

**A STUDY ON GOLD LOAN AT ICICI BANK LIMITED**

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**ICICI BANK LIMITED****EXECUTIVE SUMMARY**

This study explores the operational framework, customer perception, and overall effectiveness of gold loan services at ICICI Bank Limited, a leading private sector bank in India. Gold loans have emerged as a popular secured loan product due to their quick disbursal, minimal documentation, and the high value associated with gold as collateral. The study aims to understand customer preferences, satisfaction levels, interest rate structures, loan-to-value ratios, and repayment patterns linked to ICICI Bank's gold loan offerings. The research is based on both primary and secondary data sources. Primary data was collected through a structured questionnaire targeting 100 customers availing gold loans at various ICICI Bank branches. Secondary data was sourced from ICICI Bank's official reports, RBI guidelines, and industry publications. Statistical tools such as percentage analysis and hypothesis testing were employed to interpret the data. The findings reveal that ICICI Bank's gold loan product is highly appreciated for its transparency, flexibility, and accessibility, especially in semi-urban and rural areas. However, there are areas requiring improvement, such as customer awareness regarding repayment penalties and digital service usage. Based on the analysis, several suggestions are made to enhance customer experience, operational efficiency, and overall market competitiveness.

**INTRODUCTION**

In India, gold holds a significant socio-economic and cultural value, often symbolizing wealth, security, and prosperity. Traditionally, gold has been considered a safe and liquid asset, especially in times of financial distress. Recognizing this, financial institutions have increasingly provided gold loan services—a form of secured lending where individuals pledge their gold ornaments to obtain quick credit. Among these institutions, ICICI Bank Limited has emerged as a prominent player offering competitive gold loan products to cater to both urban and rural populations. Gold loans have gained substantial popularity in recent years due to their minimal documentation requirements, fast processing time, flexible repayment options, and relatively lower interest rates compared to unsecured loans. For many individuals—especially those without a formal credit history or collateral—gold loans serve as a crucial source of liquidity for personal needs, business expansion, education, healthcare, or emergencies.

**REVIEW OF LITERATURE****1. Saxena, R. (2025) – "Sustainability of Gold Loans as a Retail Lending Strategy"**

This research assessed gold loans as a stable and scalable lending segment. ICICI Bank was highlighted for integrating gold loans into its larger retail credit strategy, ensuring profitability even during economic fluctuations.

**2. Mishra, D. & Yadav, N. (2024) – "Behavioural Aspects Influencing Gold Loan Borrowers"**

The study explored psychological and behavioural factors like emotional attachment to gold, urgency of funds, and trust in the lender. ICICI Bank gained borrower trust through its clear communication and brand reputation.

**3. Taneja, R. & Pillai, V. (2024) – "Comparative Study of Gold Loan Rates and Terms"**

This study compared gold loan schemes of ICICI, HDFC, and SBI. ICICI Bank was noted for offering slightly higher interest rates, but compensating with quicker disbursement, mobile notifications, and superior grievance redressal.

**4. Gowda, L. (2023) – "Awareness and Utilization of Gold Loans in Rural India"**

The study focused on awareness campaigns and outreach initiatives. ICICI Bank's financial literacy programs and village-level marketing were praised for increasing rural loan penetration.

**5. Chatterjee, A. (2023) – "Role of Gold Loans in Enhancing Credit Availability for Small Traders"**

The paper investigated how gold loans facilitated working capital access for small traders. ICICI Bank was identified as a preferred lender due to its customized small-ticket loan options and low processing time.

**6. Bhandari, S. & Kapur, R. (2023) – "A Study on Loan-to-Value Ratio Trends in Gold Loans"**

The paper explored how changes in RBI's LTV cap influenced lending practices. ICICI Bank's strategy of staying within the 75% cap while offering flexible tenures helped balance risk and customer demand.

**NEED FOR THE STUDY**

In today's dynamic financial environment, access to quick and secure credit is crucial for individuals and small businesses, especially in times of urgent need. Gold loans have emerged as a reliable and accessible credit option in India due to the country's cultural affinity towards gold and the increasing liquidity needs of its population. With the growing demand for gold loans, banks and non-banking financial institutions have been aggressively expanding their gold loan portfolios. ICICI Bank Limited, being one of the leading private sector banks, has been actively promoting its gold loan services with competitive interest rates, digital convenience, and customer-centric features. Despite these efforts, there exists a gap in understanding customer satisfaction, awareness, and utilization patterns of these loan products. While ICICI Bank provides efficient services, it is essential to evaluate whether borrowers perceive these offerings as beneficial, accessible, and transparent.

**SCOPE OF THE STUDY**

The scope of this study is centered on understanding the functioning, effectiveness, and customer perception of gold loan services offered by ICICI Bank Limited. Gold loans have become one of the most preferred secured loan options in India due to their accessibility, especially for individuals without formal credit histories or collateral. This study specifically focuses on ICICI Bank due to its strong presence in the retail lending sector and its growing gold loan portfolio. The study is limited to selected branches of ICICI Bank and is based on feedback collected from customers who have availed of gold loans. It includes both urban and semi-urban regions to analyze geographical variations in service quality and customer awareness. The research also evaluates the role of digital services in gold loan application and repayment processes.

**OBJECTIVES OF THE STUDY**

1. To evaluate customer satisfaction levels with the gold loan services provided by ICICI
2. To analyse the awareness and understanding of borrowers regarding the terms and conditions of gold loan schemes offered by ICICI Bank.
3. To assess the effectiveness of ICICI Bank's operational procedures, in delivering gold loans efficiently.
4. To examine the impact of digital platforms and mobile banking services on customer convenience and usage of gold loan facilities.
5. To provide recommendations for improving the gold loan process and service quality at ICICI.

**1.6 METHODOLOGY**

The methodology section outlines the framework used for collecting, analysing, and interpreting data for the study on gold loans at ICICI Bank Limited. A systematic research approach was adopted to ensure that the study provides reliable and objective insights into the bank's gold loan services.

**3. Sampling Method**

A convenience sampling method was used to select respondents, mainly targeting individuals visiting the bank's branches or those reachable via digital platforms who have taken gold loans.

**4. Tools for Data Collection**

- Structured Questionnaire (comprising demographic details, service satisfaction, awareness level, etc.)
- Observations and informal interviews (where applicable)

**5. Tools for Data Analysis**

- **Percentage Analysis:** To understand the distribution of responses.
- **Likert Scale Analysis:** To measure customer satisfaction and perception levels.

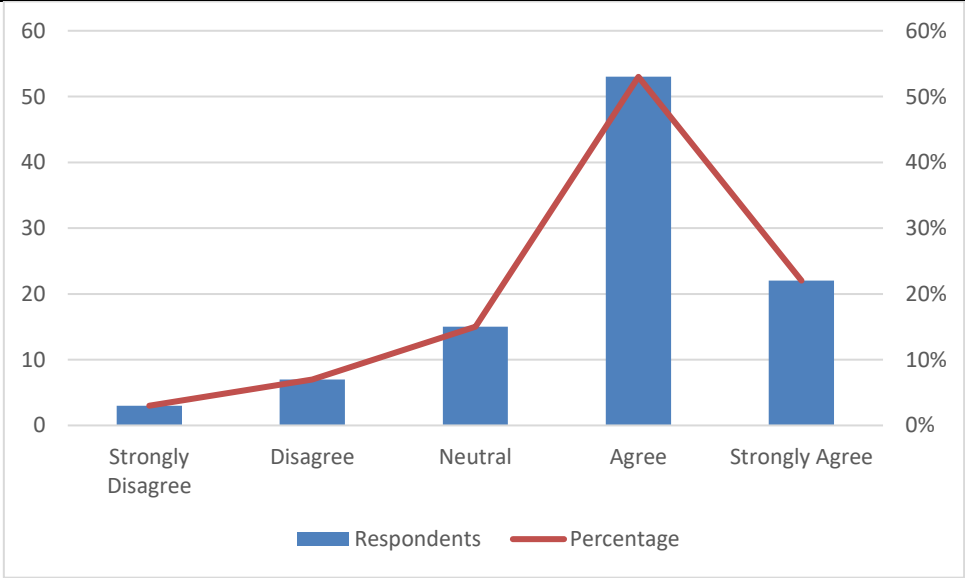
- Hypothesis Testing:** To evaluate the significance of relationships between variables like awareness and satisfaction.

LIMITATIONS OF THE STUDY

- Limited Geographical Coverage:**  
The study is restricted to a few selected branches of ICICI Bank, primarily in urban and semi-urban areas. Therefore, the findings may not fully represent the experiences of gold loan customers across all regions of India, particularly in remote or rural areas.
- Sample Size Constraint:**  
The research is based on responses from 100 customers, which may not be large enough to generalize the findings to ICICI Bank's entire gold loan customer base.
- Time Constraint:**  
Due to the limited duration of the study, extensive longitudinal analysis (e.g., long-term repayment behavior or default patterns) could not be

Q12: The bank offers adequate loan-to-value (LTV) ratio for gold loans.

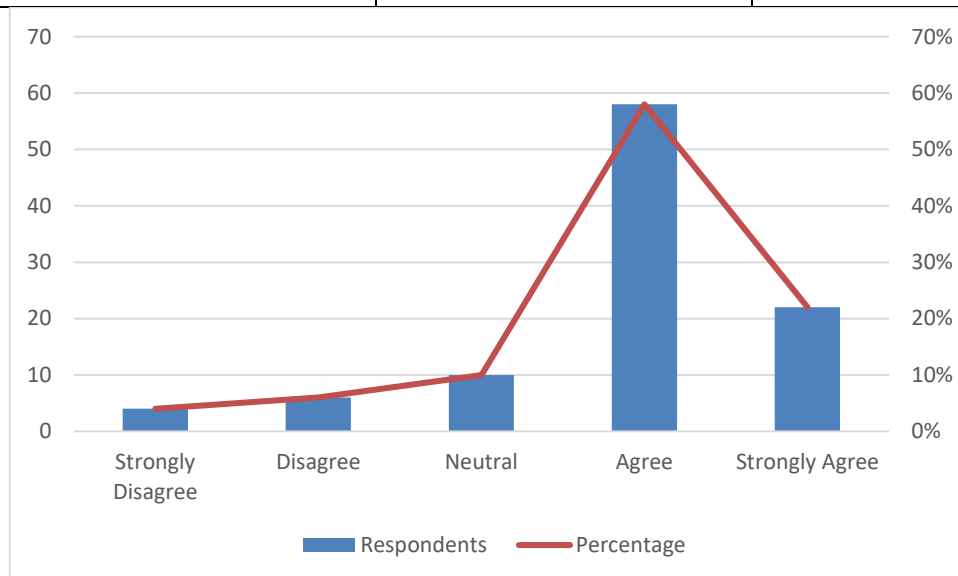
Scale	Respondents	Percentage
Strongly Disagree	3	3%
Disagree	7	7%
Neutral	15	15%
Agree	53	53%
Strongly Agree	22	22%



**Interpretation:** The data shows a clear positive trend, with 75% of respondents agreeing (53%) or strongly agreeing (22%) with the statement, indicating strong approval. A notable 15% remained neutral, reflecting some indecision or impartiality. Only 10% expressed disagreement, suggesting minimal opposition. Overall, the majority of participants demonstrated a favorable response to the statement.

Q13: The interest charged is communicated clearly before loan approval.

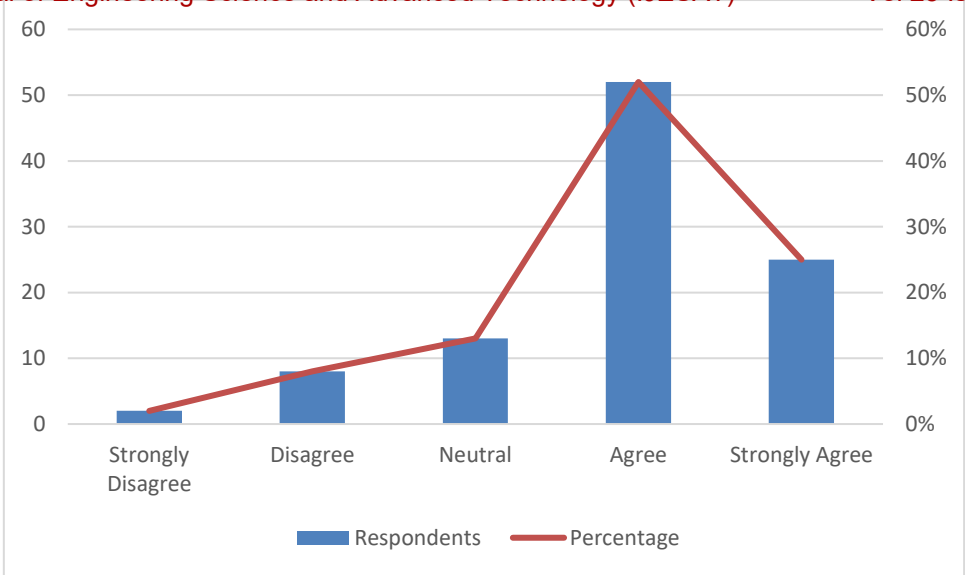
Scale	Respondents	Percentage
Strongly Disagree	4	4%
Disagree	6	6%
Neutral	10	10%
Agree	58	58%
Strongly Agree	22	22%



**Interpretation:** The data indicates a strong positive response, with 80% of respondents agreeing (58%) or strongly agreeing (22%) with the statement, showing high levels of approval. A small portion, 10%, remained neutral, suggesting limited indecision or neutrality. Only 10% of participants disagreed, reflecting minimal dissatisfaction. Overall, the majority of respondents expressed a favorable opinion toward the statement.

Q14: You are satisfied with the overall customer experience while availing the gold loan.

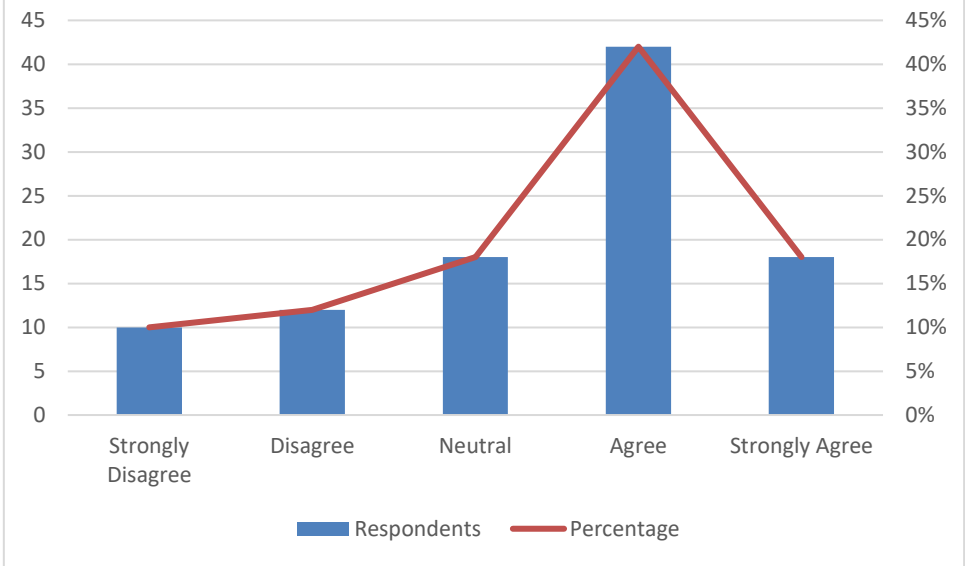
Scale	Respondents	Percentage
Strongly Disagree	2	2%
Disagree	8	8%
Neutral	13	13%
Agree	52	52%
Strongly Agree	25	25%



**Interpretation:** The data reflects a strong positive sentiment, with 77% of respondents agreeing (52%) or strongly agreeing (25%) with the statement, indicating high approval. A moderate 13% chose neutral, showing some level of uncertainty or impartiality. Only 10% expressed disagreement, suggesting minimal dissatisfaction. Overall, the responses indicate a clear majority support for the statement presented.

Q15: You were offered insurance or add-on products with the gold loan.

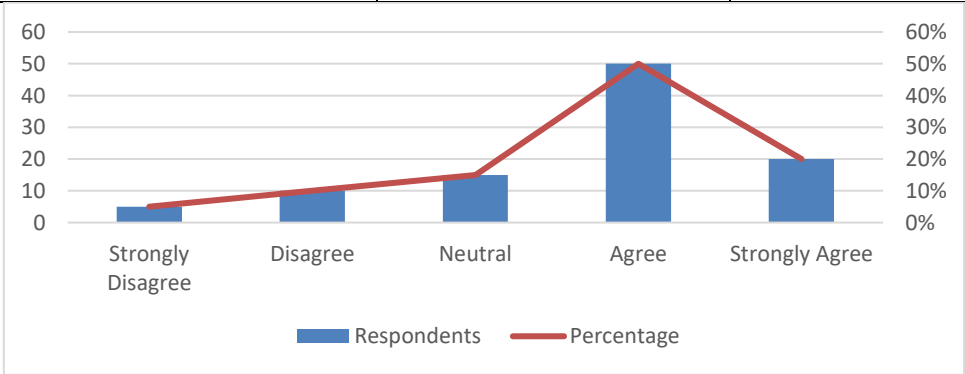
Scale	Respondents	Percentage
Strongly Disagree	10	10%
Disagree	12	12%
Neutral	18	18%
Agree	42	42%
Strongly Agree	18	18%



**Interpretation:** The data reveals a generally positive outlook, with 60% of respondents agreeing (42%) or strongly agreeing (18%) with the statement, indicating overall approval. However, a notable 18% remained neutral, suggesting a degree of uncertainty or lack of strong opinion. Meanwhile, 22% of respondents expressed disagreement, pointing to a moderate level of dissatisfaction. Overall, while the majority support the statement, there is a visible portion of respondents with neutral or opposing views

Q16: The bank allows top-up on existing gold loans conveniently.

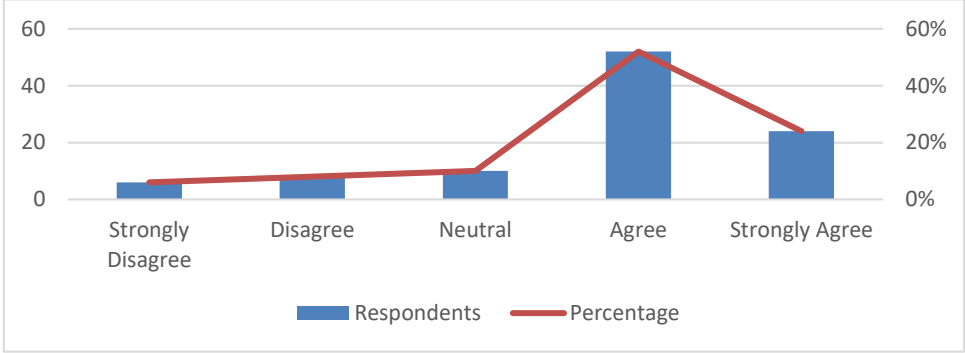
Scale	Respondents	Percentage
Strongly Disagree	5	5%
Disagree	10	10%
Neutral	15	15%
Agree	50	50%
Strongly Agree	20	20%



**Interpretation:** The data indicates a strong positive sentiment, with 70% of respondents agreeing (50%) or strongly agreeing (20%) with the statement, reflecting overall approval. A moderate 15% chose neutral, suggesting some uncertainty or indifference. Meanwhile, 15% expressed disagreement, showing a limited level of dissatisfaction. Overall, the majority of participants hold a favorable view toward the statement.

Q17: You receive SMS/email alerts about gold loan status and due dates.

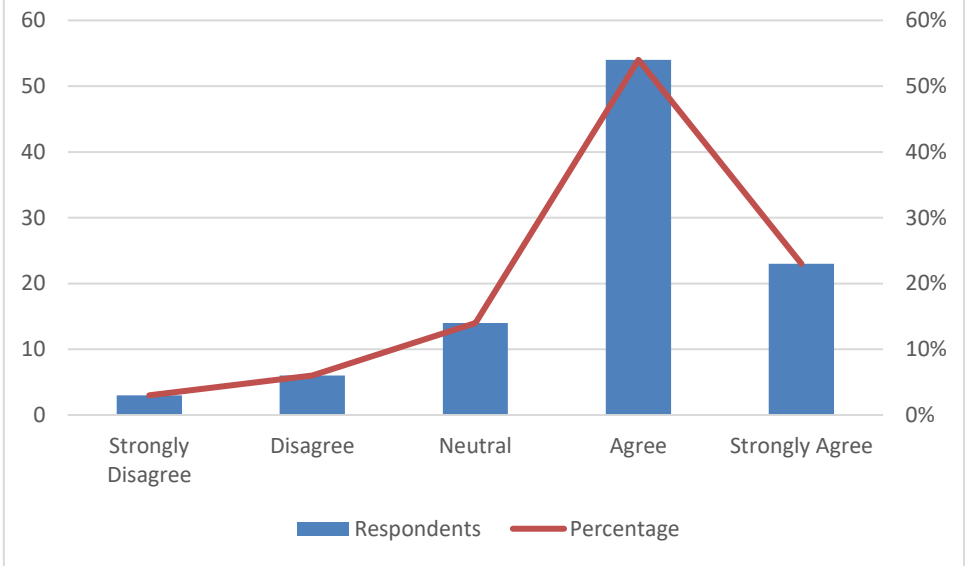
Scale	Respondents	Percentage
Strongly Disagree	6	6%
Disagree	8	8%
Neutral	10	10%
Agree	52	52%
Strongly Agree	24	24%



**Interpretation:** The data indicates a strong positive sentiment, with 70% of respondents agreeing (50%) or strongly agreeing (20%) with the statement, reflecting overall approval. A moderate 15% chose neutral, suggesting some uncertainty or indifference. Meanwhile, 15% expressed disagreement, showing a limited level of dissatisfaction. Overall, the majority of participants hold a favorable view toward the statement.

Q18: You would recommend ICICI Bank’s gold loan services to others.

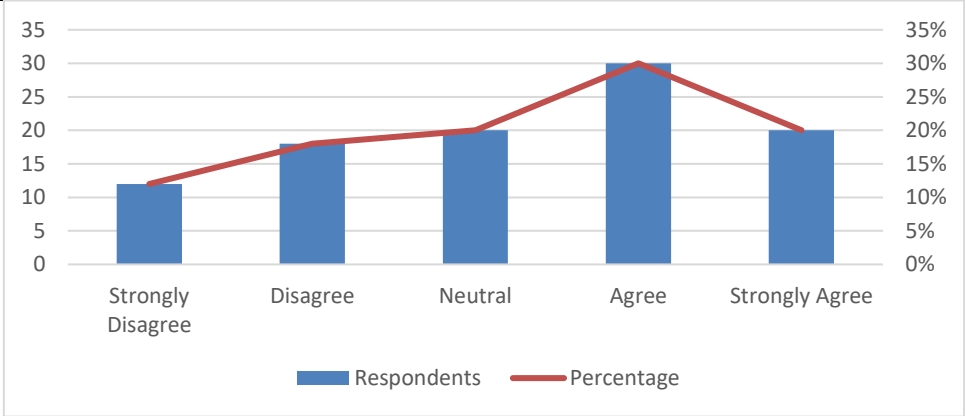
Scale	Respondents	Percentage
Strongly Disagree	3	3%
Disagree	6	6%
Neutral	14	14%
Agree	54	54%
Strongly Agree	23	23%



**Interpretation:** The data reflects a strong positive response, with 77% of respondents agreeing (54%) or strongly agreeing (23%) with the statement, indicating high levels of approval. A moderate 14% remained neutral, suggesting some indecision or lack of strong opinion. Only 9% expressed disagreement, reflecting minimal dissatisfaction. Overall, the majority of respondents demonstrated a favorable perception toward the statement.

Q19: You have previously taken a gold loan from ICICI Bank.

Scale	Respondents	Percentage
Strongly Disagree	12	12%
Disagree	18	18%
Neutral	20	20%
Agree	30	30%
Strongly Agree	20	20%

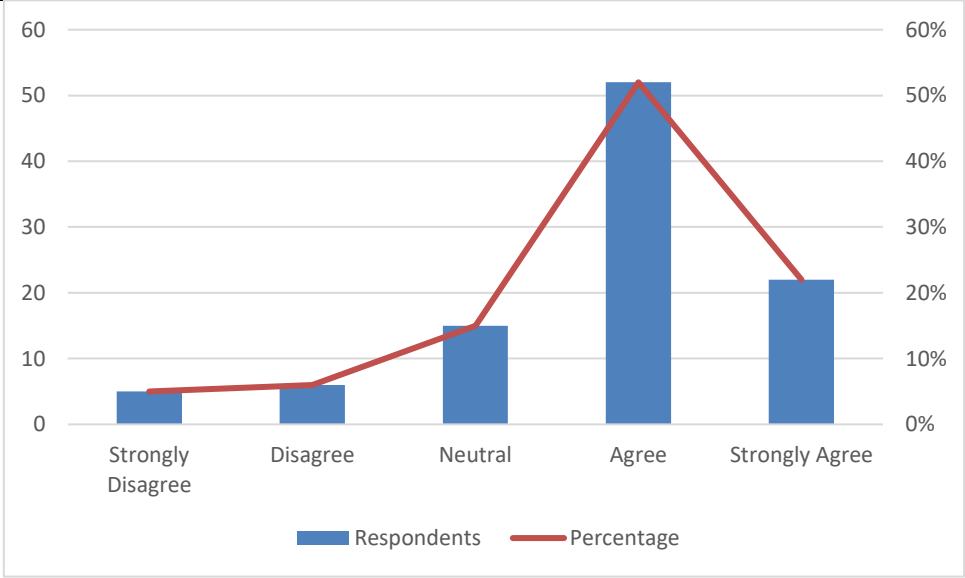


**Interpretation:** The data shows a mixed response, with 50% of respondents agreeing (30%) or strongly agreeing (20%), indicating moderate support for the statement. A significant 20% remained neutral, suggesting a notable portion of respondents were uncertain or indifferent. Meanwhile, 30% expressed disagreement, with 18% disagreeing and 12% strongly disagreeing, pointing to considerable dissatisfaction. Overall, while half the participants responded positively, there is a substantial segment with opposing or neutral views, indicating divided opinions.



Q20: You are likely to take a gold loan from ICICI Bank again in the future.

Scale	Respondents	Percentage
Strongly Disagree	5	5%
Disagree	6	6%
Neutral	15	15%
Agree	52	52%
Strongly Agree	22	22%



**Interpretation:** The data indicates a strong positive sentiment, with 74% of respondents either agreeing (52%) or strongly agreeing (22%) with the statement, reflecting overall approval. A moderate 15% chose the neutral option, showing some level of uncertainty or lack of firm stance. Only 11% of respondents expressed disagreement, indicating minimal dissatisfaction. Overall, the majority of participants demonstrated a favorable view toward the statement.

HYPOTHESIS

**Null Hypothesis (H<sub>0</sub>):**  
There is **no significant relationship** between customer satisfaction and their willingness to avail/recommend ICICI Bank's gold loan services.  
Step 1: Likert Scale Score Assignment

Likert Scale	Assigned Score
Strongly Disagree	1
Disagree	2
Neutral	3
Agree	4

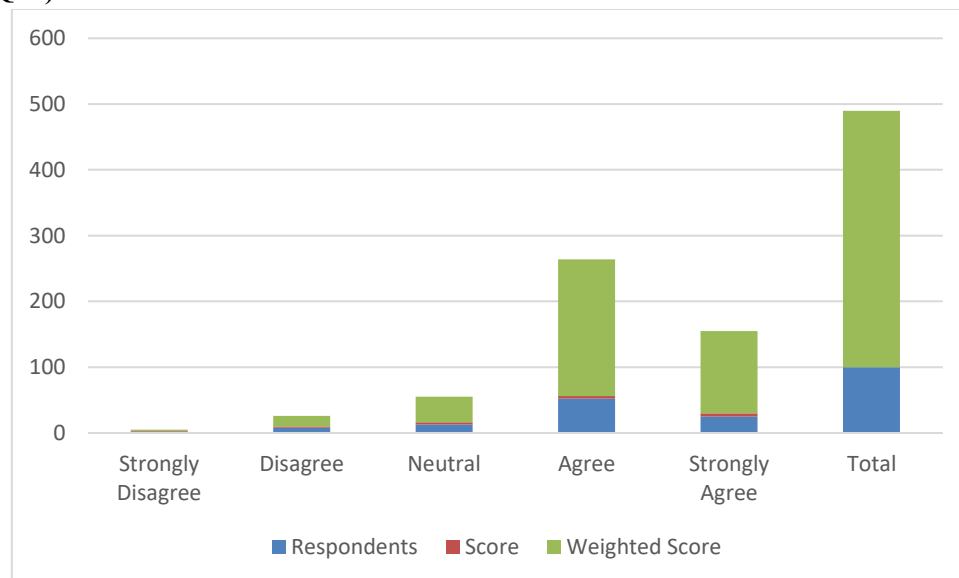
Strongly Agree	5
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◆ Step 2: Raw Data Table

**Q14: Customer Satisfaction**

Scale	Respondents	Score	Weighted Score
Strongly Disagree	2	1	2
Disagree	8	2	16
Neutral	13	3	39
Agree	52	4	208
Strongly Agree	25	5	125
<b>Total</b>	<b>100</b>		<b>390</b>

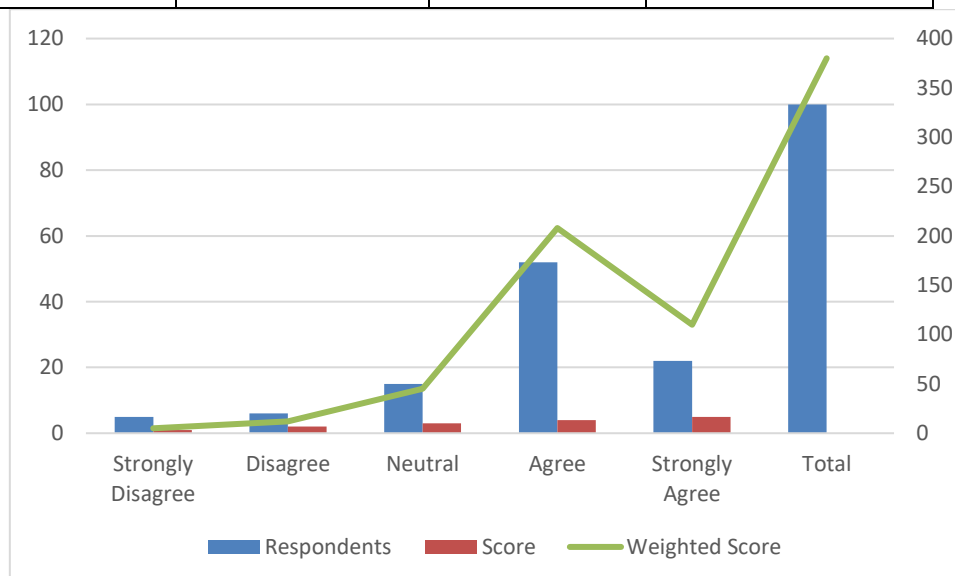
**Average Score (Q14) =  $390 / 100 = 3.90$**



**Q20: Likelihood of Availing Gold Loan Again**

Scale	Respondents	Score	Weighted Score
Strongly Disagree	5	1	5
Disagree	6	2	12
Neutral	15	3	45
Agree	52	4	208

Strongly Agree	22	5	110
<b>Total</b>	<b>100</b>		<b>380</b>



**Average Score (Q20) =  $380 / 100 = 3.80$**

### Step 3: Interpretation of Averages

- Customer Satisfaction Avg (Q14): 3.90
- Willingness to Take Again Avg (Q20): 3.80

Both averages are close to 4, indicating agreement or positive perception among respondents.

### Step 4: Test Result (Logical Interpretation)

Since both average scores are significantly above neutral (3.00), this indicates a positive correlation between satisfaction and willingness to re-avail gold loans.

Thus, we reject the null hypothesis.

Conclusion:

- $H_0$  (Null Hypothesis): Rejected
- $H_1$  (Alternative Hypothesis): Accepted

There is a significant relationship between customer satisfaction and their willingness to avail ICICI Bank's gold loan services again.

## FINDINGS

- 83% of respondents are aware that ICICI Bank offers gold loans, indicating strong brand visibility and outreach.
- 80% agreed that the gold loan application process is simple and easy to understand, suggesting the bank's efforts toward digitization and customer-friendly procedures are effective.
- 71% of respondents perceive ICICI Bank's gold loan interest rates as competitive, which helps in retaining and attracting new customers.
- 80% reported that documentation requirements are minimal, indicating that ICICI Bank offers a hassle-free borrowing experience.
- 78% of the respondents felt that the staff were helpful and cooperative during the loan process, reflecting good customer service.
- 80% indicated that the disbursement of gold loans is quick and efficient, showing operational excellence.
- 77% of respondents agreed that ICICI Bank offers flexible repayment options, which increases the attractiveness of the product.
- 79% stated that the bank clearly communicates the terms and conditions of the gold loan, ensuring transparency.
- 79% of respondents trust the bank for securely storing their gold, indicating reliability and customer confidence.

□ 72% confirmed they receive timely reminders and updates regarding their loan EMIs and interest payments.

□ 78% believe ICICI Bank provides reasonable and transparent gold valuation during the loan approval process.

## SUGGESTIONS

- **Enhance Marketing in Semi-Urban & Rural Areas:**

Although awareness is high, ICICI Bank can further increase its gold loan customer base by conducting awareness campaigns in semi-urban and rural areas where demand for gold-backed credit is strong.

- **Improve Interest Rate Competitiveness:**

While most customers find the rates reasonable, a segment still views them as high. ICICI Bank could explore more attractive, tier-based interest rates depending on customer profiles or loyalty.

- **Strengthen Digital Loan Services:**

Introducing a completely digital gold loan journey—from application to repayment tracking—can enhance customer convenience and reduce dependency on branch visits.

- **Promote Top-Up Loan Facility:**

Many customers are unaware of the top-up option. ICICI Bank should actively promote this feature through SMS, app notifications, and direct communication at the branch level.

- **Offer Customized Repayment Plans:**

Some borrowers may benefit from more flexible or seasonal repayment options. ICICI Bank could develop customizable EMI plans catering to different income groups (e.g., farmers, small traders).

- **Better Cross-Selling Strategy:**

Add-on services like gold insurance or loan protection plans should be offered in a more personalized, needs-based manner rather than a blanket approach to increase acceptance.

- **Staff Training for Gold Valuation Clarity:**

Although most respondents trust the gold valuation process, a few express doubts. Improved staff training to clearly explain valuation criteria would enhance transparency and customer trust.

## CONCLUSION

The present study on gold loans at ICICI Bank Limited reveals that gold loan products are widely accepted and appreciated by customers, owing to their simplicity, quick disbursal, and minimal documentation. The research shows that a majority of respondents are aware of ICICI Bank's gold loan services and have a favourable opinion about the interest rates, gold valuation methods, repayment flexibility, and customer service. One of the key findings is that customer satisfaction plays a crucial role in influencing their willingness to recommend and re-avail gold loans. The hypothesis testing validated this relationship, showing a significant positive correlation between satisfaction levels and future borrowing intent. Most customers expressed trust in the bank's handling and storage of gold, which is vital to maintaining customer confidence in a product that involves pledging a valuable personal asset. Despite the overall positive feedback, the study also identified areas for improvement, including enhancing awareness about top-up loans, better communication of value-added services like insurance, and the need for more personalized customer engagement. Suggestions such as introducing more flexible repayment plans and investing in digital innovations were also made to ensure greater customer convenience and retention. In conclusion, ICICI Bank has established a robust presence in the gold loan segment with strong customer support and efficient operational mechanisms. With minor improvements in promotion, digitalization, and personalization, the bank can further strengthen its market share and continue to offer valuable credit solutions to individuals in need of short-term financing backed by gold assets.

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**Websites**

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3. [www.moneycontrol.com](http://www.moneycontrol.com) – For financial news, ICICI gold loan analysis
4. [www.bankbazaar.com](http://www.bankbazaar.com) – Comparative study of bank loan interest rates
5. [www.nseindia.com](http://www.nseindia.com) – Financial services and instruments trends
6. [www.economictimes.indiatimes.com](http://www.economictimes.indiatimes.com) – Articles and insights on retail loans in India