

# 11. Customer Loyalty in Indian Banking Sector with Special Reference To western Suburbs of Mumbai

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## **Abstract**

Banking products and services are becoming highly competitive and there is cut throat competition in the market to retain the customers. Today's customer is knowledgeable and aware of the various products and services provided by different banks. The customer is smart in selecting their choice of bank and do not hesitate to discontinue the relationship with bank if they are not satisfied with the services. Retaining the customer base is huge challenge for the modern banks. The paper tries to understand the factors which are leading to customer loyalty as well as factors for closure of bank accounts. The study is based on primary data collected through survey of bank customers in Mumbai. It also considers secondary data collected through online sources. The outcome of the survey will highlight the most significant factor in customer loyalty and factors for discontinuing the bank.

**Key words:** customer loyalty, customer satisfaction, banking sector

## **1. Introduction**

Traditional banking services were limited to lending money to the needy and borrowing from the people who have surplus money. The banking sector has undergone radical changes from the time of nationalisation and due to opening up of the economy after privatisation, liberalisation and globalisation. The development of the banking sector resulted in establishment of many new banks, more number of branches and vast array of products and services to meet the demand of modern requirements of customers. Customer is the king of the market therefore the market must be well prepared to meet the needs of the customer who will not be satisfied