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A Study on Impact of Banking Services on Customer Retention

A Project Submitted to
University of Mumbai for practical completion of the degree of Bachelor in Commerce (BANKING & INSURANCE)
Under the Faculty of Commerce

By

KRISHNAPRIYA SHAJI
7402

Under the Guidance of

PROFESSOR Mr. NIRAV R. GODA

THAKUR COLLEGE OF SCIENCE AND COMMERCE
Thakur Village, Kandivali (E), Mumbai 400101

March 2022-2023

CERTIFICATE

This is to certify that Ms. **KRISHNAPRIYA** SHAJI has worked and duly completed his/her Project Work for the degree of Bachelor in Commerce (Banking & Insurance) under the Faculty of Commerce and his/her project is entitled, **"A STUDY ON IMPACT OF BANKING SERVICES ON CUSTOMER RETENTION"** under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is his own work and facts reported by his/her personal findings and investigations.

Kiran Rhoda 10/3/2023

DATE OF SUBMISSION **NAME & SIGNATURE OF GUIDE**

THAKUR COLLEGE OF SCIENCE & COMMERCE KANDIVALI (E)

10/03/2023

SEAL OF COLLEGE

DECLARATION

I the undersigned Miss Krishnapriya Shaji here by, declare that the work embodied in this project work titled "A Study on Impact of Banking Services on Customer Retention", forms my own contribution to the research work carried out under the guidance of Mr. Nirav R. Goda is a result of my own research work and has not been previously submitted to any other University for any other Degree/ Diploma to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

Krishnapriya Shaji
Name and Signature of the learner

Certified by

Name and signature of the Guiding Teacher

Prof. Mr. Nirav R. Goda

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Certified by

Name and signature of the Guiding Teacher

ACKNOWLEDGMENT

To list who all have helped me is difficult because they are so numerous and the depth is so enormous.

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

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CHAPTER 1

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

This study aims at exploring relationships among the factor customer retention. The sample size of the research is 50 wherein Students, Teachers, Parents are the respondents residing in Mumbai region. The survey for the same has been conducted in the form of google forms. The questionnaire was prepared to collect data. From the study, we found that there is a significant influence of Banking Services on Customer Retention. Therefore, our presumption is true with respect to the hypothesis stated. Banking Services play a crucial role when it comes to developing trust and loyalty from the customers. Every step taken by a bank affects the customer behavior, way of thinking and future determinations which is why customer retention has to be given importance by the banks. This study focuses mainly on how well the banks are able to retain their customers and which bank is leading among all of them. It also takes into consideration the opinion of the respondents.

CHAPTER 2

INTRODUCTION

INTRODUCTION

Any banking transaction, service, or product that the Bank offers to the Customer pursuant to a Uniform Banking Licence issued in accordance with EU law is referred to as a "Banking Service," including, but not limited to:

(a) the opening, maintenance, and closure of the Customer's bank accounts;

(b) the provision of credit facilities and other banking products and services to the Customer (such as documentary payments, securities dealing, investment advisory, broker, agency, custodian, clearing or technology procuring services), processing applications, ancillary credit assessment, and product eligibility assessment, and

(c) the maintenance of the Bank's overall relationship with the Customer, including marketing or promoting financial services or products.

The Bank or the Correspondent Agent may need to record verbal instructions received from the Client and/or any verbal communications between the Client and the Bank regarding any of the Banking Services in the course of rendering the Banking Services or engaging in the transactions hereunder, but they are not required to do so.

In accordance with the General Banking Service Terms and Conditions and to the extent that the Bank deems appropriate, the Bank shall render one or more or all of the Banking Services to the Client.

The Banking Service may be discontinued, canceled, or revoked by the Bank in whole or in part at any time.

In the present era, banks provide a wide range of services. This is done to draw in a growing number of clients. Yet, the banks also provide some fundamental services. Thus, all banks provide these fundamental services. Let us have a look at various services provided by the Banks of India:

1. Advancements of loans
2. Cheque payments
3. Discounting on bills of exchange
4. Collecting and paying the credit instruments
5. Guarantee by banks
6. Consultancy
7. Credit cards
8. Funds remittance
9. Debit cards

Advancement of Loans: The money they make is what fuels Banka. They are involved in the profit-making industry. Hence, they lend money to both public and private entities in order to make a profit. As a result, they are compensated with interest, which enables them to earn a profit. Banks are required to carry a minimum amount of cash. Banks then offer short-, medium-, and long-term loans to those in need after reducing this cash reserve. Intercompany loans and advances made by AHI to Breaker Technology Ltd. after the Closing Date are referred to as loans and advances. These loans and advances are not to exceed the lesser of (a) the total amount of loans and advances, including loans and advances that were outstanding on the Closing Date and were repaid by Breaker Technology Ltd. to AHI after the Closing Date as disclosed on Schedule A-2, and (b) the Borrowing Base (as this term is defined in the Canadian Credit Agreement denotes any direct or indirect advance of funds (including indirect liabilities) provided to a person (including a corporate body or agency) in exchange for an obligation to pay back the funds, or that is repayable by, or on behalf of, that person or another person (or corporate body or agency). Several distinct types of advance funding exist. Payday loans, viatical settlements, and litigation settlement advances are a few types of advance finance. Often, advance funding entails assigning the contract, a series of future payments, or a portion of those payments sufficient to cover the advance. The majority of the time, the advance money will be deducted for an amount of assumed interest. As a result of the regular airing of advertising for these services on several television channels, many individuals have undoubtedly heard of the idea of lawsuit funding. In order to pay for living expenses or for other needs while they wait for their expected settlement or the damages they may be awarded, a plaintiff in a case may request for advance funding. This advance payment may in some circumstances be used to pay for any surgeries or other medical procedures that the injured or impacted party may require. Advance money is commonly given to authors, producers, producers, and others who are involved in the development or publishing of literary or creative works. In this instance, they get a one-time, upfront payment that is set up as an advance on expected future royalties or sales revenue.

Cheque Payments: The check pads are made available to those who have bank accounts. As a result, when account holders need to make a payment, they draw a check from the bank. So, after formal verification, banks pay for the checks and carry out the formal processes. A check is a written, unqualified order. Cash is used to cover the cost of the check. A check is payable on demand and drawn on a certain bank. The amount is always a specific dollar number that must remain within one's account limits. This cash sum is to be given to the individual named therein, the bearer of the order, or both. The only person who should sign the exchequer is the creator. A check is a form of bill of trade or other guaranteeing instrument for a certain sum of money. It is produced for the drawing bank to deliver to an account holder—the payor—to utilise. The check is written by the payor and given to the payee, who then takes it to their bank or another financial institution to have it cashed or deposited into an account. By using checks, two or more persons can conduct a financial transaction without actually transferring real money. Instead, the amount of the check serves as a replacement for actual money in the same amount. Checks can be used for gift-giving, paying bills, and transferring money between two parties. In general, they are seen to be a safer alternative to cash when moving big quantities of money. As only the payee has the authority to negotiate a check, a third party cannot cash a misplaced or stolen check. Debit and credit cards, wire transfers, and online banking are some contemporary alternatives to checks. Throughout ancient times, checks have existed in some form or another. Many people think the ancient Romans utilized a form of check. Although each culture that adopted a check had its unique structure, they nonetheless shared the fundamental principle of using checks in place of actual money. The Bank of England was the first institution to use preprinted checks, beginning in 1717. The oldest American check dates to the 1790s. Throughout the 20th century, modern checks as we know them now gained popularity. When the check process was mechanized and computers could filter and clear checks, check usage skyrocketed in the 1950s. The forerunners of today's debit cards were check cards, which were originally developed in the 1960s. Since then, checks have lost ground to credit and debit cards and other electronic payment methods as the preferred method of payment for the majority of goods and services. While checks are now less widespread, the general public still uses them.

Discounting on Bills of Exchange: This is one of the most used banking services for money lending. By using this technique, the bank will provide the person holding the bill of exchange a discounted amount in exchange for a bill. The debtor accepts the payment from the creditor and commits to paying the full amount when the debt is due. After making the marginal deductions, the bank pays the bill's holder the value. Following that, the person who accepted the bill pays the banks when the bill matures. A bill of exchange is a legal document that acknowledges a debt for goods obtained in return for money. It is a document with both the debtor and the creditor's signatures for a specified sum due on a fixed date. As an illustration, let's say A purchases products from B. Instead of paying B right once, A may provide B a bill of exchange outlining the amount owing as well as the date on which A will pay the obligation. A will bring this bill to the bank for discounting as he urgently needs money. The bank will pay the current value of the bill after deducting its fee. A will pay the bank when the bill matures after the predetermined amount of time. One common kind of loan offered by contemporary banks is the discounting of bills of exchange. The bank will provide a discount to the bearer of the bill of exchange using this technique. The debtor consents to take the bills from the creditor (i.e., the owner of the bills) in exchange and to pay the specified sum when the bills mature. After making a little deduction, the bank provides the owner the invoice amount (in the form of a charge). The party that accepted the bill of exchange reimburses the bank when it expires. The loan is self-clearing as a result. A legally enforceable exchange invoice outlines the seller's promise to provide the vendor or receiver a specified sum of money on a particular day. A bill of exchange is a legal document that acknowledges a debt for goods obtained in exchange for money. It is a document with both the debtor and the creditor's signatures for a fixed sum due on a fixed date. As an illustration, let's say A purchases products from B. Instead of paying B right once, A may provide B a bill of exchange outlining the amount owed as well as the date on which A will pay the obligation. A will present this bill to the bank for discounting as he urgently needs money. The bank will pay B the present value of the bill after deducting its commission. A will pay the bank when the bill matures after the designated time has passed.

Collecting and paying the credit instruments: There are many different types of instruments that are employed as credit instruments in current times. This applies to checks, bills of exchange, promissory notes, etc. The banks deal with these instruments. The numerous categories of credit instruments are collected and paid by the banks. These financial instruments serve as the clients' representatives. People occasionally lament the days gone by when everyone was trustworthy and a man's word was as good as his written bond. They forget that lately the area of deals has enlarged substantially. Due to the increased struggle for survival, perhaps man has also grown more egotistical; hence, a record of transactions is almost always kept in black and white. A promissory note, a bill of exchange, a check, a draught, or a hundi are all acceptable forms of this record. In certain nations, like as Great Britain, banks used to print money without getting approval from the government. These banknotes have a promissory note feel about them. This resulted in an excessive issuance of such notes without adequate security and numerous bank collapses. The government had to outlaw this practise since it was too hazardous to continue. As a result, only the central bank of a nation may now print currency. Due to the public's confidence in the government's stability and the fact that these notes are nearly as good as cash, they are accepted. Hence, for the sake of our analysis, we may take them from the list of credit instruments. By "instruments of credit," we meant the legal records that permit credit transactions. Let's examine the **primary categories of credit instruments**.

i. Promissory Note: The promissory note is the most basic type of credit instrument. A written commitment from a borrower or buyer to pay a certain amount of money to the creditor or his order is known as a promissory note, or pro-note for short. It is an acknowledgement of debt and a commitment to repay, or what is known as an IOU (I owe you).

Promissory notes often look like this:

Promissory Note

Rs. 500 — *June, 1, 1985*

Two months after date, I promise to pay M/s Singh and Company or order, the sum of Five Hundred Rupees only for value received with interest at the rate of 5 per cent.

20 P. Stamp

Shyam Lal
Per Pro M/s S. Chand & Co.

The phrase "value received" implies that the document is the outcome of a loan or purchase. The pro-note must specify interest in order for it to be acceptable in court. Every type of transaction, whether personal or professional, can need a paper like this.

ii. B**ill of exchange:** Both domestic and international trade uses bills of exchange. It is an order to pay a certain amount of money to the bearer, the seller, the buyer, or any person specified therein from a seller to a buyer or a creditor to a debtor. The buyer or debtor on whom the bill is drawn is referred to as the "drawee," while the seller or creditor who draws the bill is known as the "drawer." The seller has the option to designate the "payee" as the recipient of the money.

Here are examples of domestic and international bills of exchange:

An Inland Bill of Exchange

Rs. 20,000.00

Jullundur,
July 1, 985

Thirty days after date pay to M/s Singh & Co., *or bearer* the sum of twenty thousand rupees, for value received.

For S. Chand & Co.
Shyam Lal
Proprietor.

M/s The Premier Book Depot,
Chandni Chowk, Delhi.

Any of the following forms may be used in place of the payee's name:

1. Payment to bearer

2. Make a payment or order to Dr. J. D. Varma, or

3. Pay per my order.

When the bill of exchange begins with "On demand", instead of "thirty days", it is a "demand bill' or "sight bill'.

A Foreign Bill of Exchange

Rs. 1,000.00 *July 1,1985*

Sixty days after sight of this First of Exchange (second and third of the same tenor and date, unpaid) pay to the order of the *Central Bank of India Ltd.*, the sum of Rs. 1,000 only for value received.

M/s A.V. Thomas & Sons,
Sheffield, England.

For M/s S. Chand & Co.
Rajendra Kumar Gupta,
Manager.

The drawee receives the bill from the drawer and "accepts" it by signing and stamping it with his company seal. The banknote can now be purchased and sold in the market as a negotiable instrument. The drawer can now pay a commission, known as a discount, and exchange it for cash at a company or bank. Before it matures or becomes due for payment, it may go through numerous hands. This is when the drawee pays his loan by honoring the bill. In the event that the drawee is not widely recognised, he hires an accepting house to sign and accept the bill. Some businesses or houses focus on offering assurances and charge a fee for their services. The Accepting Houses must have a thorough understanding of the financial standing of the merchants whose bills they accept in order to provide these services.

Benefits of using a bill of exchange:

Hence, a bill of exchange serves the following crucial purposes:

(i) "Neither the exporter nor the importer must forfeit their funds during the passage of the goods.— (Sayers) The importer is not required to make payment right away since the exporter receives his funds from a bank. He pays it once he has received the money from the sale of the products.

(ii) Bank funds that are sitting unused are productively invested in bills of exchange. This type of investment is favored by banks in particular since it allows for quick withdrawals and short-term money storage. A smart bank manager is considered to understand the distinction between a bill and a mortgage. The discounted bills created a consistent stream of money coming in and going out.

(iii) The transportation of gold and silver between nations is avoided. Without moving any gold, exports and imports are brought into balance through the bill market.

(iv) The supplier receives payment in his own currency while the buyer pays in his own. Exchange Banks handle everything, saving people from any hassle and trouble.

iii. **Hundis:** Due to their widespread use in India, hundis are better known to us. These are internal bills of exchange written in one of our native languages and were common in India far before other civilizations across the world emerged. According to the amount of time given to the debtor, hundis are classified as Darshani (sight bills) and Miadi or Muddati (time bills). Hundiana is the fee that a lender may occasionally deduct from the amount advanced.

The following are examples of the two types of hundis used in India in

English:

Muddati (or Miadi) Hundi

No......M/s. Dinanath Kasturilal
Stamp Vendors

No. 469 Due Date *June 28, 1985*
Rs. 1,000.00 *Date April 28,*

(60) Sixty days khara after this date I/we M/s *S. Chand & Co.*, promise to pay Messrs. Singh and Co., or order in *Delhi* the sum of Rs. 1,000.00 only for value received in cash.

(Signature) *Shyam Lal,*
Per Pro
M/s S. Chand & Co., Delhi
Through Krishan Chand Ahluwalia
(Broker)

Darshani Hundi

On demand please pay to *M/s. S. Chand & Co.*, Delhi the sum of Rs. 1,000 only for value received in cash.

To,

M/s. S. Chand & Co., Delhi,
Chandni Chowk
Delhi

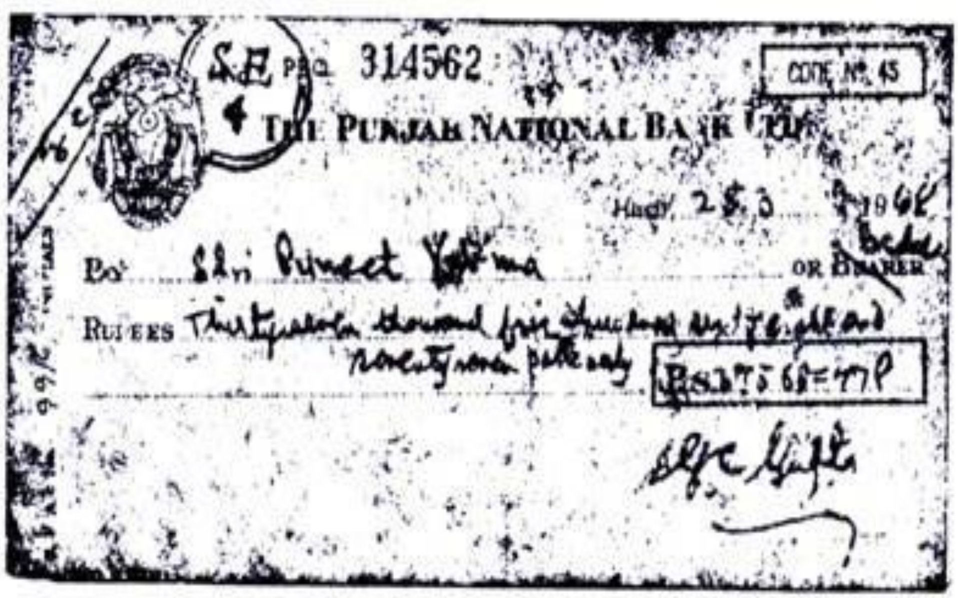
Drawer's Signature *Rajendra Kumar Gupta*

iv. Cheques: The most popular form of credit is a check, which functions almost exactly like money. It is a written request on a printed form made by a depositor (drawer) to his bank to transfer money to himself, someone else, or the bearer, or the person who now has it (i.e., drawee). No bank often declines to pay for a check as long as it is properly filled out and there is sufficient funds in the drawer's bank account. The sample check is shown below. As proof of the payment, there is a counterfoil with the drawer.

There are several types of cheques:

Bearer Cheque: Anyone who so happens to hold the check can cash it. Whoever presents it at the counter in this instance doesn't need to bother the bank. Unless the bank is alerted in time to halt the payment, the finder of a misplaced bearer check may cash it. Not the bank, but the drawer, is at risk of losing his money.

Order Cheque: In the cheque form below, the word "order" is placed after the payee's name in place of the phrase "carrier," which is crossed out. Because the bank is in charge of paying the money to the appropriate individual, it is a safer method of payment. Before the funds of the check may be paid to the person who presents it at the counter, that person must establish his identification.



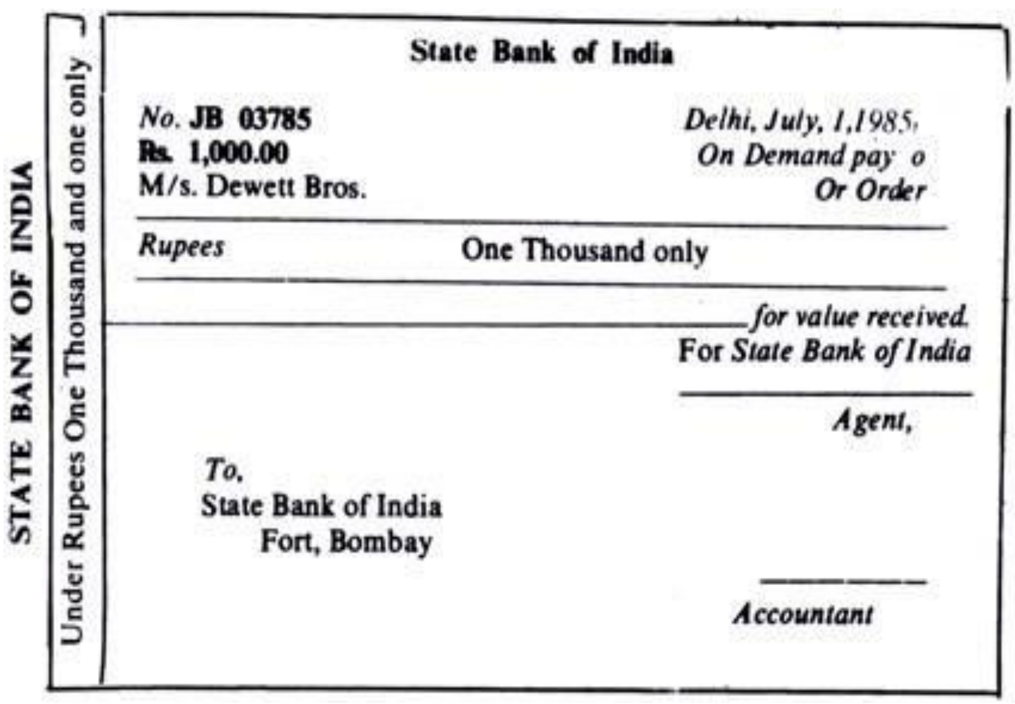
Crossed Cheque: As it cannot be cashed, this is the safest method of payment at the bank counter. The payee is only permitted to have the money moved to his or, after endorsing, another person's account; he is not permitted to receive the profits of the check in cash. When a check is "crossed," two parallel lines are drawn across its face or in a corner, and the words "& Co." are written in the space between them. The example provided above has been crossed. Cash cannot be drawn from the bank if the check is crossed "Payee's A/c."; instead, the amount can only be credited to the payee's A/c.

Post-dated Cheque: Such a check can be used to make payments in the future. Write a check in his favor and note the future date if you need to pay a buddy 100 rupees after a month. Only on or after that date is it cashable.

Blank Cheque: Because the signature is there but the amount field is left empty so that it may be filled in by the drawee, it denotes an unlimited offer. These checks are typically given out in romances or motion pictures! No one typically writes a blank check.

The check has reduced the amount of money used. There is no fee in cash. Also, the payment can be accurate to the next paisa, which is a huge convenience. After the cheque is crossed, there is no risk of losing. So, in addition to being practical, it is a secure means of payment. Once more, the check's counterfoil doubles as a receipt and assures honesty. If necessary, the bank's record of the transaction may be cited as proof. But, acceptance is contingent on both the bank and the drawer having faith in it. Checks are not required to be accepted because they are not legal money.

Bank Drafts: You may send money to another location using a check as well. Nevertheless, because the account is located other than where the check is given, the latter bank branch generally contacts the former before completing the payment. Use of a banker's draught prevents this hassle. A bank draft is a cheque drawn by a bank on its own branch or on another bank requiring the latter to pay a specified amount to the person named in it or to the order thereof. The cheapest method of sending money is through a bank draft. A bank does not usually charge more than 10 P. per hundred rupees if the amount to be sent is not less than a thousand rupees, and if it has a branch at the place of payment.



STATE BANK OF INDIA

Under Rupees One Thousand and one only

State Bank of India

No. JB 03785 Delhi, July, 1,1985,

Rs. 1,000.00 On Demand pay o

M/s. Dewett Bros. Or Order

Rupees One Thousand only

for value received.

For State Bank of India

Agent,

To,

State Bank of India

Fort, Bombay

Accountant

We do not need to carry a pocketful of bills or coins to make purchases, which is a major benefit of using checks. Seldom, unless it is for a very tiny amount, is a purchase made with cash in nations where banking has become commonplace. When individuals get checks in the mail, they simply deposit them into their bank accounts rather than having them cashed. So, if both parties share a bank, the transaction is finished with a simple adjustment to their bank balances. The process is more complicated when there are many banks in a given area and the two people hold accounts with various financial institutions. Every bank gets checks drawn on other banks in favor of its clients during the course of the day. It would be incredibly difficult to transmit money back and forth between banks every day. A clearing house is a tool used to prevent this issue.

During work hours, the local banks' representatives gather at a predetermined location to weigh their claims against one another. A modest amount may be demanded by one bank from the other after straightforward book entries have eliminated the majority of the liabilities. Typically, a check drawn on the central bank (the Reserve Bank of India or the State Bank of India), with which all commercial banks are required to have accounts, settles this. There are clearing houses in several significant Indian cities, with Bomby, Calcutta, and Delhi having the highest prominence.

Credit has the following advantages that might be mentioned:

(i) Credit instruments partially replace metallic money. This portends a strong economy. For financial reasons, precious metals are not purchased. Moreover, there is no loss due to coin deterioration.

(ii) Credit is mostly used to fund trade and industry. If the firm were run exclusively on a monetary basis, no industrial or commercial advancement would be feasible. Without credit, trade would take place on a very small scale.

(iii) Credit increases the productivity of capital. Capital is moved via credit from those who are unable to spend it directly to others who are able to do so. A significant amount of money would have remained untapped absent credit facilities.

(iv) Credit permits banks to lend considerably beyond their cash reserves. As a result, they are able to benefit from commerce and industry while still making money for themselves. The banks are able to "generate money" in this fashion.

(v) Credit instruments, such as bills of exchange, make it easier for persons from various nations to make payments to one other as well as to those who reside in the same country. International trade is facilitated and expanded as a result.

(vi) Even if their personal financial resources may be limited, men with initiative and commercial acumen can start businesses thanks to financing. Credit supports the growth of commerce and industry in the nation in this manner. A lot of business skill would have been lost without it. belonging to several nations. International trade is facilitated and expanded as a result.

The following are some of the abuses of the credit:

(i) Careless borrowing destroys both the lender and the borrower. In business, a gambling attitude is introduced. This is against healthy spiritual commerce.

(ii) As credit makes it simple for someone to obtain money, it could encourage waste and excess. Individuals start spending more than they can afford. Indeed, this is a terrible habit.

(iii) Excessive loan creation by banks might stimulate speculation. The stability of the nation's economy may be threatened by excessive speculation. It obstructs the expansion of commerce and industry in a healthy way.

(iv) The manufacturers' unrestricted use of credit might result in overproduction and a downturn in the sector. Depression halts corporate operations. It makes the workers miserable and increases unemployment.

(v) Artificial credit support keeps financially troubled enterprises operating. Those weak linkages should be eliminated for the good of the society. Credit may simply serve to mask a company's underlying financial fragility.

(vi) Credit promotes the creation of monopolies by giving a select few people or businesses access to vast sums of money. Monopolies take advantage of customers and engage in a wide range of other unethical behaviors.

Guarantee by Banks: Customers are given a guarantee by banks in contemporary banking. This typically occurs when clients must deposit a sizable sum of money in courts or government buildings for various reasons. For that person, the bank itself serves as a guarantee. Many complaints regarding the non-payment or delay in payment of bank guarantees upon invocation have been sent to the Government of India and Reserve Bank of India. Banks' unwillingness to fulfill their obligations with regard to requested guarantees likely originates from their concern that they may have trouble collecting the money owed by their constituents as a result of such guarantees. Banks may go out of their way to issue bank guarantees on behalf of constituents without properly vetting the proposals and determining the capacity and creditworthiness of their constituents to pay the amounts to the banks in the event the guarantees are invoked in order to increase their profitability. The aforementioned factors may prevent banks from paying beneficiaries immediately when guarantees are triggered, leading them to use dilatory techniques. To avoid the constituents developing a predisposition to default on payments when invoked guarantees are honored by the banks, it is imperative that banks evaluate requests for guarantees with the same care as fund-based limitations and secure enough insurance through margin.

(iv) The bank guarantee represents an agreement by the issuing bank to pay the beneficiary (even if it is at the request of the bank's constituent). The bank's failure to pay the lawful claim that was filed against it paints a skewed picture of the functioning. In reality, courts have in the past imposed restrictions on banks for failing to immediately honor their guarantee agreements. An excerpt from a ruling made by the Hon. Supreme Court in a case involving court-issued injunctions secured by parties to stop the payment of claimed guarantees is included in this regard: "We are therefore of the opinion that the correct position of law is that bank commitments must be honored free from interference by courts and that the only instances in which the court should intervene are when fraud is involved or when irreparable injustice would result from allowing a bank guarantee to be cashed." Hence, the principal (urban) cooperative banks should honor bank guarantees they have provided soon once they have been invoked since their unwillingness to do so tends to damage the reputation of the banking system.

Consultancy: Contemporary banks grow their companies and provide their clients consulting services. To do this, they appoint leaders and professionals in the legal, financial, and market sectors who can counsel clients on matters such as business, income, trade, investment, etc. Since a while ago, as challenger banks and bigtechs erode the value chain, the banking sector has been delayering and fragmenting. Although this "neo-normal" has provided some chances for cooperation, it has also given banks a clear choice: continue to invest in technological innovation or risk losing their ability to compete. Nevertheless, this goes beyond only digital change. We think the moment has come for banks to question their ingrained norms and beliefs since market share and income are migrating from the banking industry to other industries, particularly bigtech. They must have a thorough understanding of their markets and what it takes to thrive in each one if they are to maintain their relevance. They will need to be prepared to create novel business models, collaborate in unorthodox ways, find their humanity and purpose, and pledge to continuously innovate. The person who first used the phrase "bankers' hours" probably wouldn't recognise the sector today. Banks currently operate in a highvelocity, always-on environment as a result of relentless technology progress and constantly changing regulatory constraints. The worldwide epidemic has only made disruption worse, driving CEOs to look for strategies to increase resilience, spot opportunities, and control risk. A winning approach increasingly necessitates the seamless integration of digital and physical channels as fintechs develop and customer tastes change. This increases the need of providing an exceptional customer experience, one of our specialties. For decades, we have assisted financial institutions in identifying what matters most to their clients and pursuing the innovations that build and strengthen their loyalty. We have assisted our customers in developing and implementing strategies for new digital business models, escalating competition, and evolving laws in hundreds of worldwide banking consulting projects. Our banking consulting teams have unmatched knowledge of IT, organizational effectiveness, mergers & acquisitions, and many other aspects of the sector. We are prepared to act as your trusted adviser whether you're wanting to embrace agile approaches at scale or investigate the most recent advancements in machine learning.

Credit cards: It is a service that gives cardholders the option to use their credit cards to buy products and services. While the cardholder is obligated to pay back the money over time with a specific percentage of interest, it immediately pays for the services and goods. A sort of credit facility offered by banks is a credit card, which enables users to borrow money up to a pre-approved credit limit. Customers can use it to transact in the purchase of goods and services. Based on variables like income and credit score, which also determines the credit limit, the credit card issuer determines the credit card limit. The credit card information consists of the card number, name of the cardholder, expiration date, signature, and CVC code, among other things. A credit card's biggest feature is that it is not connected to a bank account. Hence, rather than taking money out of your bank account when you swipe your credit card, your credit card limit is used instead. The following are some of the **Advantages of Credit Cards:**

i. Hassle-free shopping experience: Shopping is now more convenient and easy thanks to having the greatest credit card. You are no longer required to make purchases in stores or at malls. You can make sizable purchases using your credit card while lounging in your house. It might assist you in avoiding adding any debt on your credit card bill to your monthly budget. You can purchase goods and services with a credit card and low-cost EMIs. Another option that has been popular is the Buy Now, Pay Later, which is perfect for salaried borrowers with set monthly salaries.

ii. No requirement to carry cash: The best cash substitute is a credit card because they eliminate the need to carry cash. You can use a credit card practically everywhere. If you do not have cash, you can simply use your Kotak Mahindra credit card to cover your expenses and repay the outstanding amount at the end of the month. Making a transaction is an easy process. To make an online purchase, all you need to do is swipe your card at the PoS terminal or enter your card information.

iii. Bonuses, cashback, and promotions: The best credit card offers cashback and perks that meet your needs. Your credit card may come with a variety of exclusive discounts, cashback, or rewards points for purchases made with it, depending on the card's issuer. It is essential to evaluate your needs prior to applying for a credit card. For instance, if you are a regular traveller, it might be prudent to get a credit card that gives free airport lounge access or have travel insurance. Also, some credit cards provide exclusive discounts on purchases of goods, travel arrangements, and lodging.

iv. easy withdrawal of money: The ability to withdraw cash whenever necessary is another advantage of having the finest credit card. It is important to keep in mind that using your credit card to make a cash withdrawal entails a modest charge that you will have to pay while making your ongoing debt repayment.

v. Often Regarded: A credit card's greatest benefit is its universal acceptance because it is the most widely used form of payment worldwide. You may use your Kotak Mahindra credit card to make overseas bookings and payments at flights, restaurants, hotels, businesses, and fuel outlets with ease. It facilitates your international travel. The use of your credit card overseas, however, may result in hefty international transaction fees and exorbitant currency rates.

iv. Emergency: If you're wondering what a credit card is, it's a form of loan that promises to pay for your family's and your own expenses during crises. For instance, you can pay your medical costs using a credit card. It takes the stress off of trying to figure out how to pay for your medical expenses. Keep in mind that timely payments are required to prevent exorbitant interest rates and APR%.

vii. Increases Credit Rating: Credit cards are furthermore used by some people to raise their credit ratings. A three-digit figure called your credit score shows whether or not you are a creditworthy borrower. It is thought to be one of the most important factors in determining a borrower's eligibility. Your credit score is boosted when you pay your credit card bills on time; this makes it easier for you to get loans in the future.

Funds Remittance: Banks offer their clients the option to move money between accounts using several methods, such as checks, draughts, etc. Remittances are sums of money paid to another party, typically one located abroad. Normally, a relative in the recipient's native country is the sender and the sender is a foreign worker. One of the main sources of income for those living in developing and low-income countries is remittances. Remittances frequently outweigh the amount of direct investment and foreign aid that a country receives. Intelligence agencies consider remittances as a potential source of funding for terrorism. Remittances are sums of money sent to settle a bill. Nonetheless, transferring money to family members is a common aspect of remittances. They are frequently sent to relatives in their own countries by international workers. Using a bank's electronic payment system or an electronic money transfer service like Western Union is the most typical way to send money abroad. The majority of the time, these solutions come with a cost. The recipient may receive transfers in as little as five minutes. For India Post, remittances constitute a significant and expanding market. To satisfy the needs of diverse societal segments, India Post provides a variety of remittance services. India Post offers remittance services for both domestic and foreign destinations. In order to provide quicker services, India Post has implemented web-enabled remittances. The following are the **money remittance services provided by the banks:**

i. Bank Draft: This is a postal service-based domestic money transfer service. All post offices offer this service, which pays money ordered payments to the recipient's doorstep. A single money order can only be used to transfer up to Rs. 5000. The fee for the service is 5% of the value of the money to be transferred, and the sender can pay the amount in cash or by check at the booking office. The payee signs an acknowledgment for the remitter. Together with the money order, there is an option to send a brief message.

ii. Quick Money Order: India Post offers a rapid, safe, dependable, and convenient money order service. Payments between Rs. 1000 and Rs. 50000 can be made at approved iMO Post Offices. It is an immediate money transfer service offered over the web. The sender must complete the required form and provide a valid picture ID. The Money Order Fee varies according on the remittance amount. The remitter can choose from 33 basic messages. To receive the money, the payee must go to the post office, complete the required paperwork, and show identification. The amount received may alternatively be credited to the payee's savings account.

iii. Videsh MO: Indiapost provides this international remittance service to the majority of overseas countries. Beneficiaries of outgoing remittances are paid by crediting the amount to their bank accounts in the destination nations. Each outgoing transfer must not exceed USD 5000, and there is a yearly cap of 12 transfers. All computerized post offices have access to this feature. The MO Videsh commission varies depending on the amount being sent.

iv. Service for Foreign Money Transfers: With partnerships with

MoneyGram and Western Union, Indiapost also provides inward international money transfers. The service is quick, secure, and dependable. It is a quick and simple method of sending money from overseas to recipients in India. With certain post offices, money may be received from 195 different countries. Once the sender sends money, the recipient might get it right away. The most that may be received at once is $2500 USD. A single recipient may get 12 transactions in a given year. Up to Rs. 50000 in cash, and any amount beyond that via a check or credit to savings accounts via a PO. The recipient must give enough information to prove his identity and address.

v. The Electronic Clearance Services (ECS) system: offers an alternate mechanism for bulk payments, interest payments, salary payments, pension payments, and dividend payments. The programme was launched on August 9th, 2003. India Post provides ECS in conjunction with the payment of monthly interest under its Monthly Income Program. Depositors of MIS accounts have their interest automatically deposited and credited into their accounts at a chosen Bank of their choosing under ECS on due dates. 15 RBI facilities and 21 SBI sites at the Department of Posts currently offer the service.

iv. International Money Transfer using MoneyGram: In order to provide the general public with the MoneyGram International Money Transfer Service through a few Indian post offices, the Department of Posts and MoneyGram Payment Services, Inc., USA, have agreed into an International Cooperation Agreement. The 29th of September 2011 saw the introduction of this service.

Debit Cards: Debit cards allow users to electronically withdraw money from their accounts. All debit cards require a personal identification number to validate the transaction and keep it secure (PIN). Online banking, home banking, ATM services, and many more are just a few of the additional services offered by banks.Debit cards, often called check cards or bank cards, are payment cards that can be used to make transactions instead of cash. The term "plastic card" refers to both the aforementioned and identification cards. They function similarly to credit cards, but unlike credit cards, the funds for the purchase must be in the cardholder's bank account at the moment of the transaction and are sent right away to the merchant's account to cover the cost of the purchase. [1] [2] Some debit cards (prepaid cards) have a stored value that can be used to make a payment, while the majority of debit cards send a request to the cardholder's bank to withdraw money from the cardholder's specified bank account. Debit cards, often called check cards or bank cards, are payment cards that may be used to make transactions instead of cash. The term "plastic card" refers to both the aforementioned and identification cards. They function similarly to credit cards, but unlike credit cards, the funds for the purchase must be in the cardholder's bank account at the moment of the transaction and are sent right away to the merchant's account to cover the cost of the purchase. Some debit cards (prepaid cards) include a stored value that may be used to make a payment, while the majority of debit cards send a request to the cardholder's bank to withdraw money from the cardholder's specified bank account. In other circumstances, there is no physical card present and the payment card number is only assigned for usage online.This card is known as virtual card.

With liberalization, a significant number of international banks entered the Indian banking market, creating a fiercely competitive environment. Even the originally thriving public sector banks are now feeling the pressure. It has become crucial for the banks in this situation to keep their current clients. Unfortunately, a lot of banks nowadays are having issues with client attrition. To ensure client loyalty, the bank must offer consumers a full banking experience in addition to its core services. The current research therefore concentrates on controlling client turnover in the banking industry.

Following liberalization, a sizable number of foreign banks entered the Indian banking sector, intensifying the already intense competition. Even the formerly prosperous public sector banks are currently feeling the strain. To maintain their present clientele in this circumstance has become essential for the banks. Regrettably, customer attrition is a problem for many banks nowadays. The bank must provide customers with a complete banking experience in addition to its core services if it wants to maintain client loyalty. Thus, the present study focuses on reducing client churn in the banking sector.

Customer retention: What is it?

Consumer loyalty, or an organization's capacity to retain customers over time, is measured by a statistic called customer retention. Customer retention can represent or forecast consumer happiness, repurchase behavior, customer involvement, and emotional links to a brand in addition to counting the number of devoted customers.

Customer retention numbers are tied to the first transaction made by a customer and encompass all future contacts, whereas customer relationships often start with an initial engagement. Organizations can utilize this feedback after customer retention has been assessed to do data analysis on aspects of customer success and customer experience. As an instance, if a decline in client retention is noted, a company may utilize this information to determine the fundamental cause and modify its product offers.

Because it costs significantly more to acquire new clients than it does to keep existing ones, customer retention is crucial. Also, returning consumers are more likely to participate in word-of-mouth advertising or serve as brand ambassadors.

Why is it crucial for firms to retain customers?

An organization risks losing out on recurring business if it does not prioritize customer retention and instead just concentrates on growing its client base. Although the procedure for acquiring new clients, also known as customer acquisition, is crucial, it is also far more expensive. Gaining new clients is crucial, but so is keeping existing ones and turning them into loyal patrons.

About 65% of a company's sales originates from repeat customers, and concentrating on boosting customer retention by 5% may raise profitability by 25% to 95%, according to the Annexcloud.com blog article titled "21

Shocking Customer Retention Figures For 2021". An individual is more inclined to test new items or bring in new consumers the more devoted they grow to a company.

Both client acquisition and retention are crucial and should be evenly balanced.

Key indicators and how to assess client retention

Client retention is frequently assessed using the retention rate, and it has to be regularly tracked. Identifying the time period an organization wishes to record is the first step in calculating this rate.

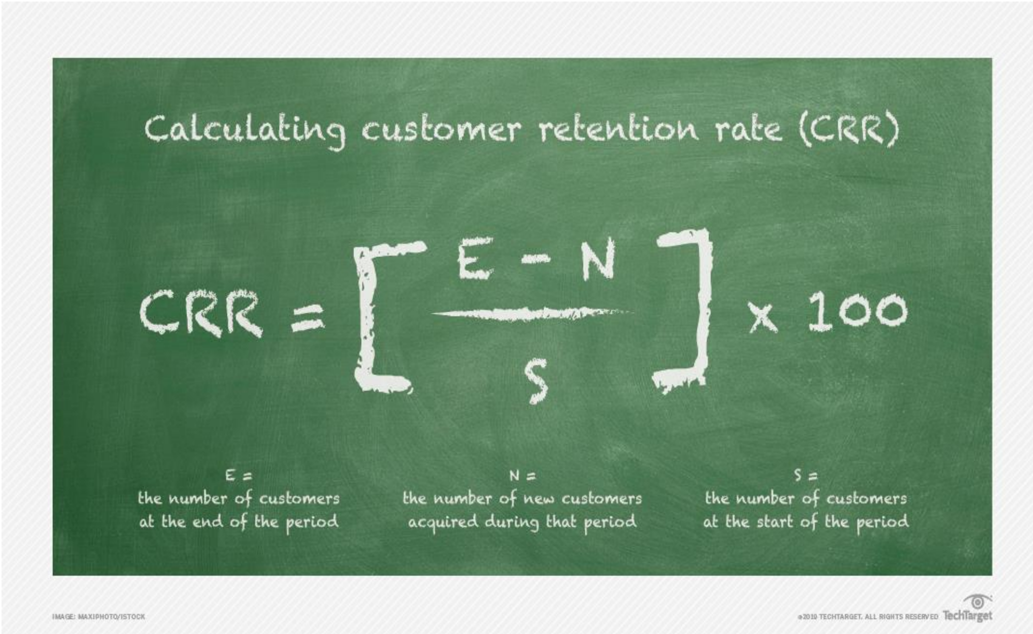
This may cover a month, a fiscal year, or longer. The following are additional variables considered when calculating the retention rate:

customers in the customer base at the beginning of the term (S), customers at the conclusion of the period (E), and the number of new customers added over time (N).

It is important to track these indicators. The formula is then used after being obtained as follows:

Retention rate = E-N/S times 100.

The customer retention rate would be 43.3%, for instance, if a company starts with 750 clients and finishes up with 950, but adds 625 during the course of the term.



tactics for retaining customers

When thinking about customer retention techniques, the following are some best practises and strategies to use:

Provide individualized service. Customizing services for each client can enhance the client's experience and encourage return business.

Personalize support interactions by using data. Businesses may provide more individualized services by using client data to better understand their preferences.

Develop trust. Enhancing customer relationships can assist boost brand loyalty and trust.

Activate social media. A company may connect with its consumers on social media platforms like Twitter, LinkedIn, and Facebook to foster connections and trust as well as to provide customer service.

Encourage loyalty. This may be accomplished through customer loyalty programmes, as well as by giving out credits or discounts.

Get consumer feedback. A firm may further customize experiences by getting client input.

Service improvements for customers. Using a live chat or help desk tool, emphasizing prompt customer service responses, and enticing clients to register for accounts may all aid in boosting client retention.

Together, all these customer retention techniques may raise the level of trust that exists between a business and its clients, increasing the likelihood that existing clients will return.

Examples of how to retain customers:

A company's effort to attract repeat customers may differ greatly from another's since numerous techniques might be used to keep clients. Here are a few illustrations:

For every purchase made at its sock and clothing store, Bombas, a garment is donated to a charity or shelter for the needy. This procedure enables the client to assist by making purchases while simultaneously assisting others in need. This can assist in boosting customer retention, as consumers may want to become repeat customers in order to fulfill their wants and donate to their surroundings at the same time.

There are websites that include a chatbot that can respond to user inquiries, such the landing page for Dollar Shave Club. Users have the option of typing a query or choosing from a pre-set list of frequently asked inquiries. This may improve a customer's likelihood of making a purchase, make them feel more welcome, and maybe encourage repeat business.

Companies like the London-based Caffé Nero use loyalty cards as a way to reward repeat business. For instance, if a client purchases coffee or tea, they receive a stamp on a card, and after nine stamps, they are eligible for a complimentary beverage. Because customers will feel more successful returning to complete the stamps for the benefit of a free drink, this technique makes client retention more fun.

Organizations gain from measuring customer retention because it gauges customer satisfaction and offers the following advantages:

Repurchase and product extension behavior may be influenced by it.

It offers a numerical indicator of client loyalty that can be compared or shared more hospitable and maybe resulting in repeat purchases. Loyal customers are worth approximately 10 times as much as their first purchase. Increasing customer retention leads to increased revenue. Drops in customer retention could help identify weak spots in the business's strategy. Customer retention is faster and cheaper than customer acquisition.

Companies put a lot of effort into luring customers through a combination of marketing, social media, and brand initiatives. Gaining your consumers' confidence has taken a lot of time, effort, and certainly money. It is only natural for you to want to keep them. A significant emphasis on client retention is helpful in this situation. You must consider your overall client experience if you want to increase customer retention. Everything a consumer thinks and feels while interacting with your brand is part of the customer experience. One or more elements that might influence a customer's connection with a brand include customer-facing interactions, such as how support tickets are handled or how a business expresses its values. By designing a seamless experience that makes clients satisfied at every stage, you will retain more customers. Yet if your company doesn't live up to consumer expectations, you run the danger of losing those clients before you have an opportunity to put things right.

CUSTOMER RETENTION IN THE BANKING SECTOR

Foreign banks' presence has unquestionably increased competitiveness in the Indian banking industry. These banks had superior technological capabilities and knowledge in providing specialized banking products including derivatives, consulting services, trade financing, etc. The introduction of foreign banks boosted healthy competition and had a favorable knock-on impact for the domestic banks. In order to reduce customer turnover, domestic banks are currently under pressure to increase operational effectiveness and offer better customer service. As a result of the existence of public, private, and international banks, the Indian financial sector is extremely competitive. The banks are focused on a plan to retain the clients as much as feasible in order to remain in a competitive climate. In today's increasingly competitive marketplace, customer retention is a crucial component. In today's atmosphere of escalating competition, customer retention is a crucial component. The bank must go above and beyond its basic offerings to provide clients a positive banking experience.

If client retention rises greatly, the banking sector's success grows significantly (Reichheld, et al.1990). It is essential to pinpoint the elements that affect the customer's decision to remain with the bank. In order to significantly reduce client switching, banks must concentrate on adopting customer engagement strategies alongside these variables.

The current study aims to pinpoint the elements influencing a customer's decision to stick with a bank and create a model for patronage. Customer churn and customer loyalty are connected in the formula: Customer Loyalty = 1 - Customer Churn. Hence, an increase in customer loyalty results in a decrease in turnover.

STRATEGIES TO IMPROVE CUSTOMER RETENTION

1. Deliver fast support
2. Personalize interactions
3. Invest in employees
4. Meet customers where they are
5. Gather customer feedback
6. Incentivise loyalty

Enhancing the customer experience will increase customer retention. In fact, 77 percent of consumers polled for our 2021 Customer Experience Trend Study said they are more likely to remain loyal to a business if it provides a positive customer experience. A firm that provides positive client experiences should expect to see a 72 percent increase in sales. Also, 50% of respondents claim that they place more value on customer experience now than they did a year ago.

1. Quickly respond to customer service inquiries

Research demonstrates that prompt initial responses increase customer satisfaction. Fast support resolutions are essential to a positive customer experience, according to 73% of the consumers polled for our 2021 Customer Experience Trend Report. Faster resolutions should ideally follow quicker responses. Even if you are unable to resolve an issue immediately, it still pays to get back to the client as soon as possible. A brief note informing the consumer that you have received their query might serve as a rapid response. Better better, estimate how long it will take to find a solution to their issue. If customers are aware that you are actively seeking a solution, they will be more patient. It helps to have clear expectations about the timeline up front.

2. Provide individualized assistance interactions by using context

When customers are required to repeatedly describe a problem, they become irritated. Customers are more inclined to leave encounters that are tedious and repeated. Provide customer service representatives the resources they need to enhance the discussion and quickly retrieve consumer information. Agents can offer a personalized experience thanks to Zendesk's simplified workplace. Agents, for instance, can view pertinent client data (such as language, contact details and notes). They may look back over their prior chats as well.

3. Simplify customer service workflows

Your clients will benefit if you can aid your representatives. Streamline customer support workflows so tickets get to the correct departments and individuals. Customers benefit from a speedier support process and agents benefit from a simpler one. Build several forms for support requests and if-then ticket fields. Customers will receive a customized form as a result, one that simply asks questions about their specific issue. Then, use assistance software to simplify the procedure. This will immediately route various ticket types to specialized agents. You will increase customer retention and make agents happy after you streamline and accelerate issue response.

4. Provide multichannel customer service to meet consumers where they are

Don't restrict your support options to just one or two approaches. Give consumers the option to select the channel that best suits them by offering omnichannel assistance. Customer retention will probably rise with omnichannel experiences. This is because you are making it easier to make a transaction or contact customer service. Our 2021 Trends Report shows that 50% of high-performing businesses have an omnichannel strategy in place, compared to only 18% of their less successful competitors.

5. Regularly collect customer input

Consumer feedback is one of your most effective methods for boosting client retention and lowering attrition rates. It helps to hear it directly from the source if you want to know what is and is not working for your clients. By doing more surveys, you can give customers a voice. After resolving a ticket, you can ask for a "thumbs up or thumbs down" as part of a customer satisfaction survey. But it's also helpful to pose more focused queries, like:

What would you say about your encounter with our product?

What, and why doesn't it work for you?

Which of the following methods of customer help do you prefer?

Ask inquiries that go deep into the customer effort. Customers frequently like self-service, for instance, due to its convenience. You may thus employ surveys to ascertain if your clients appreciate your self-service alternatives or whether you are making it too challenging for them to discover the solutions they want.

6. Encourage loyalty

Increased client retention may be achieved by rewarding loyal customers. Consumers like it when firms show them appreciation and provide them with reasons to stay. Strong inducements include rewards schemes, promo codes, or deals. This will encourage clients to keep making purchases from your company. There are many different kinds of loyalty programmes, including tiered incentives and systems based on points. Also, loyalty programmes assist your business in gathering more thorough client data. You may offer your consumers more individualized incentives and offer the more purchase information you have at your disposal. In addition to rewarding customers, a loyalty programme may offer a satisfying and personalized experience based on sales analytics. For client retention, both elements are essential.

EXAMPLES OF CUSTOMER RETENTION

1. Provide a fluid online experience

Meeting client expectations is one of the simplest instances of customer retention. Customers now also expect online experiences to be on par with or even superior than those they have in-person. In fact, according to our Trends Survey, 65% of customers prefer to make purchases from businesses that allow quick and simple online transactions. And because of this, Amazon received the highest service rating from 49% of respondents. Do you have any negative internet experiences? How can you simplify things for your clients?

2. Give each consumer the impression that they are a VIP

High-touch, upscale guest service has a long history in luxury hotels. The Four Seasons uses a combination of technology and white glove service to extend that sense of luxury to every guest. jumping in.

3. Create sympathetic connections with your clients

If the epidemic taught us anything, it's that empathy is essential to creating enduring client connections. In fact, according to our Trends Survey, 49% of clients desire sympathetic service. Zappos established a hotline during the epidemic where consumers could phone or speak with their support staff about anything, even the finest Netflix series.

4. Take initiative

Consumers want brands to foresee their requirements and address problems before they arise. Because of this, providing prompt service is crucial to keeping clients. Before a consumer contacts customer service or abandons their shopping, Dollar Shave Club greets website visitors with a chatbot to address frequent questions.

5. Customer support makes them care about you (Bombas)

According to our Trends Report, 63 percent of consumers prefer to do business with firms that prioritize social responsibility and diversity, equity, and inclusion in their communities and workplaces, at a rate of 54 percent. With every purchase, Bombas provides a piece of clothes to a charity that helps the homeless. has to reach out to customer support or abandons their cart.

CHAPTER 3

REVIEW OF LITERATURE

REVIEW OF LITERATURE

- Pillars Of Customer Retention: May 2019 Serbian Journal of Management.

This was an an empirical study on the influence of customer satisfaction, customer loyalty, customer profitability on customer retention

- January 2006 Banks and Bank Systems.

This was a study based on the Survey of Customer Retention in the New Zealand Banking Industry.

Banking Services and Customer Retention:

Banking Services refers to facilitating the transactions of business in the form of cheque, demand draft, deposits, credit, loan, overdraft, wealth management, etc. Whereas Customer Retention refers to the ability of an organization/business to keep or retain its existing customers for revenue generation.

While referring the previous research reports, we found that most of the researchers have had their research in a broad concept i.e. Empirical study on Impact of customer retention.

CHAPTER 4

RESEARCH METHODOLOGY

RESEARCH METHODOLOGY

1. **Type of Data**

We have used Descriptive Research and Causal Research methods for this report. We used a primary source of data to get the desired results.

2. **Sample Size**

The target respondents were college students, teachers and working employee/employer. Sample size of the research was 150. Questionnaire sampling method through google forms was used as a sample collecting tool.

3. **Type of Data**

Qualitative Data was collected from the respondents in order to identify the needs of them so as to retain them in the banks

4. **Dependent & Independent Variable**

Independent Variable: Banking Services

Dependent Variable: Customer Retention

Here, we observe that the change in the banking services affects the customer retention of the bank.

HYPOTHESIS OF THE STUDY

Hypothesis is referred to as the presumptions made by an individual to study the research project. These presumptions are made in a way to satisfy the objectives framed for the project. Framing of hypotheses is an important part of the research as in this step the research problem or the problem statement is designed on which the entire research is based. The hypothesis or the research problem of the study is designed in such a manner to find out the relationship between the variables, i.e. does the effect have any impact on the other. We can also say that the following hypothesis will let us know how closely they are correlated with each other.

Considering the above points, the following hypothesis was presumed:

Ho: Banking Services does not have a significant influence on Customer Retention.

H1: Banking Services have a significant influence on Customer Retention.

SIGNIFICANCE OF THE STUDY

The purpose of this study is to analyze the gap between customer and the bank.

To analyze the reason behind the retention of customers. If the retention of customers occurs in large numbers, then there will be a downfall in the banks as a result, it will lead to low profitability of the banks.

To analyze how to improve and control the customer retention.

To identify what are steps to be taken in order to improvise the retention of customers.

OBJECTIVES OF THE STUDY

1. To identify the problems faced by the banks to retain customers.
2. To increase the revenue of the Banks by identifying customer needs.
3. To build good relationships with the customers.

LIMITATIONS OF THE STUDY

Since the sample size of the research was limited to 150, we could not get the desired accuracy from the respondents.

Based on our study, if a larger sample size was used, the results generated could have been more accurate.

This research is limited to a particular region which is why the accuracy level is low.

This study fails to collect data from maximum people who are employed, rather it has more data from the students which is why the results of this study have not turned out as per the expectation.

CHAPTER 5

DATA ANALYSIS AND INTERPRETATION

DATA ANALYSIS

Data Analysis: Data analysis is the practice of working with data to collect useful information, which can then be used to make informed decisions.

Data Analysis Process: Data analysis process involves four stages to conclude the data. The following are the stages:-

1. **Identify:** What are the reasons for doing this research? What problem is the research proposal trying to solve? What do we need to measure, and how will we measure it?
2. **Collect:** Data is being collected from the sources i.e. Primary and Secondary Data. This is basically raw data which later will be analyzed

to provide useful information. The quality of data will heavily impact output.

3. **Analyze:** It is the process of re-arranging the collected data in a systematic manner for interpretation purposes. It prepares data ready for interpretation and drawing conclusions. Analytical tools are used such as ratios, mean, median, mode, percentage, etc. Advanced statistical tools are also used according to research type.
4. **Interpret:** In a research project, analysis and interpretation of data are two major concluding steps. Analysis of data is the verification of data already arranged in a systematic manner. It is followed by the interpretation of data. Interpretation is the process of drawing inferences from collected facts.

Data Interpretation: Data interpretation refers to the process of using diverse analytical methods to review data and arrive at relevant conclusions.

Steps of Data Interpretation: There are four steps:-

1. **Gather the Data:** The very first step in interpreting data is having all the relevant data assembled. We can do this by visualizing it first either in a bar, graph, or pie chart. The purpose of this step is to accurately analyze the data without any bias.
2. **Develop your Findings:** This is the summary of our observations. Here, we observe this data thoroughly to find trends, patterns, or behavior. The purpose of this step is to compare the deductions before drawing any conclusions. We can compare these deductions with each other, similar data sets in the past, or general deductions in our industry.
3. **Derive Conclusions:** The findings from our data sets can now be drawn conclusions based on trends we've discovered. Our conclusions should

answer the questions that led us to our research. If they do not answer then it may lead to further research or subsequent questions.

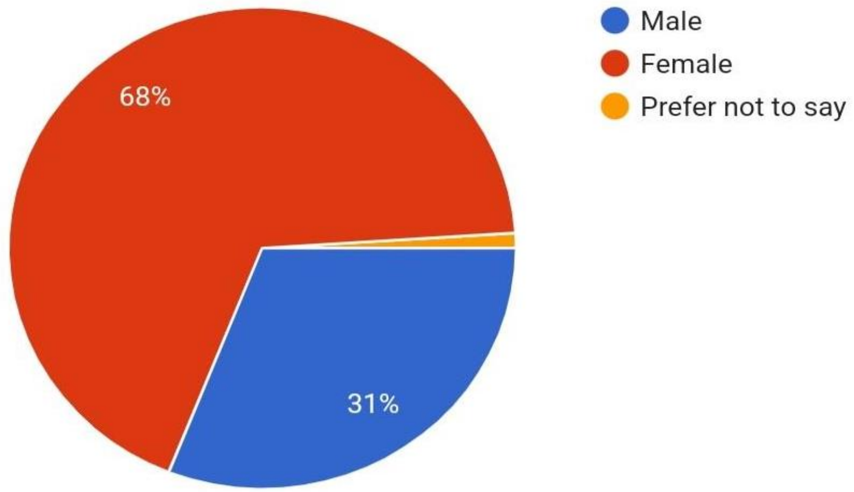
4. **Give Recommendations:** This is the final step in data interpretation because recommendations a
5.
6.
7. re a summary of our findings and conclusions. For recommendations, <u>it can only go in one of two ways. We can either recommend a line of action or recommend that further research be conducted.</u>

DATA ANALYSIS AND INTERPRETATION

SURVEY ANALYSIS

❖ Gender

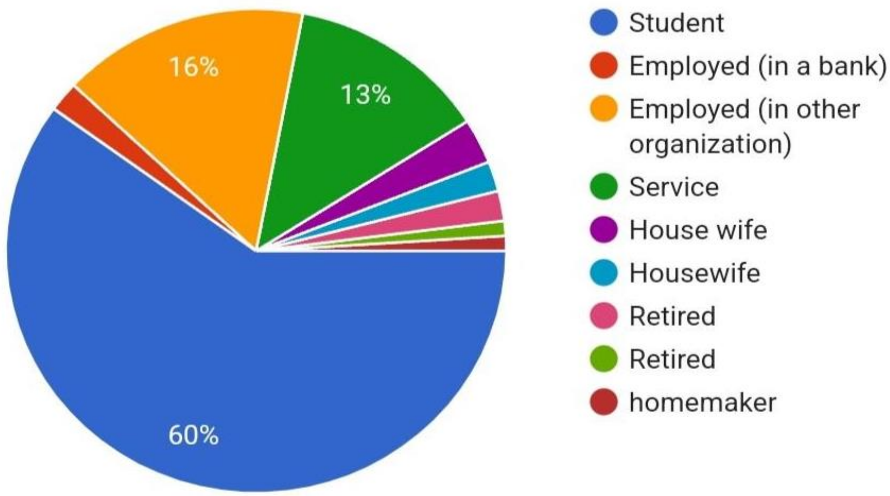
Out of the 100 sample sizes, 68% were Female respondents, 31% were male respondents and the remaining respondents chose to not to reveal their gender.



❖ Profession

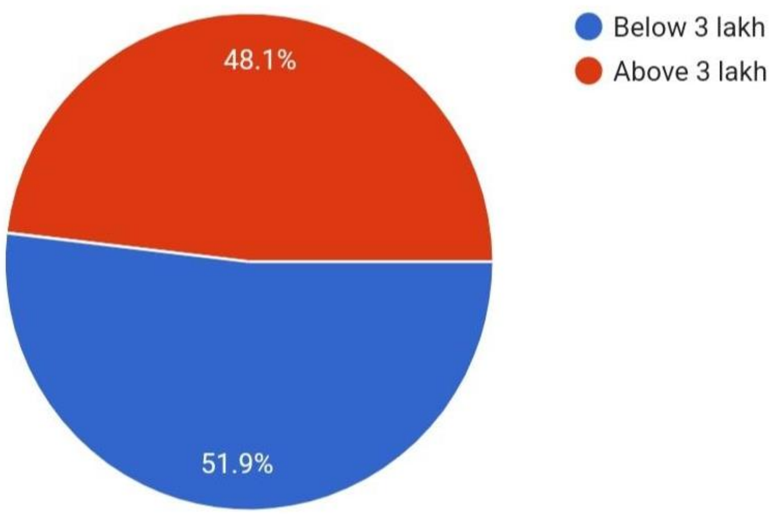
The respondents were from different categories, they are as follows:

- ➔ Students
- ➔ Employed (in a bank)
- ➔ Employed (in other organizations)
- ➔ Service
- ➔ Housewife
- ➔ Retired
- ➔ Homemaker



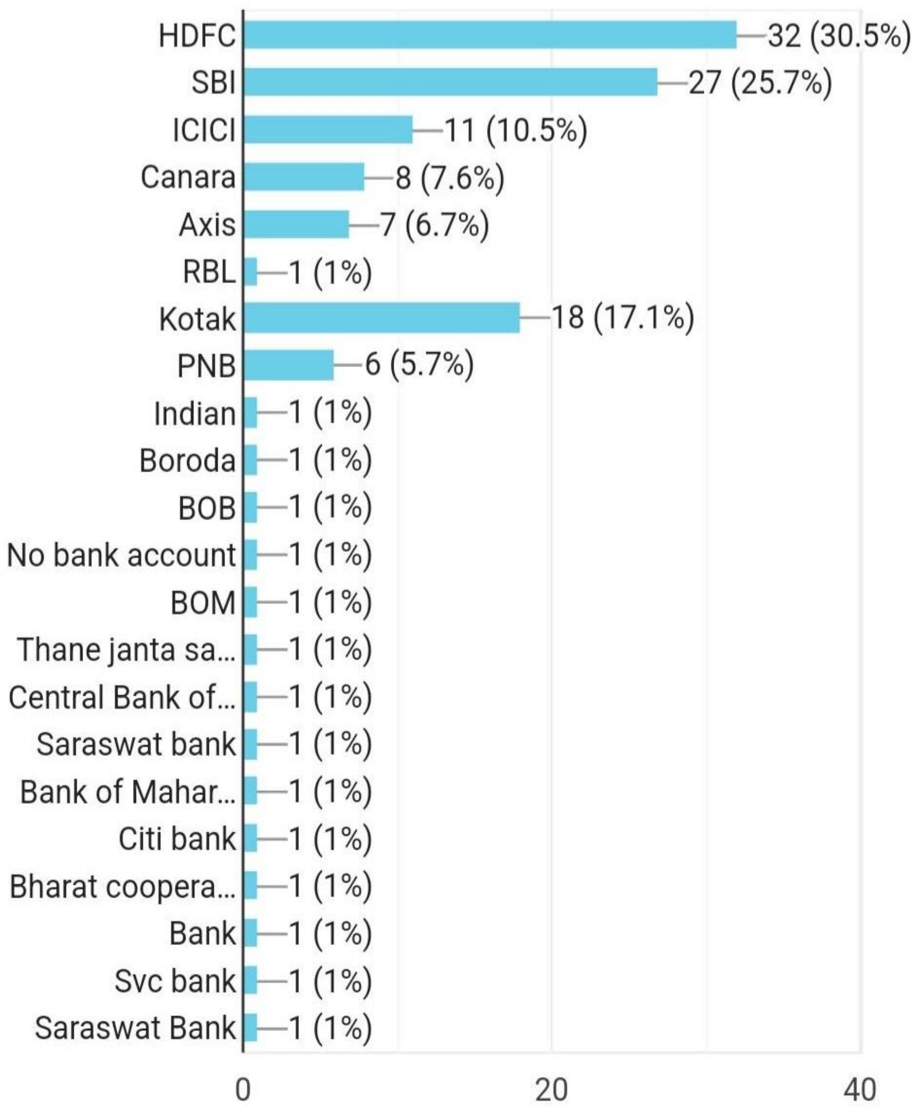
❖ Income Level

The income level of the respondents 46.8% above 3 lakh and 53.2% below 3 lakh.



❖ Bank Accounts

We observed that the maximum respondents were holding their bank account on HDFC Bank followed by State Bank of India and Kotak Mahindra Bank. The remaining banks had a percentage of less than 10.50%. So the maximum stake of the research was held by HDFC Bank.



❖ What kept you invested in the product or service of the Bank?

Here, the customer's response for the question, “What kept you invested in the product or service of the Bank?” was the good servicing that the banks provide to the customers. Some respondents had a positive response about the staff that they are dedicated and faithful towards helping their customers. Many of the customers have their accounts in their respective banks because of the security system that the banks provide. Few of the respondents had their accounts due to the references from others. There were other responses such as loan facility, FD facility, gold loans, savings account services. Some customers were retained with the bank because of their long term profit goals. Some of them felt the services were user friendly and accessible. Another reason behind loyalty of customers was the customer service that the banks provide to the customers, which is a major aspect in terms of customer retention.

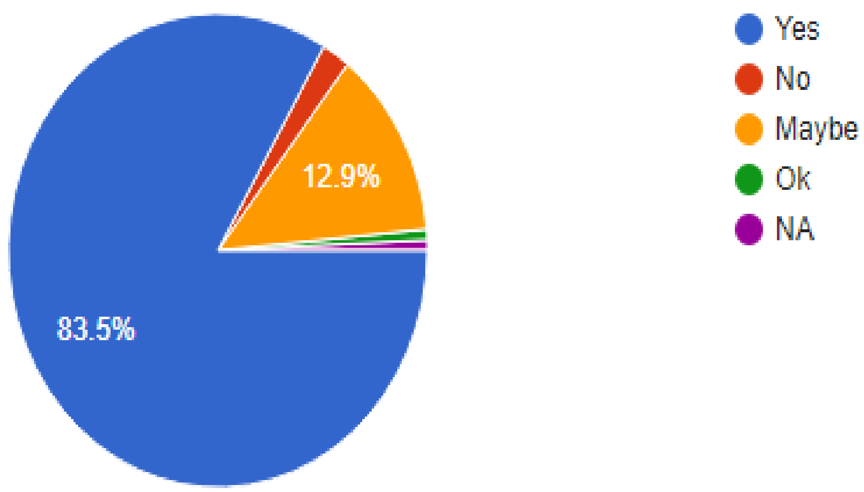
❖ Why did you choose this Bank?

We observed that recommendations from friends and family encouraged the customers to open or hold their accounts in their particular banks and most of the respondents had their accounts in the banks because it was near their residence. Another important aspect was the interest rate given to the customers by certain banks. Also the interest rate charged by some banks from the customers were less according to the respondents.

❖ Is the service provided to you by your bank satisfactory?

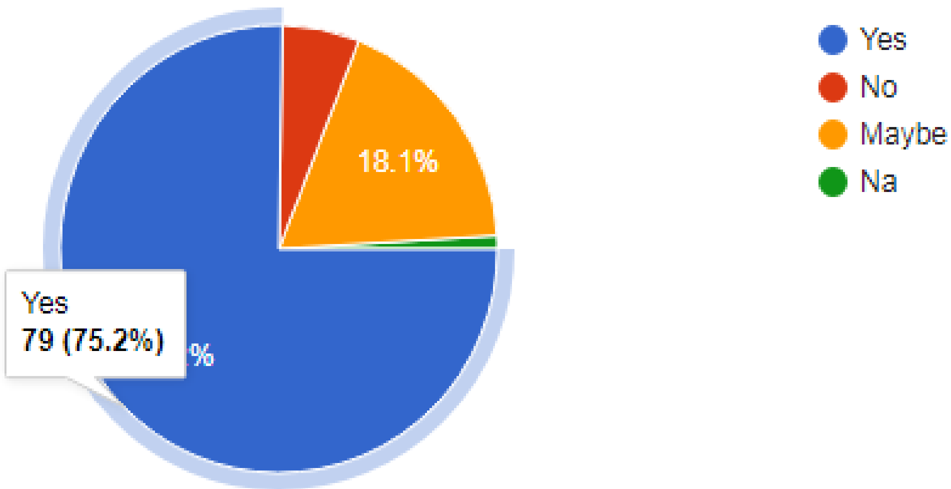
It was taken into note that among 105 respondants, 93 respondents i.e.

88.6% of the customers were satisfied by the services provided to them by their banks whereas 9 respondents i..e. 8.6% of the customers were unsure about their response and 1.9% of the customers were not satisfied with the services provided by their banks.



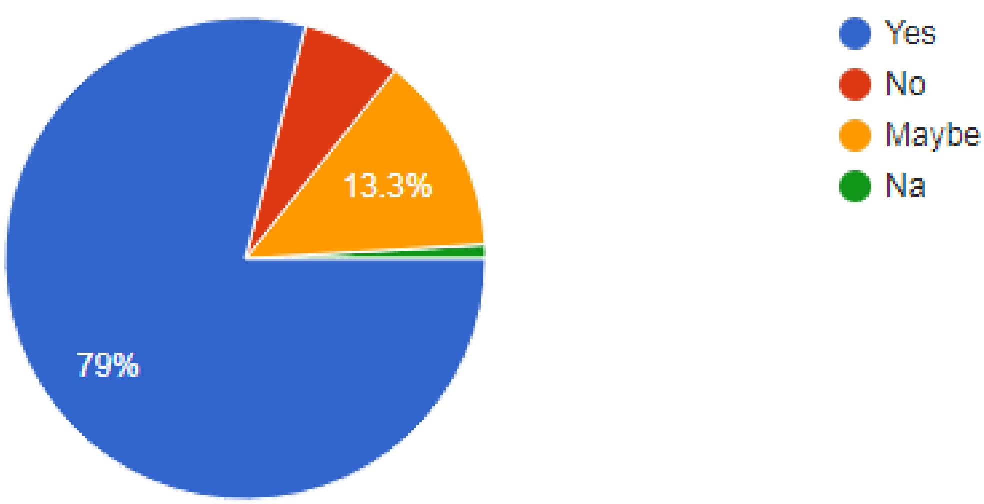
❖ Did you get the product or service by the bank as per your expectation?

Maximum of the respondents' expectation level of the products or services provided to them were fulfilled i.e. 78.1% and for 5.7% of the customers, the services provided were not up to their expectations. 15.2% were not sure about their expectation level.



❖ Would you recommend your Bank to somebody else?

When asked the respondents if they would recommend their banks to somebody else, 79% respondents had a positive response while 6.9% respondents had a negative response. 13.3% did not give an exact response for this question asked to them.

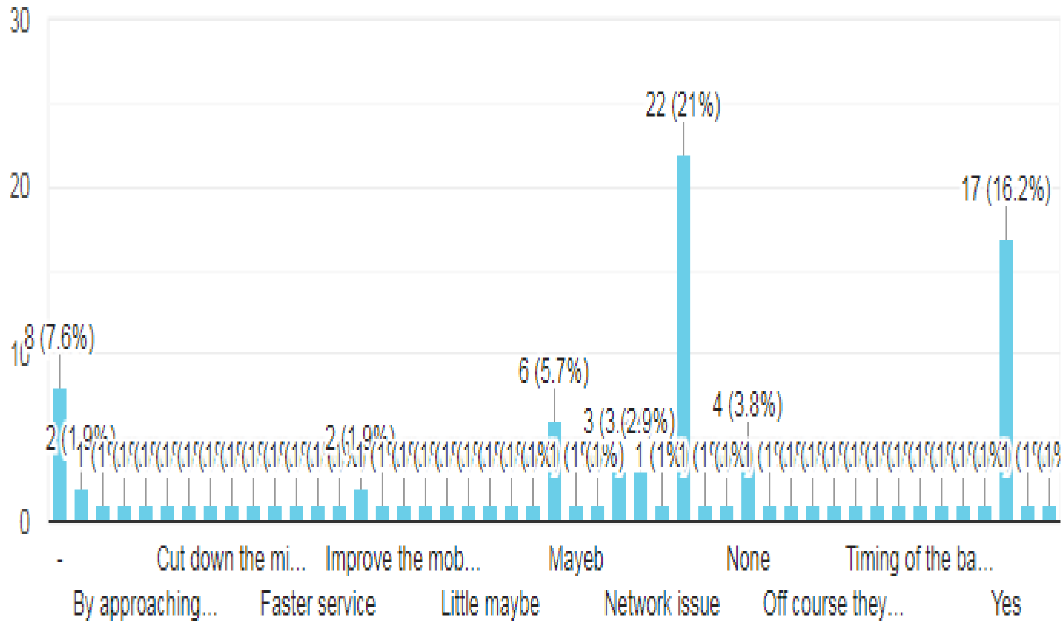


- **Name any positive aspect of your Bank**

Next question asked was to name any positive aspect of the respondents with their bank. Here all the 105 respondents had their own opinions; the common responses were good service provided, easy accessibility, good transaction speed, net banking, security, and less time consuming.

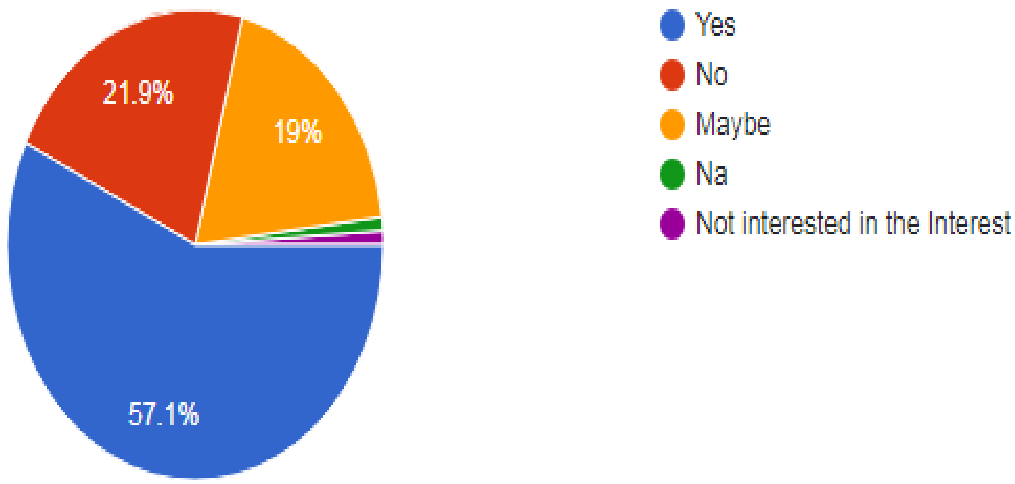
- **Is there something the bank can do to improve the service provided by them?**

When the respondents were asked for their suggestion about improving the services of the bank, the majority of the respndents wanted to get the network issue to be resolved. Changes in the timings of the banks were also demanded by the respondents in the questionnaire. Some of the respondents' opinion was to cut down the minimum balance criteria., approaching each customer, improving the mobile application for convenience of the customers, incli=uding faster service and they should improve customer service centers to take minimum time in handling the work.



❖ **Are you satisfied by the interest rate provided and charged by your bank?**

And the last question asked to the respondents was, if they were satisfied with the interest rate that is provided to them by the banks. While 57% of the respondents were satisfied and they had a positive response, 21.9% of the respondents were not satisfied by the interest rate charged by the banks and 19% of the respondents had a NIL response with response with respect to the question asked if the satisfied by the interest rate charged by the banks to the customers.


21.9%
19%
57.1%
Yes
No
Maybe
Na
Not interested in the Interest

CHAPTER 6

KEY FINDINGS

FINDINGS

This data supports the hypothesis which assumes that Banking Services have a significant influence on Customer Retention.

It is observed by the way of this research that banking services: good or bad, do have a great impact on its customers.

Thus, if the services provided by the bank are satisfactory, then the customers will remain retained in the bank and continue to be loyal customers.

On the other hand, if the services provided by the banks are not up to the expectations of the customers and that if there banks do not provide good service to them, then the customers will not be retained in the same bank for a longer period of time and thus they tend to shift their accounts in some other bank.

Hence, it is proved that the presumed hypothesis remains true in all terms in this case.

CHAPTER 7

SUGGESTIONS AND CONCLUSION

SUGGESTIONS AND CONCLUSION

From the entire research, it can be stated that the customers of the banks are not completely dependent on their banks with respect to interest rates and certain other facilities that the banks provide. But the majority of the customers are completely satisfied by the services provided by the banks except some number of respondents. The findings of the research report strongly supports the point that the Banking Services have a positive impact on the Customer Retention. The banks must look forward into the small things that affect customer behavior such as timings of the bank, mobile application accessibility, better customer services.

Since the bank account holders are moving on to the next generation and as and when the technology is on the verge of taking up all the services, banks also need to focus on its technological aspects so as to encourage the customers to evolve in the new trends and latest updates about the services that the banks are providing to the customers. This will automatically boost the customer interest and will motivate them to retain in the bank and they would also suggest about the same to others.

CHAPTER 8

ANNEXURE

ANNEXURE

1. **Gender**
- Male
- Female
- Prefer not to say

2. **Profession**
- Student
- Employed (in a bank)
- Employed (in other organization)
- Service
- Other

3. **Income Level**
- Below 3 lakh
- Above 3 lakh

4. **Kindly select the bank in which you have your account***
- HDFC
- SBI
- ICICI
- Canara
- Axis

- RBL
- Kotak
- PNB
- Other:

5. **What kept you invested in the product or service of your bank?**

6. **Why did you choose this Bank?**

7. **Is the service provided to you by your bank satisfactory?**

- Yes
- No
- Maybe
- Other

8. **Did you get the product or service by the bank as per your expectation?**

- Yes
- No
- Maybe
- Other

9. **Would you recommend your bank to somebody else?**

- Yes
- No

- Maybe
- Other

10. Name any positive aspect of your experience with your bank.

11. Are you satisfied by the interest rate provided and charged by your bank?

- Yes
- No
- Maybe
- Other

CHAPTER 9

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