

To Study the People's Perception Towards Gold Loan Finance with The Reference of Bardoli Region

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Abstract

The study's aim is to learn about how people feel about gold loans. In addition, factors impacting gold acquisition and gold loan acquisition were investigated. To learn about people's attitudes toward gold loans in the Bardoli area. To get the results of my research study about "To study the people's perception towards gold loans finance with the reference of Bardoli region," I used a descriptive research design and a primary data collection method to achieve the study's goal. A total of 161 people were surveyed for this study. Data was collected for this study from a questionnaire completed by residents of the Bardoli region. Following the data collection via questionnaire, I need to know what people's perceptions on gold loans are. The public opinion of gold loans is that they are preferable to personal loans. The vast majority of people borrow gold from banks rather than NBFCs. People choose simple instalment as a mode of payment for gold loans. People believe that getting a gold loan is a simple process that takes less time.

Keywords: Gold loan, People's Perception, Gold, NBFCs

Date of Submission: 06-05-2021

Date of Acceptance: 19-05-2021

I. Introduction

"To investigate people's perceptions of gold loan financing with a focus on the Bardoli region," the topic reads. A gold loan is a guaranteed loan obtained from an investor by guaranteeing the borrower's gold articles as collateral. The loan sum is calculated as a percentage of the gold. Depending on the actual market demand and condition of gold, up to 80%. A gold loan is equivalent to a personal loan in that it can be used to fulfil your immediate financial needs, such as for overseas education, marital costs, medical emergencies, or other personal reasons. According to a report undertaken by the World Gold Council, Indian households have a record gold reserve of 24000 tons worth approximately \$ 800 billion, and a significant portion of this gold is blocked with Indian households, remain idle and not contributing to the Indian economy. Loans on gold are not new to the Indian economy; in reality, the old unorganized lenders are still in business, mostly offering loans on gold to the poor to meet their needs. In addition to unorganized lenders, a growing number of banks and non-bank financial companies (NBFCs) have begun to provide mortgage loans in recent years. On the basis of primary data, this study attempts to explain gold loan perception in India and to determine if there is a relationship between demographic profile of consumers and their desire for gold monetization.

II. Literature Review

Geetha and Jancy (2014) had investigated on "The attitude towards gold loan." This study is descriptive in nature and aims to deepen the understanding of the Indian gold loan market. Also tried to know the difference between the conventional personal loans and gold loans. And attempted various purposes for which clients acquire gold loans. The study shows that the respondents preferred gold loans from the banks, and most of the respondents use the fund for their consumption smoothing.

G. Maria Delicia Helina (2017) presented on "Consumer perception toward Muthoot finance Limited - A study on toothukudi." The present paper identifies the various factors which are considered by borrowers while availing the gold loan and the various reasons for opting Muthoot Finance for availing gold loan. The studied also identifies the various demographic factors like gender, age, income level, educational background of the borrowers which have an impact in opting Muthoot Finance for availing gold loan.

Dr. Mahima Gupta (2019) studied on "A study on consumer attitude and perception towards gold loan with reference to beawar city." This paper presented the various factors which are considered by borrowers while availing the gold loan. The gold loans have appeared as mostly use as quick & short-term capital. Gold loans were preferred more than traditional personal loans due to less procedures, fast disbursement and easy EMI. The study shows that the respondents preferred gold loans from the banks, NBFCs and most of the respondents use the fund for their consumption smoothing.

Dr. Arifur Rehman Shaikh & Prof. Shrirang A. Deshpande (2012) presented on “Customer’s perception towards Muthoot finance ltd. - a study in belgaum city, Karnataka state.” The paper identified the various factors which are considered by borrowers while availing the gold loan and the various reasons for opting Muthoot Finance for availing gold loan. Also studied on various demographic factors like gender, age, income level, educational background of the borrowers which have an impact in opting Muthoot Finance for availing gold loan.

Aarti Varma (2013) investigated on “Gold loan: A study on consumer perception with reference to thane region.” For the present study gold loan companies operating are selected, some of the gold loan companies operating in thane region. Data used in this paper was primary and secondary. Gold has been a value commodity particularly in India. Possession gold has been a symbol of prosperity.

III. Objective of the research

The aim of this descriptive analysis is to gain a better understanding of the Indian gold loan industry. As a result, the following goals are being pursued in this research:

- To know the people’s perception towards gold loan.
- To find out consumer attitude towards choosing gold loans.

IV. Research methodology

Research Design: Descriptive research was used in this analysis. Multiple cross-sectional studies are used in descriptive research.

Sample Size: The survey sample size for this project is 161 people from the Bardoli Region.

Sources of Data Collection: This study employs the questionnaire approach to gather primary data.

Research Techniques: The frequency was used to analysed the data. Mean, Standard Deviation and T- test have been used for research analysis.

Discussion on the findings of the study

A questionnaire survey with a sample size of 161 peoples was used to collect data. The findings were examined using frequency analysis. In this analysis, the Mean, standard deviation and T- test were used. Easy procedure of loan is the accepted factor of influencing gold loan.

V. Analysis of Data

In this section, the researcher tries to analyse the data and based on that draw some conclusions. Table 1 represents the respondent demographic profile.

Table 1: Percentage Analysis					
Questions	No. of Investors	% age	Questions	No. of Investors	% age
Gender			Education		
Male	130	80.7%	Below HSC	16	9.9%
Female	31	19.3%	HSC	50	31.1%
Total	161	100%	Graduated	56	34.8%
Occupation			Post Graduated	35	21.7%
Student	17	10.6%	Others	4	2.5%
Businessman	53	32.9%	Total	161	100%
Serviceman	29	18.0%	Age group		
House Wife	13	8.1%	18-25	35	21.7%
Farmer	36	22.4%	26-35	62	38.5%
Others	13	8.1%	36-50	56	34.8%
Total	161	100%	Above 50	8	5.0%
No. of Members in the Family			Total	161	100%
2 to 3	35	21.7%	Income (Rs.)		
4 to 5	106	65.8%	1,00,000 – 3,00,000	46	28.6%
6 & More	20	12.4%	3,00,000 – 5,00,000	51	31.7%
Total	161	100%	5,00,000 and Above	40	24.8%
Marital Status			Less than 1,00,000	24	14.9%
Married	118	73.3%	Total	161	100%
Unmarried	43	26.7%			
Total	161	100%			

From the above and table respectively, out of 160 respondents, 89.7% of the respondents are male whether 19.3% of the respondents are female. 21.7% of the respondent belongs to the age between 18 to 25, 38.5% of the respondent belongs to the age group of between 26 to 35 year, 34.8% of the respondent belongs to the age group of between 36 to 50 years, 5% of the respondent belongs to the age group of above 51 years. Out of 161 respondents, 73.3% of the respondents are married whether 26.7% of the respondents are unmarried.

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24.8% of the respondents are having the income is more than 500000. 21.7% are having 2 to 3 members, 65.8 % are having the income 4 to 5 members and 12.5% having 6 or more members. In the Occupation wise, 32.9% of the respondents are Businessman, 22.4% of the respondents are farmers, 8.1% of the respondents are Housewives,8.1% of the respondents are other categories, 18% of the respondents are servicemen, and 10.6% of the respondents are students. Among 161 sample population 9.9% are below HSC, 34.8% are Graduates, 31.1% are HSC, 2.55 belongs to other categories and 21.7% are the post graduate.

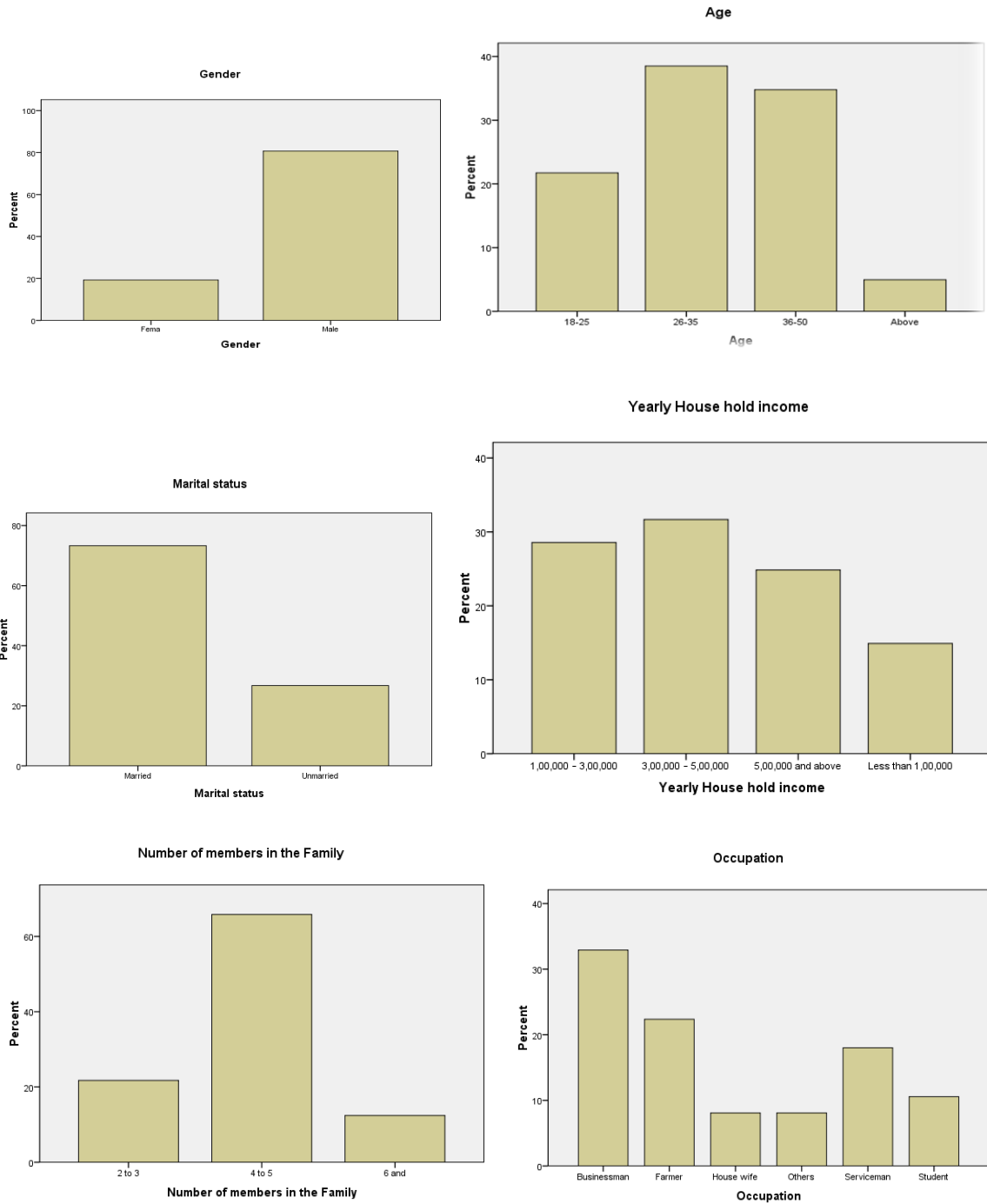
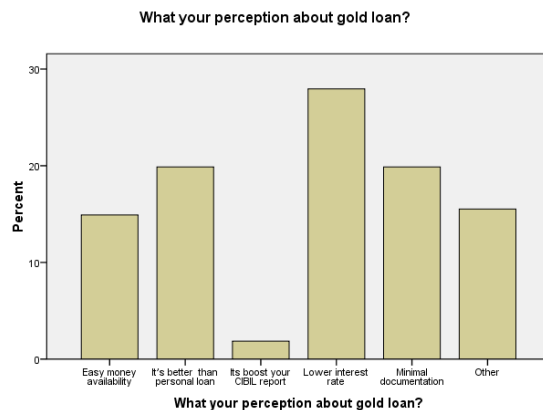
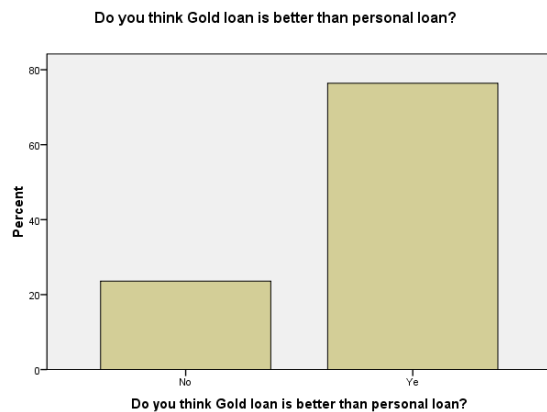
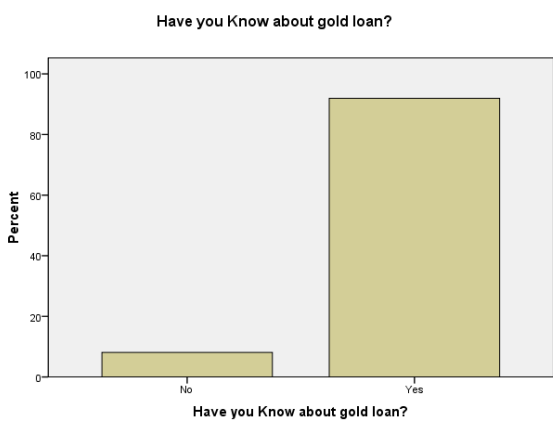


Table: 2 People Perception towards Gold loan					
	Freq.	% age		Fre.	% age
Have you know about gold loan?			Purpose of taking gold loan?		
Yes	148	91.9%	Consumption Smoothing	41	25.5%
No	13	8.1%	Education need	8	5.0%
Total	161	100%	Meeting medical expenses	23	14.3%
Do you think gold loan is better than personal loan?			Other	48	29.8%

Table: 2 People Perception towards Gold loan

	Freq.	% age		Fre.	% age
Yes	123	76.4	Purchase of household assets	32	19.9%
No	38	23.6%	To repay previous debt	9	5.6%
Total	161	100%	Total	161	100%
What your perception about gold loan?			From where you prefer to avail gold loan?		
Easy money availability	24	14.9%	Banks	120	74.5%
It's better than personal loan	32	19.9%	NBFCs	23	14.3%
It's boost your CIBIL report	3	1.9%	Other	18	11.2%
Lower interest rate	45	28.0%	Total	161	100%
Minimal documentation	32	19.9%	What is your perception towards gold loan?		
Other	25	15.5%	Excellent	45	28.0%
Total	161	100%	Good	58	36.0%
Which modes of repayment you prefer for repay gold loan?			Very good	57	35.4%
Cash Payment	43	26.7%	Poor	1	0.6%
Easy Instalment	60	37.3%	Total	161	100%
Lump sum	58	36.0%			
Total	161	100%			

Above table interpret that 91.9% people is known about Gold Loan and rather only 8.1% people are not known about Gold Loan. 76.4% people think that Gold loan is better than Personal loan and remaining 23.6% are not from the 161 total respondent. 1.9% people's perception is Gold loan is boost CIBIL report, 28% people's perception is Gold loan interest rate is low, 19.9% people's perception is documentation for gold loan is minimum and 15.5% people's perception is other than this. 74.5% are prefer to avail gold loan from banks, 14.3% are prefer to avail gold loan from NBFCs, and 11.2% are prefer to avail gold loan from other. 26.7% prefer to repay gold loan through cash payment, 37.3% are choose easy instalment and 36% prefer lump sum. 28% respondent perception about gold loan is excellent, 36% are percept good, 0.6% think its poor and 35.4% perception is very good about gold loan among the 161 respondent.



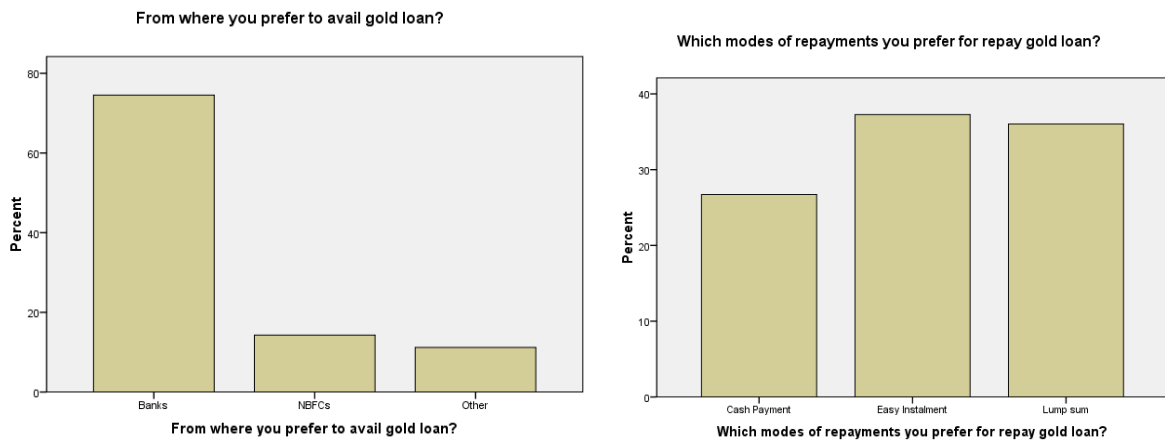


Table: 3 Factor influencing of taking gold loan.		
	P	Result
Speedy time of taken	.101	Accepted
Easy procedure for loan	.719	Accepted
Depreciation of underlying assets	.000	Rejected
Fulfilled the financial needs	.000	Rejected
Low interest rates charges	.000	Rejected
Safety purpose	.000	Rejected

Above Table suggested that null hypothesis is fails to reject b of speedy time of taken and Easy procedure for loan. On the other hand, depreciation of underlying assets, fulfilled financial needs, low interest rates charges and safety purpose of the factor influencing of taking gold loan is not accepted.

Table: 4 Factor affecting of taking gold loan.		
	P	Result
For further investment in assets and security.	.000	Rejected
Necessity in family	.000	Rejected
Lack of mortgage assets availability	.000	Rejected
Maintain social status	.000	Rejected
Past experience in ease of loan	.000	Rejected

Above Table suggested that null hypothesis is of further investment in assets and security, Necessity in family, Lack of Mortgage assets availability, maintain social status and past experience in ease of loan is rejected.

VI. Findings:

- Many Respondent is known about gold loan.
- People's perception about gold loan is good.
- Respondent Perception is gold loan is better than personal loan.
- Respondent purpose of taking gold loan is for consumption smoothing and other than repay debt, educational need and meeting medical expenses.
- Respondent think that Interest loan of the gold loan is minimum.
- Respondent prefer to avail gold loan from bank.
- Respondent choose modes of payment as a Lump sum.
- While time of taking gold loan is speedy than other loan that factor influencing respondent of taking gold loan.

- Procedure for taking gold loan is easy so respondent taking gold loan.
- To Majority of respondents affecting factors while taking gold loan is family necessity and for further investment, for maintaining social status.
- Respondent believes in past experience so if they get better benefit from the gold loan than they again taking gold loan.

VII. Conclusion:

Based on the above result, we can draw the following conclusion:

Majority of the People's is known about gold loan. And their perception is about gold loan is that it is better than personal loan. Majority are borrowing gold from the bank rather than NBFCs. And Peoples choose modes of payment for gold loan is easy Instalment. People's perception is that while taking gold loan procedure is so easy and time taken less. And many factor affecting of taking gold loan but majority of respondent is now a days take a gold loan for some purposes.

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