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ICICI Bank Education Loans: A Comprehensive Study of Their Impact and Limitations

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Abstract

With the rising cost of higher education in India, education loans have become a critical mechanism for enabling academic pursuits. This study investigates the education loan schemes offered by ICICI Bank—a leading private-sector institution—to evaluate their role in mitigating financial barriers for students. Utilizing bank records and customer survey data, the research examines key product features, including eligibility criteria, interest rates, repayment structures, and application workflows. Findings indicate that while ICICI Bank offers competitive, flexible financing for domestic and international studies, procedural delays and heavy documentation requirements present notable access barriers. Ultimately, although these loan products meaningfully expand educational access, enhancements in application efficiency and customer awareness are necessary. The paper concludes with actionable recommendations to help ICICI Bank optimize its loan delivery, thereby supporting student success and broader socioeconomic development

Keywords: Education Loan, Borrower Satisfaction, Multiple Regression Model, Challenges, ICICI Bank.

Introduction:

Education is a fundamental pillar of personal growth and national development. In India, demographic expansion and a growing middle class have driven unprecedented demand for higher education, particularly in high-cost fields such as engineering, medicine, and management. For low- and middle-income households, these rising costs pose a substantial financial barrier. Consequently, education loans have become pivotal in bridging this gap, offering flexible repayment structures and accessible terms to enable entry into quality institutions.

Within this landscape, ICICI Bank—established in 1994 as a leading private lender—plays a prominent role by offering tailored financing for both domestic and international studies, covering tuition, accommodation, and related expenses. This study evaluates ICICI Bank’s education loan portfolio to highlight private sector mechanisms, comparative advantages over public sector schemes, and overall operational efficiency.

This research holds multi-faceted significance:

- **Socioeconomic Mobility:** It explores how targeted credit facilities empower economically weaker sections, fostering social mobility and a skilled workforce.
- **Industry Benchmarking:** Analyzing ICICI Bank’s schemes offers insights into best practices that can inform standard practices across the banking sector.
- **Stakeholder Decision-Making:** The findings provide practical guidance for students and parents navigating financial planning, while enabling universities to establish better financial aid partnerships.
- **Policy Alignment:** The study aligns with India’s National Education Policy (NEP) 2020, assessing how private institutional credit supports broader national goals of equitable access and increased higher education enrollment.

The problem statement of this study:

Although ICICI Bank provides education loan services, significant concerns persist regarding their accessibility, affordability, and overall effectiveness in enabling students to achieve their academic and career aspirations. Furthermore, limited research has examined the specific features of ICICI Bank's education loan schemes and their impact on students.

This study seeks to address these gaps by:

- **Assessing accessibility and affordability** of ICICI Bank's education loans.
- **Evaluating customer satisfaction and experiences** with the loan products.
- **Identifying challenges** associated with the application, disbursement, and repayment processes of ICICI Bank's education loans.

Background of the Study:

- Education is a vital driver of individual and societal progress, yet rising costs have made higher studies increasingly unaffordable in India. Professional programs such as engineering, medicine, and overseas education demand substantial investment, often beyond the reach of middle-class families. Education loans have therefore become essential in bridging the gap between ambition and affordability.
- In 2023, over 35 million students pursued higher education, with private engineering degrees costing more than ₹10 lakhs and overseas education exceeding ₹50 lakhs. Education loans ease this burden by covering tuition, accommodation, books, and related expenses, with repayment beginning after graduation.
- ICICI Bank has positioned itself as a key provider, offering tailored loan products for domestic, international, and vocational studies. While loans expand access, challenges such as high interest rates, complex applications, and repayment pressures persist. This study evaluates ICICI Bank's strategies in addressing these issues and its role in making education financing more inclusive, offering insights to strengthen accessibility for India's aspiring students.

Scope Of the Study:

The primary objective of this study is to examine the education loan schemes offered by ICICI Bank in order to evaluate their viability and functional effectiveness in supporting students' academic pursuits. The research seeks to identify the key characteristics, strengths, and limitations of these loan products in facilitating learning opportunities. In addition, the study aims to provide actionable recommendations to enhance the efficiency and overall impact of ICICI Bank's education loans, thereby strengthening their role in promoting educational attainment.

Review of the Literature:

Historical evolution of education loans:

The evolution of education loans is closely tied to shifts in educational financing policies, which moved from state-controlled, heavily subsidized systems to more market-oriented models involving private-sector participation. In India, this transformation gained momentum in the early 2000s, as both state and private institutions began pooling resources to develop a comprehensive framework for financing higher education. The change was driven by rising demand for higher education, insufficient public funding, and the absence of a clear financing policy. As Tilak (2021) notes, even substantial government expenditures during the 1980s and 1990s failed to keep pace with the rapid expansion of institutions and escalating tuition fees, necessitating alternative mechanisms such as loans to bridge the gap. Education loans thus emerged as a transformative tool, enabling middle- and lower-middle-class families to access quality higher education for their children.

The Reserve Bank of India (RBI) played a pivotal role by introducing the Education Loan Scheme in 2001, later revised in 2015, which standardized loan terms and conditions across banks. Johnston (2019) highlights that the scheme simplified access by waiving collateral requirements for loans up to ₹4 lakhs, a measure intended to benefit low-income students. Nevertheless, disparities in utilization persist, particularly among rural and marginalized communities, due to limited awareness and structural constraints. While studies such as Kumar (2020) have examined the private costs of medical education in Kerala, there remains a paucity of literature exploring how education loans historically expanded access across different social strata.

Economic implications of education loans:

Education loans have been credited with enabling greater investment in human capital, thereby improving human capital and helping develop the economy and society in general. Tilak (2021) believes that loans in the financial markets support educational investment by students, which improves workforce quality and enhances GDP. This view is reinforced by Narayana (2021), who emphasizes the role of banks as powerful channels for amplifying this effect, but on the other hand, critics such as Choudhury and Mahajan (2021) note that although the loan scheme expands educational opportunities to the masses, they place undue financial burdens on graduates when unemployment among educated people remains high in India.

In India, education loans have the potential to facilitate entrepreneurial activities for educated youth and create jobs, as described by the analysis of Weiss and Dube (2020).

Unfortunately, entrepreneurship is neglected within the literature on education loans in India, and the literature on education loans focuses primarily on conventional outcomes of employment.

Social implications of education loans:

The social benefits and potential of the education loan scheme have also been elaborated. Varghese (2020) asserts that the scheme contributes to social mobility through access for the disadvantaged. The study by Job Kulavelil (2020) agrees and views education loans as an instrument for resource mobilization toward bridging gaps in privilege.

However, Raman Pillai (2020) argues that in the absence of subsidies and supporting instruments, these loans can deepen inequalities and are also a tool for commodification of education, according to Sukumaran Nair (2020).

Gender adds another dimension to social implications, as it is widely accepted that there are gender differences in access to and repayment of loans due to perceived cultural factors, according to Tseris (2019) and Cotterell (2019). While the study did not account for these differences, a country such as India with a pervasive patriarchal culture should not ignore them.

Challenges of the education loan system:

Several limitations of the education loan scheme are often stated as hindrances by FICCI (2020), including that the loan application process in India is convoluted, especially for first-generation students who do not know how to fill out various forms and bank applications without guidance. The high interest rates in India, especially by private banks such as ICICI, do not match global standards (Hauptman, 2020). The strict repayment conditions are another hurdle, which leads to a significant portion of defaulters, according to Narayana (2021).

The internet divide, a major stumbling block for poor sections of society, as it is impossible for rural sections without knowledge of it to take loans from private banks such as ICICI through its online channels to get help in completing application requirements and repayment procedures.

The rural section lacks awareness and knowledge about the scheme. This is not addressed at all by the existing literature.

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Technological advancement in education loan provisioning:

Technology has revolutionized the provision of education loans. Digital portals have not only simplified the application process but also made loans easily accessible from anywhere by real-time tracking of applications and real-time communication. One such initiative by ICICI Bank that made loans easily accessible is the online digital portal for processing education loans.

Privacy issues and digital exclusion among the rural parts of the country present new challenges to the use of these new digital tools.

Future research might focus on the feasibility of emerging technologies such as, but not limited to, blockchain technology and artificial intelligence to develop more streamlined and fraud-resistant systems (blockchain) and to make decisions about borrower risk assessment more accurate (AI) for loan provisioning.

Comparative studies of education loan schemes:

A comparison with other countries helps to highlight India's specific model. Hauptman (2020) compares India's loan program with that of the USA, and Sanyal and Martin (2020) critique China's shift toward a debt-reliant strategy. While India can learn from the flexible repayment conditions in the USA or state subsidies in some Nordic countries, direct comparisons with comparable developing nations such as Brazil are rare. The present study endeavours to provide new insights by examining the customer satisfaction provided by ICICI Bank's education loan program in terms of the entire loan journey, the areas to improve, such as faster approvals or more flexible repayment alternatives. The study also investigates the factors influencing the utilization of education loans. Furthermore, it seeks to position ICICI Bank’s education loan schemes within both the Indian context and global benchmarks, enabling a comparative assessment of their effectiveness and relevance.

Study Objectives:

The study is designed to accomplish two key objectives:

1. To evaluate customer satisfaction across the entire loan lifecycle, from application to repayment.
2. To identify challenges related to aspects such as timely approvals and flexible repayment terms to enhance the overall borrower experience.

Research Methodology:

The study adopts an exploratory and descriptive design. The exploratory dimension enables a deeper investigation into ICICI Bank’s education loan schemes—examining eligibility criteria, repayment structures, and borrower perceptions that are often overlooked in existing research.

The descriptive component aims to present factual information concerning loan features, uptake, and outcomes, which may be useful for various stakeholders involved in the provision of student loans.

Primary data is collected to obtain information firsthand from borrowers through various research methods, of which surveys are chosen for data collection.

Secondary data is collected from various credible sources, namely academic journals, industry reports, government publications, and financial databases. A total of 100 respondents.

Limitations of the Study:

1. With a sample of 100 respondents taking surveys, the data, although sufficient for a preliminary analysis, is not adequate to represent the wider population of education loan recipients at ICICI Bank, as it serves a wide network across India, covering a wide array of social and economic backgrounds.
2. Most of the sample data collected are from urban settings and not from rural settings in India.

3. External stakeholders such as bankers, members of financial institutions, and regulatory bodies who form part of the education loan provider to frame the right scheme were not included in the study.

Data Presentation And Analysis:

Table 1: Age Distribution.

Category	Frequency	Percentage
18-25	50	50
26-35	30	30
36-45	15	15
46+	5	5

Interpretation:

The data in Table 1 below shows the spread of education loan borrowers at ICICI Bank based on age distribution. From the data, it can be noted that most of the borrowers fall in the age bracket of 18 – 25 years old and account for 50% of the sample size.

Table 2: Gender:

Category	Frequency	Percentage.
Male	40	40%
Female	45	45%
Non-Binary	10	10%
Prefer not to say	5	5%

Interpretation:

The data below indicates the gender distribution of the borrowers. From the data, it can be inferred that most of the borrowers of education loans from ICICI bank are female, comprising 45% of the respondents.

Table 3: Location

Category	**Frequency**	**Percentage**
Mumbai	30	30%
Delhi	25	25%
Bangalore	20	20%
other	25	25%

Interpretation:

By looking at Table 3, we can get an idea of how many people have applied for education loans at ICICI Bank depending on their location. In the table, it can be seen that out of the total percentage of education loan customers, 30% are from Mumbai. This suggests that Mumbai has the highest percentage of education loan customers in ICICI Bank.

Table 4. Education Level Category:

Category	Frequency	Percentage.
High school	15	15%
Under graduate	40	40%
Post graduate	35	35%
Doctoral	10	10%

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Interpretation:

The Education Level Distribution in Table 4 Below Shows Several Interesting Trends About the Demographic Composition of ICICI Bank's Education Loan Applicants. It Can Be Seen that the Highest Proportion (40%) of education loans is taken up by Undergraduate Students, Which Signifies That the Highest Number of Education Loans Are Required at the Undergraduate Level.

Table 5: Employment Status of the loan applicants.

Category	Frequency	Percentage
Student	50	50%
Employed full-time	30	30%
Employed part-time	10	10%
Unemployed	5	5%
Self employed	5	5%

Interpretation:

As per Table 5, in the case of ICICI Bank, the largest percentage (50%) of the loan applicants are students. This implies that half of the loan applicants do not have a source of income and hence depend on education loans to fund their studies.

Table 6: Source of Loan Awareness:

Source	No. of people	Percentage.
Bank website	20	20%
Bank branch visit	15	15%
Friend/family referral	30	30%
Educational institution	25	25%
Online advertisement	5	5%
Other	5	5%

Interpretation:

Table 6 presents data regarding the sources of information that influenced the applicants to take a loan from the ICICI Bank. The data reflects that the most common source of awareness about the education loan schemes of the bank is friends and family (30%). Therefore, it could be concluded that word-of-mouth recommendation plays a significant role in attracting new customers to the bank's loan schemes.

Table 7: User-friendly Application Process

Easy Application Process	Respondents	Percentage
1 Strongly disagree	10	10%
2 Disagree.	15	15%
3 neutral	25	25%
4 Agree	30	30%
5 Strongly agree	10	10%

Interpretation:

Table 7 presents the respondent's evaluation of their experiences with the ICICI Bank education loan application process, using a five-point scale, ranging from 1 Strongly Disagree to 5 Strongly Agree. From the data analyzed, one can see that the perception of how easy it is to apply for a loan varies among respondents.

Table 8: Approval Time period

		Approval time	Applications	Percentage.
1	Strongly acceptable	< Week	30	30%
2	Acceptable	1-2 weeks	40	40%
3.	Neutral	Not bothered	0	0%
4.	Not acceptable	3-4 weeks	20	20%
5.	Strongly not acceptable.	>4 weeks	10	10%

Interpretation:

Table8 represent approve time for education loan taken by the student from ICICI Bank which specify the time taken for approval of loan amount and it is clear 40% customer are getting approval within 1 to 2 weeks which depicts that customer needs to wait shorter time for loan approval.

Table 9: Challenges and Difficulties faced by loan applicants.

Challenges and Difficulties faced	Respondents	Percentage
Strongly disagree	25	25%
Disagree	25	25%
Neutral	10	10%
agree	10	10%
Strongly agree	30	30%

Interpretation:

Table 9 represents whether the customer faced any challenges while applying for education loans under ICICI Bank, and clearly 50% of customers answered No, which depicts that ICICI Bank has an efficient process of loan approvals and most of their students have ease while applying for education loans.

Table 10: Loan Amount Secured

Loan Amount	Borrowers	Percentage.
< 5 lakhs	20	20%
5-10 lakhs	40	40%
10-20 lakhs	30	30%
>20lakhs	10	10%

Interpretation

Table10 represent the amount of education loans availed by the students under ICICI Bank. It is clear 40% students have taken the loan between range 5 Lac to 10 Lac for education in India which is appropriate for Indian Education and 30% students have taken loan between 10 Lac to 20 Lac which is suitable for abroad education.

Table 11: Satisfaction with Interest Rate (1–5)

Opinion	Respondents	Percentage.
Highly dissatisfied	15	15%
dissatisfied	20	20%
Neutral	25	25%
Satisfied	25	25%
Highly satisfied.	15	15%

Interpretation:

Table 11 interprets the students' satisfaction with the interest rates offered by ICICI Bank's education loan scheme. It was found that 40% of students were satisfied with the interest rates while 25% were neutral. However, 35% of students were not satisfied with the interest rates as they found them to be expensive.

Table 12: Repayment Flexibility

Category	Respondents	Percentage.
Very inflexible	10	10%
Somewhat inflexible	15	15%
Neutral	25	25%
Somewhat flexible	30	30%
Very Flexible.	20	20%

Interpretation

Table 12 interprets the students' satisfaction with the flexibility in repayment options of ICICI Bank's education loan scheme. It was found that 50% of students were satisfied with the repayment flexibility, 25% were neutral, while 25% were not satisfied with the repayment flexibility. However, students who were not satisfied with the repayment options found the Equated Monthly Installment (EMI) payment to be rigid.

Table 13: Repayment Status

Status of payment	Respondents	Percentage.
Paying	30	30%
No Moratorium	60	60%
No (other reasons)	10	10%

Interpretation

Table 13 interprets the students' repayment status of ICICI Bank's education loan. It was found that 30% of students had started repayment of their education loans, while 60% of students were in the moratorium period. However, 10% of students had not started repayment due to their unemployment status.

Table 14: Customer Service and Support, Staff Responsiveness (1–5)

Staff Responsiveness	Respondents	Percentage.
1 poor	5	5%
2Average	10	10%
3 Neutral	25	25%
4 good	40	40%
5 Excellent.	10	10%

Interpretation:

Table 14 below presents customers' satisfaction in terms of response received from ICICI Bank.

It was found that 60% of respondents were satisfied with the service provided by the bank, 25% were neutral about their response, and 15% were dissatisfied with it.

Table 15: Clarity of Loan Terms

Loan terms clarity	Respondents	Percentage.
Yes	50	50%
No	20	20%
Partially	30	30%

Interpretation

Table 15 below presents the interpretation of ICICI Bank's education loan terms and conditions by the students who apply for the loan from the bank. 50% of respondents stated that they could understand the terms and conditions associated with the education loan offered by ICICI Bank, 30% had a partial understanding of it, and 20% could not understand the terms and conditions at all.

Table 16: Loan Coverage

Loan Coverage	**Respondents**	**Percentage**
Yes	**70**	**70%**
No	**30**	**30%**

Interpretation

Table 16 below presents the evaluation of the adequacy of ICICI Bank's education loan offered by the student borrowers.

It was found that 70% of respondents believed that the education loan offered by ICICI Bank was sufficient to meet their educational needs, whereas 30% claimed that it did not fully cover all of their expenses.

Table 17: Online Tool User Friendliness

User friendliness	Respondents	Percentage.
Very user-friendly	50	50%
user-friendly	20	20%
Not user-friendly	10	10%
Not very user-friendly	10	10%
Did not use.	10	10%

Interpretation:

Table 17 below represents the perception of borrowers about the ease of use of ICICI Bank's online loan tools. According to the data provided, 50% of respondents found online loan tools very user-friendly, signifying a good level of satisfaction with a bank's digital interface, while 30% found it somewhat user-friendly, implying some issues on the way of using the tools. At the same time, 10% found it difficult to use, and 10% did not use them at all, possibly because of a lack of interest.

Table 18: Recommendation Likelihood.

S.No	Recommendation to others	Respondents	Percentage.
1.	Strongly agree	40	40%
2	Agree	20	20%
3	neutral	20	20%.
4	Disagree	10	10%
5	Strongly Disagree	10	10%

Interpretation:

As seen from Table18 below, 60% of borrowers are willing to recommend ICICI Bank's loan services to others, suggesting their level of satisfaction and willingness to maintain a positive image of the organization. At the same time, 20% are unsure about recommending our services, and 20% declined to do so, implying the necessity of improvement.

Table 19: Overall Satisfaction (1–5)

Satisfaction level	Respondents	Percentage.
1. Dissatisfied	5	5%
2. Somewhat Dissatisfied	5	5%
3. Neutral	20	20%
4. Somewhat Satisfied	40	40%
5. Satisfied	30	30%

Interpretation:

Finally, Table19 below demonstrates customer satisfaction with ICICI's loan services. Based on the data, 70% of borrowers expressed their satisfaction with the loan service (rating 4 and 5), while 20% remained neutral (rating 3), signifying that the same level of satisfaction is not achieved among all clients. Moreover, 10% of respondents were dissatisfied with the services provided and rated them 1 or 2.

1. **Objective:1. To evaluate customer satisfaction across the entire loan lifecycle, from application to repayment.**

To evaluate customer satisfaction across the loan journey, a multiple regression Model is calculated through cross-tabulation and preparing a data set. Excel is used for calculating Multiple regression.

Dependent Variable: Overall Satisfaction
Independent Variables: Application Process, Approval Time, Challenges, Interest Rate, Repayment Facility, Customer Service, Online Tool, Recommendation

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Regression output.

SUMMARY OUTPUT								
Regression Statistics								
Multiple R	0.231856422							
R Square	0.0537574							
Adjusted R Square	-0.02942876							
Standard Error	1.082776514							
Observations	100							
ANOVA								
	df	*SS*	*MS*	*F*	*Significance F*			
Regression	8	6.061147	0.757643	0.64623	0.736887			
Residual	91	106.6889	1.172405					
Total	99	112.75						
	Coefficients	*Standard Error*	*t Stat*	*P-value*	*Lower 95%*	*Upper 95%*	*Lower 95.0%*	*Upper 95.0%*
Intercept	3.73724203	0.80016	4.670617	1.03E-05	2.147822	5.326662	2.147822	5.326662
Application process	-0.05313597	0.089028	-0.59685	0.552093	-0.22998	0.123707	-0.22998	0.123707
Approval time	-0.07933276	0.081516	-0.97321	0.333027	-0.24125	0.082589	-0.24125	0.082589
Challenges	0.023496219	0.068866	0.341188	0.733749	-0.1133	0.16029	-0.1133	0.16029
Interest rate	-0.0228739	0.085908	-0.26626	0.790641	-0.19352	0.147772	-0.19352	0.147772
Repayment facility	0.138605005	0.089486	1.548894	0.124878	-0.03915	0.316359	-0.03915	0.316359
Customer service	-0.00377028	0.103321	-0.03649	0.970971	-0.20901	0.201465	-0.20901	0.201465
Online tool	-0.03744052	0.080086	-0.4675	0.641258	-0.19652	0.121641	-0.19652	0.121641
Recommendation	0.047804844	0.08205	0.582632	0.561582	-0.11518	0.210787	-0.11518	0.210787

Interpretation:

The Multiple R value signifies that there is a low positive relationship between the independent variables collectively and overall satisfaction. The predictors have a minimal or negligible relationship with overall satisfaction.

The model explains approximately **5.38% of the variation** in overall satisfaction. This means that the selected factors (application process, approval time, interest rate, etc.) explain only a small proportion of changes in satisfaction levels.

The adjusted R2 has a negative value, thus signifying that the percentage of variation explained by the model is minimal, especially when compared to the number of predictors used in the analysis. Thus, the independent variables used in the study do not explain the level of satisfaction in customers well.

Objective: 2

To identify challenges related to aspects such as timely approvals and flexible repayment terms to enhance the overall borrower experience.

To evaluate the statement, descriptive and inferential statistics can be utilized to establish whether challenges, including approval time, repayment ease, and service-related issues, have a significant relationship with the borrower's experience.

The relationship can be tested using multiple regression:

Overall Satisfaction=β_0+β_1 (Approval Time) +β_2 (Repayment Facility) +β_3 (Challenges).

From the previous regression analysis, $R^2 = 0.0538$ (5.38%) indicates that approval time, repayment facility, challenges, and other service factors explain only a small proportion of variation in borrower satisfaction.

This indicates that faster approval processes and greater repayment flexibility, while important, may not fully determine the borrower's overall experience. Additional dimensions—such as communication quality, transparency, staff conduct, digital convenience, and grievance redressal—also play a crucial role in shaping customer satisfaction.

Suggestions Based on Multiple Regression Analysis Interpretation

According to the regression analysis, the independent variables—namely the application process, approval time, challenges, interest rate, repayment facility, customer service, online tools, and recommendations—collectively explain 5.38% of customer satisfaction with the bank. This outcome suggests that additional, unmeasured factors also play a significant role in shaping satisfaction levels. Based on these findings, several recommendations can be proposed, including:

1. Improving customer communication

1. **Maintain consistent communication** with customers, particularly during the approval and repayment stages of the loan process.
2. **Appoint dedicated relationship managers** to handle borrowers' specific inquiries and provide personalized support.

2. Enhancing customer service

1. The bank should prioritize **employee training** in areas such as effective communication, conflict resolution, and customer relationship management.
2. The bank should establish **efficient grievance redressal mechanisms** to ensure prompt resolution of customer complaints.

3. Improving digital banking services

The bank should enhance the convenience and reliability of its online services, including the customer portal. It should also invest in streamlining the online application process and provide facilities that enable borrowers to manage loan repayments digitally.

4. Improving repayment methods

The bank should take borrowers' income levels into account when designing repayment-friendly plans. In addition, it should provide flexible installment options, introduce repayment reminders, and facilitate online repayment facilities to enhance convenience and borrower satisfaction.

5. Ensuring competitive interest rates

The bank should ensure the provision of **competitive interest rates** while clearly disclosing all associated charges, including processing fees, to promote transparency and build customer trust.

6. Exploring other aspects of satisfaction

Since the regression results showed that these variables explained only a small portion (5.38%) of the variance in customer satisfaction, the bank needs to explore other aspects of satisfaction, including:

- Trust and reliability
- Transparency
- Accessibility
- Responsiveness
- Speedy dispute resolution
- Convenience
- The overall experience

7. Carrying out customer surveys

The bank should conduct satisfaction surveys to understand customers' evolving needs and address their concer ns.

8. Focusing on relationship management

The bank should invest in developing long-term relationships with borrowers by providing personal support, including financial planning. This will improve satisfaction and loyalty.

Conclusion

This study aimed to determine the customer's perception, satisfaction, and the influential factors in adopting ICICI Bank's education loan schemes. The study used quantitative data. Therefore, the final paper provides insight into what I know about the loan process, including strengths and weaknesses, and opportunities for improvement. The regression results showed that the bank needs to take a holistic approach to satisfying the customer. For instance, the variables of application process, approval time, interest rate, repayment facility, and customer service had small positive linear relationships with satisfaction. This implies that even if the bank improved the convenience of the application process and repayment methods, customer satisfaction would not necessarily improve. The bank should invest in enhancing the overall customer experience by focusing on key areas such as reducing processing time, increasing repayment flexibility, strengthening communication, establishing effective dispute resolution mechanisms, enabling online application tracking, and ensuring greater transparency.

Research Implication

The findings provide valuable insights for financiers, helping them to better understand the challenges borrowers encounter when accessing education loans and to design strategies that effectively address these issues. Moreover, future research could explore additional factors influencing customer satisfaction—such as trust, reliability, and service quality—to develop a more comprehensive understanding of borrower experiences.

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