



A Study on Consumer Satisfaction of Jewel Loan in State Bank of India with Special Reference to Spic Nagar Branch

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(Abstract)

Jewel Loan is the loan given against jewel. Many nationalized banks, private banks and other financial companies offer this loan at attractive rate. Many go for short period to meet the requirement to their children's education, marriage and other financial problem in the family. Moreover with the rise gold rates the demand from companies and banks offering such loans have risen. This study has made an attempt to analyze the consumer satisfaction of jewel in the State Bank of India, Spic Nagar extension branch, Thoothukudi district. It is observed that every day people approached the bank to get jewel loan. Also, the banker that jewel loan is the major component of the total loan of the bank. Such exposure prompted to undertake a study. Given this situation this paper attempts to analyze the performance of the Spic Nagar extension branch of State bank of India in extending jewel loan and to elicit the opinion of jewel loan borrowers of the bank. From the study it is clear that majority of the jewel loan borrowers are satisfied with the jewel loan which is availing in the bank. Moreover most of the respondents were keen to access the bank for agriculture jewel loan and other financial purposes. Among the jewel loan borrowers in the study area, some of them faced problems while transacting with Indian bank, lengthy processing of jewel loan, time constraints and difficult to communicate with Spic Nagar extension branch. The bank has to take initiative to improve its lending services to the borrowers



as a matter of fulfilling their social obligations to the jewel loan borrowers for have growth in future as better, bigger and higher.

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Introduction

Jewel Loan is the loan given against jewel. Many nationalized banks, private banks and other financial companies offer this loan at attractive rate. Many go for short period to meet the requirement to their children's education, marriage and other financial problem in the family. Gold has traditionally been among the most liquid assets and is an accepted universal currency. It has traditionally been consumed by individuals in the form of jewelry, especially in India where it is considered auspicious. India is one of the largest markets for gold, accounting for approximately 10 percent of the total world stock as of 2015. Rural India accounting for 65 percent of gold stock though gold prices have increased at more than 19 percent from 2002. The

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demand for gold as followed a regional with Sothern India accounting for 40 percent of annual demand.

Significance of Jewel Loan

Jewel loan doesn't demand any certificate to show your salary or income and even no credit card history is required. Thus even salary or income and even employed and non-working people can go for jewel loan. One of the main advantages of jewel loan is its interest rate. Usually loan over jewel is provided at the rate of interest of 7-14 percent per annum and this is quite low compared to personal loans available at rate of interest of 15-26 percent per annum. In rural areas agriculture loan against jewel loan available for agriculture at very nominal rate of interest of 7 percent supporting with proof of agriculture documents needs to be provided.

Statement of the Problem

Among the different types of loans, jewel loan are preferred by both the banker and the borrower. Banks prefer jewel loans on account of rising trend in the value of jewels which are offered as security and its marketability. Borrowers favor jewel loans as they are able to get immediate credit on the security of jewels. This study has been made an attempt to analyze the consumer satisfaction of jewel in the State Bank of India, Spic Nagar extension branch, Thoothukudi district.

Objectives of the Study

1. To analyze the performance of the Spic Nagar branch of State Bank of India in extending jewel loan.
2. To elicit the opinion of jewel loan borrowers of the bank.

Methodology

This study is based on both primary and secondary data. Data relating to the jewel loan extended by the bank, views expressed by the borrowers about jewel loan constitute primary data

for the study. They were collected by through interview schedule. To ascertain the views of the jewel loan borrowers of the bank, the 50 borrowers have been contacted. Convenient sampling method has been use to select the sample borrowers. Percentage analysis has been the used to analyze the data collected to draw the meaningful inferences.

Performance of the branch

Table-1 shows the details of the year wise distribution of agriculture jewel loan during the study period. It is observed that the throughout the study period, there is a gradual increase of jewel loan by this branch. Loan per account is fluctuating throughout the study period. During the study period the average quantum of total agricultural jewel loan of the bank stood at Rs.4.55 crores. During the period under study the average number of accounts is 1039.

Table -1
Jewel Loan for Agriculture

Year	Number of Account	Amount (in Crores)
2011-12	1,263	5.17
2012-13	34	0.19
2013-14	596	2.80
2014-15	2,248	9.70
2015-16	1,052	4.93
Total	5,193	22.79
Average	1039	4.55

Source: Record of State Bank of India, Spic Nagar Extension branch, Thoothukudi

Table - 2
Year wise distribution of Jewel Loan Non-Priority of State Bank of India

Year	Number of Account	Amount (in Lakhs)
2011-12	Nil	Nil
2012-13	15	41.41
2013-14	20	51.41

2014-15	144	146.31
2015-16	161	227.63
Total	340	466.78
Average	68	116.69

Source: Record of State Bank of India, Spic Nagar Extension branch, Thoothukudi

Table-2 shows the details of the year wise distribution of jewel loan non- priority of Indian bank during the study period. Throughout the study period, there is a moderate growth of jewel loan under the Non-Priority sector. Loan per account is fluctuating throughout the study period. During the study period the average quantum of total jewel loan under the non-priority sector category of the bank stood at Rs.116.69 lakhs. During the period under study the average number of accounts stood at 68.

Table-3 shows the details of the year wise distribution of jewel loan for trader's priority of State Bank of India during the study period. All over the study period, there is an increasing trend in the number of borrowers and the total amount of loan. Loan per account has a fluctuating trend throughout the study period. During the study period the average quantum of total jewel loan for traders under priority sector category loan of the Bank stood at Rs 8.77crores. During the period under study the average number of accounts stood as 1706.40.

Table -3
Year wise distribution of Jewel Loan for Traders (Priority) of State Bank of India

Year	Number of Account	Amount (in Crores)
2011-12	985	4.95
2012-13	2,393	12.66
2013-14	2,201	11.51
2014-15	802	4.91
2015-16	2,151	9.80
Total	8,532	43.85
Average	1,706.40	8.77

Source: Records of State Bank of India, Spic Nagar Extension branch, Thoothukudi

Views of the Jewel Loan Borrowers

Table - 4
Gender wise Classification of Jewel Loan Borrowers

SI No	Gender	No of Respondents	Percentage
1	Female	33	66
2	Male	17	34
	Total	50	100

Source: Primary data

From the table-4, it is clear that out of 50 customers contacted 34 percent of respondents are male members and another 66 percent of them are female customers. Hence majority that is 66 percent of the jewel loan borrowers were female members in the Spic Nagar branch of State Bank of India.

Table - 5
Age wise Classification of the Sample Respondents

SI No	Age Group	No of Respondents	Percentage
1	Below 25 Years	2	4
2	26-35 Years	19	38
3	36-45 Years	18	36
4	Above 45 Years	11	22
	Total	50	100

Source: Primary data

From the table-5 shown that 38 percent of the sample jewel loan borrowers of the bank were 25-35 years of age, while 36 percent of them belong to 35-45 years of age. Out of total respondents 22 percent of the borrowers contacted were in age group of above 45 years. Only 4 percent of the sample jewel loan borrowers were in the age group of below 25 years. Hence, among 50 borrowers contacted the 74 percent of the jewel loan borrowers were in age group of 25-45 years.

Table - 6
Monthly income of the Respondents

SI No	Monthly Income (Rs)	No of Respondents	Percentage
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1	Below 10000	25	50
2	10000-20000	17	34
3	Above 20000	8	16
	Total	50	100

Source: primary data

Table-6 shows the details of monthly income of the respondents during the study period. Among the respondents, 50 percent of the sample jewel loan borrowers earn a monthly income below Rs.10000. Out of total respondents 34 percent of each of the sample jewel loan borrowers contacted earn a monthly income between Rs.10000- Rs.20000. Remaining 16 percent of the sample jewel loan borrowers contacted earn a monthly income above Rs.20000. Hence 50 percent of the sample jewel loan borrowers contacted had a monthly income of below Rs.10000.

Table - 7

Classification of Respondents according to type of Account maintained

SI No	Type of Account	No of Respondents	Percentage
1	Savings Account	32	64
2	Current Account	5	10
3	Fixed Deposit Account	7	14
4	Recurring Deposit	6	12
	Total	50	100

Source: Primary data

Table-7 shows the details of monthly income of the respondents during the study period. Among the respondents, 64 percent of the respondents have the savings account. Out of total respondents 14 percent of the respondents have the fixed deposit account, while 12 percent of the respondents have the recurring deposit account. Remaining 10 percent of the respondents have the current account. Hence majority that is 64 percent of the sample jewel loan borrowers contacted had a savings account.

Table-8 shows the details of reasons to State Bank of India among the respondents during the study period. Among the respondents, 32 percent of them have chosen this branch for safety and security. Twenty eight percent of the jewel loan borrowers have chosen this branch due to

lower rate of interest, while 26 percent of the jewel loan borrowers have selected this branch for better customer service. Only 14 percent of the sample jewel loan borrowers have selected this branch due to locational advantage. Hence of 50 percent of the jewel loan borrowers contacted have preferred the Spic Nagar branch.

Table – 8
Reasons to choose State Bank of India, Spic Nagar branch: views of sample Jewel Loan borrowers

SI No	Reason	No of Respondents	Percentage
1	Location	7	14
2	Safety & Security	16	32
3	Customer Service	13	26
4	Rate of Interest	14	28
	Total	50	100

Source: Primary Data

Table - 9
Classification of Respondents based on Category of Jewel Loan Availed

SI No	Type of Jewel Loan	No of Respondents	Percentage
1	Jewel Loan – Agriculture	32	64
2	Jewel Loan For Traders	5	10
3	Jewel Loan- Non Priority	13	26
	Total	50	100

Source: Primary data

Table-9 shows the classification of the respondents based on category of jewel loan availed during the study period. Out of 50 sample respondents, 64 percent of the jewel loan borrowers have obtained agriculture jewel loan. Another 26 percent of the jewel loan borrowers have received jewel loans under non – priority sector category. Remaining 10 percent of the jewel loan borrowers have received jewel loan jewel loan for traders under Priority sector advances. Hence majority that is 64 percent of the jewel loan borrowers are agriculture loan borrowers.

Table-10 shows the details of the rate of interest charged for jewel loan during the study period. Out of total respondents 64 percent of the sample jewel loan borrowers have availed credit at 7 percent rate of interest. Only 18 percent of the sample jewel loan borrowers have availed credit at 10.95 percent rate of interest. Among them 10 percent, 8 percent of the sample jewel loan borrowers have availed credit at 12.75, 13.75 percent rates of interest respectively. Hence majority 64 percent of the jewel loan borrowers contacted the availed agriculture jewel loan at 7 percent rate of interest.

Table - 10
Rate of Interest charged for Jewel Loan

Sl No	Rate of Interest (%)	No of Respondents	Percentage
1	7	32	64
2	10.95	9	18
3	12.75	5	10
4	13.75	4	8
	Total	50	100

Source: Primary data

Table - 11
Amount of Jewel Loan Sanctioned : Views of Jewel Loan Borrowers

Sl No	Sanctioned Amount (Rs)	No of Respondents	Percentage
1	Up to 50000	23	46
2	50000 - 100000	10	20
3	100000 - 200000	11	22
4	Above 200000	6	12
	Total	50	100

Source: Primary data

Table-11 shows the details of the amount of jewel loan sanctioned by bank during the study period. Twenty three customers responding 46 percent of the sample respondents have sanctioned up to Rs, 50,000 another 10 customer responding 20 percent of the samples have been availed jewel loan ranging from Rs.50000 to 100000. Another 11 customers (i.e 22 percent) have been sanctioned loan between Rs100000-200000. The rest (i.e 6 percent) have been sanctioned

loan between above 200000. Hence majority 46 percent of the jewel loan borrowers contacted have sanctioned amount up to 50000.

Table -12
Purpose for which the Jewel Loan were availed by the Respondents

SI No	Purpose	No of Respondents	Percentage
1	Medical	3	6
2	Education	11	22
3	Business	11	22
4	Others	25	50
	Total	50	100

Source: Primary data

Table-12 shows the details of the amount of jewel loan sanctioned by bank during the study period. Out of total respondents the 50 percent of them have obtained it to meet out the other expenses. The 22 percent of jewel loan borrowers contacted have obtained jewel loan for business purposes, at the same time as 22 percent of them have obtained it to meet out the educational expenses and 6 percent of jewel loan borrowers have received the loan to meet out their medical expenses. Hence majority 50 percent of the jewel loan borrowers contacted have received jewel loan for their others activities.

Table - 13
Loan availed by the Respondents in other Banks: Views of Sample borrowers

SI No	Response	No of Respondents	Percentage
1	No	42	84
2	Yes	8	16
	Total	50	100

Source: Primary data

Table-13 shows the details of the loan availed by the respondents in other banks during the study period. Out of the sample are respondents, 84 percent of the respondents do not have loan in any other bank. Remaining 16 percent of the respondents have loan in other banks. Hence majority 84 percent of the jewel loan borrowers do not have loan in any other bank.

Table - 14

Level of Satisfaction of the Respondents regarding the amount given per gram of Gold

SI No	Response	No of Respondents	Percentage
1	Satisfied	40	80
2	Dissatisfied	10	20
	Total	50	100

Source: Primary data

Table-14 shows the details of the level of satisfaction of the respondents regarding the amount given per gram of gold. Among the all respondents the 80 percent of jewel loan borrowers are satisfied with the loan amount given by the State Bank of India. Remaining 20 percent of jewel loan borrowers contacted were not satisfied with the amount given as loan per gram in the State Bank of India because Non Banking Financial Companies (NBFC) are giving more amounts per gram than the Indian bank, whispered by my bank jewel loan borrowers. Hence majority 80 percent of the jewel loan borrowers are satisfied with the loan amount given by the State Bank of India.

Table - 15

Classification of Respondents regarding the Adequacy of Loan Amount Sanctioned

SI No	Response	No of Respondents	Percentage
1	Yes	37	74
2	No	13	26
	Total	50	100

Source: Primary data

Table -15 shows the details of the classification of respondents regarding the adequacy of loan amount sanctioned. Out of total respondents, 74 percent of the respondents have said that loan provided by bank has adequate for their needs. Remaining 26 percent of the respondents have said that loan provided by bank has not adequate for their needs. Hence majority 74 percent of the respondents have said that loan provided by bank has satisfied for their needs.

Table - 16

Level of Satisfaction of the Respondents regarding the services provided by the Bank

SI No	Response	No of Respondents	Percentage
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1	Satisfied	36	72
2	Not – Satisfied	14	28
	Total	50	100

Source: Primary data

Table – 16 shows the details of the level of satisfaction of the respondents regarding the services provided by the bank. Out of total respondents, 72 percent of the jewel loan borrowers are satisfied with the service provided by the banker. Only 28 percent of the jewel loan borrowers contacted said that they are not satisfied with the service provided by the banker. Less loan per gram of gold and inordinate delay are the reasons quoted by them for dissatisfaction. Hence majority 72 percent of the jewel loan borrowers are satisfied with the service provide by the banker for timely credit is the reason quoted for this satisfaction.

Table - 17
Time taken by the Banker to sanction the Jewel Loan

SI No	Duration	No of Respondents	Percentage
1	Less than 1 Hour	10	20
2	1 to 2 Hours	15	30
3	More than 2 Hours	25	50
	Total	50	100

Source: Primary data

Table – 17 shows the details of the time taken by the banker to sanction the jewel loan. Out of total respondents, 50 percent of the jewel loan borrowers said the bank has taken more than 2 hours for sanction the jewel loan. Another 30 percent of them said that they wait for 1 to 2 hours to get sanctioned. Remaining 20 percent of the jewel loan borrowers contacted felt that within 1 hour, they were able to get a jewel loan. Hence majority 50 percent of the jewel loan borrowers said the bank has taken more than 2 hours for sanction the jewel loan.

Table - 18

Classification of the Respondents regarding the difficulty in getting Jewel Loan

SI No	Response	No of Respondents	Percentage
1	Difficult to get	12	24
2	Easy to get	38	76
	Total	50	100

Source: Primary data

Table – 18 shows the classification of the respondents regarding the difficulties in getting jewel loan. Out of total respondents, 76 percent of the jewel loan borrowers do not face any difficulty while getting the jewel loan. Another 24 percent of them face difficult while getting the jewel loan. Hence majority 76 percent of the jewel loan borrowers do not face any difficulty while getting the jewel loan borrowers.

Conclusion

The significance of advances for a bank need not be overemphasized. Among the different types of loans, jewel loans are preferred by both the banker and the borrower. Banks prefer jewel loan on account of raising trend in the value of jewels. From the study it is clear that majority of the jewel loan borrowers are satisfied with the jewel loan which is availing in the bank. Moreover most of the respondents were keen to access the bank for agriculture jewel loan and other financial purposes. Among the jewel loan borrowers in the study area, some of them faced problems while transacting with State Bank of India, lengthy processing of jewel loan, time constraints and difficult to communicate with Spic Nagar extension branch. The bank has to take initiative to improve its lending services to the borrowers as a matter of fulfilling their social obligations to the jewel loan borrowers for have growth in future as better, bigger and higher.

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