

# "A Study on Customer Preferences Towards NBFC Services with Special Reference to Bajaj Finserv, Tiruppur"

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## ABSTRACT

This study examines customer preferences towards NBFC services with special reference to Bajaj Finserv in Tiruppur. It aims to identify the key factors influencing customer choice, including interest rates, service quality, accessibility, and digital convenience. The research analyzes customer perceptions and satisfaction levels regarding various financial products such as loans, insurance, and investment services. Data collected through surveys helps in understanding behavioral patterns and expectations of customers in the NBFC sector. The findings highlight the growing importance of technology-driven services and personalized financial solutions. The study provides insights for improving customer engagement and enhancing service delivery in NBFCs.

**Keywords:** Customer Preferences, NBFC Services, Bajaj Finserv, Customer Satisfaction, Financial Services.

## INTRODUCTION

Non-Banking Financial Companies (NBFCs) play a vital role in the financial sector by providing credit and investment services to individuals and businesses, especially those underserved by traditional banks. In recent years, their significance has increased due to their contribution to financial inclusion and economic growth. However, challenges such as liquidity constraints, rising Non-Performing Assets (NPAs), and the impact of the COVID-19 pandemic have affected their performance.

This study focuses on understanding the factors influencing customer preferences towards NBFC investment services, with special reference to Bajaj Finserv in Tiruppur. It examines key aspects such as regulatory environment, technological advancements, market dynamics, and consumer behavior. The findings aim to provide insights that can help improve service quality, enhance customer satisfaction, and support the sustainable growth of the NBFC sector.

## REVIEW OF LITERATURE

Shashi K. Gupta, Nisha Gupta & Neeti Gupta (2023) in his book define money market is an opportunity for balancing the short-term surplus fund of the investor with the short-term requirement to borrowers. Another feature of money market is that they are liquid with varying degree. It also defines NBFCs play an important role in financial intermediaries because they can take quick decision making assume greater risks and design their product to the need of customer.

L M Bhole (2022) in his book define the NBFCs perform a diversified range of function and other various financial services to individual, corporate and institutional client. It also play positive role in accessing certain depositor segment and clearing credit requirement of borrowers. It also discussing the major financial market in India. Along with related financial instrument and services i.e. call money, call loan, other short term interest rate instrument and the recent development in money market.

E. N. Murty (2022) suggests the advantage and outlook of NBFCs. In remarkable surgeon under stringent production like prudential limit and capital adequacy just like M&M Finance, DBS Chula, Sundaram Finance Sri Ram Transport

Finance etc. In outlook NBFCs has been searching for avenue for future growth, if they get regulatory treatment on for with the bank. So that large NBFC will be converting and making available credit to credit.

K.C Shekhar & Lakshmy Shekhar (2021) in his book has explain role of NBFCs in India has shown rapid development especially owing to their high degree of orientation towards consumers and implication of section requirement. The role of NBFCs as effective financial intermediaries arise has been well recognized as they have inherent abilities to take quicker decision, assume risk and customize their services provided by bank and market the components on a conceptual basis.

## SCOPE OF THE STUDY

The study is conducted across various locations in Tiruppur, covering respondents from diverse segments of society, including rural, semi-urban, and urban populations. It focuses on key socio-demographic variables such as social class, gender, and age, along with financial indicators like the number of bank accounts and total deposits. The research analyzes Bajaj's operational dynamics and its position within the NBFC sector. It also identifies key challenges and opportunities to enhance market presence, expand services, and support sustainable growth.

## STATEMENT OF PROBLEM

The NBFC sector has witnessed rapid growth and intense competition, leading to changing customer expectations and preferences. Bajaj Finserv, as a leading NBFC, offers a wide range of financial services to meet diverse customer needs. However, customer preferences are influenced by factors such as interest rates, service quality, digital convenience, and trust. Understanding these preferences is essential to assess customer satisfaction and loyalty. Hence, this study aims to analyze customer preferences towards NBFC services with special reference to Bajaj Finserv.

## OBJECTIVE

- To identify the key factors influencing customer preferences for availing Non-Banking Financial Company (NBFC) services.
- To assess the level of awareness among customers regarding different services offered by Bajaj Finserv

## COMPANY PROFILE

The Bajaj Group is one of India's leading business conglomerates, with diversified interests across industries such as automobiles (two-wheelers and three-wheelers), home appliances, lighting, iron and steel, insurance, travel, and finance. The Bajaj brand has established a strong global presence, being recognized in several countries across Europe, South America, the United States, and Asia. Founded in 1926 during India's freedom movement by Jammalal Bajaj, a close associate of Mahatma Gandhi, the group has a rich legacy rooted in both business and national service. Due to his active involvement in the independence movement, Jammalal Bajaj entrusted the business to his son, Kamalnayan Bajaj, who later assumed leadership and played a crucial role in expanding the group. Under his guidance, the Bajaj Group grew significantly and emerged as one of the top business houses in India, with its flagship company, Bajaj Auto, becoming the world's fourth-largest manufacturer of two- and three-wheelers.

## LIMITATIONS OF THE STUDY

- The study is limited only to Tiruppur and cannot be used to make an inference for the financial service.
- The constraint is the time duration.
- Although the assumptions are quite reasonable, it deserves further examination. In addition, this study was not designed to be a representative survey.

## DATA ANALYSIS AND INTERPRETATION

### SIMPLE PERCENTAGE ANALYSIS

This method is used to compare two or more series of data, to describe the relationship or the distribution of two or more series of data. Percentage analysis test is done to find out the percentage of the response of the respondent. In this tool various percentage are identified in the analysis and they are presented by the way of Bar Diagrams in order to have better understanding of the analysis.

No. of respondents

$$\text{Simple percentage} = \frac{\text{No. of respondents}}{\text{Total No. of respondents}} \times 100$$

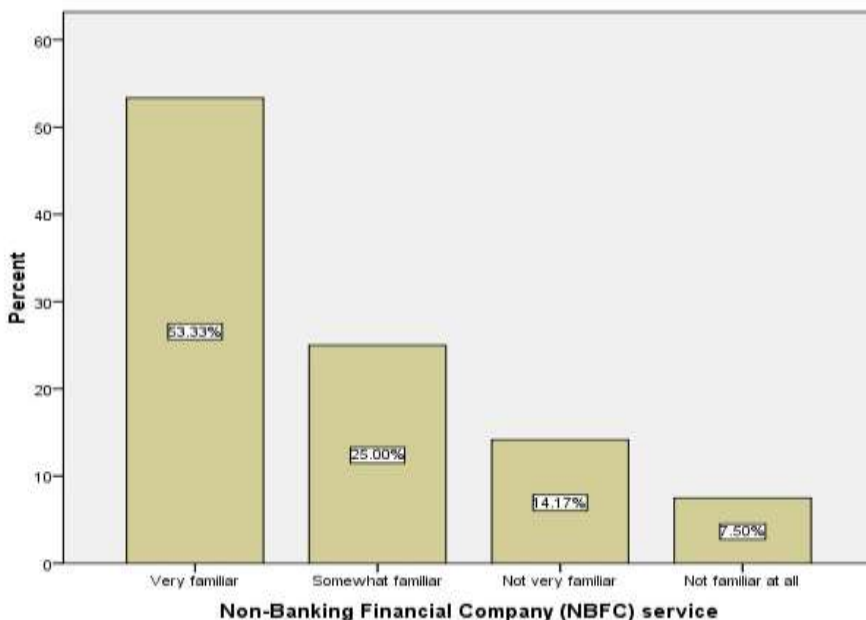
TABLE

NBFC SERVICE	No. of respondents	Percentage
Very familiar	64	53.3
Somewhat familiar	30	25.0
Not very familiar	17	14.2
Not familiar at all	9	7.5
<b>Total</b>	<b>120</b>	<b>100.0%</b>

### Interpretation

From the above table it is inferred that, 53.3% of the respondents are Very familiar with NBFC service, 25.0% of the respondents are Somewhat familiar with NBFC service, 14.2% of the respondents are Not very familiar with NBFC service, and remaining 7.5% of the respondent are Not familiar at all with NBFC service. It is Majority 53.3% of the respondents are Very familiar with NBFC service.

CHART



### CORRELATION

Correlation is computed into what is known as the correlation efficient, which ranges between -1 to +1. Perfect positive correlation (a correlation co-efficient of +1) implies that as one security moves, either up or down, the other security will move in lockstep, in the same direction.

$$r = \frac{\sum XY}{\sqrt{(\sum X^2)(\sum Y^2)}}$$

The table shows that the relationship between Occupation of the respondents and Important selecting an NBFC for financial services

**Correlations**

		Occupation	Important selecting an NBFC for financial services
Occupation	Pearson Correlation	1	-.112
	Sig. (2-tailed)		.225
	N	120	120
Important selecting an NBFC for financial services	Pearson Correlation for	-.112	1
	Sig. (2-tailed)	.225	
	N	120	120

**NONPARAMETRIC CORRELATIONS**

**Correlations**

		Occupation	Important selecting an NBFC for financial services
Kendall's tau_b Occupation	Correlation Coefficient	1.000	-.098
	Sig. (2-tailed)		.212
	N	120	120
Important selecting an NBFC for financial services	Correlation Coefficient	-.098	1.000

Sig. (2-tailed)	.212	.
N	120	120

## FINDINGS

- The simple percentage analysis that shows It is Majority 53.3% of the respondents are Very familiar with NBFC service.
- This is a positive correlation. There are relationships between Occupation of the respondents and Important selecting an NBFC for financial services

## SUGGESTIONS

- NBFCs have been trying to offer customers the kind of products that they want through constant customization and innovation, and this has led to misalignment in product offerings with customers and a rise in the cost of investment and operations.
- The asset-liability mismatch, which became the cause of concern for the Liquidity Crisis, was mainly because NBFCs borrow funds at a lower rate for a shorter time period and lend the same at a higher rate for a longer time period,
- The interest rate usually increases and ultimately it leads to a loss for the company.

## CONCLUSION

NBFCs play a significant role in the Indian financial system by offering diverse and efficient financial services as an alternative to traditional banking. They provide quick services with minimal procedural formalities, making them more accessible to customers. The study assesses customer preferences toward NBFC services and finds high awareness of gold loans, while awareness of MSE finance remains low. With the adoption of emerging technologies and continuous improvement in service delivery, NBFCs have strong potential for future growth and profitability.

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