

Preference of Education Loan - A Study With Special Reference to Canara Bank in Coimbatore

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Abstract - The study based on the relationship between willingness to take financial risk and the probability of taking a loan for educational purpose as well as the influence of risk attitudes on the size of the loan. The findings suggest a positive relationship between individuals' willingness to take financial risk and the probability of taking a loan for educational purposes. Similarly, individuals' willingness to take financial risk appears to be an important determinant of the size of the educational loan. The findings suggest that individuals from less wealthy backgrounds are likely to take finance education through loans which could potentially increase inequalities in education and income.

Keywords: Education loan, Canara Bank, Consumer Satisfaction.

I. INTRODUCTION OF STUDY

Education is the process, which enables an individual to adjust himself to the environment. A present day economist is inclined to think "EDUCATION" as a process which makes man economically creative member of the society. The subject matter of education is more important. The word "Education" is derived from the Latin educate, meaning "To nourish" or "To rise". Sometime educational system can be used to promote doctrines or ideas as well as knowledge. Twenty first century society is knowledge society. Almost all third world nations believe that it is the repaid expansion of education opportunities that holds the basis key for national development.

Higher education provides to trained and knowledgeable personal to the nations. But the number and quality such personnel should be as per requirements. University provides not only trained manpower but also improve, functional efficiency of more engaged in different kinds of productive work, that i.e., it makes values contribution to the acceleration of development.

University education strengthens the pipers of national integration. In a country like India, this has multi-religions, multi-classes and multi sectors. There is a strong need for such education planning which certificates the heterogeneous components.

Education has a significant role in the Indian economy. Higher education is increasing with the new paradigm. Higher education involves creation of intellects of world standards and also training of skilled human power at mass level without compromising on quality.

MEANING OF EDUCATION LOAN

Money borrowed to finance education or school related expenses. Payments are often deferred while in school and for 6 months grace period after graduation. There are a variety of federal and private student loans available.

In the united state the federal government acts as a central point in access in financial aid for education.

1.1 CONSUMER SATISFICATION

Customer satisfaction refers to the extent to which customers are happy with the products and services provided by a business. Customer satisfaction levels can be measured using survey techniques and questionnaires.

DEFINITIONS:

Customer satisfaction is equivalent to making sure that product and service performance meets customer expectations. Customer satisfaction is the perception of the customer that the outcome of a business transaction is equal to or greater than his/her expectation.

Customer satisfaction occurs when acquisition of products and/or services provides a minimum negative departure from expectations when compared with other acquisitions. Gaining high levels of customer satisfaction is very important to a business because satisfaction customers are most likely to be loyal and to make repeat orders and to use a wide range of services offered by a business There are many factors which lead in high levels of customer satisfaction including. Products and services which are customer focused and hence provide high levels of value for money. What is clear about customer satisfaction is

that customers are most likely to appreciate the goods and services that they buy if they are made to feel special. This occurs when they feel that the products and services that they buy have been specially produced for them or for people like them.

1.2 INTRODUCTION TO THE CANARA BANK

Canara Bank is one of the largest public sector banks owned by the Government of India. Its headquarter is in Bengaluru. It was established at Mangalore in 1906 (by Ammembal Subba Rao Pai). It is one of the oldest public sector banks in the country. The government nationalized the bank in 1969. As of 30 October 2017, the bank had a network of 6639 branches and more than 10600 ATMs spread across all over India. The bank also has offices abroad in London, Hong Kong, Moscow, Shanghai, Doha, Bahrain, South Africa, Dubai, Tanzania and New York.

History

Ammembal Subba Rao Pai, A philanthropist, established the Canara Hindu Permanent Fund in Mangalore, India, on 1 July 1906. The bank changed its name to Canara Bank Limited in 1910 when it incorporated. Canara Bank's first acquisition took place in 1961 when it acquired Bank of Kerala. This had been founded in September 1944 and at the time of its acquisition on 20 May 1961 had three branches. The second bank that Canara Bank acquired was Seasia Midland Bank (Alleppey), which had been established on 26 July 1930 and had seven branches at the time of its takeover.

In 1958, the Reserve Bank of India had ordered Canara Bank to acquire G. Raghunathmul Bank, in Hyderabad. This bank had been established in 1870, and had converted to a limited company in 1925. At the time of the acquisition G. Raghunathmul Bank had five branches. The merger took effect in 1961. [7] Later in 1961, Canara Bank acquired Trivandrum Permanent Bank. This had been founded on 7 February 1899 and had 14 branches at the time of the merger.

Next, Canara Bank acquired four banks in 1963: the Sree Poornathrayeesa Vilasam Bank, Thrissur, Arnad Bank, Tiruchirapalli, Cochin Commercial Bank, Cochin, and Pandyan Bank, Madurai. Sree Poornathrayeesa Vilasam Bank had been established on 21 February 1923 and at the time of its acquisition it had 14 branches. Arnad Bank had been established on 23 December 1942 and at the time of its acquisition had only one branch. Cochin Commercial Bank had been established on 3 January 1936, and at the time of its acquisition had 13 branches.

The Government of India nationalised Canara Bank, along with 13 other major commercial banks of India, on 19 July 1969. In 1976, Canara Bank inaugurated its 1000th branch. In 1985, Canara Bank acquired Lakshmi Commercial Bank in a rescue. This brought Canara Bank some 230 branches in northern India. In 1996, Canara Bank became

the first Indian Bank to get ISO certification for "Total Branch Banking" for its Seshadripuram branch in Bangalore. Canara Bank has now stopped opting for ISO certification of branches.

The banking industry is highly competitive, with banks not only competing among each other; but also with non-banks and other financial institutions. Most bank product developments are easy to duplicate and when banks provide nearly identical services, they can only distinguish themselves on the basis of price and quality. Therefore, customer retention is potentially an effective tool that banks can use to gain a strategic advantage and survive in today's ever-increasing banking competitive environment. It is more economical to keep customers than to acquire new ones. The costs of acquiring customers to "replace" those who have been lost are high. This is because the expense of acquiring customers is incurred only in the beginning stages of the commercial relationship. In addition, longer-term customers buy more and, if satisfied, may generate positive word-of-mouth promotion for the company. Additionally, long-term customers also take less of the company's time and are less sensitive to price changes.

Widely known for customer centricity, Canara Bank was founded by Shri. Ammembal Subba Rao Pai, a great visionary and philanthropist, in July 1906, at Mangalore, then a small port town in Karnataka. The Bank has gone through the various phases of its growth trajectory over hundred years of its existence. Growth of Canara Bank was phenomenal, especially after nationalization in the year 1969, attaining the status of a national level player in terms of geographical reach and clientele segments. Eighties was characterized by business diversification for the Bank. In June 2006, the Bank completed a century of operation in the Indian banking industry. The eventful journey of the Bank has been characterized by several memorable milestones. Today, Canara Bank occupies a premier position in the comity of Indian banks. Canara Bank has several firsts to its credit. These include:

- Launching of Inter-City ATM Network
- Obtaining ISO Certification for a Branch
- Articulation of 'Good Banking' – Bank's Citizen Charter
- Commissioning of Exclusive Mahila Banking Branch
- Launching of Exclusive Subsidiary for IT Consultancy
- Issuing credit card for farmers
- Providing Agricultural Consultancy Services

Over the years, the Bank has been scaling up its market position to emerge as a major 'Financial Conglomerate' with as many as nine subsidiaries/sponsored institutions/joint ventures in India and abroad. As at December 2016, the Bank has further expanded its

domestic presence, with 5964 branches spread across all geographical segments. Keeping customer convenience at the forefront, the Bank provides a wide array of alternative delivery channels that include 10394 ATMs, covering 4081 centres. Several IT initiatives were undertaken during the year. The Bank set up 187 hi-tech E-lounges in select branches with facilities like ATM, Cash Deposit Kiosk with voice guided system, Cheque Deposit Kiosk, Self Printing Passbook Kiosk, Internet Banking Terminal, Online Trading Terminal and Corporate Website Access. The Bank also launched Canara Bank Repay Debit Card, Canara Club Card – Debit, Canara Secured Credit Card, Canara Elite Debit Card, Canara Bank Platinum Rupay Cards, Platinum Rupay Card and EMV Chip Cards under debit and credit cards. Online Savings Bank and PPF account opening were introduced. The Bank made several value additions under internet banking and mobile banking services. The Bank has introduced enhanced version of Can Mobile, Canara e-Info Book- an electronic passbook and banking related information facility on mobile platforms - Android, Windows & iOS and Canara m-Wallet to provide more convenience and facilities to customers. Canara Galaxy, a combo product launched, comprising SB, Demat, OLT, Internet & Mobile Banking, Insurance, card services and other add-ons. Under education loan interest subsidy, web portals released for Central Scheme for Interest Subsidy (CSIS), Ministry of HRD, GoI, Dr.Ambedkar Central Sector Scheme of Interest Subsidy (ACSIS), Ministry of Social Justice & Empowerment, GoI and PadhoPardesh, Ministry of Minority Affairs, GoI. The Bank has launched Instant loan application sanction portal for Housing Loan and Car Loan. The Bank issued MUDRA Debit Card for overdraft accounts under MUDRA Card scheme. P2U (Person to UIDAI) funds transfer through Mobile Banking in WAP channel was enabled by the Bank. Subscription of Social Security Schemes of Govt. of India through ATM, SMS and Internet Banking was enabled by the Bank. The Bank has implemented “JeevanPraman” a digital life certificate for pensioners. The Bank has Implemented automated reminder SMS/Email Alerts to customers intimating to submit RC Copy/Insurance for the vehicle loans and tax paid receipt/certificate for the mortgaged property. Missed Call / SMS Based ePass Sheet generation made live by the Bank. The Bank has successfully implemented SMS/Email Alerts to NPA Borrowers intimating to regularize overdues in accounts. Mobile Banking Registration through ATMs (Interoperability through NFS) has been successfully introduced by the Bank.

The Bank has successfully completed Aadhaar seeding through BC Terminal. The Bank has Implemented renewal of Subscription for Social Security Schemes (PMJJBY & PMSBY), mobile banking registration through ATMs, missed call / sms based epass sheet generation, SMS/Email alerts to customers intimating to submit RC

Copy/Insurance for the vehicle loans and tax paid receipt/certificate for the mortgaged property. The Bank has successfully launched “Canara Empower”- Unified payment interface for single platform in accessing multiple bank accounts and “CANARA TECH”- support for structured resolution of queries related to tech-products. The Bank has launched “CANARA CART”- an application basket containing all mobile based solutions. Customers can manage all mobile apps of Canara Bank under this single application. The Bank has successfully launched “CanaraServe”- enables customer to Hot list and Block/Unblock Cards, “Canara Swipe”- all missed call solution in single Application and “Canara GeoLocate”- mobile Application enables a GPS based search for locating Branch, ATMs and E Lounge of Canara Bank. Canara Bank has successfully launched a new facility called “Green PIN in ATMs”, an online module to generate Debit Card PIN at the time of fresh issuance of Card and also when the customer forgets the PIN.

Subsidiary companies

- Canfin Homes Limited (CFHL), with a network of 110 branches and 28 satellite offices throughout India
- Canbank Factors Limited
- Canbank Venture Capital Fund Limited
- Canbank Computer Services Limited
- Canara Bank Securities Limited
- Canara Robeco Asset Management Company Limited
- Canbank Financial Services Limited
- Canara HSBC Oriental Life Insurance Company Limited

1.3 FUTURE TRENDS IN EDUCATION LOAN FROM CANARA BANK

Canara Bank today is one of the premier commercial banks in India, having its origin more than a century ago in 1906. Since then, the bank has grown from strength to strength and at present it has an elaborate branch network – 5849 branches – and 9251 ATMs. This is the highest number among nationalized banks. True to its founding principles, the bank has always remained a customer focused bank. It has been undertaking a slew of innovative initiatives and measures to remain customer centric, be it in the IT front or in the new products and processes. These initiatives have been improving customer satisfaction and enhanced fast delivery system. To take a few examples, instant in-principle sanctions for home and car loans, loan application and tracking systems, updated net and mobile banking applications, info book, wallet, customer grievance redressal system etc., are some of the innovations in IT, which are increasing customer satisfaction. Given its elaborate branch network, we are focusing on growing our retail business – mobilizing retail deposits and deployment in retail assets like agriculture,

MSMEs, housing, vehicle, education etc. We are able to grow our customer accounts to over 7.25 crore, and this is growing day-by-day.

II. OBJECTIVE OF THE STUDY

- ❖ To find out the approaches to the customers towards loan
- ❖ To know about the Satisfaction level of providing educational loan
- ❖ To know the action taken by Canara bank towards pending payment dues
- ❖ To know the volume of people approach the educational loan

III. SCOPE OF THE STUDY

Now a day the banking activities become fully automated and almost all the commercial banks are providing education loan services. The topic chosen for analysis covers various education loans from Canara bank services offered by the banks in Coimbatore and the customer's preference towards such services. The study further identifies the factor influencing the customer to prefer education loan services, purpose of usage, frequency of usage, duration of usage, place of usage etc., This study also helps to identify the problems faced by the customer while using education loan services. By this the banker can identify in which dimension they lack so that they can improve services to their customer in order to improve satisfaction.

IV. STATEMENT OF PROBLEM

Education has become very expensive proposition now a day. There are different fees structures are followed by different institutions. The government fix fees structures for the unaided self finance engineering colleges, aided colleges and government colleges in addition to the government fees of self finance colleges and in addition to the government college's fees of every student needs funds to meet the cost of education.

Cost of the students find so different to just enter into the field of education from which they can gain more knowledge. Some more students discontinue their education because of lack of finance to meet the cost of education. The problem of the finance, which prevails among the students in solved to the nationalized and private sector banks come forward to grant the educational loan to the need subject to some condition. It means there is a wide between the demand and supply of the educational loan. Educational loans are offered by 4000 branches of the bank, spread across the country including the personal banking branches. Anyone can take a loan for pursuing studies in recognized schools/college/institutions etc.,

V. LIMITATION OF THE STUDY

- ❖ This study is limited by time schedule.
- ❖ This study result is applicable only to the area of study.
- ❖ This study is restricted by sample size. So accuracy may not be 100 %.
- ❖ Since the new procedures are expected to come forth in nearby future the existing procedures may obsolete..

VI. AREA PROFILE

The present study area is Coimbatore town, which is the integral part of Coimbatore district in Tamilnadu. Therefore, the profile of Coimbatore district is also essential for the study. Coimbatore also known as Kovai its a major city in the Indian state of Tamil Nadu. Located on the banks of the Noyyal River surrounded by the Western Ghats, it is the second largest city in the state after Chennai and 16th largest urban agglomeration in India. It is the largest city in the Kongunadu region. It is administered by the Coimbatore Municipal Corporation and is the administrative capital of Coimbatore district. It is one of the fastest growing tier-II cities in India and a major hub for textiles, industries, commerce, education, information technology, healthcare and manufacturing in Tamil Nadu.

VII. REVIEW OF LITERATURE

The financing of higher education in India fits well in the overall development strategy and economic policy of the country. India's higher education sector evolved and grew with the strong support of public funds during the period called Peruvian model of development. By and large, this model of development was applied across all the Indian states. In fact, governments owned, established and operated educational institutions everywhere. These institutes were funded by the government and charged very nil or low fees and funds from the students. The scenario has changed drastically during the last about a decade and half. As a result, the whole gamut of financing higher education has changed in India, which gave a central role for the private sector. Indeed, it had happened under the nose of new economic policy initiated since the 1990s. Numerous studies are available about the financing of education in the country both during the pre-and post-reforms periods. It highlights the issues related to the various aspects of educational financing such as the problems faced by educational loan aspirants and financiers, role of Governments, educational institutions etc. However, literature reviewed here are grouped into two different categories i.e., studies related to India and studies related countries other than India.

The cost of education has attracted researchers' attention at the very early stage. These studies deal with the national

education sector as well as that of the individual states of the country.

1. **Ravi F. H.**, (1960)¹ had examined the pattern of expenditure on higher education against the backdrop of economic development and opined that the proportion for total expenditure allocated to higher education was much below the expected level of investment and concluded that under financing create burden to the government and higher education beneficiary groups.

2. **Pillai and Nair** (1962)² made an attempt to study the history and problems of educational finance in Kerala state. The study suggested that additional public resources should be generated on large scale in order to finance the continuously rising demands for the education in the state at all levels. Even, the Education Commission (1964-66) had strongly argued for devoting 6 per cent of GNP to the education sector by taking into account the numerous parameters like cost of education, teacher-student ratio, educational requirements of the country and financing policies adopted in other countries.

3. **Panchamukhi's** (1965)³ study estimated the total cost of education for the period 1950-51 to 1959-60 and concluded that total cost of education constituted 6.2 per cent of GNP in 1959-60. The study also calculated the various components of private and institutional costs of education, foregone earnings for males and females, village and town pupil separately. The study estimated that foregone earnings constituted major proportion of total factor cost of education. The total cost of education was found to be between 5 per cent and 6.5 per cent of national income in 1960-61.

4. **Pandit** (1969)⁴ measured the unit cost of education and efficiency of educational expenditure. The study illustrated the total cost of education into three categories such as institutional cost, students' cost and opportunity cost.

5. In the study conducted by **Shah** (1969)⁵ analyzed the unit cost of higher education. The study has divided the cost of education into two main components: (a) social cost, (b) opportunity cost. Social cost is again divided into student cost and institutional cost. In student cost, there is a possibility of double counting in fee and scholarship because at one time it is the income of the institution and at the same time it is also the part of institutional cost. Further, it is also found that there is different unit cost of education of hostellers and day-scholars. Institutional cost can be divided into two parts, recurring cost and non-recurring cost. In non-recurring cost, the main components of cost are capital (land on rent and building) and equipment and in recurring cost they are divisible and non-divisible. The study also suggests that the recurring cost and expenditure should be done very carefully.

6. **Rao** (1969)⁶ discussed the economic aspect of the education. In order to study the cost of education, he

adopted several approaches. In one approach, the main component was the cost borne by the students. In other approach, it has divided into three parts: (i) institutional cost, (ii) student's cost and (iii) opportunity cost.

7. **Kulkarni's** study (1969)⁷ also estimated the unit cost of education from the period 1962-66 at current prices. It showed that the change in pupil-teacher ratio affects the unit cost of education. The decline in pupil-teacher ratio increases the workload of the teachers in turn leads to higher teacher turnover ratio.

8. **Dutt** (1969)⁸ measured the source of financing of 28 colleges of Haryana which includes four state colleges and 24 private colleges categorized under three headings as the state colleges, private women colleges and other private colleges. The various sources of financing of higher education was found to be: (i) fee income; (ii) government grants (State, UGC, and local bodies); (iii) other sources (fines, sale of prospectus, etc.); and (iv) funds given by the governing bodies. In all colleges, sources of income were very much different. In the state colleges, the main contributor was the state government. The private women colleges depend mainly upon state grants-in-aids, and other private colleges depend upon the fees and funds and the UGC grants, if any. After the government grants, among the private sources, the major contributor was fees and funds paid by the students.

9. **Sharma** (1969)⁹ highlighted the significance of unit costs in the educational planning process. The study considered the nature and different types of unit costs required at different levels of education with special reference to Indian conditions, the nature of available statistics, their coverage gap and their limitations. A method has been developed to measure the cost per student at different levels. Various suggestions were available for improvements in the methodology for the estimation of costs.

10. **Mathur** (1974)¹⁰, in his study on Kerala University during 1970-71, found that the receipts from examination, which was initially a source of income, later became a major item of heavy expenditure of the university. The expenditure on science departments was nearly double than that of the funds spent on the humanities. The expenditure on administration head alone was 19 per cent in 1970-71. And, over the time period, overall expenditure of university increased by 17 per cent per year.

11. **Jha** (1974)¹¹ while studying the financial behavior of the Patna University concluded that government grants is the main source of finance. The study also noted that in 1964-65, the state government itself had faced a deficit of funds due to the lack weak tax collections. This situation reduced the flow of funds to the coffers of university. The study also highlighted failure of the finance committee to function properly due to the lack of financial rules.

12. **Nigam** (1975)¹² examined the main source of finance of University of Rajasthan and their relative importance. The study also dealt with adequacy of finance, expenditure incurred under different heads, and difficulties faced by the university due to lack of finance. The study found that per capita availability of educational facilities, in real terms, does not fall either due to rise in enrolment ratio or inflation, which affects the facilities of the supply of laboratories or libraries. It recommended the creation of state level body like the UGC to settle financial issues in order to stabilize per capita educational facilities in real terms. 13. **Nanjundappa**(1975)¹³ described the Karnataka University's finances with special reference to growth of revenue and behaviour of various revenue components during 1972-73. It was found that the state government financed up to 54 per cent and income from fees and funds collected from students contributed up to 35 per cent. Moreover, per capita expenditure of state on education was just ₹ 80 in 1949-50 and rose to ₹ 3,306 in 1972-73. At the university level, there was enormous increase in the expenditure, especially in the academic departments, but still the grants of teaching staff were only 13 per cent. He reported a continuously rising gap between the cost of higher education and fees charged in Karnataka University. In order to eliminate this gap, Nanjundappa suggested (i) state grants must be increased in higher education; (ii) a rise in fees and funds from beneficiaries; (iii) introduction of indirect methods of financing such as student loans, which would be beneficial for both students as well as society.

14. **Mukerjee's** (1976)¹⁴ study attempted to throw the light on the pattern of income and expenditure of the Calcutta University. He found that the administrative expenditures of the Calcutta University alone constituted about 30 per cent between 1948-49 and 1969-70. The salaries to teachers cornered between 13.12 per cent and 18.76 per cent of expenditure. The study illustrated that organization of trust and endowments funds to finance university expenditure are the best option in the long run to sustain finances.

15. **Mathew** (1980)¹⁵ showed a detailed analysis of the receipts and expenditures of Kerala University for the year 1974-85. Out of total revenue of ₹ 192.2 lakh, ₹ 95.5 lakh (50 per cent) were accounted by the examination fee and ₹ 80.8 lakh (42 per cent) by the public grants. Further, the bulk of public grants (80 per cent) came from the state government. Out of total expenditure of ₹ 229.1 lakh, 25.6 per cent were incurred on general administration, ₹ 53.1 lakh (32.2 per cent) on the examination work and ₹ 42.1 lakh (18.3 per cent) on the departments for study and research. Faculty-wise, the humanities spent, on the average, ₹ 1.3 lakh per department and science departments ₹ 2.7 lakh.

16. **Subrahmanyam** (1982)¹⁶ studied the financing pattern of the Andhra University and found that its major sources of income (60 per cent) were the internal sources. However, across the non-academic income sources, major contributors were the press, publications, and interest on corpus fund. Further, on the expenditure side, major proportion of funds was consumed by the teaching departments (40 per cent to 69 per cent).

17. **Azad** (1984)¹⁷ critically analyzed the pattern of grants to the higher education sector in Andhra Pradesh. The major sources of grants were the government grants, followed by the revenue generated through fees and funds. It divides the pattern of state grants into the general and professional education. In general education, major heads of grants were the maintenance, building and equipment grants; while in professional education, the maintenance and building grants constitute the major component.

18. **Mridula**(1985)¹⁸ analyzed the sources of financing universities' maintenance grants. The study based on a large number of state universities found that the main source of financing maintenance expenditure was the UGC's grants and the majority of these grants were in the form of the block grants.

19. **Mathew** (1991)¹⁹ analyzed, in detail, the source of funds of private colleges in Kerala for the period 1972-86. The analysis was made on the basis of sample data collected from 25 arts and science colleges spread over the state. The study found that, among the institutional sources of finance, grants from the state constituted more than 90 per cent. However, of the non-institutional sources of finance, donations emerged as the most important component of finance of private colleges in Kerala. The study called for strengthening of the finances of colleges in the private sector.

20. **Varghese** (1991)²⁰, in his research work illustrated that the cost-recovery from beneficiaries implies a reduction in the public subsidies to higher education sector. This could be done by shifting the incidence of financial burden either to the beneficiaries (students) or to their users (employers). Student loans, graduate tax and enhancing fees were other suggestions in this regard.

VIII. RESEARCH METHODOLOGY

For this study the following research methodology has been applied.

8.1 RESEARCH DESIGN

Descriptive Research: Definitions

Sometimes an individual wants to know something about a group of people. Maybe the individual is a would-be senator and wants to know who they're representing or a surveyor who is looking to see if there is a need for a mental health program.

Descriptive research is a study designed to depict the participants in an accurate way. More simply put, descriptive research is all about describing people who take part in the study.

There are three ways a researcher can go about doing a descriptive research project, and they are:

- Observational, defined as a method of viewing and recording the participants
- Case study, defined as an in-depth study of an individual or group of individuals
- Survey, defined as a brief interview or discussion with an individual about a specific topic

8.2 Sampling Design

Convenience sampling

Convenience sampling (also known as availability sampling) is a specific type of non-probability sampling method that relies on data collection from population members who are conveniently available to participate in study. Facebook polls or questions can be mentioned as a popular example for convenience sampling.

Convenience sampling is a type of sampling where the first available primary data source will be used for the research without additional requirements. In other words, this sampling method involves getting participants wherever you can find them and typically wherever is convenient. In convenience sampling no inclusion criteria identified prior to the selection of subjects. All subjects are invited to participate.

Snowball sampling

Snowball sampling uses a small pool of initial informants to nominate, through their social networks, other participants who meet the eligibility criteria and could potentially contribute to a specific study. The term "snowball sampling" reflects an analogy to a snowball increasing in size as it rolls downhill.

Snowball Sampling is a method used to obtain research and knowledge, from extended associations, through previous acquaintances, "Snowball sampling uses recommendations to find people with the specific range of skills that has been determined as being useful." An individual or a group receives information from different places through a mutual intermediary. This is referred to metaphorically as snowball sampling because as more relationships are built through mutual association, more connections can be made through those new relationships and a plethora of information can be shared and collected, much like a snowball that rolls and increases in size as it collects more snow. Snowball sampling is a useful tool for building networks and increasing the number of participants. However, the success of this technique depends greatly on the initial contacts and connections made. Thus it is important to correlate with those that are

popular and honorable to create more opportunities to grow, but also to create a credible and dependable reputation.

Sample Size

- To make the questionnaire perfect to obtain accurate data for this study 500 samples were collected during the pilot study. Totally 500 respondents were taken as sample for this study purpose.

8.3 SAMPLING TECHNIQUE

Data Collection

For this study the Primary data were collected through Structured Questionnaire & Secondary data were collected from other related research reports, magazines, journal, books and websites etc.,

Tools of Data Collection

Structured Questionnaire (open – end type questions & fixed alternative Questions are used.) were used to collect primary data. To test and frame perfect questionnaire by including or excluding an unwanted questions Pilot study has been made for this research. (Pilot Study or Pilot Survey: it is a replica & rehearsal of the main Survey).

8.4 TOOLS FOR ANALYSIS

Statistical method is a mechanical process specially designed to facilitate the condensation of quantitative data. Statistical tools are important to simplify the complex task involved in collection and processing of data without any damages to findings. In this study, various statistical techniques like, percentages, charts, diagrams, Likerts scale are used to analyze and interpret the collected data.

- **Percentages:** Percentages explain information as a proportion of the whole. Percentages are calculated by taking the number of the subcategory and dividing by the total number in the population.

Formula of Simple percentage is as follows.

$$\text{Percentage} = \frac{\text{No. of Respondents}}{\text{Total No. of Respondents}} \times 100$$

- **RensisLikert** was instrumental in developing summated rating scale based item analysis. It is meant for measuring ordinal attribute like attitudes. In this study, Likerts 5 point scale is used to rank the level of satisfaction of customers. Scores were allotted as follows: Highly satisfied- 6 points, Satisfied- 5 points, Moderate- 4 points, Not satisfied- 3 Points and Highly not satisfied- 2 point and Not Applicable-1 point.

IX. PERIOD AND AREA OF STUDY

The chosen time period of the present study is the nearly a period of 2017 – 2018. Coimbatore is the second largest city in the Indian state of Tamil Nadu. It is a major

commercial centre and an industrial hub of Tamil Nadu and is known as the Manchester of South India.

X. ANALYSIS AND INTERPRETATION OF DATA

TABLE- 1

S.No	Socio Economic Characteristics		No .Of Respondents	Percentage (%)	Total No.of Respondents	Percentage
1	Age	18-25years Age	231	46	500	100
		26-30years	127	25		
		31-35years	48	10		
		35 above	94	19		
2	Gender	Male	226	45	500	100
		Female	274	55		
3	Marital Status	Married	168	33	500	100
		Unmarried	332	67		
4	Occupation	Student	130	26	500	100
		Employee	181	36		
		Business man	111	23		
		Others	78	15		
5	Annual Income	Below 40,000	189	37	500	100
		40,001-60,000	133	27		
		60,001-80,000	94	19		
		Above 80,000	84	17		
6	Usage Of Education Loan	Yes	391	78	500	100
		No	109	22		
7	Loan Settlement Period	Below 1 year	109	22	500	100
		1-2years	58	12		
		2-3years	144	29		
		3-4years	141	28		
		4years above	48	10		
8	Interest Rate Among Principal Amount	Yes	184	37	500	100
		No	207	41		
		Not Applicable	109	22		
9	Educational Loan Sanction Period	Less than 2 weeks	44	9	500	100
		2-4 weeks	204	41		
		4-6 weeks	129	26		
		6 weeks above	14	3		
		Not Applicable	109	22		
10	Purpose Of Loan	Schooling	81	16	500	100
		College	205	41		
		Other specify	105	21		
		Not applicable	109	22		
11	Penalty For Late Payment	Yes	223	45	500	100
		No	168	34		
		Not applicable	109	22		

The above table 1 reveals that, It is inferred that majority (46%) of the respondents are under the age group of 18-25 years, the male respondents constitute 45percent while the female respondents constitute 55 per cent of the sample population, the majority (67%) of the respondents are unmarried peoples, the majority (36 %) of the respondents are employee, the majority (37%) of the respondents are earning income below Rs.40,000, the majority (78%) of

the respondents are using educational loan from canara bank. the majority (29%) of the respondents are taking 2-3 years in loan settlement, the majority (41%) of the respondents are not consider to the principle amount of interest rate, the majority (41%) of the respondents get sanction of the education loan with in the period of for 2-4 weeks, the majority (41%) of the respondents are to taken the loan for college purpose and the majority (45%) of the

respondents are paying the penalty of interest rate payment.

TABLE -2 LEVEL OF CUSTOMER SATISFACTION

S.No	Services	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	Not Applicable	Total	Mean Square	Rank
1	Speed of transaction at counters	44	141	172	17	17	109	500	3.702	I
		264	705	688	51	34	109	1851		
2	Accuracy of transaction at counters	30	150	131	46	34	109	500	3.538	II
		180	750	524	138	68	109	1769		
3	Behavior attitude of bank staff	67	84	116	71	53	109	500	3.428	IV
		402	420	464	213	106	109	1714		
4	Presence of staff at counters	46	110	122	75	38	109	500	3.448	III
		276	550	488	225	76	109	1724		
5	Knowledge of bank staff about education loan	63	84	95	104	45	109	500	3.378	V
		378	420	380	312	90	109	1689		
6	Facilities of bank like seating arrangement etc	20	125	105	96	45	109	500	3.304	VI
		120	625	420	288	90	109	1652		

The above table 2 shows the level of satisfaction of the sample respondents. It is evident that, the first rank is given to Speed of transaction at counters because it scored 1851 points, the second rank and third rank is given to Accuracy of transaction at counters and Presence of staff at counters which scored 1769 and 1724 points, the fourth rank and fifth rank is given to Behaviour attitude of bank staff and Knowledge of bank staff about education loan which scored 1714 and 1689 points. Respectively and finally sixth rank is given to Facilities of bank like seating arrangement etc which scored 1652 points.

Inference

It is inferred that majority of the respondents given the first rank (1851) is for speed of transaction at counters.

XI. FINDINGS, SUGGESTIONS AND CONCLUSION

In this chapter the researcher has summarized the findings, suggestions and presented the conclusion.

11.1 FINDINGS

- Majority (46%) of the respondents are 18-25 years.
- Majority (55 %) of the respondents are 274 female.
- Majority (67%) of the respondents are unmarried peoples.
- Majority (36 %) of the respondents are employee.
- Majority (37 %) of the respondents are earning income between Rs.40,000.
- Majority (78%) of the respondents are used educational loan from canara bank.

- Majority (29%) of the respondents are 2-3 years in loan settlement.
- Majority (41%) of the respondents are not consider to the principle amount of interest rate.
- Majority (41%) of the respondents are sanction education loan for 2-4 weeks.
- Majority (41%) of the respondents are to taken the loan for college purpose.
- Majority (45%) of the respondents are paying the penalty of interest rate payment.
- Majority of the respondents given the first rank (1851) is for speed of transaction at counters.

11.2 SUGGESTIONS

- ❖ Give one more tear concession if they make full payment before completing the stipulated payment period. It will be an encouragement to the beneficiaries to make prompt payment within appropriate time limit.
- ❖ It is better to arrange a get-together program by each of the bank for those who had availed educational loan from canara bank. It will be better for getting a job for the beneficiaries under education and for the bank themselves by increasing their public image.
- ❖ It is implement educational fellow ship schemes to the forward caste but financially back ward students like the scheme for SC/ST, OEC and OBC students by the welfare and developmental developments of the state government.
- ❖ It is suggested to that the government should provide guarantee for educational loan to the commercial bank to defend against default in the payment.

- ❖ It would be better to the students, if the bankers development programs in the field of educational loan.
- ❖ Since the new procedures are going to be implement for loan sanctioning section in nearby future and the announcement are spreading through the Medias. People are advised to update themselves and get benefit by those schemes.

11.3 CONCLUSION

Now-a-days education plays a vital role in human life and also it is an expensive proposition, because the aided, the government and the self-financing colleges follow different fee level from their students. At the same time all the students are not supportive of this fee structure. Therefore there is a need of educational loan for their studies. For this purpose, the study offers some constructive suggestions for improving the students satisfaction level. The present study is carried out the customer satisfaction in educational loan towards various bank with special reference to Coimbatore district. The survey has been reviewed with simple percentage analysis tool and the data interfered has been suggested to the bankers as well as to the government for better solution to students and people are requested to update the upcoming procedures in loan processing.

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