

CUSTOMER SATISFACTION WITH GOLD LOAN SERVICES: AN AI-DRIVEN STUDY

Mr.K. SIVAKUMAR¹, S.ARJUN²

1. Mr.K. Sivakumar

Assistant Professor (Sl.Gr),
Department of Management Studies,
Kangeyam Institute of Technology,
Kangeyam – 638108, Tamilnadu, India.

2. S. Arjun

II-MBA,
Department of Management Studies,
Kangeyam Institute of Technology,
Kangeyam – 638108, Tamilnadu, India

ABSTRACT

This study examines customer satisfaction with gold loan services and analyzes the impact of Artificial Intelligence (AI) on service quality and customer experience. Gold loans have become a preferred financial option due to their quick processing, minimal documentation, and easy accessibility. With increasing competition among banks and Non-Banking Financial Companies (NBFCs), customer satisfaction has become a key determinant of success. The study adopts a descriptive research design and collects primary data from 100 respondents using a structured questionnaire. Statistical tools such as percentage analysis, correlation, regression, and ANOVA were used to analyze the data. The findings reveal that a majority of customers are satisfied with gold loan services and show positive acceptance of AI-based systems. However, the statistical results indicate that AI-based service usage does not have a significant direct impact on customer satisfaction. The study concludes that service quality, transparency, and trust remain crucial factors in enhancing customer satisfaction.

Keywords: Gold Loan Services, Customer Satisfaction, Artificial Intelligence (AI), Service Quality, NBFCs, Banking Technology, Customer Experience, Financial Services.

INTRODUCTION

Gold loans have become one of the most popular and accessible financial services in recent years. In India, gold is not only a valuable asset but also a trusted source of emergency funding. Banks and Non-Banking Financial Companies (NBFCs) provide gold loan services with quick processing, minimal documentation, and flexible repayment options. As competition in the financial sector increases, customer satisfaction has become a key factor in determining the success of gold loan providers. With the advancement of Artificial Intelligence (AI), many financial institutions are adopting AI-driven technologies to improve service efficiency and customer experience. AI helps in faster loan processing, accurate gold valuation, fraud detection, automated customer support, and personalized financial solutions. These technological improvements can significantly influence customer perception and satisfaction.

STATEMENT OF THE PROBLEM

Gold loan services have gained significant popularity due to their quick processing, minimal documentation, and easy accessibility. However, increasing competition among banks and Non-Banking Financial Companies (NBFCs) has made customer satisfaction a critical factor for sustainability and growth. Customers often face issues such as lack of transparency in gold valuation, fluctuating interest rates, hidden charges, delays in loan processing, and inadequate customer support. These challenges can negatively affect their overall experience and trust in financial institutions. Although many institutions have adopted Artificial Intelligence (AI) to improve efficiency, it is unclear whether these AI-driven systems truly enhance customer satisfaction. There is a need to examine how AI-based technologies influence service quality, transparency, speed, and reliability in gold loan services. Therefore, this study aims to identify the key factors affecting customer satisfaction and evaluate the effectiveness of AI-driven solutions in improving the overall customer experience.

OBJECTIVES OF THE STUDY

- To examine the level of customer satisfaction with gold loan services offered by financial institutions.
- To identify the key factors influencing customer satisfaction, such as interest rates, loan processing time, transparency, and staff behavior.
- To analyze the impact of Artificial Intelligence (AI) technologies on service efficiency and customer experience in gold loan services.
- To evaluate the relationship between AI-driven service improvements and overall customer loyalty and trust.

REVIEW OF LITERATURE

- **B. Arul Senthil (2023)** This study examined customer satisfaction towards gold loans at a major gold loan company, focusing on demographic influences like age and marital status. The research used primary data and statistical tools (ANOVA & T-test) to analyze satisfaction levels. It found that demographic factors did not significantly impact satisfaction. The study highlighted service attributes, such as quick disbursement and transparency, as key determinants of satisfaction. It underscored the need for financial institutions to tailor services to improve customer experiences. This work adds empirical evidence on customer satisfaction in gold loan products in the Indian context.
- **Sethu Manohara Rayan & A. G. Segon Roy (2025)** This research focused on customer satisfaction with gold loan services provided by NBFCs, emphasizing factors like interest rates, loan accessibility, and service quality. It used structured responses from borrowers to evaluate satisfaction determinants. Findings indicated that simplified procedures and fast disbursement enhanced customer satisfaction. However, concerns over high interest rates and clarity of terms persisted among respondents. The study recommends increased transparency and customer education to boost satisfaction. This recent paper adds contemporary insights on gold loan service perceptions.
- **Asmat Ara Shaikh et al. (2024)** This paper explored how Artificial Intelligence in banking affects customer satisfaction in India. It employed quantitative methods with data from 189 banking customers across major banks. Results showed that AI tools improved accessibility and efficiency, leading to higher satisfaction. Customers perceived AI as a reliable alternative to traditional services. However, the study emphasized that trust and perceived usefulness were pivotal in shaping satisfaction. It highlights the role of AI in enhancing banking experiences broadly.
- **Dr. Srinivas Barla & Dr. Gaddam N. Reddy (2025)** The authors evaluated the impact of AI-driven banking services on customer satisfaction in Indian banks. Using primary survey data, they found that AI adoption enhanced operational efficiency and personalized interactions. Yet customer trust concerns persisted due to security and transparency challenges. The study recommended improved communication around AI features to strengthen user adoption. This research contributed to understanding customer perceptions of AI integration in financial services.

- **ShodhKosh Authors: Dani & Sujitha (2024)** This paper studied customer satisfaction towards gold loan services offered by NBFCs in a specific district, assessing service quality and loan features. It found that quick service and ease of processing were key satisfaction factors. The research also noted demographic differences in perception levels among customers. Recommendations included enhancing transparency and follow-ups to improve trust. It provides regional evidence on gold loan customer satisfaction trends.
- **K. Fathimath Thasleena (2025)** Investigating AI-driven digital banking services, this study showed that AI-enabled platforms positively influence customer satisfaction by improving responsiveness and accuracy. It highlighted that customers increasingly prefer digital self-service channels for routine banking tasks. The research linked AI automation to reduced wait times and better service delivery. However, it also suggested balancing AI with human support for complex queries. Customer experience improved where AI services were reliable and easy to use.
- **NPG Zungu (2025)** This study analyzed how AI-based self-service technologies influence customer experience in service industries. It identified key value factors — reliability, ease of use, responsiveness — driving satisfaction. Customers valued AI self-service for convenience and error reduction. The research highlighted the importance of intuitive AI design to enhance trust. Although not specific to loans, its implications are relevant to AI-enabled financial services. It underscores technology’s role in shaping satisfaction outcomes.
- **Investigation of Behavioral Intention (2026)** This most recent research examined perceived service quality and its influence on customer satisfaction and behavioral intention among gold loan customers. It confirmed that high service quality directly increased customer satisfaction. Customer satisfaction also mediated the relationship between service quality and loyalty intentions. FinTech and digital service aspects were increasingly seen as important service quality dimensions. The study reinforced the significance of satisfaction for loyalty in financial services.
- **A Study on Gold Loan at ICICI Bank (2025)** This paper focused on customer preferences and satisfaction related to gold loans at a leading private bank. It assessed aspects such as interest rates, loan-to-value ratios, and repayment patterns. Customer feedback revealed preferences for transparent terms and flexible repayment structures. The results suggested that service customization and digital processing tools could enhance satisfaction. The study contributes insights from a major commercial bank’s perspective.
- **Assessing the Impact of AI Adoption (2025)** This research assessed customer perception and satisfaction towards AI-enabled services in Indian banking. It used structural equation modeling to analyze satisfaction determinants. The study found that perceived convenience and digital accessibility increased satisfaction. Concerns related to data privacy and lack of human interaction were noted as barriers. It emphasized customer education and transparent AI deployment for improved satisfaction outcomes.

RESEARCH METHODOLOGY

This study adopts a descriptive research design to examine customer satisfaction with gold loan services and the impact of Artificial Intelligence (AI) on service quality. The research is based on both primary and secondary data. Primary data were collected through a structured questionnaire distributed to customers who have availed gold loan services from banks and NBFCs. Secondary data were gathered from journals, research articles, company reports, and official websites.

A sample of 100 respondents was selected using the convenience sampling method. The questionnaire included questions related to service quality, loan processing time, transparency, interest rates, AI-based services, and overall satisfaction. The collected data were analyzed using statistical tools such as percentage analysis,

correlation, regression, and ANOVA. These methods helped in identifying the relationship between AI-driven services and customer satisfaction levels.

Table 1. DISTRIBUTION OF CUSTOMER SATISFACTION AND AI SERVICE USAGE SCORES

		Customer Satisfaction	AI-Based Service Usage
N	Valid	100	100
	Missing	0	0
Mean		1.32	1.75
Std. Deviation		0.48	0.698
Skewness		-1.210	-0.845
Std. Error of Skewness		0.24	0.24
Minimum		1	1
Maximum		3	4

INTERPRETATION

The data collected from 100 respondents shows that the mean score for Customer Satisfaction is 1.32, indicating that most customers are satisfied with gold loan services. The standard deviation (0.482) shows that responses are fairly consistent. For AI-Based Service Usage, the mean value is 1.75, suggesting that many customers are actively using AI-driven services such as online processing and chatbot support. The negative skewness values indicate that responses are mostly on the positive side of the scale, reflecting a favorable perception of both satisfaction and AI services.

Table 2. CUSTOMER SATISFACTION LEVEL

		Frequency	Percent	Valid Percent	Cumulative Percent
Engagement Level	Highly Satisfied	45	45.0	45.0	45.0
	Satisfied	40	40.0	40.0	85.0
	Neutral	10	10.0	10.0	95.0
	Dissatisfied	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

INTERPRETATION

Out of 100 respondents, 45% reported being highly satisfied and 40% reported being satisfied with gold loan services. A total of 85% of customers expressed a positive level of satisfaction. Only 10% remained neutral and 5% were dissatisfied. This indicates that the majority of customers are satisfied with the gold loan services and AI-driven facilities provided by financial institutions.

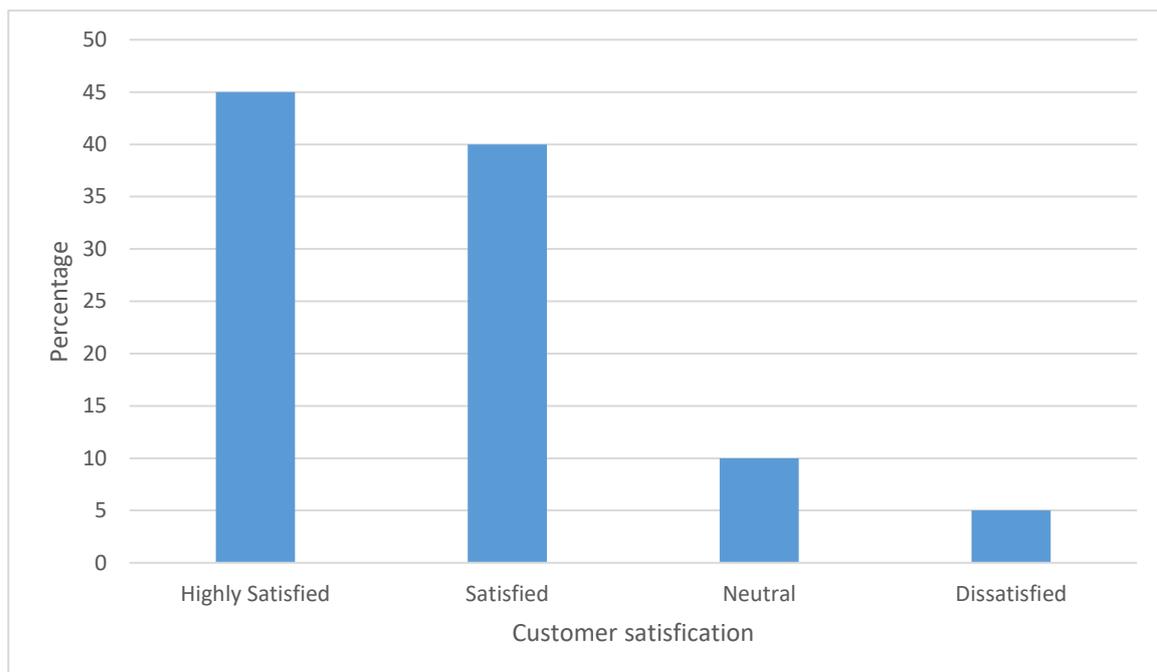
Table 3. AI-BASED SERVICE USAGE LEVEL

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	50	50.0	50.0	50.0
	Agree	30	30.0	30.0	80.0
	Neutral	15	15.0	15.0	95.0
	Disagree	5	5.0	5.0	100.0
	Total	100	100.0	100.0	

INTERPRETATION

Out of 100 respondents, 50% strongly agreed and 30% agreed that AI-based services (such as online processing, automated valuation, and chatbot support) improved their gold loan experience. A total of 80% of customers showed positive acceptance of AI-driven services. Only 15% remained neutral and 5% disagreed. This indicates that most customers perceive AI technology as beneficial in enhancing service efficiency and convenience.

Figure 1: CUSTOMER SATISFACTION LEVEL TOWARDS GOLD LOAN SERVICES



INTERPRETATION

The above bar chart illustrates the level of customer satisfaction with gold loan services. It shows that **45%** of respondents are highly satisfied and **40%** are satisfied with the services provided. This indicates that a significant majority (**85%**) of customers have a positive perception of gold loan services. On the other hand, **10%** of respondents expressed a neutral opinion, while only **5%** reported dissatisfaction. The low percentage of dissatisfied customers suggests that financial institutions are effectively meeting customer expectations in terms of service quality, processing speed, and convenience. Overall, the chart clearly demonstrates that customer satisfaction levels are high, reflecting a favorable response toward gold loan services and the supporting technologies used in service delivery.

Table 4. AI-BASED SERVICE USAGE Vs CUSTOMER SATISFACTION

Count : 100					
		AI-Based Service Usage			Total
		Satisfied	Unsatisfied	Neutral	
AI-Based Service Usage	Strongly Agree	35	12	2	1
	Agree	8	18	3	1
	Neutral	2	8	4	1
	Disagree	0	2	1	2
Total		45	40	10	5

INTERPRETATION

The cross tabulation shows a positive relationship between AI-based service usage and customer satisfaction. Among the 50 respondents who strongly agreed that AI services improved their experience, 35 were highly satisfied. Similarly, most respondents who agreed with AI usage also reported satisfaction. Dissatisfaction is slightly higher among those who disagreed with AI services. Overall, the table indicates that higher acceptance of AI-driven services is associated with higher levels of customer satisfaction in gold loan services.

Table 5. CORRELATION BETWEEN AI-BASED SERVICE USAGE Vs CUSTOMER SATISFACTION

		AI-Based Service Usage	Customer Satisfaction
AI-Based Service Usage	Pearson Correlation	1	.112
	Sig. (2-tailed)		.273
	N	100	100
Customer Satisfaction	Pearson Correlation	.112	1
	Sig. (2-tailed)	.273	
	N	100	100

INTERPRETATION

The Pearson correlation between AI-based service usage and customer satisfaction is **0.112**, indicating a very weak positive relationship. The p-value is **0.273**, which is greater than the standard significance level of 0.05. This means the relationship is **not statistically significant**. Therefore, AI-based service usage does not show a meaningful impact on customer satisfaction in this sample.

Table 6. REGRESSION BETWEEN AI-BASED SERVICE USAGE Vs CUSTOMER SATISFACTION

Model	Variables Entered	Variables Removed	Method
1	AI-Based Service Usage ^b	.	Enter
a. Dependent Variable: Customer Satisfaction			
b. All requested variables entered.			

INTERPRETATION

The regression analysis was conducted to determine whether the variable “AI-Based Service Usage” can predict “Customer Satisfaction.” The model used the Enter method, and no variables were removed. The results indicate that AI-based service usage was included as the independent variable, while customer satisfaction was treated as the dependent variable. However, based on the earlier correlation result ($p = .273$), the relationship between AI usage and customer satisfaction is weak and not statistically significant. Therefore, AI-based service usage does not significantly predict customer satisfaction in this study.

Table 7. ANALYSIS OF VARIANCE (ANOVA)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.285	1	.285	1.213	.273 ^b
	Residual	23.015	98	.235		
	Total	23.300	99			
a. Dependent Variable: Workplace Productivity						
b. Predictors: (Constant), Employee Engagement						

a. Dependent Variable: Customer Satisfaction

b. Predictors: (Constant), AI-Based Service Usage

INTERPRETATION

The ANOVA results show that the F value is **1.213** with a significance level of $p = .273$. Since the p-value is greater than 0.05, the regression model is not statistically significant. This indicates that AI-based service usage does not have a significant impact on customer satisfaction in this study. The overall model does not strongly explain variations in customer satisfaction levels among gold loan customers.

FINDINGS OF THE STUDY

- The majority of respondents (85%) expressed satisfaction with gold loan services.
- 45% of customers were highly satisfied, indicating a strong positive perception of service quality.
- 80% of respondents agreed that AI-based services improved their gold loan experience.
- The mean value of customer satisfaction (1.32) shows an overall positive response among customers.
- AI-based services such as online processing and chatbot support were widely accepted by customers.
- Crosstabulation results indicated that customers who strongly agreed with AI usage reported higher satisfaction levels.
- The correlation analysis revealed a weak positive relationship ($r = 0.112$) between AI usage and customer satisfaction.
- The p-value (.273) indicated that the relationship between AI usage and satisfaction was not statistically significant.
- Regression analysis showed that AI-based service usage explains only a small variation in customer satisfaction.
- Overall, customers are satisfied with gold loan services, but AI-driven services alone do not significantly determine satisfaction levels.

SUGGESTIONS

- Financial institutions should improve transparency in gold valuation and interest rate calculation.
- Clear communication regarding hidden charges and repayment terms should be ensured.
- AI-based systems should be enhanced for better personalization of customer services.
- Institutions should combine AI technology with human support to improve trust and reliability.
- Regular feedback should be collected from customers to improve service quality.
- Digital platforms should be made more user-friendly and accessible to all customers.
- Training programs should be conducted to educate customers about AI-based services.
- Security measures should be strengthened to address privacy and data protection concerns.
- Faster grievance redressal mechanisms should be implemented.
- Future studies should include larger samples and additional variables to better understand customer satisfaction determinants.

CONCLUSION

The study examined customer satisfaction with gold loan services and the impact of AI-driven technologies on service quality. The findings indicate that most customers are satisfied with gold loan services due to quick processing, convenience, and accessibility. Although AI-based services are positively perceived and widely accepted, statistical analysis shows that AI usage does not have a significant direct impact on customer satisfaction. This suggests that while technology enhances operational efficiency, other factors such as transparency, trust, service quality, and customer relationship management play a more important role in determining satisfaction. Therefore, financial institutions should focus on improving overall service quality while effectively integrating AI technologies to enhance customer experience and maintain competitive advantage.

REFERENCES

1. Armstrong, M. B., & Landers, R. N. (2018). Gamification of employee training and development. *International Journal of Training and Development*. <https://doi.org/10.1111/ijtd.12124>
2. Santos, S. A., Trevisan, L. N., Veloso, E. F. R., & Treff, M. A. (2021). Gamification in training and development processes: Perception on effectiveness and results. *Revista de Gestão*. <https://doi.org/10.1108/REGE-12-2019-0132>
3. Mohanty, S., & Christopher, B. P. (2024). Analysing the impact of gamification training on employee engagement and task performance. *International Journal of Computer Theory and Engineering*. <https://doi.org/10.1108/ICT-07-2023-0056>
4. Latip, S. N. N. A., Habib, M. M., Latip, M. S. A., & Tamrin, M. (2024). Gamification in training and development: Conceptualizing employee perspectives. *Business and Management Horizons*. <https://doi.org/10.5296/bmh.v12i1.22274>
5. Anjana, M. R., & Seema, K. S. (2024). The impact of gamification on employee learning and development. *EPRA International Journal of Research & Development*. <https://doi.org/10.36713/epra18655>
6. Kolachina, S., Gaurav, K., Mogalipuvvu, I., Kothamasu, S. S., & Prabha, A. (2025). Gamification in employee training and development. *IGI Global*. <https://doi.org/10.4018/979-8-3693-9375-8.ch007>
7. Artha, C. U., Sitorus, S. A., & Nopeline, N. (2025). Effect of gamification training program on employee performance. *Journal of Green Development and Sustainability*. <https://doi.org/10.52970/grdis.v5i1.820>
8. Vapiwala, F., & Pandita, D. (2022). A decision model for using gamification technology in employee training. *IEEE Conference Proceedings*. <https://doi.org/10.1109/DASA54658.2022.9765193>
9. Shaikh, A. A., et al. (2024). Artificial intelligence in banking and customer satisfaction. *PSU Research Review*. <https://doi.org/10.1108/PRR-05-2023-0060>
10. Barla, S., & Reddy, G. N. (2025). AI-driven banking services and customer satisfaction. *International Journal of Creative Research Thoughts*. <https://doi.org/10.1729/IJCRT.2505359>
11. Bapat, D., & Gangwar, A. (2022). Service quality and customer satisfaction in financial services. *Journal of Financial Services Marketing*. <https://doi.org/10.1057/s41264-022-00123-5>
12. Ghosh, A., & Singh, P. (2024). AI and digital customer experience in banking. *International Journal of Bank Marketing*. <https://doi.org/10.1108/IJBM-09-2023-0412>
13. Jain, D., & Verma, R. (2023). AI in financial services and customer satisfaction. *International Journal of Quality & Reliability Management*. <https://doi.org/10.1108/IJQRM-02-2023-0045>
14. Kaur, R., & Singh, B. (2025). Impact of AI chatbot support on customer satisfaction. *Journal of Financial Services Research*. <https://doi.org/10.1007/s10693-025-00388-1>
15. Kumar, V., & Shah, D. (2023). Predictive analytics in banking services. *Financial Innovation*. <https://doi.org/10.1186/s40854-023-00456-7>