

A Study on Borrowers Satisfaction Towards D. Devaraj Urs Backward Classes Corporation Loan Schemes with Special Reference to South Region of Karnataka

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Abstract

Borrower satisfaction represents a commonly referenced concept in contemporary society that evaluates the extent to which corporate services and lending products align with borrower expectations. This metric assesses the degree of contentment borrowers experience regarding institutional programs and offerings. Data on borrower satisfaction serves as a valuable tool for identifying potential enhancements or modifications to service delivery and lending programs. The institution offers various financial products including conventional and small enterprise loans, Gangakalyana programs, and higher education financing options. This research aims to assess the satisfaction levels of borrowers associated with the D. Devaraj Urs Backward Classes Corporation operating in Karnataka's southern region. The investigation employed a convenience sampling approach with a total sample of 170 participants. To examine the research objectives, various statistical techniques were applied, including percentage analysis, weighted average calculations, and ranking methodology. Results indicated that participants demonstrated moderate satisfaction levels regarding the lending programs offered by D. D. Devaraj Urs Backward Classes Corporation. The research recommended that the institution should enhance maximum lending limits and margin qualification requirements while updating borrower selection procedures.

Keywords: Borrowers Satisfaction, loan schemes, Service

1. INTRODUCTION

Borrower satisfaction represents a marketing concept that measures the degree to which a bank or financial institution's products and services meet customer expectations. This measurement tool evaluates customer contentment with the banking institution's various offerings. Financial institutions and banks can utilize borrower satisfaction surveys and evaluations to pinpoint improvement opportunities and possible adjustments to their product and service portfolio.

In 1977, the Karnataka government established the D. Devaraj Urs Backward Classes Development Corporation under the Companies Act 1956, aiming to enhance the living standards, earnings, educational opportunities, job prospects, skill development, and social standing of disadvantaged and marginalized communities. This corporation was designed to provide monetary assistance through

various governmental initiatives to accomplish these objectives. The corporation invites fresh applications, publicizes new schemes, processes submissions, and secures committee endorsements. Additionally, the organization provides loans and maintains financial records. The central office also distributes relevant information to district-level board meetings regarding fund allocation adjustments for existing target beneficiaries.

2. Review of Literature

Saki & Islam (2021) this research determined the features and extent of microfinance offerings and measure client satisfaction levels with Grameen Bank in Bangladesh. The investigation was based on primary data collected from 312 participants. Results indicated that client satisfaction is substantially influenced by borrowers' economic status, earnings, banking loan services, funding interest rates, banking insurance policies, clear transaction processes, and the quality of banker-client interactions. The study suggested developing customer service protocols and improving service quality to ensure elevated borrower satisfaction for future growth.

Yunxian et al. (2022) the objective is to assessed that borrower satisfaction levels regarding products and services provided by the Microfinance Institution (MFI) across various criteria. Results indicate that the MFI's assertions were false, as the study reveals borrower dissatisfaction with the institution's offerings. The research also highlighted deficiencies in the MFI's service delivery and product quality. To enhance borrower welfare, the study author suggested that both government entities and MFIs should revise their policies and improve their performance.

Lucas (2024) A descriptive comparative research study evaluated member-borrower satisfaction in an association by comparing traditional face-to-face and online loan application methods. The research used random sampling of 300 members and applied Parasuraman's service quality model, which measures five dimensions: reliability, assurance, tangibility, empathy, and responsiveness. Findings revealed that members using both application channels demonstrated overall satisfaction across all five service quality dimensions. Based on these results, the study recommended that the association increase efforts to enhance member satisfaction by focusing on exceptional customer service delivery. Specific recommendations included ensuring branch personnel and telemarketers demonstrate deep knowledge and courtesy while maintaining a welcoming, professional environment for both face-to-face and online interactions. The study also suggested improving the transition between in-person and online transactions and providing flexible engagement options.

Yee (2025) This research examined the determinants of customer satisfaction with SME loan services at United Amara Bank in Myanmar. Using a quantitative approach, the study surveyed 306 SME clients who had utilized the bank's loan services in the previous three years, selected through simple random sampling. The investigation aimed to identify crucial service factors impacting SME client satisfaction and assess their influence levels. Results demonstrated that service quality, the loan application process, information provision, and loan terms all significantly and positively influence customer satisfaction. The research adds valuable knowledge to SME banking literature while providing actionable recommendations for improving service delivery and client retention in Myanmar's financial industry.

3. Objective of Study

- To know the awareness level of the borrowers towards D.Devaraj Urs Backward Classes Corporation

- To identify the borrowers satisfaction level towards D.Devaraj Urs Backward Classes Corporation

4. Research Methodology

The research used both primary and secondary sources to gather information. We collected primary data through structured questionnaires that participants filled out. For secondary data, we pulled information from different websites, academic journals, and magazines. We used convenience sampling for this study and ended up with 170 people in our sample. To examine, we applied various statistical approaches and tests, including percentage analysis, Likert scales, and weighted mean scoring methods.

5. Data Analysis and Interpretations

Table 1 Demographic Profile of the Respondents

S.No	Particulars	No. Of respondents	Percentage
1	Gender		
	Male	97	57.06
	Female	73	42.94
2	Age		
	Below 20 years	16	9.41
	21-30 years	28	16.47
	31-40 years	55	32.35
	41-50 years	39	22.94
	Above 50 years	32	18.82
3	Residence		
	Rural	79	46.47
	Semi Urban	53	31.18
	Urban	38	22.35
4	Category		
	Category I	21	12.35
	Category IIA	37	21.76
	Category III A	49	28.82
	Category III B	63	37.06
5	Qualifications		
	Illiterate	18	10.59
	Below SSLC	41	24.12
	SSLC	37	21.76
	Degree	24	14.12
	Post Graduate	38	22.35
	Others	12	7.06
6	Occupation		
	Agriculture	57	33.53
	Business	42	24.71
	Salaried	15	8.82
	Traditional occupation	29	17.06

	Others	27	15.88
7	Monthly Income		
	Upto 10,000	54	31.76
	Rs. 10,001-20,000	32	18.82
	Rs. 20,001-30,000	28	16.47
	Rs. 30,001-40,000	37	21.76
	Rs. 40, 001-50000	19	11.19

Table No. 1 displays the demographic characteristics of the participants. The sample includes 97 male participants and 73 female participants from the D. D. D.Devaraj Urs Backward Classes Corporation, indicating a higher proportion of male participants compared to female participants. Regarding age distribution, most participants fall within the 31-40 years age group, totaling 55 individuals, while 16 participants are under age 20 years old. Concerning geographical location, 79 participants reside in rural regions, whereas 38 participants live in urban areas. Category-wise analysis reveals that category IIIB has the largest representation among participants, while category I has the smallest number of participants. Educational background shows that 41 participants have qualifications below SSLC level, and 12 participants possess other types of qualifications. Regarding employment, agriculture is the predominant occupation with 57 participants, followed by 15 participants in salaried positions. Income distribution indicates that 54 participants earn less than Rs.10,000, representing the largest income group, while the smallest group consists of those earning between Rs.40,001 and Rs.50,000. These borrowers have accessed loan programs through the D.Devaraj Urs Backward Classes Corporation.

Table 2 Source of information

Source of information		
Particulars	No of respondents	Percentage
Self	31	18.24
Friends	40	23.53
Relatives	29	17.06
Advertisement	70	41.18
Total	170	100

Table 2 presents the breakdown of how survey participants learned about the service. Seventy participants discovered the service through advertising, while 40 received information from friends, 31 became aware through their own initiative, and 29 learned from family members. Advertising and friends emerged as the primary sources of information.

Table 3 Showing awareness level of D.Devaraj Urs Backward Classes Corporation Loan Schemes

Showing awareness level of Corporation Loan Schemes				
S.No	Awareness	No. of respondents (f)	Likert value (x)	Total (fx)
1	Highly aware	62	5	310
2	Moderately aware	36	4	144
3	Neutral	17	3	51
4	Less aware	39	2	78
5	Not at all aware	16	1	16

Total	170	599
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Source (primary data)

Likert value = $\Sigma (fx) / \text{No of respondents. } 599/170 = 3.52$

1) Interpretation

The Likert scale score of 3.52 falls above the midpoint of 3 but below 4, indicating that participants possess a moderate level of knowledge regarding the loan programs offered by the D. Devaraj Urs Backward Classes Corporation.

Table 4 Showing the satisfaction level of customer on D.Devaraj Urs Backward Classes Corporation loan schemes

Showing the satisfaction level of customer D.Devaraj Urs Backward Classes Corporation				
S.No	Satisfaction	No. of respondents (f)	Likert value (x)	Total (fx)
1	Excellent	46	5	230
2	Very good	23	4	92
3	Good	41	3	123
4	Average	52	2	104
5	Poor	8	1	8
Total		170		557

Source (primary data)

Likert value = $\Sigma (fx) / \text{No of respondents. } 577/170 = 3.28$

2) Interpretation

The likert scale value is 3.28 which is greater than the mid value 3, less then the 4, so the respondents are moderate satisfied with the D.Devaraj Urs Backward Classes Corporation loan schemes.

Table 5 Showing reasons for availing D.Devaraj Urs Backward Classes Corporation loan schemes.

Showing reasons for availing Corporation Loan Schemes								
Reason	Strongly agree	Agree	Neutral	Strongly disagree	Disagree	Total	Total weighted score	Weighted mean score
Loan amount	67	36	16	21	30	170	599	3.52
Rate of interest	84	41	9	17	19	170	664	3.91
Subsidies	71	52	28	9	10	170	675	3.97
Tenure	59	63	25	6	17	170	651	3.83
Securities	53	37	33	16	31	170	575	3.38

Source (primary data)

The Likert five-point analysis tables presented above examine the motivations of loan recipients from the D. Devaraj Urs Backward Classes Corporation among survey participants in Karnataka's southern region. The scoring system allocates 5 points for strong agreement with statements, 4 points for agreement, 3 points for neutral responses, 2 points for strong disagreement, and 1 point for

disagreement. Most survey participants expressed strong agreement regarding the interest rate. This was followed by positive responses concerning subsidies, loan amounts, repayment periods, and collateral requirements.

6. Findings

- Most of the respondents are male.
- 32.35% of the respondent's age group are between 31 and 40 years old.
- 46.47% of the respondents are residents of rural areas.
- 37.06% of the respondents belong to the IIIB category.
- 24.12% of respondents have qualifications below SSLC.
- 33.53% of respondents are in agriculture-oriented occupations.
- The majority of the respondents (31.76%) have a monthly income below Rs.10,000.
- 41.18% of the respondents get information about the corporation loan scheme through advertisement.
- The Likert scale value is 3.52; it represents the respondents' moderate awareness about the corporation loan scheme.
- The Likert scale value is 3.28; it indicates that respondents are moderately satisfied with the corporation loan scheme.
- Providing subsidies is the main reason for availing the corporation loan scheme. (The weighted mean is 3.97).

7. Suggestions

- Provide the maximum required amount to borrowers.
- Increase eligibility criteria of borrowers
- The corporation must provide an attractive rate of interest to borrowers.
- Increase repayment duration and provide loan groups of borrowers to avoid NPS.
- The corporation must improve the awareness program in overall Karnataka.
- The corporation must provide a more attractive rate of interest and subsidies to those who are economically weaker in society.

8. Conclusion

Currently, numerous banks and financial institutions offer loans with appealing services. Corporation primarily limit economically disadvantaged underprivileged groups, however the loan amounts are quite minimal, and only a very restricted number of beneficiaries are chosen annually according to their classification, therefore the government should allocate more funding in the budget. This would reach many content borrowers throughout society.

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