

CHAPTER - I

I N T R O D U C T I O N

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I N T R O D U C T I O N

1.1 INTRODUCTION :

India is an underdeveloped country. For development of underdeveloped countries like India there is a need of high rate of capital formation which is the starting point of development cycle. The function of capital formation is particularly done by banks which is known as the ~~main~~ pulse of the country. For this purpose savings must be generated from the general public at a large scale and this work is done by banks only. These banking institutions accept the

deposits in the form of savings and these savings are made available to the entrepreneurs in the form of loans, for the productive purpose. Here comes the importance of banking institutions.

Unless and until the banking industry is not developed, there is no possibility to development of the country. Fortunately, India has well established and well developed banking industry. In the development of Indian economy there is a lion's share of banking industry.

There was no statutory definition of Banking in India, till the passing of Indian Company's Amendment Act, 1936. The concept of banking or banker is stated by different authors at their different views. Generally, we say that bank is such as, 'accepting for the purpose of lending or investment of deposits from the public and repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise.

Banking industry is a service industry. Banking is not only money oriented but also customer oriented industry. Providing good customer services is one of the main functions of every bank. Even the development of every bank is depend upon its efficiency of rendering good customer services. Bank's customers are basically of two types, depositors and borrowers. Two types of customers are equal importance for

the development of bank. Depositors expect three things from bank i.e. - (i) security for deposits, (ii) as high a rate of interest as possible, and (iii) good services.

In view of the importance of banking system for the development of a country and the importance of good services for the development of the banks the bank has to render good services to its customers. The growth of an organization is purely depends upon the relationship with its customers and services to them. In the modern customer oriented concept, 'The customer is the kind and pirot on which the organisations revolve their services. He is the corner stone of their edifice. He is the reason of their success and growth ! Hence it is necessary to build up confidence and goodwill of the people. Hence it was decided to study the nature of customer services of banks with special reference to Kolhapur Janata Sahakari Bank Ltd., Kolhapur.

1.2 IMPORTANCE OF THE STUDY :

In the development of Indian economy there is a lion's share of banking industry in India. Banking industry is purely based on customer's satisfaction which is made through rendering services to them. Govt. of India also take into consideration the importance of customer services in bank, and appointed a committee in 1984 to

study the customer services. The committee had submitted the report to Lok Sabha on 20th December, 1985. The working group on customer services had identified customer problems and made 176 recommendations to improve services of banks. Even though for improving customer services in banks, efforts has been made from time to time by Govt. of India.

Banking is well developed in India. At present different types of banks are working in India, consequently, there is an increasing competition among banks. For becoming successful in this competition rendering good services to customers in the main way to success. So every bank gives more stress on customer services and try to satisfy their customers as much as possible.

This research study is completely new and not a trivial and superphycial one. No study is conducted on this problem. Now-a-days it has become necessary and important to study customer services in banks, which induced the researcher to study this problem.

This research study will help to urban co-operative banks and other commercial banks also as guidelines for rendering services to the customers. They have to -

understand their drawbacks in conducting banking business and hence they can know how to improve efficiency in services to customers.

The Kolhapur Janata Sahakari Bank Ltd., Kolhapur is the successful bank in Kolhapur City in rendering services to the customers. Therefore, this bank is selected for conducting this research study.

1.3 OBJECTIVES OF THE STUDY :

The important objectives of the present study are as follows :-

1. To study the historical development objectives and achievements of the Kolhapur Janata Sahakari Bank Ltd., Kolhapur.
2. To study the customer services rendered by the Kolhapur Janata Sahakari Bank Ltd., Kolhapur and its branches in Kolhapur city.
3. To evaluate satisfaction of the customers in obtaining the services from Bank.
4. To make necessary suggestions to Bank for rendering customer services more efficiently.

1.4 SCOPE OF THE STUDY :

The scope of the study can be stated in the following lines :-

1. In the present research study Kolhapur Janata Sahakari Bank Ltd., Kolhapur and its three Branches in Kolhapur city are covered.
2. The study includes observations and opinions of General Manager and Branch Manager of Kolhapur Janata Sahakari Bank Ltd., Kolhapur and the customers of the Bank at Laxmipuri, Station Road and Rajarampuri Branches.
3. The study also includes the observations of the researcher when conducting the present x research work.
4. A sample of 100 customers taken at random is covered under this study.

1.5 METHODOLOGY :

The methodology adopted for the study is divided into following points :-

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1. Questionnaire has been prepared for the General Manager and Branch Manager of the Bank for getting required information of the Bank. Personal discussion with the General Manager, Branch Managers and concerned staff of the Bank with a view to get the general information regarding the functioning of the Bank. It covers the preliminary information about the Kolhapur Janata Sahakari Bank Ltd., Kolhapur, its objectives and its achievements.

2. Preparation of the questionnaire and interview schedule in consultation with the General Manager, Branch Manager of the Bank and guide teacher.

3. The customers selected for interview are on the basis of random sampling, therefore, a sample of 100 - customers is taken for the purpose of this study as :

Laxmipuri Branch	35 Customers
Station Road Branch	35 Customers
Rajarampuri Branch	30 Customers

4. 100 Important customers belonging to Kolhapur city were visited and interviewed. They were classified on the basis of age, education, marital status and occupation.

5. Three branches of Kolhapur Janata Sahakari Bank Ltd., Kolhapur located in Kolhapur City were visited and during the visit, spot observation has been made.
6. The report is drafted on the basis of the collection of secondary and primary data and the observations made during visits made to Kolhapur Janata Sahakari Bank Ltd., Kolhapur. This draft report was discussed with the guide teacher and finalised.

1.6 SOURCES OF DATA COLLECTION :

The data required for the present study are collected from the various sources as :-

1. Published annual reports of the Bank, Silver Jubilee Smriti Grantha and Bye-laws of the Bank also to be used.
2. Discussion with General Manager of the Bank, Branch Managers and concerned staff of the Bank.
3. The data collected from customers through a Questionnaire.

4. Library resources - various books, journals, periodicals and reports on Banking.

1.7 LIMITATIONS OF THE STUDY :

The present study is completed on the basis of information supplied by General Manager, Branch Manager, concerned staff of the Bank and related customers of the Bank. However, certain difficulties faced by the researcher are mentioned below :-

- a) Some of the customers were unwilling to answer all questions and supply the details information and various items.
- b) Some of the customers of the Bank had certain doubts in their minds and were not ready to give any information about themselves and about the Bank.
- c) Some of the customers were unwilling to waste their valuable time for the sake of such type of dissertation work.
- d) Most of the customers and some of the staff members of the Bank argued that such study has no practical utility for them.

1.8 PLAN OF THE STUDY :

The present study is divided into following Chapters :-

1. First Chapter deals with introduction to the study. It includes the objectives, scope, importance and limitations of the study. Also it includes methodology adopted for the study.
2. The Second Chapter divided into two parts. First part of the chapter deals with information about overall Indian banking system and the second part covers history, development and prospectives of urban co-operative banks.
3. The Chapter entitled : 'A Profile of Kolhapur Janata Sahakari Bank Ltd., Kolhapur'. It covers the development and other activities of the Bank in specified period.
4. The Fourth Chapter i.e. conceptual study of Bank's customers services deals with meaning and importance of customer services. Also includes different types of services which are rendered by banks to the customers.

5. In the Fifth Chapter the data collected through a questionnaire is analysed and interpreted.
6. The last chapter deals with conclusions and suggestions to be drawn from the data analysed.

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