

A Study on Customer Satisfaction Lakshmi Vilas Bank (LVB) Limited

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Abstract—The purpose of this paper is to evaluate the customer satisfaction of the banks sector in, Lakshmi Vilas Bank, based on customer perception regarding service quality. . The questionnaire has been personally administered on a sample size of 125 bank customers. This paper makes a useful contribution as there are only a few studies dealing with the assessment of service quality in banking sector of Lakshmi Vilas Bank. Customer satisfaction research identifies how well an organization provide service to the customers from their point of view. And also another goal is to identify areas that still need to be improved so that those areas can be further developed. Bank marketers are making considerable efforts to increase the satisfaction of their commercial customers because satisfied customers are known to display higher levels of sources and competitors. Here the data type of this study is primary data. Customers are satisfied to service. Here the data type of this study is primary data. And the sample size is restricted to 150 Respondents. The data is collected by questionnaire method. And the simple average method is the statistical tool used here.

Keywords— About customer satisfaction, customer loyalty, Lakshmi Vilas Bank (LVB), security, service quality.

I. INTRODUCTION

Indian banking scenario had underwent dramatic change after the implementation of the new economic policy which triggered out the economy in rapid speed as a result of that drastic changes have been taken place in money transactions hence the role of banking had expended incredibly, bank are also have equipped immensely with the help of IT development in unleashing the services in better way to it consumer in such context number of studies have been carried out to find out the consumer satisfaction of the bank customer in order to enhance the service, most of the studies have revealed the IT development has better impact on the services delivery but the propose study would like to encompass all the spheres of the banking services in assessing the service delivery and the satisfaction level of the of the customer, hence it is became very imperative to explore the consumer satisfaction at multi-dimensional level.

Here are the Top Six Reasons Why Customer Satisfaction is So Important

- It's a leading indicator of consumer repurchase intention and loyalty
- It's a point of differentiation
- It reduces customer chum
- It increases customer lifetime value

- It reduces negative word of mouth
- It's cheaper to retain customers than acquire new ones

Consumer Satisfaction

Customer satisfaction is an abstract and involves such factors as the quality of the product, the quality of the services provided, the atmosphere of the location where the product or service is purchase, and the price of the product or services. Customer satisfaction is an ambiguous and abstract concept and the actual manifestation of the state of satisfaction will vary from person to person and product or service to product or service. Customer satisfaction means the process of ensuring customer satisfaction with a product or services.

Lakshmi Vilas Banks Ltd.

Lakshmi Vilas Bank (LVB) was founded eight decades ago in 1926 by seven people of Karur under the leadership of VSN Ramalinga Chettiar, mainly to clear to the financial needs of varied customer segments. The bank was incorporated on November 03, 1926 under the Indian companies act, 1913 and obtained the certificate to commence business on November 10, 1926, the bank obtained its license from Reserve Bank of India. (RBI) in June 1958 and in August 1958 it became a scheduled commercial bank.

During 1961-65 LVB took over nine bank and raised its branch network considerably. To meet the emerging challenges in the competitive business world, the bank started expanding its boundaries beyond Tamil Nadu from 1974 by opening branches in the neighboring states of Andhra Pradesh, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Gujarat, West Bengal, Uttar Pradesh, Delhi and Pondicherry.

Machanization was introduced in the head office of the bank as early as 1977. At Present, With a network of 249 Branches , 3 satellite branhes and 6 extension counters, Spread over 14 States and the Union territory of Pondicherry, the bank focus is on customer delight, by maintaining high standards of customer service and amidst all these new challenges, the bank is progressing admirably. LVB has a strong and wide base in the state of Tamil Nadu, One of the progressive states in the country, which is politically stable and has a vibrant industrial environment. LVB has been fousing on retail banking, corporate banking and bank assurance.

The bank business crossed Rs 12,606 crores as on March 31, 2009. The bank earned a net profit of Rs.50.30 crores. The

net owned fund of the bank reaches Rs 453.70 crore. With a fairly good quality of loan assets the net NPA of the bank was pegged at 1.24 as on march 31,2009. Banking

Savings bank
Current Account
Fixed deposits
Loan
International Banking
NRI Banking
Net banking
SMS banking
Mobile banking
Services
Shop online
Bill Payment
Online RTGS
SMS alerts
NEFI
RTGS
ATM Network
Foreign services
Western Money Transfer

Lakshmi Vilas bank was founded in 1926 by a group of seven Progressive businessman of Karur under the leadership Shri NSN Ramalinga Chettiar. Their Objective was to cater to the finance needs of the people in and around Karur who were occupied in trading business, Industry and agriculture. The bank was incorporated on November 3, 1926 under the Indian Companies Act, 1913, and obtained the certificate to commence business on November 10, 1926 Subsequent to introduction of the Banking Regulation Act 1949 and Reserve Bank of India as the regulation of the banking sector, the Bank obtained its banking Income from RBI on 19 June 1958, and on 11, August it became a ‘scheduled Commercial bank’ signifying capability to operate as a full-fledged commercial bank.

Directors 89th Annual Report

The Directors of Lakshmi Vilas Bank have Great pleasure in presenting this 89th Annual Reports on the business and operations of Lakshmi Vilas Bank together with the Audited Accounts for the Year Ended 31st March, 2016(FY 2015-16).

1. Financial Performance

The highlights of the financial performance of your Bank for the year ended 31st march, 2016 are as under

Lakshmi Vilas Bank registered appreciable growth in business volumes that compares very favorably with the industry average. The Bank attained total business of 38,316.22 crores in FY 2014-2015 a growth of 21.79% over 31,462.07 crores in FY 2014-15

Deposits grew by 18.26% from 18,572.88 crores as 31st March 2015 to 21,964.21 crores as at 31st March 2016, and total advances expanded by 26.87%, from 12,889.19 crores to 16,352.02 crores in FY 2015-2016. Of this, lending to Priority Sector rose from 5,216.52 crores in the previous year to 5,849.89 crores as on 31st March 2016. Agricultural Advances slightly decreased to 2,457.18 crores from 2,462.00 Crores

and advances to Weaker Section Exposure also slightly decreased from 1,730.71 Crores to 1,712.77 Crores.

The Bank’s exposures to sensitive sector in Real Estate and Capital Market were maintained well within the regulatory limits.

As at the end of the year under review, the total investments of the Bank stood at 6,145.48 Crores as against 5,731.96 Crores as on 31st March 2015.

Lakshmi Vilas Bank’s Treasury Continues to focus on sound Asset-Liability Management and on servicing client with appropriate treasury products and was managed well in a systematic way in a challenging year when yields were constantly rising.

2. Profit

The Bank has posted an operating profit of 376.44 Crores in FY 2015-16 against 309.00 Crores in the previous year FY 2014-15 Registering a growth of 21,83 %. The net profit for the year, after provisions and taxes, amounts to 132.29 Crores as against 59.66 Crores Recorded in 2014-15 recording a growth 121.72%.

3. Dividend

LVB Board of Directors are pleased to recommend a dividend of 2.00(20%) per share for the post Rights Issue Capital for the year ended 31st March, 2016 as against 1.00(105) per share for previous year ended 31st March, 2015. The total out go in the from of dividend, including taxes, will be 43.01 Crores.

4. EPS/Book Value

Earnings per Share stood at 9.16 for the year ended 31st March, 2016 as compared to 6.11 as on 31st March, 2015. Book Value of the share, post rights issue stood at 82.48 on 31st March, 2016 as compared to 100.16 as on 31st March, 2015.

5 Non-Performing Assets (NPA 'S)

Indian Banking industry continued to experience accretion of NPA in recent past. This has largely been attributed to the weak performance of the global as well as Indian economy, resulting in the deterioration of asset quality held by the banking sector. This trend continued to persist to certain extent during this financial year also across the Indian banking sector. This position is expected to improve in the current year.

Against this backdrop, Lakshmi Vilas Bank has shown an improved performance in NPA of Lakshmi Vilas Bank decreased to 2.75 % and 1.85 % respectively as on 31-03-16 against the last year figure of 4.19% & 3.44%.

6. Branch and ATM Network

The bank has a network of 400 branches including a satellite branch and 7 Extension counters, spread over 16 states and the union territory of Pondicherry. The Bank’s focus is on customer delight, by maintaining high standards of customer services. LVB has a strong and wide base in the State of Tamil Nadu, one of the progressive States in the country. LVB has been focusing on retail banking, corporate banking a bank assurance by rendering high-tech services.

The Bank has an ATM network of 820 (264 Onsite & 556 Offsite), in vital/major locations for better services to our

customers. Bank continues to invest in expanding the network of Branches & ATMs.

7. Financial Inclusion

Financial Inclusion may be defined as the process of ensuring access to financial service to vulnerable groups such as weaker section and low income groups at an affordable cost and providing timely and adequate credit where needed. The essence of financial inclusion is to ensure that a range of appropriate Basic financial services are made available to every individual and enabling them to understand and access those services.

The bank has implemented the financial Inclusion plan in 356 villages & Wards allotted by SLBC in Tamilnadu. The bank has opened 150370 Basic Saving Bank Deposit Accounts (BSBDA) including 70358 accounts under Prime Minister Jan Dhan Yojana (PMJDY).

8. International Business:

Global Dollar strength kept most currencies under pressure during the year. Strong Foreign Portfolio inflows and increase in Foreign Direct investment flows supported Indian Rupee from major weakness. Euro and Japanese Yen weakened as a consequence of sustained quantitative easing by the respective Central Banks. There is a consensus estimate that the US is widely expected to raise interest rates during the second half of 2016. During the year under the report, the Bank has achieved foreign exchange turnover of 4,560.82 Crores as against 4,310.08 Crores in the previous year. The outstanding advances to export sector stood at 275.02 Crores as on 31st March 2016. The business turnover is expected to significantly improve as more branches are identified for undertaking foreign exchange business.

9. Listing Agreement with Stock Exchanges:

The Equity Shares of the bank are listed with the National Stock Exchanges of India Ltd, Mumbai and Bombay Stock Exchanges, Mumbai which is enhancing the liquidity of our equity shares.

10. Wealth Management/ Parabanking Activities:

i. Life Insurance: Bank has entered into a strategic alliance with one of the leading life insurances in the country M/s. Max Life Insurances Company Ltd (MLI) to offer Life Insurance products to our customer.

ii. General Insurance: Bank has tied-up with M/s. Further General India Insurances Company Ltd for General Insurance business distribution.

iii. Mutual Funds & PMS: The Bank is presently having tie-up with thirteen leading Assets Management Companies for promoting various Mutual Funds Schemes. In addition. We are promoting Portfolio Management Services (PMS) through UTI, Reliance and Sundaram Assets Management Company.

iv. Money Transfer through Branch Channels: Foreign inward remittances are facilitated by arrangement with M/s. Weizmann Forex Ltd. For extending Western Union Money Transfer Facility. In Addition, tied-up with M/s. UAE Exchange & Financial Services Ltd., also for offering Global Money Transfer Services through Xpress Money and Moneygram.

v. Money Transfer through Direct Remittances: Tied up with Times of Money-Remit 2 India for Inward remittance from

abroad, this enables the NRIs to directly remit the amount to their account/ residents.

vi. Investment & Infrastructure Bonds: Bank empanelled with M/s. Bajaj Capital Ltd. For promoting Investment & Infrastructure Bonds

vii. PAN Card services: Bank has tied up with M/s. UTI Infrastructure & Technology service Ltd., (UTITSL) as PAN Services Agent (PSA) for collecting the PAN Application across the country through Branches.

viii. Depository Participant Services: Registered as Depository Participant with NSDL and with necessary clearances, this product is offered to our customers.

ix. Online Trading Services: Bank has tied up with M/s. IDBI Capital Market Services Ltd. For offering Online Trading Services (OLT) to customers.

x. New Pension System (NPS): Bank has registered with PFRDA and NSDL –CRA as point of Presence (POP) for offering NPS Service for all Indian citizens except Government Employees already covered by NPS.

xi. ASBA: As Bankers to the issue, the Bank can now receive application under ASBA mode thus enabling the investors to earn interest till allotment of securities.

Seven Game-Changing Ideas to Help You on Your Way:

1. Treat you customer like they are your boss
2. Focus on measuring customer satisfaction
3. Build customer loyalty to increase customer satisfaction
4. Avoid making these customer retention mistakes
5. Set customer expectations early
6. Learn how to survey your customer the right way
7. Email is the best channel to increase customer satisfaction

Statement of Problem

1. What are the services available in Lakshmi Vilas Bank's.
2. What are the factors considered by the CUSTOMER SERVICES the BANK.
3. What is the CUSTOMER LEVEL of SATISFACTION towards using Lakshmi Vilas Bank's.
4. How much customer were AWARE of the services.

Scope of the Study

This study will help us to understand customer, preference and their needs expected from the business owners. This study will not only help me as a student but it also assists to know the satisfaction level of the organization.

Objective of the Study

- To focus the awareness level of customer on bank services
- To examine the factors affecting the choice of customer towards choosing the banks
- To assess the level of satisfaction towards services provided by LVB ltd.
- To analyses the customer problems towards the services provided by the bank
- To receive suggestions from the customer

II. RESEARCH METHODOLOGY

Research Design

Sample area

The study area is confined to erode.

Sample selection

The aim of the study is to find out the consumer satisfaction towards the LVB ltd in ERODE CITY the research adopts sampling technique. Random sampling method is adopted in the selection of respondents and the sample size is restricted to 150 respondents.

This research is empirical and analytical in nature. For collecting primary data, field survey technique is employed. Questionnaire has been framed to collect data from Lakshmi Vilas Bank Ltd.,

Method of data collection:

Primary data is used in the study to collect the data. It is first hand data, which is collected by researcher itself. Primary data is collected by various approaches so as to get precise, accurate, realistic and relevant data. The main tool in gathering primary data was questionnaire which was collected from 125 respondents.

Research Hypothesis:

HO: There is no significant difference between type of account and satisfaction level of computerization of banking has reduced waiting time.

H1: There is no significant difference between purpose of visit and satisfaction level of services efficiency through computerization of services

Sample design:

A sampling design is a definite plan for attaining a sample from a given population. It refers to the technique or the procedure the researcher would adopt in selecting items for sample. Sample design is determined before the data are collected. Convenience sampling method is used for this survey. Under this study the convenience sampling method is selected. Sample units are because they are accessible.

Sample unit:

The sample unit for the study is the customer of LVB in Erode.

Size of sample:

Total sample size selected for the study is 125.

Data Type

The study is based on Primary data.

Primary Data

Data observed or collected directly from first -hand experience it can be explained has information collected from sources such as personal interview, questionnaire or surveys with a specific intension.

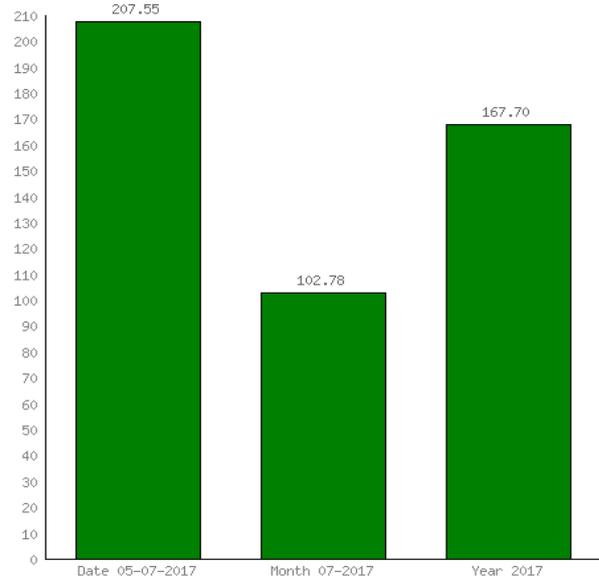
Statistical Tools Used in the Study

The following statistical tools are used to analyze the collected data:

Percentage Analysis

Percentage analysis is the method to represent raw stream of data as a percentage (a part in 125 percent) for better understanding of collected data.

Lakshmi Vilas Bank Limited (LAKSHVILAS) Stock Highest Price



Limitations of the Study

The study is limited to the study of expectation of and satisfactions of customers having an account in banks

The satisfaction of customers is limited to the time pried of the study

Primary data has its own limitations.

As this study was conducted only in LVB the finding cannot be generalized for overall state. If the sample size could be taken a bit larger, we could have reached to more accurate result

III. CONCLUSION

The study was conducted to identify the customer satisfaction in general and analyses the customer satisfaction of Lakshmi Villas Bank in Erode district. The study attempted to analyses the various factors response to satisfaction of banking services of customers. The study is concluded that the bank concentrate on rural area. Improve ATM facilities etc. So the ban takes necessary steps to concentrate these areas in order to improving the performance of the bank.

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