters that significantly influence the HFCs. A paper based on a field study on micro enterprises (MEs) in Kerala by Manoj P. K. (2012) [23], “Potential of micro enterprises in women empowerment: A critical study of micro enterprises run by women under the Kudumbashree Programme in Kerala” in *International Journal of Business Policy and Economics* has analysed in detail the functioning of the micro enterprises (MEs) run by ‘Kudumbashree’ women – the members of the world renowned poverty alleviation project ‘Kudumbashree’ which is promoted by the Govt. of Kerala (GOK). It is noted that being closely monitored and assisted by GOK, these MEs have good potential for empowering women thus enabling equitable economic growth. Kudumbashree women, of late, are actively into housing construction activities. In a study by Manoj P.K. (2012) [24], “Information and Communication Technology (ICT) for Effective Implementation of MGNREGA in India: An Analysis” in *International Research Journal of Finance and Economics*, the author has analysed the major role that ICT plays for effective, efficient and transparent way of MGNREGA implementation in India.

A research paper by Neeraja James & Manoj, P. K. (2014) [33], “Relevance of E- Banking Services in Rural Area—An Empirical Investigation” in *Journal of Management and Science*, has noted that E-banking services positively contribute the empowerment of rural customers and suggested that



E-Banking and ICT-based facilities in rural areas be upgraded. Asian Development Bank (ADB) (2015) [1] in its report, *Gender Mainstreaming Case Study India: Kerala Sustainable Urban Development Project*, has made a systematic analysis of a Kerala-based urban development project viz. Sustainable Urban Development Project and has reported that women who participated in the said project has improved their self-esteem and also further nurtured their leadership qualities. Working Paper No. 565 by Asian Development Bank Institute (ADBI) (2026)[2] (Tiwari & Rao) *Housing Market and Housing Policies in India*, has pointed the crucial need for expansion of the housing development activities in India breaking the India's housing problem into (i) Urban housing shortage and housing demand, and (ii) Rural housing shortage and housing demand. The more vulnerable nature of rural housing situation has been pointed out in this ADBI Working Paper. Also, this paper includes population projection and their implications on the housing policy of India.

In an empirical study on HMF in Kerala State of India by Manoj, P. K. (2015) [25], "Socio-Economic Impact of Housing Microfinance: Findings of a Field based Study in Kerala, India" in *International Research Journal of Finance and Economics*, the author has clearly noted the vast potential of HMF for empowering the poor. HMF provides them shelter which in turn is a primary prerequisite for a healthy living, raising one's livelihood, improving one's socio-economic status and also to maintains one's productivity always. The same author, as a continuation of the above study, Manoj, P. K. (2015) [26] "Deterrents to the Housing Microfinance: Evidence from a Study of the Bankers to 'Bhavanashree' in Kerala, India", *International Research Journal of Finance and Economics*, has identified the significant deterrents to the healthy growth of HMF in Kerala. These factors have been reported that to be lack of awareness regarding the terms and conditions associated with the loan availed, expectation of 'writing of' (a policy that is often practiced by the Governments) of loans etc. Using his findings suitable remedial steps have been suggested by the author.

Another HMF paper by Manoj, PK (2015) [27], *Housing Microfinance: A Study on Quality, Cost and Default Rate with Respect to Bhavanashree in Kerala* in *International Research Journal of Finance and Economics* has sought to study as to how the asset quality of HMF loans, servicing costs of such loans and also their default rates vary with the normal type housing loans. A paper on REITs by Manoj, P K (2016) [28], *Real Estate Investment Trusts (REITs) for Faster Housing Development in India: An Analysis in the Context of the New Regulatory Policies of SEBI* in *International Journal of Advance Research in Computer Science and Management Studies* has noted that SEBI's new policy guidelines are supportive of the fast growth of REITs market and favourable to the housing and real estate sector. In a report by the top policy advisor of RBI Mohan, R. (2004) [29] in his discussion on financial sector reforms has dealt the circumstances that led to the financial sector reforms in India and noted the positive after-effects of the reforms, viz. a resilient financial sector in India. An empirical study on E-CRM by Vasantha S, Manoj, P. K., & Jacob Joju (2015)[40], "E-CRM: A Perspective of Urban & Rural Banks in Kerala", in *International Journal of Recent Advances in Multidisciplinary Research*, has made a comparison of ICT-based CRM experience (or E-CRM experiences) in respect of rural and urban customers in Kerala. Both rural and urban customers are attracted towards E-CRM services owing to the convenience offered by such services as well as their added features. However, the authors have suggested separate kinds of marketing strategies for each type so that both these groups can be targeted properly.

A paper by Vidya Viswanath, & Manoj, P. K. (2015) [41], "Socio-Economic Conditions of Migrant Labourers - An Empirical Study in Kerala", *Indian Journal of Applied Research*, has analysed in detail the socio-economic status of migrant workers in housing construction sector including their savings and investment behaviour, the modes of remittances of earnings to their families etc. It has



beennoted that there is significant level of extra earnings while working in Kerala rather than working in their own home States (like UP, MP and Bihar) in their earnings. The most recent paper by the present authors (Firos Khan et. al, 2017)[5] “Retail Banking Thrust with a Focus on Housing Finance: Strategy for Faster, Inclusive and Sustainable Economic Growth in Digital India” in *International Journal of Multidisciplinary Research Review* has made a recent analysis of the relevance of promoting retail banking in India in the context of the economic stagnancy prevailing after the worst economic slump observed in FY 2012 and has pointed out the need for encouraging housing finance to tide over the slowdown.

Focused studies on the need for marketing of housing finance in India are rather scarce. So this paper makes such a study as a continuation of Firos Khan et. al. (2017)[5], a recent study of the authors written in the context of post-2010 scenario of Indian economy and financial system, especially the housing finance market in the country. Accordingly, it is sought to expand the housing stock of the country in a sustainable (‘Green’) manner.

4. Objectives of the Study

- (i) To make an overall study of the housing situation in India, and the need for further housing development and the need for marketing housing finance in a sustainable way;
- (ii) To suggest strategies for marketing of housing loans in a sustainable manner so that it leads to faster economic development of the nation as well as wellbeing of the citizens.

5. Methodology of the Study and Data Sources

This paper is structured as a descriptive-analytical study that is exploratory too. It is based mainly detailed analysis of secondary data and opinions of practitioners and researchers in the field. Secondary data from authentic sources such as the reports of RBI, NHB and NABARD; reports of the UN organisations and those of international funding agencies and institutes like ADB and ADBI; publications of the Govt. of India (GOI) like Economic Survey (Jan. 2017); and IBEF reports (till March 2017). Primary data are collected using informal (unstructured) interviews with practitioners and academic experts in the field of housing finance.

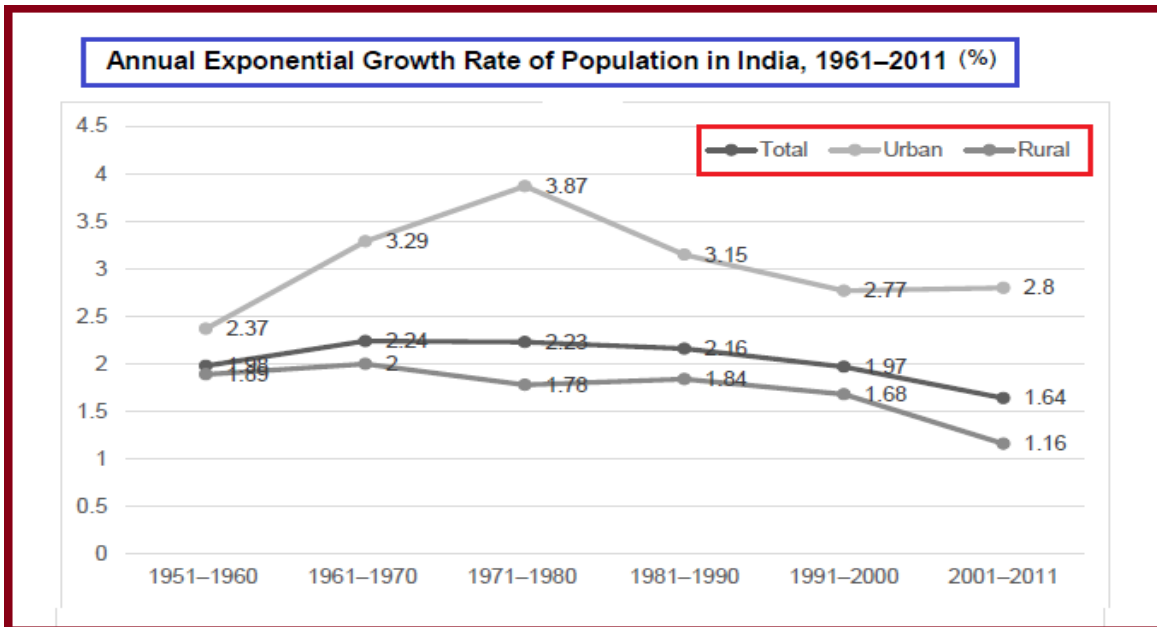
6. Housing Situation in India and the Problem of Housing Shortage

Housing being a primary requisite of human life there is growing demand for it as the population is rapidly rising in a country like India, and more severe is the question of finding shelter for the urban poor as urbanisation is one of the highest in developing nations like India as is evident from the population trends, especially for urban population (Table I & Figure I).

Table I: Trend of Urbanisation in India (1951-2011)

Year	Total Population (Million)	Urban Population (Million)	Urban Population (Million)	No. of Towns and Urban Agglomerates (UAs)
1951	361	62	299	2843
1961	439	79	360	2365
1971	548	109	439	2590
1981	683	159	524	3378
1991	846	217	629	3768
2001	1029	286	743	5161
2011	1211	377	833	7933

Source: ADBI Working Paper No. 565 (Tiwari & Rao) (2016), April., p.6. [2]



Source: ADBI Working Paper No. 565 (Tiwari & Rao) (2016), April, p.6. [2]

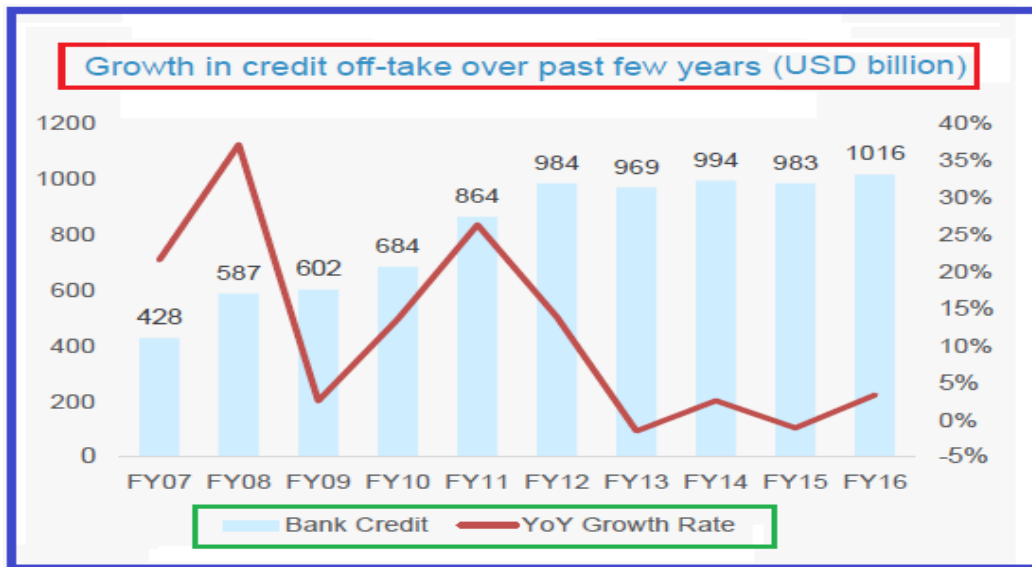
Figure I: Annual Exponential Growth Rate in Population in India (1961-2011).

Table II: Trend of Urbanisation in India (1951-2011)

Region	Particulars	2001	2011	Decadal Growth Rate (%)
All India	Total Population	1028.61	1210.57	17.7
	Homeless Population	1.94	1.77	-8.8
Urban	Total Population	286.31	377.11	31.7
	Homeless Population	0.78	0.94	20.5
Rural	Total Population	742.3	833.46	12.3
	Homeless Population	1.16	0.83	-28.4

Source: ADBI Working Paper No. 565 (Tiwari & Rao) (2016), April, p.8. [2]

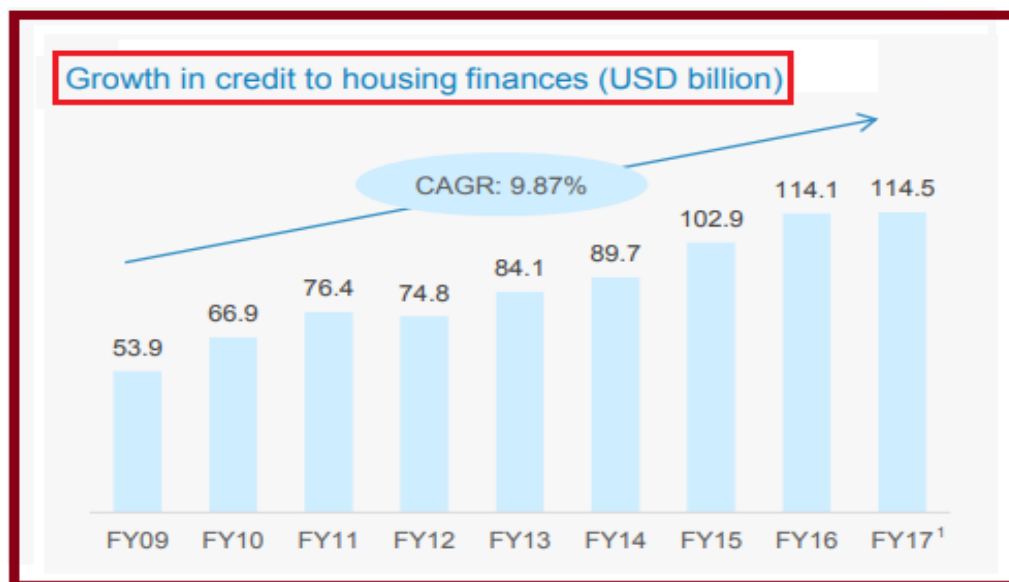
From Table II, it may be noted that there has been a slight fall in the total homeless population in India during the decadal period 2001-2011 (-8.8 percent). However, in respect of urban population there has been a marked increase in the number of homeless population (20.5 percent) though the same is lower than the growth in urban population during the decade (31.7 percent). In respect of rural population, there has been a considerable fall in the growth of homeless population (-28.4 percent) even when the rural population increased by as high as 12.3 percent. The gravity of urban population is more serious than that of the rural.



Source: IBEF (2016), *Banking*, Nov., [10], p. 9

Figure II: Growth in Credit Off-take of Banks in India (2007 to 2016)

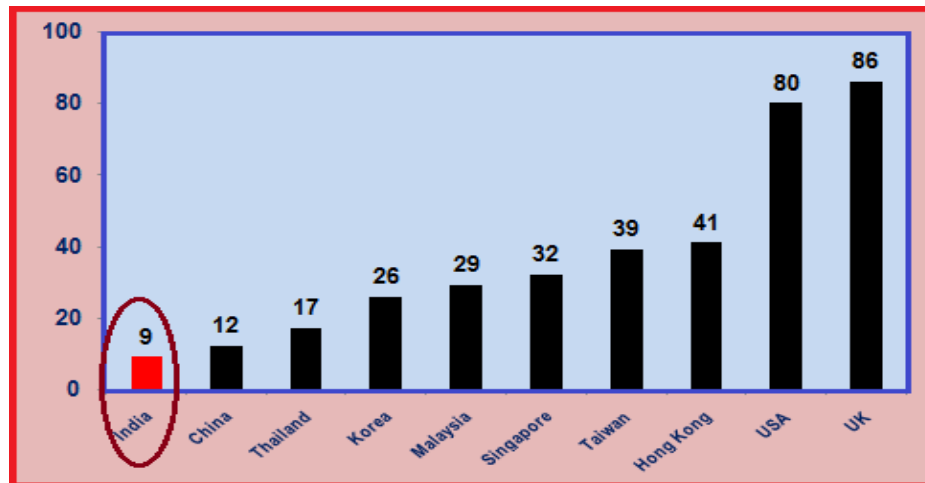
As pointed out in the very recent paper by the authors Firoos Khan et. al. (2017)[5], there has been a stagnation in credit off-take over the last one decade or more and is characterized by low or even negative annual growth rates in bank credit (Figure II). On the other hand, the housing finance has been growing constantly throughout with a high Compounded Annual Growth Rate (CAGR) of 9.87 percent (FY 2009 to FY 2017) (Figure III). It may be noted that retail banking (also called personal banking) products other than housing could grow only at a slower pace during the period with a much lower CAGR of 7.57 percent. (Figure IV).



Source: IBEF (2017), *Banking*, Feb., [10], p. 34.

Figure IV: Growing Trend in Housing Finance by Banks in India (2009-2017)

An important factor that needs to be considered in this context is that the Mortgage to GDP Ratio (MGR) in India is still at a very low level of about 9 percent as is evident from Figure V which in turn is based on (Manoj, P K, 2016) [28]. Even the latest position in this regard as per NHB (2016) statistics as pointed out in Firoos Khan et. al. (2017)[5] is not more than 9.3 percent and this is no way comparable with any of the major nations, both developing and developed (Figure V).



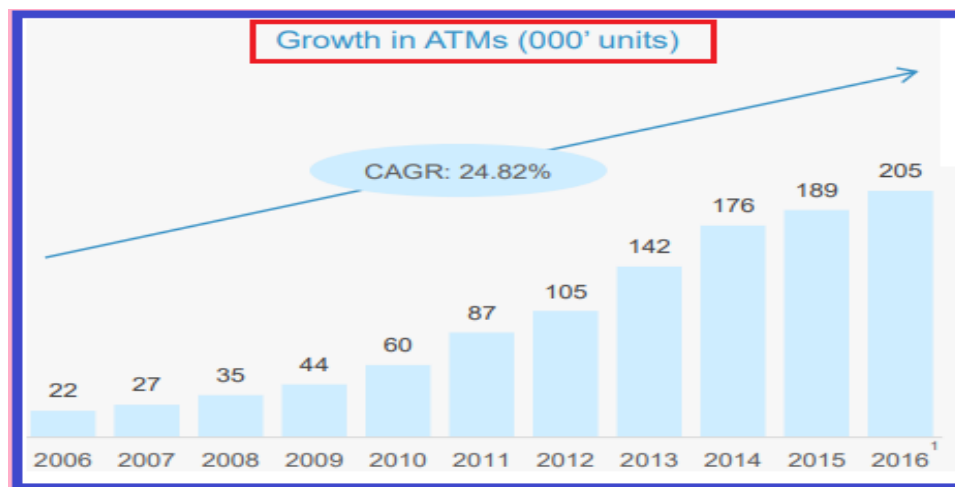
Source: Adapted from Manoj, P. K (2016) [28], p. 158.

Figure V: Mortgage to GDP Ratio (Percent) – India and Other Nations

From Figure V, it follows that India’s MGR being very low vis-à-vis other nations, there is tremendous scope for India’s housing finance (mortgage finance) market to grow and prosper, and it is in this situation that aggressive marketing of housing loans by the banks in India assumes significance. This aspect is covered in the next part of this paper.

7. Marketing of Housing Loans by Banks in India: Strategies and Policy Suggestions

Now let us consider the strategic considerations while marketing of housing loans by banks in India so that policy suggestions can be made for the faster but sustainable housing development in the country and hence overall national economic development also.



Source: IBEF (2017), *Banking*, Feb., [10], p. 24.

Figure VI: Steady Growth in ATMs of Banks in India (2006-2016)



First and foremost, more thrust is required for ICT adoption and also other ICT-based tools and applications. In the present scenario, ICT adoption is an imperative for survival and growth for any entity, including banks. In respect of bank marketing, naturally use of ICT based tools becomes all the important. Consequently, the concept of CRM needs to be adopted in the ICT-way viz. Electronic CRM or e-CRM with a view to attract and retain the discerning modern customers. The ever growing trend in ATMs (Figure VI) and empirical findings that both urban and rural customers prefer e-CRM and other ICT-based banking products (Neerja & Manoj, 2014) [33] & (Vasatha et. al, 2015) [40] suggest that latest ICT-based tools and applications including e-CRM are vital in housing marketing also, whether it is in the urban context (urban housing) or is in the rural context (rural housing).

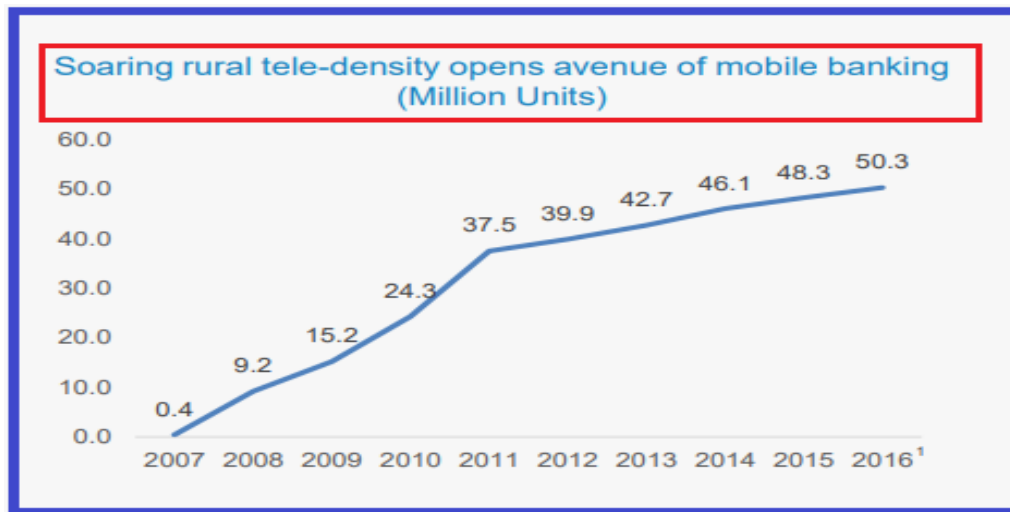
Considering the long-term sustainability of housing development and also marketing activities, a thrust on ‘Green Marketing’ approach is essential as it can ensure the long term sustainability of the marketing efforts. One more step ahead there should be a deliberate attempt to promote ‘Green Houses’, ‘Green Buildings’ and ‘Green Habitats’ and accordingly housing proposals, whether individual housing, or housing projects of Developers or Builders that abide by the Green Building norms be preferred and be encouraged too by granting some extra incentives or concession. In short, ‘Green Housing’ be preferred in all marketing efforts.

As majority of the shelter-less households belong to the low income groups (LIG) and economically weaker sections (EWS) special emphasis on HMF and such other pro-poor housing schemes be considered, including project financing of ‘affordable housing’ projects. It may be noted that because of the high growth prospects of affordable housing in India in the ongoing era of ‘Affordable Housing for All by 2022’ in India, a separate group of HFCs called Affordable Housing Finance Companies (AHFCs) has already emerged in the country and AHFCs are now growing fast also. To exploit the vast affordable housing segment, it is essential to have separate tailor-made products to cater to this huge housing segment in India.

Income generating housing schemes like PHIRA (Productive Housing in Rural Areas) of the NHB be promoted and so also housing schemes targeted at women, widows, disabled and such other disadvantaged segments of the society. Gender parity in housing loan sanctions and women empowerment through schemes like PHIRA should be accorded high priority in housing loan marketing by banks and other financial institutions.

Given the fast growing tele-density in India and wide spread use of mobile phones, mobile banking applications and mobile phone based services be offered to customers because modern customers both urban and rural prefer such ICT-based tools and applications in banking (Neerja & Manoj, 2014) [33] & (Vasatha et. al, 2015) [40]. If the requisite facilities are provided by the bank and also the necessary training and awareness (like, financial literacy) even rural people including women can very effectively avail the banking services including housing finance through HMF or otherwise. This will lead to their socio-economic empowerment, including gender parity as women constitute a very significant part of the rural customers, especially those engaged in microfinance and such other activities like SHGs.

Besides, international experiences too (Pickens, 2009) [35] support the extensive use of modern ICT-based and popularly used tools like Mobile phones. This will accelerate the pace of financial inclusion in India. Needless to mention, the e-CRM (as against CRM) of banks should support all these modern ICT-based banking services not only in housing finance but also in all other services. ICT adoption will enhance operational efficiency and competitiveness, and improve the customer service. Modern practices like e-CRM are essential to attract the modern discerning customer service.



Source: IBEF (2017), *Banking*, Feb., [10], p. 41.

Figure VII: Fast Growing Tele-density in India – Scope for Mobile Banking

8. Concluding Remarks

Given the huge untapped market for housing finance in India in view of the very low MGR of about 9 percent, the favourable policy support by the Governments at the Union and States, and above all the National Goal of ‘Housing for All by 2022’ housing loan marketing has become an imperative in India. Adoption of ICT and ICT-based tools like e-CRM, and promotion green initiatives at levels, especially Green Houses will make housing loan marketing sustainable in the long term, thus enabling faster and sustained economic growth.

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