



A Study on Financial Assistance for Loan Service Among Buyers Opinion In Hari Raams Honda At Pollachi

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ABSTRACT: The number of two-wheeler purchases has increased, and people's preferences have evolved with time. Financial institutions have stepped forward to offer loans for the purchase of two-wheelers. Two-wheeler loans are provided by the public and commercial sectors; these loans differ from one another in terms of the interest rate, length of loan, loan amount, and required procedures. The purpose of this study is to analyze the financial aid offered for the purchase of two-wheelers and the consumers' awareness of the same. Through an interview schedule, primary data were obtained from sample respondents selected using the convenience sampling approach in order to examine the financial support offered for the purchase of two-wheelers and consumer awareness of the same. According to the survey, most respondents are aware that loans for two-wheelers are available and that there is an interest rate associated with them.

KEYWORDS: Financial institutions, financial assistance, loan for two-wheelers.

I. INTRODUCTION

The working class in India spends a large portion of their earnings and time going to and from work. According to a recent study, the average person would spend 6% of their salary on daily travel for work-related activities. People travelled to and from work for an average of more than 45 minutes in 2008. Since then, this number has only gone up. A two-wheeler might be quite helpful in the situation. Using a bike or scooter for your commute can help cut down on time dramatically, allowing you to spend more time with your family. Actually, if you are in sales or marketing, having a two-wheeler would allow you to visit more clients, which would increase your earning potential.

Even if purchasing a two-wheeler is a great way to save money and time, consumers are frequently unsure of whether to finance or buy it outright.

It's common knowledge that paying for anything in full with a single, one-time payment is the least expensive option overall and the most hassle-free. Furthermore, you won't need to bother about any paperwork, interest rates, or other related issues. But if you follow a few easy procedures, you might really profit from financing—especially over the long haul, when there are a few very real and significant advantages:

1. Especially if you've never taken out a loan before, a two-wheeler loan's smaller loan size makes it easier to repay and improves your credit worthiness. These loans are simpler to obtain, pay back, and can help you establish a better credit history—but only if you make all of your EMI payments on schedule. so increasing your appeal to banks and financiers should you decide to apply for a larger loan in the future to fund the purchase of a home, vehicle, or business.

2. Unintentionally taking out a loan motivates you to improve your money management. Despite the fact that you will be paying your monthly EMIs (Equated Monthly Instalment) rather than a single, sizable payment. the existence of a set monthly responsibility, no matter how minor. makes you more frugal and watchful when making purchases.

3. A greater selection of two-wheelers (motorcycles and scooters) in various price ranges are also available with the financing option. Given that there wouldn't be much of a monthly EMI differential, you could even purchase a more expensive set of wheels. Purchasing something outright has a set budget, which may restrict your options; however, financing gives you the freedom to explore and assess options from a greater array



II. OBJECTIVES OF THE STUDY

1. To determine the various elements that affect the choice of financial helper when applying for a car loan.
2. To find out what customers think about financial aid at Hari Rams Honda in Pollachi.
3. To examine how buyers perceive and make

III. LIMITATIONS OF THE STUDY

1. Owing to scheduling and funding constraints, the study does not include all of the individuals in Pollachi who are using bike loans.
2. The findings of the examination rely on information regarding the representative group of consumers who obtain loans from financial institutions.
3. It is important to exercise caution when extrapolating the results, as they might not apply to the full population.

IV. STATEMENT OF THE PROBLEM

Problem Description Since interest on loans to small and medium-sized customers makes up the majority of these Hari Raams Honda in Pollachi's revenue, the performance of Financial Assistance Loans is primarily dependent on how well their credit management systems work. This trend jeopardizes not only the financial institution's survival and sustainability but also the accomplishment of its original objectives, which included lending to the underbanked rural population and filling the funding gap in the mainstream financial industry. The purpose of this study was to determine which financial services at Hari Rams Honda in Pollachi were most supportive of the buyer's level of satisfaction.

V. REVIEW OF LITERATURE

Guha (2013) We develop a tractable model of competition among socially motivated MFIs, (Micro Financial Institution) so that the objective functions of the MFIs put some weight on their own clients' utility. We find that the equilibrium involves double-dipping, i.e. borrowers taking multiple loans from different MFIs, whenever the MFIs are relatively profit-oriented. Further, double-dipping necessarily leads to default and inefficiency, and moreover, borrowers who face relatively higher transactions costs optimally decide to double-dip. Interestingly, an increase in MFI competition can

decisions about loan services from lenders.
4. To gauge how satisfied customers are with the terms of financing, customer service, and application procedure for financial aid.

increase the extent of double-dipping and default. Further, the interest rates may go either way, with the interest rate likely to increase with more competition if the MFIs are very socially motivated.

Agier (2013) Most of the customers of microfinance institutions are female. But do men and benefit from the same credit conditions? We investigate this issue by presenting an original model and testing its predictions on an exceptional database comprising 34,000 loan applications from a Brazilian microfinance institution. The model determines the optimal loan size fixed by a gender-biased lender, depending on the borrower's creditworthiness and the intensity of the lender's bias. The empirical analysis detects no gender bias in loan denial, but uncovers disparate treatment with regard to credit conditions. In particular, we find a "glass ceiling" effect. The gender gap in loan size increases disproportionately with respect to the scale of the borrower's project. The results are insensitive to the loan officer's gender.

Jia (2013) China is experiencing a transformation, as vast numbers of rural labourers move toward off-farm employment. In such a transformation, the role of credit is unclear. The overall goal of this study is to examine the impact of access to credit by rural households on employment decision-making by rural labourers in China. Based on longitudinal data concerning 1992 rural households in China, this study finds that the use of credit is immense in rural China. Among different types of credit, access to microfinance significantly increased farmers' time working on self-employment activities, especially for the poor households. Credit from formal financial institutions and informal networks had no such effect.

Ali (2014) The paper seeks to explore why most Malay micro-entrepreneurs still lag behind in entrepreneurship as compared to other races, determine what needs to be rectified and outline the skills sets that the micro-entrepreneurs need to become successful and break-out into larger enterprise. This paper proposes a breakout model



approach that can serve as a basis to identify critical success factors in developing tools to assist micro business owners. This is the results of an extensive review of literature concerning lack of success among micro entrepreneurs and how this can be preceded the conceptualization of a Breakout model. Lastly, once in the business, the micro-enterprises need to overcome certain negative influences (disablers) and how certain positive influences (enablers) may help them succeed to stay competitive and sustainable.

Chowdhury (2014) This paper develops a theory of *sequential lending in groups* in micro-finance that centers on the notion of dynamic incentives, in hypotheses as to why there has been a recent transition from group to individual lending.

Data. The commonly used statistical tools for

VI. RESEARCH METHODOLOGY

Data Source:

Data collection primarily relies on using questionnaires to gather primary data directly from customers. This involves distributing structured surveys to collect responses, ensuring clarity and relevance of questions.

Question Types Used:

The questionnaire consists mainly of closed-ended questions, where respondents select from predefined answer options. This method was chosen for its easiness and cost efficiency to collect responses using a sample. A survey was taken in super market.

Period of Study:

The study was conducted over a period of three months to ensure sufficient data collection and analysis.

Sampling Techniques:

"Convenience sampling" is the sampling strategy employed in this study, whereby the population element chosen for sample inclusion is determined by accessibility. One could describe it as convenient.

Sampling unit:

Showroom customers were targeted to ensure a

particular the simple idea that default incentives should be relatively uniformly distributed across time. In a framework that allows project returns to accrue over time, as well as strategic default, we show that sequential lending can help resolve problems arising out of coordinated default, thus improving project efficiency vis-a-vis individual lending. Inter alia, we also provide a justification for the use of frequent repayment schemes, as well as demonstrate that, depending on how it is manifested, social capital has implications for project efficiency and borrower default. We next examine the optimal choices for the MFI and derive conditions for the optimality of the group lending arrangement. Our framework also provides for some plausible analysis of collected data are:

1. Percentage analysis
representative sample.

Sampling Size:

Given the nature of the data collection, the sample size is certified. With a population size of 180, the primary data from the previous five years provides the basis for data collecting. The De Morgan law states that 120 is the sample size at a 95% confidence level.

Methods of data collection data sources:

Primary data collection.

Analytical tools and methods:

Statistical analysis is a scientific tool that helps collect and analyze large amounts of data to identify common patterns and trends to convert them into meaningful information. In simple words, statistical analysis is a data analysis tool that helps draw

meaningful conclusions from raw and unstructured

2. Chi-Square
3. Correlation analysis
4. Factor analysis

PERCENTAGE ANALYSIS:

A financial analysis tool called percentage analysis uses an item's percentage to represent each other in order to assist comprehend the links between items



in the financial statement. Using this technique, a company's financial performance can be compared to that of other companies or examined over time.

CHI-SQUARE:

Chi square has been used in the study to analysis the significant relationship between variables. The null hypothesis of our hypothetical study is that variables are not associated with each other. The chi square test allows us to test this hypothesis.

CORRELATION ANALYSIS:

Correlation analysis in market research is a statistical method that identifies the strength of a relationship between two or more variables. In a

nutshell, the process reveals patterns within a dataset's many variables. It's all about identifying relationships between variables—specifically in research.

FACTOR ANALYSIS:

By combining several variables into a smaller set of unobserved variables known as factors, factor analysis is a statistical technique used to find underlying correlations between variables. This method assists in identifying the latent structure within a set of observed variables and in minimizing the complexity of the data.

VII. DATA ANALYSIS AND INTERPRETATION

DEMOGRAPHIC PROFILE OF RESPONDENTS - PERCENTAGE ANALYSIS

Descriptive statistics	particulars	No.of. respondents	percentage
Gender	Male	107	89.5
	Female	13	10.8
	TOTAL	120	100.0
Age	Below 25	12	10.0
	25- 30 years	11	9.2
	31 - 40 years	92	76.7
	Above 40 years	5	4.2
	TOTAL	120	100.0
Educational qualification	Illiterate	22	18.3
	HSC	49	40.8
	graduate	32	26.7
	Others	17	14.2
	TOTAL	120	100.0
Occupation	Govt. employee	42	35.0
	Private employment	24	20.0
	Professional	35	29.2
	Others	19	15.8
	TOTAL	120	100.0
Marital status	Married	74	61.7
	Unmarried	46	38.3
	TOTAL	120	100.0
Monthly income	Below Rs. 10000	23	19.2
	Rs. 10000 – Rs. 15000	57	47.5
	Rs. 15001 – Rs. 20000	22	18.3
	Above Rs.20000	18	15.0
	TOTAL	120	100.0

Interpretation:

About 89.5% of respondents are male, while 10.8% are female. The sample seems to have a slightly higher representation of males. Majority of respondents (76.7%) fall within the age range of 31-40 years, indicating a younger demographic. Most respondents (40.8%) have completed HSC education. Government



employment is the most common occupation among respondents, with (35.0%) of them being employed in the government sector. . Majority of respondents (61.7%) are married person. A considerable proportion of respondents (47.5%) earn between Rs. 10,000 and Rs. 15,000 per month.

CHI SQUARE ANALYSIS

H₀: There is no significance relationship between Occupation and Bike loan from financial assistance service.

Case Processing Summary						
	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Occupation * Bike loan from financial assistance service	120	100.0%	0	0.0%	120	100.0%

Occupation * Bike loan from financial assistance service Cross tabulation				
		Bike loan from financial assistance service		Total
		Yes	No	
Occupation	Government employee	42	0	42
	Private employee	20	4	24
	Professional	0	35	35
	Others	0	19	19
Total		62	58	120

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	106.652 ^a	3	.000
Likelihood Ratio	144.595	3	.000
Linear-by-Linear Association	92.187	1	.000
N of Valid Cases	120		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 9.18.

Interpretation:

The above table indicates that there is significant association between occupation and bike loan in purchase of bikes. Since the calculated value is less than the table value. So we accept the null hypothesis. There is no relationship between Occupation and Bike loan from financial assistance service.



CORRELATION ANALYSIS

H₁: There is a significance relationship between monthly income and showrooms indicate the financial facilities given to the buyers.

Descriptive Statistics			
	Mean	Std. Deviation	N
Monthly income	2.29	.947	120
Showrooms indicate the financial facilities given to the buyers	2.08	1.038	120

Correlations			
		Monthly income	Showrooms indicate the financial facilities given to the buyers
Monthly income	Pearson Correlation	1	.917**
	Sig. (2-tailed)		.000
	N	120	120
Showrooms indicate the financial facilities given to the buyers	Pearson Correlation	.917**	1
	Sig. (2-tailed)	.000	
	N	120	120

** . Correlation is significant at the 0.01 level (2-tailed).

Correlations				
			Monthly income	Showrooms indicate the financial facilities given to the buyers
Kendall's tau_b	Monthly income	Correlation Coefficient	1.000	.857**
		Sig. (2-tailed)	.	.000
		N	120	120
	Showrooms indicate the financial facilities given to the buyers	Correlation Coefficient	.857**	1.000
		Sig. (2-tailed)	.000	.
		N	120	120
Spearman's rho	Monthly income	Correlation Coefficient	1.000	.892**
		Sig. (2-tailed)	.	.000
		N	120	120
	Showrooms indicate the financial facilities given to the buyers	Correlation Coefficient	.892**	1.000
		Sig. (2-tailed)	.000	.
		N	120	120



** . Correlation is significant at the 0.01 level (2-tailed).

Interpretation:

This is a positive correlation. There are relationships between Monthly income and Showrooms indicate the financial facilities given to the buyers.

FACTOR ANALYSIS

The table shows that the relationship between buyer opinion level to prefer financial assistance service and perception level of vehicle loan financial service.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.941
Bartlett's Test of Sphericity	Approx. Chi-Square	3.301E3
	df	66
	Sig.	.000

Interpretation:

- In general, for factor analysis, we want the data to not be spherical. A spherical data matrix implies that there is no correlation between the variables, which would not be ideal for finding underlying factors

Total Variance Explained

Initial Eigenvalues			Extraction Sums of Squared Loadings		
Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
11.037	91.977	91.977	11.037	91.977	91.977
.313	2.612	94.590			
.149	1.238	95.828			
.131	1.091	96.919			
.103	.855	97.773			
.092	.764	98.537			
.043	.362	98.900			
.036	.298	99.198			
.035	.294	99.492			
.024	.200	99.693			
.022	.180	99.872			
.015	.128	100.000			

Extraction Method: Principal Component Analysis.



Interpretation:

- Based on the high percentage of variance explained by the first component (over 90%), it seems that there might be a strong dominant factor underlying your data. This factor captures most of the relationships between the variables.

Interpretation of the Factor:

- Examining the variable names, it seems the factor captures aspects related to loan applications, creditworthiness, and borrower information. Variables like "CIBIL score," "Loan amount," "Income source," and "Down payment" all contribute significantly to this factor.
- We can tentatively label this factor as "Loan Application Characteristics."

Component Matrix^a

	Component
	1
Branding	.964
Risk reduction	.968
Company image	.974
Formal banking alert	.969
Less processing fees	.961
CIBIL score	.929
Loan amount	.947
Tenure	.963
Income source	.951
Down payment	.974
Residence	.956
Eligibility criteria	.952

Interpretation:

- **KMO (Kaiser-Meyer-Olkin) measure:** This statistic assesses sampling adequacy for factor analysis. Values closer to 1 indicate better sampling adequacy.
- **Bartlett's Test of Sphericity:** This test statistically evaluates if the data is spherical (no correlation between variables). A significant result (p-value less than 0.05) suggests that the data is not spherical, which is generally considered a condition for factor analysis.
- **Eigenvalues and their corresponding percentage of variance explained:** Eigenvalues depict the amount of variance explained by each component, and the percentage of variance explained

helps understand the relative importance of each component.

- **Component loadings:** These indicate how much each variable contributes to each component and can help interpret the meaning of the underlying factors.
- **Strong Dominant Factor:** All the variables have high loadings (above 0.9) on the first component. This suggests that a single factor strongly influences all the variables.



VIII. FINDINGS SUGGESTIONS AND CONCLUSION

FINDINGS

Majority 89.2% of the respondents are male. Majority 76.7% of the respondents age are 31- 40 years. Majority 40.8% of the respondent qualification are HSC. Majority 35% of the respondents occupation are private employee. Majority 61.7% of the respondents are married. Majority 47.5% of the respondents income are 10,001-15,000. Majority 40.0% of the respondents are said 3 members in our family. Majority 51.7% of the respondents are said get loan from financial assistance. Majority 55.8% of the respondents are said 2-4 years get services. Majority 37.5% of the respondents are said insurance service provide. Majority 40% of the respondents are said excellent in buyer perception. Majority 40% of the respondent are said easy accessibility in bike loan. Majority 15.8% of the respondents are strongly agree in benefit and offer provide by showroom. Majority 37.5% of the respondents are said investment in financial facilities. Majority 57% of the respondents are highly satisfied in e banking service. Majority 42.5% of the respondents are said normal in insurance premium transfer in bike loan. Majority 43.3% of the respondents are said good in interest about loan. Majority 49.2% of the respondents are said less processing fees are highly satisfied in financial assistance service. Majority 30.8% of the respondents are satisfied in online payment. Majority 61.7% of the respondents are recommend to new customers to join loan service in Hari Raam Honda. Majority 50.8% of the respondents are agree in Mahindra and Mahindra Financial Services Limited. Majority 60% of the respondents are satisfied in CIBIL score financial assistance service provide. Majority 39.2% of the respondents are lower interest rate financial service provide. Majority 35% of the respondents are loan fraud problem faced the buyers for financial assistance

SUGGESTION

On the basis of the findings and conclusions, this chapter provides suggestions and recommendations to buyers, and to Loan lenders, including financial assistance, chit funds and pawnbroker for their improvement. The researcher has left scope for future research by providing suggestions for the same. In general, the

suggestions and recommendation are provided for better availability of the loan options and buyer services.

CONCLUSION

The changing trend in the Loan market which has given support in fulfilling the need of financial requirement of the individual either by bike Loan is in win-win policy. Buyer gets convenient Loan and lenders get expectable business for their organizations.

The researcher has made an attempt to contribute to the discipline of Consumer Behaviour and Financial Institutions. The problems of Preference have been portrayed in the study, which would help the prospective consumer to consider before going for any type of financial assistances. The Loan lenders, executives in the Financial Institution will get an insight about the dynamics related to Customer service policies considering the Preferences.

Thus, the research study is expected to contribute favourably as guidance to financial needy consumers in society, executives in the organizations and the policies related to its for the development of systemic change in the Indian economy at large

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