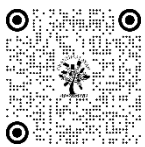


# A STUDY ON CUSTOMER SATISFACTION TOWARDS GOLD LOANS OFFERED BY NBFCs IN KANNIYAKUMARI DISTRICT

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## ABSTRACT

Non-Banking Financial Companies (NBFCs) have emerged as significant players in the gold loan market, providing quick and accessible credit solutions. With minimal documentation and streamlined processes, NBFCs make it easier for individuals to leverage their gold assets for financial needs. They cater to a wide range of borrowers, including those who may not qualify for traditional bank loans, such as small business owners, farmers, and individuals in rural areas. This accessibility is a key factor driving their popularity in the gold loan segment. NBFCs offer competitive interest rates, flexible repayment options, and higher loan-to-value (LTV) ratios compared to banks, making gold loans a preferred choice for many. Their widespread branch networks, particularly in semi-urban and rural areas, ensure that borrowers can avail themselves of these services conveniently. Additionally, NBFCs often provide customized loan products, tailored to the specific financial requirements of their customers, further enhancing their appeal. The important objective this study is to analyze the customer satisfaction towards gold loans offered by NBFCs in Kanniyakumari district. The study is confined with both primary and secondary data. In order to analyze the customer satisfaction towards gold loans offered NBFCs in Kanniyakumari district 140 NBFC customers were randomly selected as samples using convenient sampling method.

**Keywords:** Nbfcs, Gold Loans and Customer Satisfaction

## 1. INTRODUCTION

Non-Banking Financial Companies (NBFCs) have emerged as significant players in the gold loan market, providing quick and accessible credit solutions. With minimal documentation and streamlined processes, NBFCs make it easier for individuals to leverage their gold assets for financial needs. They cater to a wide range of borrowers, including those who may not qualify for traditional bank loans, such as small business owners, farmers, and individuals in rural areas. This accessibility is a key factor driving their popularity in the gold loan segment. NBFCs offer competitive interest rates, flexible repayment options, and higher loan-to-value (LTV) ratios compared to banks, making gold loans a preferred choice for many. Their widespread branch networks, particularly in semi-urban and rural areas, ensure that borrowers

can avail themselves of these services conveniently. Additionally, NBFCs often provide customized loan products, tailored to the specific financial requirements of their customers, further enhancing their appeal.

The role of NBFCs in the gold loan market also contributes to economic growth and financial inclusion. By unlocking the value of idle gold, they provide much-needed liquidity to households and businesses, enabling investments, meeting urgent expenses, or managing working capital. Moreover, their innovative use of technology for appraisals and loan disbursement ensures faster service delivery, improving customer satisfaction and trust. As a result, NBFCs have become instrumental in driving the growth of the gold loan industry and supporting broader economic participation.

## 1.1. OBJECTIVE

The important objective this study is to analyze the customer satisfaction towards Gold loans offered by NBFCs in Kanniyakumari district.

## 2. METHODOLOGY

### 2.1. SOURCES OF DATA

The study is confined with both primary and secondary data. The primary data is collected through a well-structured interview schedule and the secondary data have been mainly collected from the books, journals, magazines, and also from the internet.

## 3. SAMPLING DESIGN

In order to analyze the customer satisfaction towards gold loans offered NBFCs in Kanniyakumari district 140 NBFC customers were randomly selected as samples using convenient sampling method.

## 4. STATISTICAL TOOLS USED

The collected data were analyzed with the help of various statistical measures such as Percentage and Chi-square test.

### Analysis and Interpretation

#### Age – wise classification of the respondents

The age of the respondents is gathered by the researcher to know about the customer satisfaction towards gold loans offered by NBFCs. The following table reveals the age-wise classification of the respondents.

**Table 1**

#### Age-wise classification of respondents

Sl. No.	Age	No. of respondents	Percentage
1	Up to 30	17	12
2	31 – 40	33	24
3	41 – 50	51	36
4	Above 50	39	28
	Total	140	100

#### Source Primary data

The above table shows that 17(12 per cent) of the respondents come under the age group up to 30 years, 33(24 percent) of the respondents come under the age group of 31 to 40 years, 51(36 percent) of them come under the age group 41 to 50 and the remaining 39(28 percent) of them belongs to the age group of above 50 years.

#### Gender- wise classification of respondents

Male and female are considered as the acceptable gender groups in the society. The following table reveals the Gender-wise classification of the sample respondents.

Table 2

Gender - wise classification of respondents

Sl. No.	Gender	Respondents	Percentage
1	Male	77	55
2	Female	63	45
	Total	140	100

Source: Primary Data

The above table shows that majority 77(55 per cent) of the respondents are Male and the remaining 63(45 percent) of the respondents are Female.

Classification on the basis of marital status

Marital status is another important factor considered for the analysis of customer satisfaction towards the gold loans offered by NBFCs. The following table shows the classification of the respondents on the basis of marital status.

Table 3

Marital status of the respondents

Sl. No.	Marital status	No. of respondents	Percentage
1	Married	92	66
2	Single	48	34
	Total	140	100

Source: Primary Data

The above table reveals that 92(66 percent) of the respondents are married and the remaining 48(34 percent) of them are single.

Nature of family wise distribution of the respondents

Nature of the family is an important factor which decides every aspect of one's life. The following table shows the classification of respondents on the basis of nature of the family.

Table 4

Nature of the family of the respondents

Sl. No.	Nature of the family	No. of respondents	Percentage
1	Nuclear	86	61
2	Joint family	54	39
	Total	140	100

Source: Primary data

It is inferred from the above table majority of the respondents 86 (61 percent) belongs to the nuclear family and the remaining 54 (39 Percent) respondents belongs to joint family.

Educational qualification wise classification of the respondents

Educational qualification of the respondents plays an important role to preferring and selecting private insurance company. The following table shows the classification of respondents on the basis of educational qualification.

Table 5

Sl. No.	Qualification	No. of respondents	Percentage
1	Up to SSLC	14	10
2	HSC	28	20
3	Graduates	43	31
4	Professional	19	13
5	Others	36	26
	Total	140	100

Source: Primary data

It is inferred from the above table 14(10 percent) are educated up to SSLC, 14 (10 percent) of the respondents are educated up to HSC, 43(31 percent) of them are Graduates, 19(13 percent) of them are professionals and the remaining 36(26 percent) having education of other categories such as diploma, technical degree etc.

Classification of the respondents on the basis of occupation

Occupation is one of the important factors which contribute to the income level and buying capacity of the respondents. Table 6 clearly shows the classification of the respondents on the basis of occupation.

**Table 6**

Classification of the respondents on the basis of occupation

Sl. No.	Occupation	No. of respondents	Percentage
1	Business person	43	31
2	Govt. Employee	21	15
3	Private employee	52	37
4	House wife	8	6
5	Others	16	11
	<b>Total</b>	<b>140</b>	<b>100</b>

Source Primary Data

It is clear from the above table that out of 140 respondents, 43 (31 Percent) of them are Business persons, 21(15 Per cent) of them are Government employees and 52 (37 Percent) of the respondents are private employees. 8 (6 Percent) of the respondents are House wives and the remaining 16(11 Percent) of the respondents comes under other categories such as students, agriculturists, self-employed etc.

Monthly income-wise classification of the respondents

Income is an important factor which decides the standard of living and savings of the people. The following table 7 shows the monthly income of the respondents.

**Table 7**

Monthly income of the respondents

Sl. No.	Monthly income	No. of respondents	Percentage
1	Up to 25000	12	9
2	25001 - 30000	37	26
3	30001 - 50000	48	34
4	Above 50000	43	31
	<b>Total</b>	<b>140</b>	<b>100</b>

Source Primary Data

The above table 7 shows that out of 140 respondents 12(9 Per cent) of the respondents get monthly income up to Rs.25000, 37(26 per cent) of them earning Rs.25001-30000, 48 (34 per cent) of the respondents getting Rs.30001-50000 as their monthly income and the remaining 43(31 percent) of the respondents earning above Rs.50000 per month.

Association between demographic profile and level of satisfaction towards gold loans offered by NBFCs

Age and level of satisfaction

The researcher analyzed the association between the age and level of satisfaction towards gold loans offered by NBFCs and presented in the following table.

**Table 8**

Age and level of satisfaction

Sl. No.	Age	Level of Satisfaction			Total
		High	Medium	Low	
1.	Up to 30	5	10	2	17
2.	31 - 40	9	16	8	33
3.	41 - 50	21	19	11	51
4	Above 50	7	28	4	39
	<b>Total</b>	<b>42</b>	<b>73</b>	<b>25</b>	<b>140</b>

Source Primary Data

**Table 9**

Sl. No.	Particulars	Values
1.	Calculated value ( $\chi^2$ )	12.157
2.	Degrees of freedom	6
3.	Table value	12.592
	Inference	Insignificant

From the above analysis it is seen that the calculated value (12.157) of Chi-square is less than the table value (12.592), and hence the null hypothesis is accepted. Thus, the age of the respondents is independent to the level of satisfaction towards gold loans offered by NBFCs.

Gender and level of satisfaction

The researcher analyzed the association between the gender and level of satisfaction towards gold loans offered by NBFCs and presented in the following table.

**Table 10**

Gender and level of satisfaction

Sl. No.	Gender	Level of Satisfaction			Total
		High	Medium	Low	
1.	Male	17	41	19	77
2.	Female	25	32	6	63
	Total	42	73	25	140

Source: Primary data

**Table 11**

Gender and level of satisfaction -Chi-square Test

Sl. No.	Particulars	Values
1.	Calculated value ( $\chi^2$ )	8.07
2.	Degrees of freedom	2
3.	Table value	5.99
	Inference	Significant

It is inferred from the above table that the calculated value (8.07) of Chi-square is greater than the table value (5.99), and hence the null hypothesis is rejected. Thus, the gender of the respondents is dependent to the level of satisfaction towards gold loans offered by NBFCs.

## 5. MARITAL STATUS AND LEVEL OF SATISFACTION

The researcher analyzed the association between the marital status and level of satisfaction towards gold loans offered by NBFCs and presented in the following table.

**Table 12**

Sl. No.	Marital status	Level of Satisfaction			Total
		High	Medium	Low	
1.	Married	23	65	4	92
2.	Unmarried	19	8	21	48
	Total	42	73	25	140

Source Primary Data

**Table 13**

Marital status and level of satisfaction

Sl. No.	Particulars	Values
1.	Calculated value ( $\chi^2$ )	175.19

2.	Degrees of freedom	2
3.	Table value	5.99
	Inference	Significant

From the above analysis it is seen that the calculated value (175.19) of Chi-square is greater than the table value (5.99), and hence the null hypothesis is rejected. Thus, the marital status of the respondents is dependent to the level of satisfaction towards gold loans offered by NBFCs.

## 6. FAMILY NATURE AND LEVEL OF SATISFACTION

The researcher analyzed the association between the family nature and level of satisfaction towards gold loans offered by NBFCs and presented in the following table.

**Table 14**

Sl. No	Family nature	Level of satisfaction			Total
		High	Medium	Low	
1	Nuclear	16	65	5	86
2	Joint	26	8	20	54
	Total	42	73	25	140

Source Primary Data

**Table 15**

Family nature and level of satisfaction -Chi-square Test

Sl. No.	Particulars	Values
1.	Calculated value ( $\chi^2$ )	51.22
2.	Degrees of freedom	2
3.	Table value	5.99
	Inference	Significant

From the above analysis it is seen that the calculated value (51.22) of Chi-square is greater than the table value (5.99), and hence the null hypothesis is rejected. Thus, the family nature of the respondents is dependent to the level of satisfaction towards gold loans offered by NBFCs.

Educational qualification and level of satisfaction

The researcher analyzed the association between the educational qualification and level of satisfaction towards gold loans offered by NBFCs and presented in the following table.

**Table 16**

Educational qualification and level of satisfaction

Sl. No	Education	Level of satisfaction			Total
		High	Medium	Low	
1	Up to SSLC	2	9	3	14
2	HSC	6	20	2	28
3	Graduates	3	11	5	19
4	Professional	15	17	11	43
5	Others	16	16	4	36
	Total	42	73	25	140

Source Primary Data

**Table 17**

Educational qualification and level of satisfaction

Sl. No.	Particulars	Values
1.	Calculated value ( $\chi^2$ )	28.48

2.	Degrees of freedom	8
3.	Table value	12.6
	Inference	Significant

From the above analysis it is seen that the calculated value (28.48) of Chi-square is greater than the table value (12.6), and hence the null hypothesis is rejected. Thus, the number of family members of the respondents is dependent to the level of satisfaction towards gold loans offered by NBFCs.

## 7. FINDINGS

- The important findings of the study are:
- Majority 51(36 percent) of the respondents comes under the age group of 41 – 50 years.
- Most 77(55 percent) of the respondents are male.
- From the total 140 respondents 92(66 percent) of them are married.
- Majority 86(61 percent) of the respondents belongs to nuclear family.
- Most of the respondents 43(31 percent) are Graduates.
- Majority 52(37 percent) of the respondents are private employees.
- The monthly income of 48(34 percent) of the respondents are Rs 30001 – 50000.

The demographic factors such as gender, marital status, nature of the family, and educational qualification are dependent and the age factor is independent towards the level of satisfaction of the respondents towards gold loans offered by NBFCs in the study area.

## 8. CONCLUSION

Customer satisfaction is crucial for the success and sustainability of gold loan services offered by NBFCs, as it directly influences customer loyalty, retention, and brand reputation. In a competitive market, satisfied customers are more likely to recommend services and continue their financial relationship with the NBFC, thereby driving growth and market share. Factors such as transparent processes, fair valuation of gold, competitive interest rates, quick disbursement, and convenient repayment options play a significant role in enhancing customer satisfaction. Moreover, addressing customer grievances promptly and offering personalized solutions foster trust and strengthen the NBFC's position in the gold loan segment. Ultimately, prioritizing customer satisfaction not only helps NBFCs differentiate themselves but also ensures they contribute effectively to financial inclusion and economic empowerment.

## CONFLICT OF INTERESTS

None.

## ACKNOWLEDGMENTS

None.

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