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A Critical Study of Consumer Satisfaction Toward Gold Loan Scheme by Muthoot Finance in India

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Abstract---It has been found that Indian family is keeping gold with them. However, in past, these families were not taking gold loans frequently. Now the financial institutions have promoted gold loans aggressively. The result of the same is absorbed in current research where most of the coasters are taking a gold loan and there also reeducated gold loan in future. The scenario has changed because now people are thinking that a gold loan is one of the most accusable and comfortable loans. The research is carried out to identify the awareness and satisfaction level of the gold loan regarding by Muthoot finance bank. The research is based on secondary data. The study focused on the awareness and satisfaction level of the customers.

Keywords---consumer, financial institutions, gold loan, muthoot finance bank, satisfaction.

Introduction

The most prominent model that monetizes gold is the gold jewelry loan segment. As Indians own huge quantities of gold jewelry, the loan against gold makes good business sense. The gold loan segment unlocks the hidden economic lying idle. It is a very useful concept of converting physical savings into money. In India, a large number of banks and NBFC'S are extending loans against the used gold jewels and ornaments at a specific loan to value ratio (Kannan, 2020; Sudarśan, 2015). There are several reasons for this sharp upward trend in gold loans in recent years. It is convenient flexibility of loan options, liberal loan to value ratio, easy to conform documentation led to the expansion of gold loans and geographical expansion of gold loan companies also facilitated the loan delivery. The size of gold loans shows an upward trend due to the price increase of gold and the limited availability of retail and personal loans from banks. Business coincided with large imports of gold, large scale financing of NBFC'S by bank

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make apprehension that overall systemic stability is threatened (Narayanan et al., 2017; George & Kurian, 2014).

Human being has an inherent aspiration to acquire and possess gold and silver. This esteem for gold profound as any of our most basic drives (Mukherjee & Mukherjee, 2020; Chitra & Shobana, 2017). All through history, this awareness of the value of gold has basis society and cultures to maintain the gold standard. Unfortunately, Kings, Rules, and Politicians on numerous occasions, have abandoned the gold standard and either forced or swindle its citizens into an artificial monetary system. Their systems have never lasted because eternal laws are being broken. There has never been in the history of the world, single nation, which left the gold standard that did not end up with an economic collapse. The USE is currently breaking a record for the longest period that a nation has endured after breaking the Gold standard (Merton, 1995; Fields et al., 2004). Our system will crash It's just a matter of "When" Gold loans can be availed of at co-operative bank, public sector bank, and other private lenders. Some banks, however, offer it only in certain regions, the only disadvantages while private lenders process the loan in less than a couple of hours, some co-operative and public sector banks may take up to a personal loan (Berger et al., 1993; Timmer, 2018). Loan to, in any case, the time is much less than the minimum three days of processing time for a personal loan. Loan to value to the maximum ratio of the loan size to the value of the assets for a gold loan is on par with that of the personal loan (Nadarajan & Sreekanth, 2016; Narayanan et al., 2020).

Advantages of gold loan

The gold loan doesn't demand any certificate to show your salary or income and even no credit card history is required. Thus even unemployed and non-working people can go for gold loans.

- Unlike any other unsecured loan, the gold loan doesn't require many papers, only a few documents such as ID proof and address proof are enough to avail for such a loan.
- One of the main advantages of a gold loan is its low interest rates. Usually, a loan over gold is provided at the interest of 12-16% per annum and this is quite low compared to personal loans available at interest rates of 15-26% per annum (Wagner, 2010; Berger & Humphrey, 1997).
- In rural areas Agricultural loan against gold is also available for agriculturist at a very nominal rate of Interest of 7%-8%, proof of agricultural document needs to be provided
- Gold loan is the most simple and convenient form of loan because here all you need to do is pledge your gold with a bank or finance company and get up to 80% of the market value of the gold as a loan.

Objective

- To identify about awareness level of a gold loan.
- To measure the satisfaction level of existing customers of Muthoot Finance.

Research methodology

The research paper is based on secondary data collected.

Data collection

Data has been collected from newspapers, books, magazines, reports, and websites.

Results

- According to the research, most people are aware of the gold loan.
- According to the research, most people taking a gold loan.
- Most of the customers of Muthoot Finance Bank are satisfied with the interest rate of a gold loan.
- According to the research, most people are satisfied with the service provided by the bank and the gold loan process.
- According to the research, the information provides about the gold loan scheme by referring to newspapers and magazines.
- Most of the people are suggest the Muthoot finance bank in aver friends and relatives because of the bank are provided good service and the batter communication.
- According to the research, most people are taking the gold loan for the reason of the nonavailability of the fund.
- According to the research, most people are taking a gold loan in the future.
- Very few people are not aware of the gold loan, those people are don't take gold loans.

Conclusion

The present research focuses on Muthoot Finance as a gold loan provider it is found that Muthoot Finance maintaining a very good relationship with the coasters hence, its business is going on. At the same time, Muthoot is making sure that its services can be which to the masses. Overall, this research can be concluded same the gold loan awareness among the customers is increasing and the gold loan is becoming popular day by day (Mehran & Stulz, 2007; Froot & Stein, 1998).

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