



To Study Consumer Perception about Increase in Minimum Account Balance by Private Sector Banks in Bhavnagar City

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ABSTRACT

This research study investigates the relationship between gender and customer perceptions regarding the recent increase in minimum balance requirements in private sector banks. The primary objective was to determine whether gender influences awareness, perceived fairness, satisfaction, and behavioral intentions toward this policy change. A total of 156 respondents participated in the study, representing various age groups, educational levels, and income categories. Using SPSS for data analysis, descriptive statistics, frequency distribution, and correlation tests were conducted to examine the relationships. The results revealed that gender has a significant impact on several perception-based variables, including awareness of the minimum balance policy, perception of service quality, and satisfaction levels with private banks. Male respondents generally exhibited higher awareness and acceptance of the balance increase, while female respondents showed more neutral or negative attitudes, indicating a gap in financial information and trust. However, gender showed no significant relationship with the intention to shift banks, suggesting that behavioral loyalty remains relatively stable despite dissatisfaction. The reliability test (Cronbach's Alpha = 0.734) confirmed the consistency of the data. The study concludes that transparency, communication, and service quality play crucial roles in shaping customer perceptions. Private sector banks must adopt more inclusive communication strategies and customer education initiatives to ensure policy acceptance and trust among all demographic groups

INTRODUCTION

We have seen an increase in bank balances. Banking has long been considered the backbone of the modern economy. In the last few decades, the Indian banking sector has undergone a major transformation with liberalization, technology adoption, globalization and regulatory reforms. In this context, the issue of minimum account balance imposed by private banks has raised a lot of debate and concern, especially in semi-urban and growing cities, such as Bhavnagar. The decision by banks to increase the minimum account balance has not only financial but also psychological and behavioral implications (Vidani, Das, Meghrajani, & Chaudasi, 2023)

Banking Service Quality and Customer Satisfaction

In a competitive market, service quality is a major differentiator between successful and unsuccessful banks. Private banks often offer more personalized and efficient services than public sector banks. But at the same time, they rely heavily on fee-based income such as service charges and minimum balance penalties. This creates a paradox—customers want excellent service but are sensitive to financial burdens. In a city like Bhavnagar, where customers include employees, small business owners, and students (Bansal, Pophalkar, & Vidani, 2023).

Impact of Central Bank Announcements on Consumer Expectations

Central bank announcements do not always change the average beliefs of consumers, but they do make people more informed and engaged with policy changes. For example, when central banks make announcements on inflation, interest rates or banking regulations, consumers develop a strong belief in stability and trust. In the Indian context, when banks increase minimum balances, many consumers view them as part of a broader economic trend rather than just a bank-level policy. With increasing financial awareness and digitization in Bhavnagar, consumers' perceptions of such policy changes play a significant role in their acceptance or opposition (Chaudhary, Patel, & Vidani, 2023).

Economics of Minimum Balance Requirement

The practice of minimum balances is not new. Banks adopt this pricing strategy to attract a stable deposit without imposing monthly direct charges. In this way, customers who maintain high balances are exempted from fees. But as competition increases, the profitability of such a policy becomes questionable. For customers, especially the lower and middle classes, increasing the minimum balance creates financial pressure, a sense of inequality and the threat of being excluded from banking services. In cities like Bhavnagar, which have a mix of middle-class families, small traders and labourers, the move to increase the minimum balance is seen as prohibitive. This leads many customers to switch to government banks or adopt a multi-bank strategy. (Sharma & Vidani, 2023)

Customer Behavior and Multi-Bank Loyalty

Customers join multiple banks to get better service, reduce risk, and get benefits (such as fee waivers, higher interest rates, or better digital services). Many customers in Bhavnagar hold accounts in both private and government banks. Increasing minimum balances increasingly push them in this direction.

But for banks, this activity signals a decline in customer loyalty. (Saxena & Vidani, 2023)

Role of Small Banks and Customer Satisfaction

Where small banks are strong, customer complaints are fewer. This is because small banks understand local needs, maintain personal relationships, and charge lower service charges. Cooperative banks in Bhavnagar directly compete with private banks. When private banks raise minimum balances, customers often compare them to small banks and feel dissatisfied. (Vidani & Dholakia, 2020)

Customer Perceptions in Bhavnagar: A Local Perspective

Bhavnagar, a growing city in Gujarat, is a blend of traditional business practices and urban development. Here, private banks are rapidly expanding their presence through digital banking, ATMs and branches. Especially for the middle and lower income groups, banking is not just a transaction but a relationship based on trust. Therefore, increasing the minimum balance is not just considered a financial burden but a sign of exclusivity, which can drive away small account holders. (Vidani J. N., 2022)

Research Need

The existing literature provides important information on service quality, customer loyalty and financial awareness, but there is not enough research on local customer beliefs about minimum balance. In a city like Bhavnagar, different socio-economic groups are associated with private banks. How do customers of Bhavnagar perceive minimum balance increase, what factors are responsible for their satisfaction or dissatisfaction and how does it shape their banking behavior. (Bansal, Pophalkar, & Vidani, 2023)

Research Objectives

1. To analyze the awareness level of customers regarding the minimum balance requirement in private sector banks.(Achieved through Questionnaire Q1 and Hypothesis H1)
2. To evaluate whether the increase in minimum balance requirement has created a financial burden on consumers.(Achieved through Questionnaire Q2 and Hypothesis H2)
3. To study customers' perception about the clarity and transparency of information provided by banks regarding the minimum balance increase.(Achieved through Questionnaire Q3 and Hypothesis H3)
4. To examine whether customers consider the increase in minimum balance requirement as fair and justified.(Achieved through Questionnaire Q4 and Hypothesis H4)
5. To determine whether customers feel that the quality of services offered by private sector banks justifies the higher minimum balance requirement.(Achieved through Questionnaire Q5 and Hypothesis H5)
6. To investigate customers' perception of whether private sector banks are more profit-oriented than customer-oriented.(Achieved through Questionnaire Q6 and Hypothesis H6)

7. To measure the overall satisfaction level of customers with private banks' services despite the increase in minimum balance requirement.(Achieved through Questionnaire Q7 and Hypothesis H7)
8. To analyze whether the increase in minimum balance requirement influences customers to consider shifting to public or cooperative banks.(Achieved through Questionnaire Q8 and Hypothesis H8).

LITERATURE REVIEW

In the field of banking research, customer perception has been examined from various perspectives, such as service quality, pricing policies, regulatory policies, consumer behavior and competition. The present review collates the findings of both international and Indian studies, with a particular focus on the issue of minimum account balance requirements.

Service Quality and Customer Satisfaction in Banking

Even when private banks offer superior service, they tend to charge higher fees and demand strict minimum balances. This leads to a mixed perception among customers: they appreciate efficiency but dislike financial penalties. The SERVQUAL model developed by Zeithaml, Parasuraman and Berry (1988) also showed that tangibles, reliability, responsiveness, assurance and empathy are linked to customer satisfaction. Factors such as responsiveness to customer needs, quick resolution of queries, prompt service, quick connection to the right person and less time in queue were identified as major contributors to customer satisfaction. Their findings showed that private banks scored better than public banks on most service dimensions(Vidani J. N., 2016).

Banks' Pricing Policies and Minimum Balance Requirements

Minimum balance policies are often used as a strategy to eliminate small depositors and retain profitable customers. This pushes the weaker sections towards financial exclusion. In India, the Reserve Bank of India (RBI) has launched initiatives like Basic Savings Bank Deposit Accounts (BSBDA) to address this issue, but private banks often push premium accounts that require higher balances, leading to policy inconsistencies (Vidani & Pathak, 2016).

Impact of Central Bank Advertisements and Communications on Customers

RBI's announcements regarding policy rates, interest rates and service charges have a significant impact on customer trust. For example, when RBI allows banks to change service charges, customers often interpret it as approval for higher fees. According to a study by Das and Ghosh (2017), Indian customers directly associate RBI policies with trust, and misinterpretation of policies can lead to negative perceptions(Pradhan, Tshogay, & Vidani, 2016).

Customer Loyalty, Multi-Bank Usage and Behavioral Activities

Customers often maintain accounts in both public and private banks, in order to strike a balance between convenience and affordability. For example, customers prefer private banks for digital transactions and salary deposits, while maintaining accounts in public banks for security and lower charges. In Bhavnagar, business communities and salaried employees often practice multi-banking to optimize financial benefits. Increasing minimum balance requirements by private banks could fuel this activity, as customers seek alternatives to cooperative or public banks (Mala, Vidani, & Solanki, 2016).

Role of Small and Regional Banks in Customer Satisfaction

Small banks contribute significantly to customer satisfaction, as fewer complaints are seen in areas where small banks have a strong presence. Reasons include strong personal relationships, localized services, and lower charges. Private banks face competition not only from large public banks, but also from smaller institutions that attract cost-sensitive customers. The perception of unfairness created by higher minimum balance requirements could push customers towards these alternatives (Singh & Vidani, 2016).

Research Gap

While several studies have explored customer satisfaction, service quality, and financial inclusion in the banking sector, limited research has specifically examined gender-based perceptions toward minimum balance requirements in private sector banks. Most existing literature focuses broadly on customer loyalty, digital banking, or service experience without addressing how policy-related financial obligations, such as maintaining a minimum balance, affect different demographic groups. This gap highlights the need to understand how male and female customers differ in terms of awareness, perceived fairness, and satisfaction related to such banking policies.

Another significant gap identified is the lack of empirical evidence connecting gender to behavioral intentions such as the likelihood of shifting banks due to financial burdens. While past studies have acknowledged customer dissatisfaction caused by increased service charges or hidden fees, few have analyzed whether gender moderates this dissatisfaction or influences decision-making in financial relationships. Moreover, the communication and transparency aspects of banks' policy announcements remain underexplored, especially in the Indian context, where financial literacy and trust levels vary widely between customer groups.

Additionally, most prior research emphasizes service quality and customer retention, but minimal attention has been given to how customers perceive the fairness and necessity of financial policy changes. This study attempts to fill this void by analyzing gender differences in awareness, fairness perception, and satisfaction regarding minimum balance requirements. The findings bridge a crucial gap by providing a deeper understanding of how gender shapes financial behavior, awareness, and attitudes in the evolving private banking landscape.

Hypothesis

1. There is a significant relationship between Gender and awareness of minimum balance requirement in private banks.
2. There is a significant relationship between Gender and feeling of financial burden due to increase in minimum balance.
3. There is a significant relationship between Gender and perception of transparency about minimum balance increase.
4. There is a significant relationship between Gender and belief that the increase in minimum balance is fair and justified.
5. There is a significant relationship between Gender and perception that service quality justifies the higher minimum balance.

6. There is a significant relationship between Gender and belief that private banks are more profit-oriented than customer-oriented.
7. There is a significant relationship between Gender and satisfaction with overall services despite the minimum balance increase.
8. There is a significant relationship between Gender and intention to shift to another bank due to the increase in minimum balance.

Table 1. Validation of Questionnaire

Statements	Citation
I am aware of the minimum balance requirement in my private sector bank.	(Vidani, 2015)
The increase in minimum balance requirement has created a financial burden for me.	(Solanki & Vidani, 2016)
My bank has provided clear and transparent information about the minimum balance increase.	(Bhatt, Patel, & Vidani, 2017)
I believe the increase in minimum balance is fair and justified.	(Sukhanandi, Tank, & Vidani, 2018)
The service quality of my private bank justifies the higher minimum balance	(Singh, Vidani, & Nagoria, 2016)
I feel private banks are more profit-oriented than customer-oriented.	(Dhere, Vidani, & Solanki, 2016)
I am satisfied with the overall services of my private bank despite the minimum balance increase.	(Singh & Vidani, 2016)
Due to the increase, I am considering shifting to another bank (public/cooperative).	(Vidani, Jacob, & Patel, 2019)

Source: Author's Compilation

METHODOLOGY

Table 2. Research Methodology

Research Design	Descriptive
Sample Method	Non-Probability - Convenient Sampling method
Data Collection Method	Primary method
Data Collection Method	Structured Questionnaire
Type of Questions	Close ended
Data Collection mode	Online through Google Form
Data Analysis methods	Tables
Data Analysis Tools	SPSS and Excel
Sampling Size	No. of responses in Google form
Survey Area	Your area of data collection
Sampling Unit	Students, Private and government Job employees, Businessmen, Home maker, Professionals like CA, Doctor etc.

Source: Author's Compilation

Cronbach Alpha

Cronbach's Alpha is a statistical measure used to evaluate the internal consistency or reliability of a set of items in a scale. It indicates how closely

related the items are in measuring the same construct. A value closer to 1 suggests a high level of consistency among the items, while a value closer to 0 indicates low reliability. In your data, the Cronbach's Alpha value of 0.734 suggests moderate internal consistency for the 8 items being measured. This level is generally considered acceptable, meaning the items in your scale are reasonably reliable in measuring the underlying concept, but there might still be room for improvement.

Table 3. Results of Hypothesis Testing

Sr. No	Alternate Hypothesis	Result (p =)	>/< 0.05	Accept/Reject Null Hypothesis	R Value	Relationship
1	There is a significant relationship between Gender and awareness of minimum balance requirement in private banks.	0.000	< 0.05	Reject Null Hypothesis	-0.276	Weak Negative
2	There is a significant relationship between Gender and feeling of financial burden due to increase in minimum balance.	0.000	< 0.05	Reject Null Hypothesis	0.026	Very Weak Positive / No Significant Linear Relation
3	There is a significant relationship between Gender and perception of transparency about minimum balance increase.	0.000	< 0.05	Reject Null Hypothesis	-0.100	Weak Negative
4	There is a significant relationship between Gender and belief that the increase in minimum balance is fair and justified.	0.000	< 0.05	Reject Null Hypothesis	-0.121	Weak Negative
5	There is a significant relationship between Gender and perception that service quality justifies the higher minimum balance.	0.000	< 0.05	Reject Null Hypothesis	-0.353	Moderate Negative
6	There is a significant relationship between Gender and belief that private banks are more profit-oriented than customer-oriented.	0.000	< 0.05	Reject Null Hypothesis	0.040	Very Weak Positive / No Strong Relation
7	There is a significant relationship between Gender and satisfaction with overall services despite balance increase.	0.000	< 0.05	Reject Null Hypothesis	-0.140	Weak Negative

8	There is a significant relationship between Gender and intention to shift to another bank due to increase.	0.601	> 0.05	Accept Null Hypothesis	0.045	No
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Source: Author's Compilation

RESULTS AND DISCUSSION

The present study titled "A Study on the Impact of Minimum Balance Requirements on Customer Perception in Private Sector Banks" aimed to analyze how the increase in minimum balance requirements influences customer awareness, satisfaction, and attitudes, with a special focus on gender differences. The analysis was conducted using SPSS software on data collected from 156 respondents. The demographic results revealed that a majority of participants were male (74.4%), within the age group of 18 to 25 years (82.1%), and primarily students (64.1%). Most respondents maintained savings accounts (82.1%) and had a banking relationship of one to three years (41%), indicating a young and financially active sample familiar with private sector banking services.

The hypothesis testing examined the relationship between gender and various customer perception variables related to minimum balance policies. The Chi-Square test and correlation analysis (Pearson's R and Spearman's Rho) were used to identify the significance and direction of relationships. The findings showed that seven out of eight hypotheses were statistically significant at a 5% significance level ($p < 0.05$). This indicates that gender has a considerable influence on how customers perceive aspects such as awareness of balance requirements, financial burden, fairness, transparency, service quality, and overall satisfaction. The correlation coefficients (R values) mostly showed weak to moderate negative relationships, implying that female respondents generally expressed lower awareness and satisfaction levels compared to male respondents.

The strongest relationship was found between gender and the perception that "service quality justifies the higher minimum balance," with an R value of -0.353, indicating a moderate negative association. This suggests that males were more likely to agree that the services provided by private sector banks justified the increased minimum balance, whereas females were less convinced. Similarly, weak negative relationships were observed between gender and perceptions of transparency ($R = -0.100$), fairness ($R = -0.121$), and overall satisfaction ($R = -0.140$). These results indicate that male customers tend to have a slightly more favorable opinion about the changes compared to female customers. On the other hand, the relationship between gender and the intention to shift to another bank was statistically insignificant ($p = 0.601$), suggesting that both male and female customers share similar views about continuing with their current banks despite the increased charges.

The reliability analysis conducted for the attitudinal variables (Q8-Q15) produced a Cronbach's Alpha value of 0.734, demonstrating acceptable internal

consistency among the items and confirming that the questionnaire effectively measured customer perception.

Overall, the findings reveal that while gender influences perceptions of awareness, fairness, and satisfaction, it is not the sole determinant of customer behavior. The majority of customers, regardless of gender, displayed moderate awareness and mixed satisfaction levels toward private sector banks' policies. These results imply that banks need to strengthen communication, transparency, and service quality to maintain customer trust and loyalty. Efforts should be directed particularly toward enhancing the financial understanding and confidence of female customers, ensuring they feel equally informed and valued. By addressing these differences, private banks can achieve better customer satisfaction and long-term relationship management.

Theoretical Implications

The findings of this study on the impact of minimum balance requirements on customer perception in private sector banks contribute significantly to the theoretical understanding of customer behavior, financial awareness, and service perception within the framework of modern banking. Theoretically, the study reinforces the application of consumer behavior theories, expectation-confirmation theory, and equity theory in explaining how customers evaluate changes in banking policies and how such changes influence their satisfaction and loyalty.

Firstly, the results highlight the relevance of consumer behavior theory, which explains that customer attitudes and perceptions are shaped by personal factors such as gender, age, education, and financial awareness. The study found that gender has a statistically significant influence on most perception variables, implying that demographic characteristics play a crucial role in shaping how customers interpret and respond to financial policy changes. Male respondents demonstrated higher levels of awareness and acceptance of the minimum balance policy, while female respondents exhibited lower satisfaction and perceived fairness. This aligns with the idea that individual cognitive and emotional factors influence how information is processed and how judgments are formed about service quality and pricing fairness.

Secondly, the results align with expectation-confirmation theory (ECT), which states that customer satisfaction is determined by the comparison between prior expectations and actual experiences. When banks increase their minimum balance requirements, customers evaluate whether the quality of services provided justifies the higher financial burden. The study found a significant but weak negative correlation between gender and perception of service quality, suggesting that some customers, particularly females, experienced a gap between their expectations and the actual value they received. This supports ECT's proposition that unmet expectations result in dissatisfaction and reduced trust in the service provider.

Thirdly, the findings are supported by equity theory, which proposes that customers evaluate fairness by comparing the perceived inputs (such as the balance they maintain) and outcomes (such as the benefits or services they receive). The significant relationship between gender and perceptions of fairness

and transparency indicates that customers are sensitive to perceived inequities in financial policies. When the increase in minimum balance is viewed as disproportionate to the benefits received, it leads to perceptions of unfairness and profit orientation by banks. This theoretical insight underscores the importance of perceived justice and fairness in customer satisfaction models within the financial sector.

Moreover, the study contributes to the theoretical literature on service quality and relationship marketing. The significant correlations between gender and overall satisfaction, awareness, and intention to switch banks demonstrate that customer retention is not solely determined by the quality of services but also by emotional and cognitive evaluations of fairness and value. These findings reinforce the SERVQUAL dimensions—reliability, assurance, responsiveness, empathy, and tangibles—as crucial theoretical foundations for understanding how customers assess bank performance in relation to service charges and policy changes.

Additionally, the study supports the broader theory of financial inclusion and literacy, suggesting that awareness levels play a critical role in shaping attitudes toward banking policies. The gender-based differences observed indicate a theoretical need to consider financial literacy as a moderating variable in models predicting satisfaction and behavioral intentions in banking contexts.

In conclusion, the study's theoretical implications extend beyond the specific context of minimum balance policies. It emphasizes the interconnectedness of consumer behavior, fairness perception, and service evaluation theories in understanding customer attitudes toward financial institutions. By integrating these theoretical perspectives, future research can develop more comprehensive models that explain how demographic factors and cognitive evaluations collectively influence satisfaction, trust, and loyalty in the modern banking environment.

Practical Implications

The findings of this study on the impact of minimum balance requirements on customer perception in private sector banks offer several practical implications for bank management, policymakers, and marketing professionals. These implications are particularly relevant for improving customer satisfaction, promoting financial inclusion, and enhancing long-term customer relationships. The results provide actionable insights that can help private banks design more effective strategies for communication, service improvement, and policy implementation.

Firstly, the study emphasizes the need for clear and transparent communication about minimum balance policies. Many respondents, particularly female customers, perceived the increase as unfair or lacking transparency. This indicates that customers often do not fully understand why such policies are introduced or how the additional balance benefits them in terms of better services. Therefore, banks should ensure that all communication related to policy changes is simple, transparent, and customer-friendly. They can use multiple communication channels—such as mobile banking apps, SMS alerts, social media, and in-branch notices—to provide detailed explanations and

emphasize how maintaining a higher balance contributes to improved services, convenience, and rewards.

Secondly, the findings suggest that customer awareness and financial literacy play a vital role in shaping perceptions. Since gender differences were found in awareness and satisfaction levels, banks should introduce educational programs, workshops, or online modules that help customers understand banking policies and financial management. By improving financial literacy, particularly among female and young customers, banks can reduce misunderstanding, enhance trust, and empower customers to make informed decisions. Collaborations with educational institutions and community organizations can also promote awareness about responsible financial behavior and banking charges.

Thirdly, the results indicate that while most customers may feel burdened by the higher minimum balance, they are not necessarily inclined to switch banks. This presents an opportunity for banks to leverage customer loyalty by offering added value. Banks can introduce loyalty programs, cashback offers, or fee waivers for consistent customers who maintain their minimum balance over time. Such incentives not only help retain customers but also create a sense of fairness and reward for compliance with banking requirements.

Another key implication is the need to enhance service quality and customer experience. Since the perception that “service quality justifies higher minimum balance” showed the strongest correlation with gender, banks should focus on delivering tangible service improvements. This can include faster response times, personalized banking support, digital banking innovations, and improved grievance-handling mechanisms. Customers are more likely to accept policy changes when they perceive a clear improvement in service standards and value received.

Additionally, private banks should adopt a customer-segmentation approach when implementing or revising financial policies. Different groups – such as students, salaried employees, and senior citizens – have distinct financial capacities and expectations. A one-size-fits-all policy may lead to dissatisfaction among low-income customers. Therefore, tiered or flexible balance structures should be introduced, allowing customers to choose account types according to their financial ability and service needs.

The study also highlights that trust and fairness perception significantly influence satisfaction. Hence, bank managers should prioritize building a customer-centric culture where transparency, fairness, and empathy are embedded into daily operations. Regular customer feedback surveys and satisfaction audits can help identify pain points early and address them effectively.

Finally, from a policy perspective, regulators and banking associations can use these findings to reconsider guidelines on minimum balance requirements, ensuring that they promote financial inclusion rather than exclusion. Simplifying

requirements for low-income customers while maintaining profitability for banks can create a more balanced and equitable banking system.

In conclusion, this study provides practical guidance for private banks to improve their relationship with customers through transparent communication, better financial education, enhanced service quality, and fair policy structures. By focusing on these areas, banks can strengthen customer satisfaction, trust, and long-term loyalty while maintaining a positive public image and sustainable growth.

CONCLUSIONS

The study on gender-based perceptions regarding the increase in minimum balance requirements in private sector banks provides valuable insights into how customers interpret, react to, and adapt to changes in banking policies. The analysis reveals that gender plays a significant role in shaping awareness, satisfaction, and attitudes toward the fairness and transparency of these financial requirements. The results underscore that while male respondents exhibited higher awareness and stronger agreement with the need for maintaining minimum balance, female respondents displayed greater neutrality or disagreement, suggesting differing levels of information access, engagement, and financial literacy between genders.

The findings from chi-square tests indicate that there is a statistically significant association between gender and several key variables such as awareness of minimum balance, perceived fairness of the policy, service quality justification, and satisfaction with overall banking services. However, some variables, such as the financial burden created by the increase or the intention to shift to another bank, showed no significant association. This means that although gender influences perceptions and awareness, both male and female customers share similar behavioral tendencies regarding whether to continue or change their banking relationships. These results provide a nuanced understanding of how policy changes in private banks affect different customer segments.

One of the major conclusions derived from the research is that awareness and transparency are crucial determinants of customer satisfaction. Customers who are well-informed about the reasons behind the policy changes tend to perceive them as justified and manageable. Conversely, lack of information or poor communication from banks often leads to dissatisfaction and mistrust. Therefore, banks must focus not only on implementing financial policies but also on ensuring effective communication and customer education to build understanding and trust.

The study also concludes that service quality plays a mediating role between minimum balance requirements and customer satisfaction. When customers perceive that their banks provide high-quality services – such as faster processing, better digital access, and personalized support – they are more likely to accept policy changes like increased balance requirements. On the other hand, when service quality does not match the financial expectations, dissatisfaction increases, particularly among female customers who often expect greater clarity and fairness in financial dealings.

Another key takeaway is that the increase in minimum balance requirement, while beneficial for bank profitability and liquidity, has social and behavioral implications. For some customers, especially those with limited income, it creates a psychological and financial burden. This can discourage them from maintaining private sector bank accounts and push them toward public or cooperative banks, which often have lower or no minimum balance requirements. Thus, while the policy strengthens financial stability for banks, it may inadvertently challenge financial inclusion efforts unless accompanied by flexible options for low-income customers.

Moreover, the results highlight that perceptions of fairness and profit orientation strongly influence customer trust. Many respondents, particularly females, believe that private banks prioritize profit over customer welfare. This perception can damage long-term relationships unless banks actively demonstrate fairness, transparency, and customer value in their operations. Regular communication, policy clarity, and customer engagement programs can help address this gap.

In conclusion, this study reaffirms that banking policies, even when financially justified, must be implemented with careful consideration of customer diversity, awareness, and trust. Private sector banks should balance profitability with inclusivity and transparency. The significant gender-based differences observed in perceptions call for more personalized approaches in banking services and communication. By improving financial literacy, enhancing transparency, and ensuring that service quality aligns with customer expectations, private banks can not only retain customer loyalty but also strengthen their social reputation as customer-oriented institutions. The insights derived from this study contribute to a broader understanding of how gender dynamics shape financial perceptions and can guide both practitioners and policymakers in designing equitable and sustainable banking strategies for the future.

RECOMMENDATIONS

The present study offers valuable insights into how gender influences perceptions toward the increase in minimum balance requirements in private sector banks. However, like any research, it has certain limitations that open several avenues for future exploration. The findings emphasize the importance of understanding customer diversity, behavioral patterns, and the communication strategies used by banks. Therefore, future studies can expand on this foundation to gain a deeper and more comprehensive understanding of customer perceptions, attitudes, and behavioral responses to changing financial policies.

One important recommendation for future research is to expand the demographic scope beyond gender to include other variables such as age, income level, education, and occupation. These factors could provide a multidimensional view of how different customer groups respond to policy changes. For instance, younger customers who are digitally active may perceive such policies differently from older customers who rely more on traditional banking methods.

Similarly, individuals with higher education and income may be more accepting of balance increases, while lower-income groups might perceive it as a financial constraint. By incorporating these additional variables, future researchers can build a more detailed understanding of customer segmentation and design more inclusive banking strategies.

Another significant direction for future research is to conduct comparative studies across different types of banks, including public sector banks, cooperative banks, and digital-only banks. Such comparative research can reveal how institutional structure, communication transparency, and trust levels differ across banking categories. It would be valuable to examine whether customers of public sector banks exhibit more trust and satisfaction than those in private sector institutions, or whether fintech and neo-banks with no balance requirements are attracting dissatisfied private bank customers. This type of study could help policymakers and banking leaders align strategies to improve customer retention across sectors.

Future research can also explore the psychological and emotional aspects of customer responses. Quantitative data provides a statistical overview, but qualitative methods—such as interviews, focus groups, or case studies—can uncover the deeper motivations, frustrations, and perceptions behind customer attitudes. For instance, why do some customers perceive private banks as profit-driven despite good service quality? What specific communication gaps or service experiences lead to such opinions? These questions can be effectively addressed through mixed-method research that combines surveys with qualitative insights.

Additionally, researchers should consider longitudinal studies to track how customer perceptions evolve over time. Since financial behavior is influenced by ongoing policy changes, inflation, and digitalization, understanding these shifts over several years can help identify long-term patterns of trust, satisfaction, and loyalty. This approach would be particularly relevant in a rapidly changing banking environment where technology and competition continuously reshape customer expectations.

Another promising area for future study lies in digital banking awareness and literacy. As banks move toward online platforms, it is essential to understand whether digital awareness affects customers' understanding and acceptance of policies like minimum balance requirements. Exploring how digital literacy interacts with gender, age, or income could help banks design more targeted educational initiatives and transparent communication systems.

Furthermore, future studies could explore the impact of customer relationship management (CRM) initiatives and personalized financial advice on perceptions of fairness and satisfaction. By analyzing how customer engagement programs, loyalty benefits, or flexible policy structures influence satisfaction, researchers can provide actionable recommendations for enhancing customer experience.

Lastly, researchers should consider examining the policy implications of their findings to assist regulatory bodies in shaping fair and inclusive banking frameworks. Studies could evaluate how the Reserve Bank of India (RBI) or

similar institutions can balance financial regulations with customer welfare to ensure that minimum balance requirements do not hinder financial inclusion, particularly among marginalized groups.

In conclusion, the future scope of this research lies in expanding its demographic and institutional reach, adopting qualitative and longitudinal approaches, and integrating technological and policy perspectives. By doing so, future researchers can build a holistic understanding of how customers perceive and respond to evolving financial policies, enabling private sector banks to become more inclusive, transparent, and customer-centric in the long run.

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