CHAPTER-I
INTRODUCTION AND RESEARCH DESIGN

1.1 INTRODUCTION

The Banking Industry is considered a service oriented Industry. It renders manifold services to the customers. Effective customer service is the center to all business operations and also plays an integral part in the growth strategy of the Banking Industry. A sound, progressive and dynamic banking system is the fundamental requirement for economic development. Hence, Commercial Banks act as the backbone of economic development. They inculcate the habit of saving and investment. They mobilize funds from numerous small household activities and help business firms spread over a wide geographical area.

Present scenario focuses, the environment of cut-throat competition, where private and foreign banks are leaving no stones unturned to attract new customers and existing customers of the banking sector to their turf, customer retention has become the key to the survival of national and international banks. In the competitive world, awareness level of customers is increasing day by day, their expectations are increasing as they have wider choice of products and services, and the concept of generation to generation banking has also undergone changes. Customers’ loyalty is now conditioned by the quality of products and its delivery mechanism i.e. Service. All these have necessitated the banks to provide better and excellent customer service. New products are added to the basket and above all, computerization and networking is adopted for faster processing information. The latter opened the gate for a host of delivery channels. Value-added services today become a basic service when they become sufficiently common place and widely deployed to no longer provide substantive differentiation on a relative basis. They have unique characteristics and they relate to other services in a completely different way to