A STUDY ON CUSTOMER PREFERENCE TOWARDS LOANS AND ADVANCES WITH REFERENCE TO LAKSHMI VILAS BANK

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ABSTRACT

A Banking Sector performs three primary function in economy, the operation of the payment system, the mobilization of savings and the allocation of saving to investment products (Ahluvaliya Montek.,S). “Bank as institutions which collects money from those who it to spare or who are saving it out of their income and lends out to those who required it” (Crowthers). The bank offers various loans such as agriculture loan, vehicle loan, educational loan, housing loan and personal loan. While obtaining loan from banks, customer expects low interest rate, simple procedure, security and easier repayment. Hence, it became necessary to study the customer preference of selected loan products of Lakshmi Vilas Bank, Kangayam Branch.

In this research we identify how people perceive the loans and advances on the different variables like interest rate, income level, repayment facility, loan approval, processing charges etc. The objective of the research is to study the customer preference towards various schemes and satisfaction level of loans and advances. In this research descriptive research design was used. The sample of 150 existing customers is taken for the study on the basis of convenience sampling method. The collected data were analyzed in different statistical test. The findings of the study is loan products offered by LVB is satisfactory when compare to others branches situated in nearest places. To compete, the bank should introduce more products including loans. Over all the customers are satisfied with the existing service.

KEY WORDS: Banking, Customer perception, Interest rate, Loans, Satisfaction.

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