

A STUDY ON SERVICES PROVIDED BY MUTHOOT FINANCE WITH SPECIAL REFERENCE TO GEORGE GROUP

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Abstract:

Quality of services is very important, especially for the growth and development of service sector business enterprise. At present in India various loans can be provided in the public and private sector banks. Muthoot finance falls under the category of Non-Banking financial Institution (NBFCs) of the RBI guidelines. Muthoot Finance has to provided various facilities. Muthoot finance service quality is must attaining the customer satisfaction, preference of the services. This study entitled “Services Provided by Muthoot Finance with special reference to Kanya Kumari District.

Key words: Services, Finance, customer satisfaction.

Introduction:

Muthoot Finance Limited is an Indian financial corporation. It is known as the largest gold financing company in the world. In addition to financing gold transactions, the company offers foreign exchange services, money transfers, wealth management services, travel and tourism services, and sells gold coins at Muthoot Finance Branches.

As per RBI guidelines a non-banking financial company(NBFC) is a company registered under the companies Act of 1956 and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/securities issued by government or local authority or other marketable securities,leasing,hier-purchase,insurance business,chitt business; but it is not include any institution whose principal business in agriculture activity, industrial activity, sale/purchase/construction of immoveable property.

Review of Literature:

Mengi(2009)conducted a study to compare customers' perceptions of service quality of public and private banks of Jammu based on SERVQUAL scale and determined different dimensions of service

quality. The study revealed the customers of public sector banks to be more satisfied with the services further the study suggested improvements across all the five dimensions of service quality of SERVQUAL that is tangibility, reliability, responsiveness, assurance and empathy.

S Arun Kumar et al. (2010) examined the service quality dimensions in retail banking for private banks in India. The results indicated that responsiveness and reliability of service quality dimensions define customer satisfaction. The assurance, empathy and tangible traits were found insignificant.

Vincent Charles et al. (2010) aimed at finding the difference between the service quality of conventional and Islamic banks with respect to common crucial factors by reassessing the SERVQUAL model. The results of the studies found that there is not much difference between conventional and Islamic banks customers' expectations on competence and convenience, although the customers' perceptions on tangibility and convenience of these two banks revealed very substantial variance.

AnamIqbal et al. (2011) examined the variances in service quality satisfaction level of consumers and studied how it can affect the behavioral intentions of consumers. Regression analysis was used to exhibit the correlation between multidimensional service quality and one-dimensional consumer satisfaction. Further, prominence of service quality traits for behavioral intentions (satisfaction, feelings) was validated by the results of the study for customers of conventional banks and Islamic banks.

Wang, Chia Nan et al. (2014) undertook a study for evaluating the satisfaction level of consumers dealing in Vietnamese bank branches. SERVQUAL model's 5 main variables and their impact on consumer satisfaction was assessed in context of banking services. The results of the study found that customer satisfaction and reliability and tangibility are positively related factor, however customer dissatisfaction is mainly the result of responsiveness.

Methodology:

Area of Study:

Marthandam Town of Kanyakumari has been chosen as a study area.

Collection of data:

The collection of data for the study is done through both primary and secondary data. The primary data was collected through the schedule and secondary data was collected through various websites, journals.

Sample design:

Marthandam town of KanayaKumari district was selected for the study 50 samples have been taken for the present study choosing simple random sampling.

Scope of the Study:

The present study has been undertaken to bring out of the study on services provided by Muthoot finance. This study covers the respondents who are frequently using Muthoot George group's services.

Objectives:

1. To study about the level of customers satisfaction on the quality of services provided by Muthoot Finance.
2. To study the customers awareness about products and services regarding the Muthoot finance.

About Muthoot Finance:

Muthoot Finance Limited is the largest gold financing company in India in terms of loan portfolio. The company is a "Systemically Important Non-deposit taking NBFC" head quartered in the southern Indian state of Kerala. Operating history of Muthoot Finance has evolved over a period of 75 years since M George Muthoot (the father of our Promoters) founded a gold loan business in 1939 under the heritage of a trading business established by his father, Ninan Mathai Muthoot, in 1887.

The company provides personal and business loans secured by gold jewellery. Gold Loans are primarily given to individuals who possess gold jewellery but could not access formal credit within a reasonable time, or to whom credit may not be available at all to meet unanticipated or other short-term liquidity requirements. The company is listed on both National Stock Exchange and Bombay Stock Exchange.

Services offered by Muthoot Finance:

1. Gold Loan:

With Muthoot Finance Ltd. Gold Loan Services, it takes no more than a few minutes for your gold to generate cash. The simple procedure that we follow allows:

- ❖ Quick loan disbursal
- ❖ Minimum loan amount of Rs 1500 with no maximum limit.
- ❖ Pre-Payment option without any Penalty
- ❖ Minimal documentation

- ❖ In-house gold evaluation
- ❖ Best customer service with a shorter response time
- ❖ Safe custody for gold ornaments.

2. Gold Coin:

Now make your purchase of gold coins easier with the pronounced range of options that we provide. We differentiate our gold coin services on the following basis. Under our Kanaka Vrishty Scheme, we provide Gold coins under easy monthly installments without any interest.

- ❖ Greater return on investment.
- ❖ Minimum risk of investment.
- ❖ Denominations available for gold coins include -0.5, 1, 2, 4, 5, 8, 10, 20.and 50 grams.
- ❖ 999 purity/24 carat
- ❖ Distributed through more than 4,200+Muthoot Finance branches pan India.

3. Money transfer:

We are the only Monet transfer payout agent servicing all transfer at our branches in India. Our Associates:Western Union, Money Gram, Xpress Money, Instant Cash, EzRemit, Trans fast, Global Money Transfer, RIA Money Transfer.

4. Forex:

- ❖ Competitive exchange rates.
- ❖ Purchase and sale of all major currencies.
- ❖ No extra charges for Travel Currency Cards.
- ❖ Minimum time to send money abroad; ideal for last minute emergencies.

5. Housing Finance:

- ❖ Loan Amount Up to Rs.30, 00,000 Maximum loan value 90% of property value.
- ❖ From Rs.30, 00,001 to 50, 00,000 Maximum loan to value 80% of property value.
- ❖ Interest Rate 12.5% per annum onwards (floating)

6. Traveljango:

- ❖ Lowest fare tickets on international and domestic airlines.
- ❖ Visa services and assistance
- ❖ Hotel booking services across an array of cities.

7. Insurance:

We offer a series of plans that help in securing important aspects of life: such as the future of our family and education of kids. Our insurance solutions comprises of: Money Back, Health Plan, Smart Kid, Pension Plan, Smart Performer and other.

8. PAN Card:

The Muthoot George group are acting as Franchisee of Unit Trust of India for processing PAN Card applications. You can submit application for new Pan Card in any of our branches with normal service charge.

9. Mutual Fund:

A Mutual fund is a trust that pools the savings of a number of investors who shares a common financial goal.

10. Personal Loan:

Instant loans for all your personal needs, trying hard to raise funds for your personal and family needs? The right choice is "Muthoot Finance Personal Loan". Now avail Personal Loan from Muthoot Finance, the oldest and most trusted financier in India.

Data Analysis:

Table 1: Demographic profile of the Respondents

characteristics		No.of.Respondent	percentage
Total No.of Respondents		50	100
Gender	Male	18	36
	Female	32	64
	Total	50	100
	25 and below	2	4
	26-35	20	40

Age	35-45	12	24
	Above 45	16	32
	Total	50	100
Qualification	Graduate	16	32
	Post graduate	13	26
	Under graduate	21	42
	Total	50	100
Monthly Income	Below Rs.5000	26	52
	Rs.5000-10000	15	30
	Rs.10000-20000	4	8
	Above Rs. 20000	5	10
	Total	50	100

Interpretation: The demographic data presented in the table indicates that 36 percent respondents were male and 64 percent were female. whereas 4 percent respondent in the age category 25 and below, 40 percent respondents in the age group 26-35, 24 percent of the respondents came in the age group 36-45. 32 percent belong to age category 45 and above. Educational profile of the respondents indicates that 32 percent are graduate, 26 percent respondents are post graduate, and 42 percent respondents are under graduate. The analysis also reveals that 52 percent of the respondents had a monthly income of Rs. 5000 below, 30 percent fell in the income category of Rs. 5000-10000. 8 percent respondent in the income category of Rs. 10000-20000. only 10 percent were in the category of Rs. 20000 and Above.

Table 2: Influences to use the Muthoot George services

source	Frequency	percent	Valid percent	Cumulative percent
TV Advertisement	19	38	38	38
Newspaper	10	20	20	58
Hoardings and Banners	5	10	10	68

Friends and Relatives	16	32	32	100
Total	50	100	100	

Interpretation: From the above table, it analyses that 38 percent respondents are influenced by TV advertisement 32 percent respondents influenced by friends and relatives, 20 percent respondents were influenced by newspaper and 10 percent respondents were influenced by hoardings and banners.

Table 3: Select Muthoot finance service facilities

Services	Frequency	Percent	Valid percent	Cumulative percent
Efficient customer service	14	28	28	28
Problem solving	9	18	18	46
Simple procedure for loan sanctioning	8	16	16	62
Reasonable interest	19	38	38	100
Total	50	100	100	

Interpretation: The above table indicates that 38 percent respondents select the Reasonable interest, 28 percent respondents due to Efficient customer service, 16 percent respondents due to simple procedure for loan sanctioning, 18 percent respondents due to problem solving.

Table 4: Customer Satisfaction of Muthoot Finance gold loan

Source	frequency	percent	Valid percent	Cumulative percent
Time taken processing of Loan	7	14	14	14
Procedure for loan amount	11	22	22	36
Depreciation of underlying assets	4	8	8	44
Quick disbursement of money	10	20	20	64
Suitability of loan to Financial needs	1	2	2	66
Low interest charges	9	18	18	84
Safety of the assets	7	14	14	98
Loan repayment Procedure	1	2	2	100
Total	50	100	100	

Interpretation: From the above table it is clear 22 percent of the respondents were satisfied due to procedure for loan amount, 20 percent respondents were satisfied due to quick disbursement of money, 18 percent respondents were satisfied due to low interest charges, 14 percent respondents were satisfied due to time taken processing loan and safety of assets, 8 percent respondents were satisfied due to Depreciation of

underlying assets ,2 percent respondents were satisfied due to suitability of loan to financial needs and loan repayment procedure.

Table: 5 Customers Awareness of Muthoot Finance Service

Source	Highly agree	Agree	Moderate	Frequency	Percentage	Rank
Speedy delivery	2	2	-	4	8	6
Simplicity	2	5	-	7	14	3
Demate charges	2	3	-	5	10	5
Tele-banking charges	5	5	2	12	24	1
Account handling charges	2	2	1	5	10	5
Reduced paper works	2	3	1	6	12	4
Internet banking services	5	5	1	11	22	2
Total				50	100	

Interpretation; The table indicates that 24 percent of the respondents were aware of Tele banking charges, 22 percent of the respondents were aware of Internet banking services, 14 percent respondents were aware of simplicity, 12 percent of the respondents were aware of reduced paperwork, 10 percent of the respondents were aware Account handling charges and Demate charges, 8 percent of the respondents were aware speedy delivery.

Findings:

1. 16 percent of the respondents satisfied simple procedure for loan sanctioning in Muthoot Finance Services.
2. 24 percent of the respondents were aware of Tele banking charges.
3. 28 percent of the respondents due to efficient customer service,
4. 2 percent respondents were satisfied due to suitability of loan to financial needs and loan repayment procedure.

Suggestion:

1. Muthoot Finance telebanking charges are high.so it is better if tele banking charges will reduce.
2. Many of the respondents felt that internet banking charges is high. So avoid the internet banking charges.

3. The income is one of the important factor of service quality expectation, the bank manger should carefully analyses the different income group of customers estimate their estimate their expectation.

Conclusion:

This study suggest the important demographic profile of the customers before introducing new service to the customers. The findings of the study stresses upon the important of policy right service to the right customer at the right time. It is the secret for the success of Financial Institution.

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