
CHAPTER-I
INTRODUCTION

1.1) INTRODUCTION:

Development of a country like India needs 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 pulse of the country. These banking institutes accept the deposits in the form of savings and these saving are made available to the entrepreneurs in the form of loans, for the productive purposes.

Banking Industry is a service industry, which is not only money oriented but also customer oriented industry. Good customer service is one of the main functions of every bank. Development of every bank depends upon its efficiency in rendering good customer services .Bank customers are basically of two types which include depositors and borrower, both of them are important for the development of bank .

In the view of the importance of banking system for the development of a country as well as for customer satisfaction. The bank has to render good services to its customers.

In the changing banking scenario of 21st century, the banks have to have a strong identity to provide world-class services. The banks are now have to be of world-class standard, committed to excellence in customers, shareholders and employees satisfactions and to play a leading role in the expanding and diversifying financial sector.

The banks have to change their thinking; and have to put the new innovations in the field of banking and customer's satisfaction at top of the list of priorities. It has rightly been said that "Customer -the Crown Prince of Today and Monarch of Tomorrow". Bank marketing is the creation and delivery of financial services suitable to meet the customers need at a profit to the bank. The need for bank marketing also arises due to the increasing sophistication of bank customers, improvement in

The present study is based on the marketing aspect of bank services and aims to know the customers level of satisfaction, which will help in designing a better marketing strategy to retain existing customers and attracting new customers. The main objective of the present study is to understand the banking behavior of customers.

1.2) IMPORTANCE OF THE STUDY:

Importance to the society:

Banking Industry is a backbone of the society. Banking services play major role in developing different sectors in the society. Almost every one today needs banking services. These services ensure smooth functioning of all activities related to social and economic system.

Importance to bank and top management:

The success of top management depends upon the efficiency & effectiveness of banking services. The expansion of banks is possible only through systematic and professional approach towards developing various banking services. This will help top management to expand its business and achieve basic objectives of the banks i.e. customers satisfaction, profit, benefits to the investors and growth.

Importance to the customer:

Customers' satisfaction has become main focus of every organization. Being a leading sector of the economy, every bank has to develop prompt and efficiency services to ensure customers satisfaction through various bank services.

4. Bank authorities are serious about customers' satisfaction, and they take necessary action to ensure customer satisfaction.

1.5) RESEARCH METHODOLOGY:-

With a view to achieve the specific objectives & collecting necessary data the entire investigation was carried in following manner.

Methodologies of primary data collection & secondary data collection have been adopted with the view to achieve the prescribed objectives.

Primary data:

This includes the data collected from customers through a questionnaire & discussion with bank staff and bank manager.

Secondary data:

This was collected through -

1. Published annual reports of the bank.
2. Library source- various Books, Journals, & reports on banking.

The present study has been conducted in the Sangli city. The data has been collected using a structured questionnaire and the respondents were approached personally. Respondents (bank customers) were asked to give their opinion about the level of quality of service delivered.

A sample of 120 respondents was taken from Bank of India, Sangli branch. The sample for the study comprises of 120 bank customers by cluster sampling method. 120 customers were selected, 60 from saving account holder, 20 from current account holder and 40 from borrowers by random sampling technique.