



A STUDY ON CUSTOMER SATISFACTION TOWARDS GOLD LOAN SCHEME IN CENTRAL CO-OPERATIVE BANK

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ABSTRACT:

The study was done at CENTRAL CO-OPERATIVE BANK. It was an opportunity to gain knowledge and practical exposure in different areas of an organization. It enhanced the knowledge level of the candidate wherein which they can apply practical knowledge in future career through this study. It was an extraordinary opportunity to experience work discipline, team work, time management from the bank. The Researcher objective is to examine the customer satisfaction towards gold loan in bank. In this course of carrying this research work various techniques or methods of data collection were used. They include questionnaires, and observations. A sample size of 151 of customers in bank was used. The researcher makes use of two hypotheses in this study to analyse the research project. The researcher made use of SPSS in testing the formulated hypothesis. From this study it has been observed that the finance department of CENTRAL CO-OPERATIVE BANK has maintained a stable in the performance and had a consistent working capital and has delivered a sustainable result.

KEY WORDS: Customer reviews, Service quality, Loan processing time, Loan approval process, Interest rate satisfaction, Loan repayment experience.

INTRODUCTION:

Gold loan also called loan against gold is a secured loan taken by the borrower from a lender by pledging their gold articles (within a range of 18-24 carats) as collateral. The loan amount provided is a certain percentage of the gold, typically upto 80%, based on the current market value and quality of gold. The gold loan, also referred as a loan against gold, is a secured loan that a borrower takes from a lender in lieu of gold ornaments such as gold jewelry. The loan amount sanctioned to you by lenders is generally a certain percentage of the gold's value. You can repay it through monthly installment after which you get your gold articles back.

OBJECTIVES FOR THE STUDY

PRIMARY OBJECTIVE

The primary projects is to find out the customer satisfaction towards the Gold loan scheme in Central co-operative bank.

SECONDARY OBJECTIVE

- To study the socio-economic status of the gold loan borrowers in the study region.
- To critical analyse the gold loan borrowing among the sample population.
- To support small business and individuals in need of shortterm liquidity.
- Strengthening customer relationships by providing timely financial solutions tailored to their needs.

NEED FOR THE STUDY:

Customer satisfaction plays a vital role in the company's growth. If customers are satisfied with the product or service, the company can expand otherwise it has to focus the areas where customers are not satisfied. For this, we need to study the Customer satisfaction of the bank. The present study focuses on customer satisfaction of CENTRAL CO-OPERATIVE BANK.

SCOPE FOR THE STUDY:

- The current study will be useful to bankers in understanding jewel loan borrowers perception and satisfaction towards their service feature, which in turn they can make use for enhancing their loan customers' service quality.

- To learn about the satisfaction level of borrowers towards Public sector Banks in availing gold loan.
- Identify the factors responsible for the high customer satisfaction.

REVIEW OF LITERATURE

Study of gold loan market as an alternative source of credit for low income households

Author: Misha sharma

Year of publications:2013

The demand for gold in India has always been high, thus creating a huge potential for growth in the gold loan market. In the recent decades, gold loan market has come to be one of the most reliable sources of credit for low-income households.

Gold loan procedures of urban cooperative banks; a case study in kollam district, kerala:

Author: M. Somasundaram

Year of publication:2017

The present study about gold loan procedures of Urban Cooperative Banks is good. Firstly, the various tests used to follow and facilitate the good guidelines of Urban Cooperative Banks. Secondly, to discuss the details of gold and gold ornaments loan sub rules.

A case study of gold loan NBFC in India:

Author: **Dawa Sherpa**

Year of publication:2021

The role of the failure of the shadow banking system in the global financial crisis 2007 highlighted the importance of the regulation of shadow banking activities and instruments in maintaining overall financial stability in the economy. Shadow banks are interconnected and interdependent non-banking financial entities, which are highly leveraged, pro-cyclical and depend on volatile market-based wholesale funding.

RESEARCH METHODOLOGY:

Research methodology is mainly needed for the purpose of framing the research process and the designs and tools that are to be used for the project purpose. Research methodology helps to find improvement of delivery in cargo service in the company.

RESEARCH DESIGN:

Descriptive research is all about describing people who take part in the study. SOURCES OF DATA:

➤ PRIMARY DATA:

It is a source of collecting data by first-hand information through observation, direct communication or personal interviews of respondent's customers. In this, questionnaire is used for conducting personal interviews and for collecting the data.

➤ SECONDARY DATA:

Collected sources from the company annual reports, company additional profile and company internal website.

TOOLS FOR ANALYSIS:

HYPOTHESIS 1

CHI-SQUARE

NULL HYPOTHESIS (H0): There is no significant difference between the gold loan scheme such as interest rate and customer satisfaction

ALTERNATIVE HYPOTHESIS(H1): There is significant difference between the gold loan scheme such as interest rate and customer satisfaction

Chi-Square Tests					
	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	69.095 ^a	1	<.001		
Continuity Correction ^b	63.209	1	<.001		
Likelihood Ratio	47.371	1	<.001		
Fisher's Exact Test				<.001	<.001
N of Valid Cases	151				

a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 2.52.

b. Computed only for a 2x2 table

Interpretation:

Since the p-values for all tests are less than the significance level of 0.05, we reject the null hypothesis and conclude that there is a significant association between satisfaction with the rate of interest and satisfaction with the Gold Loan scheme provided by the Central Co-operative Bank.

HYPOTHESIS 2

CHI-SQUARE

NULL HYPOTHESIS (H0): There is no significant difference between the occupation of the customer and the purpose of gold loan.

ALTERNATIVE HYPOTHESIS(H1): There is significant difference between the occupation of the customer and the purpose of gold loan.

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	23.372 ^a	12	.025
Likelihood Ratio	29.297	12	.004
N of Valid Cases	151		

a. 9 cells (45.0%) have expected count less than 5. The minimum expected count is .12.

Interpretation:

Since the p-values for both tests are less than the significance level of 0.05, we reject the null hypothesis and conclude that there is a significant association between occupation and the purpose of taking a Gold Loan.

FINDINGS:

- Since the p-values for all tests are less than the significance level of 0.05, we reject the null hypothesis and conclude that there is a significant association between satisfaction with the rate of interest and satisfaction with the Gold Loan scheme provided by the Central Co-operative Bank.
- Since the p-values for both tests are less than the significance level of 0.05, we reject the null hypothesis and conclude that there is a significant association between occupation and the purpose of taking a Gold Loan.

SUGGESTIONS

- Streamline the loan application and approval process to minimize waiting times for customers. Implement digital solutions for faster documentation and approval.
- Offer competitive interest rates compared to other financial institutions to attract customers and retain existing ones.
- Provide flexible repayment options tailored to the needs of customers, such as monthly, quarterly, or semi-annual payments, to ease financial burden.
- Train staff to deliver exceptional customer service, addressing queries promptly and professionally throughout the loan process.
- Establish a feedback mechanism to solicit input from customers about their experience with the gold loan scheme, allowing the bank to continuously improve its services.
- Introduce loyalty programs or incentives for loyal customers, such as lower interest rates on subsequent loans or referral bonuses.

CONCLUSION

The gold loan scheme offers customers a valuable option to utilize their gold assets for financial support. Transparent communication and efficient processing are essential to ensure customer satisfaction and trust in the scheme.

- Excellent customer service and robust security measures are crucial for maintaining customer confidence in the bank's handling of their gold assets.
- Competitive interest rates and flexible repayment options contribute to the attractiveness of the scheme for customers.

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- Establishing a feedback mechanism and community engagement initiatives demonstrate the bank's commitment to continuous improvement and customer-centricity.
 - Overall, by prioritizing transparency, efficiency, customer satisfaction, and engagement, the bank can solidify its position as a trusted provider of gold loan services to its customers.

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