CUSTOMER SATISFACTION TOWARDS HOUSING LOAN IN BANKING SECTOR

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ABSTRACT

Banks are now confronted with strong competition. Customers may pick from a wide number of brands. The banks must do more than their competitors to meet their customer needs in order to survive the competition. In the competitive environment, the customer is the monarch. In the present marketing climate, the natural growth of any company is very customer-centered. Many Indian financing companies provide easy credits and are handled in a single day. The credit system was thus extremely popular. From this study to data analysis utilising various methods and satisfaction levels. The study will help the bank to identify problems with the home lending system of the bank. The main purpose of the study is to evaluate customers' satisfaction with the home loan plan of the bank.

Keywords:*Customer Satisfaction, Home Loan, Housing Finance, Public sector, Private* sector

INTRODUCTION

Indian banks are experiencing huge changes and advancements in products and services. Continuing problems arise from the administration, maintenance and management of a record. Important trigger for the Indian economy are changes in fiscal areas such as cash, insurance, the budgetary markets, trade and evaluations, and so on. Change measures have recognised substantial advances in this important Indian economic division. [1]

The banks act as a link between the bank and the customer. They are the people who face consumers directly and are the first to realise what customers require. As a provider, its role is very important to create bank impressions in the minds of consumers. The provision of service by most banks is extremely essential since services may make or break a customer. A few studies have carefully examined the connection between service quality and customer happiness. Each bank strives towards the best customer, as day's rule becomes the survival of the fittest. Banks in the public sector have grown much more difficult to maintain existing customers and attract new. [2] Research focused on home finance in business banks, including a comparison of schemes across banks and their EMIs and other terms and conditions, including value added service incentives/home lending incentives provided by banks. The public approach to the financing of homes has also been developed in addition to the main objective. [3] The housing of humans is one of the basic needs of food and clothing. Since human development, the housing problem has been important. In the socio-psychological development of individuals the home plays an essential role. Good housing is a prerequisite for human well-being and development. It provides shelter, safety, amenities, privacy and so on for good living. Homes are also recognised as an important component of the national economy which measures the quality of living and economic condition of a country. Housing today represents a symbol of social prestige and an indication of social position. It provides aesthetic pleasure, mental and emotional satisfaction, comfort and safety. [4]

Medium and low-income families aspire to their dream houses, and plan the financial assistance for housing construction, renovation, expansion and renovation. Banks and home financing firms provide this financial assistance (HFCs). Financial institutions like public sector banks, private sector banks and home finance firms are expanding their services, borrowing from applicants and building dream residences. Houses in developing nations such as India with a large population aspire to their homes. Domestic loans are a pro-account commitment that is valid for years. The key factors of acceptance of house loans are such criteria like experience, quality of service, degree of commitment, loan procedures, service quality and a secure retrieval of title acts. [5]

CUSTOMER SATISFACTION

Customer satisfaction is a phrase frequently used in commercialization. This is a measure of how the products and services of a business satisfy or surpass customer expectations. Customer satisfaction is defined as the number of customers or percentage of all clients whose reports exceed the specified goals by reporting their experiences with a business, its products or their service ratings. In a competitive climate where businesses compete for customers and become an integral component of the corporate strategy, customer satisfaction is seen as an important differentiator.

Quality management is a key consumer recognition factor. In combination with anything physical, client groups or organisations are delivered with the same quality advantage. In light of their impression of the provided particular results, the technology used to transmit the results and the physical setting in which the results are sent, customers assess the idea of businesses. The factors of quality may be stated as Confidence involves performance consistency and loyalty. It claims the business is directly involved in the organisation. The capacity of delegates to earn a profit is affected by responsiveness. Pleasure and effortlessness involve access. It claims the organisations are simple to organise by telephone; profit-oriented transport does not last long, useful and inestimable. It is suggested from communication/correspondence that customers may comprehend and tun in language. You may infer that the organisation should change its vernacular or different customers, increase the level of refinement for the appropriate consumer and communicate honestly and without a doubt with the learner. Belief encompasses stability, dependability and validity. It contains the consumer's best devotion at the highest degree.

LITERATURE REVIEW

Ms. M.Sughana, Prof. P.Sheela (2021) A house loan is the next best choice for any individual or family to fulfil their dream of purchasing a property. This study aims to explore factors in the selection of client home loans for banks/housing financing enterprises. The researchers also investigated the effect of socioeconomic and demographic factors and assessed them. The findings indicate the variables that determine the customer's choice of banks and finance companies on the basis of financial income such as loan transaction fees, interest rate, swift data sharing such pre-closure costs, income tax services, loan time, and finally, how the client is handled.

Tomasz JEMCZURA, Marek BUGDOL (2019) The essay deals with current trends and research efforts in diagnosing 9 degrees of customer satisfaction in retail banking. The literature is examined by the authors and 10 are the main study subjects. The 11 current

guidelines for customer satisfaction surveys are also analysed and reviewed and suggested new ways to the 12 lapse of research. Three research, scientific and 14 surveys of client happiness performed by one of the world's biggest banks addressed the topic of customer satisfaction surveys.

Agarwal Manjari and Arya Poonam (2017) India has seen significant changes in the home financing sector over the last decade. Housing is not only necessary for humanity, but also as a foundation for humanity's development. Especially because criteria are loosened by the Reserve Bank of India (RBI), banks' individual loans are expected to reach a high level in years to come to promote that sector. These loan businesses provide attractive credit programmes and services with their distinct specializations.

Suresh Ragu Prasadh R &Jayshree (2017) This article aims to establish a Customer Satisfaction Index (CSI) model especially for the Indian banking industry. To that aim, focus group technology was utilised to determine the key drivers in the banking industry of customer satisfaction. Six issues and 9 sub-themes have been identified in the comprehensive thematic analysis as antecedents for customer satisfaction in the CSI model for the Indian banking industry. The next study is to develop tools based on the group results and to validate the CSI model suggested in this study.

N. A. Kavitha and M. Muthumeenakshi (2016) Cooperative banks are often created by individuals who join the same local or professional organisation or have similar interest in them. Financial services and bank services including loans, savings, bank accounts, etc. Banks should assess how they meet or exceed the expectations of the customer in order to improve their performance or service quality. This study attempts to investigate the perspective of cooperative banks on the quality of service in the cooperative bank sector of Vellore. 120 clients have been selected randomly for their bank expertise. The research showed that bank customers are quite satisfied with their service and behaviour but are disappointed with the less technological advancements.

RESEARCH METHODOLOGY

Sample Size	**N=100**
Research Deign	**Descriptive Research**
Source of Data	**Primary Data, Secondary Data**
Data Collection instrument	**Interview Schedule / Questionnaire**
SampleTechniques	**Convenience Sampling**
Research Tools used	**Reliability Analysis**
	Chi-square

ANALYSIS

The analysis and interpretation are based on the response given by domestic borrowers via a standardised questionnaire.

The table shows the number of replies from the public bank 60 private bank answers There are a total of 40 replies to 100.

Table1Total No.of.Respondents

Bank	Public Bank	Private Bank
No.of.Respondents	100	100

The demographic profile of respondents in two bank areas in Kerala is shown in Table 2. The findings have shown that in the public as in the private sector, the majority of home borrowers are male. 40% of public and commercial bank household borrowers are between 31 and 40 years of age.

Table 2 Demographic Profile of the Respondents

Catagory	Public Sector		Private Sector	
	No. of Respondents	%	No. of Respondents	%
Gender				
Male	60	60	55	55
Female	40	40	45	45
Total	100	100	100	100
Age (in years)				
Below 30	10	10	10	6.7
31-40	60	60	30	30
41-50	25	25	40	40
above 50	5	5	20	20
Total	100	100.0	100	100.0
Area of residence				

Rural	70	70	60	60
Urban	30	30	40	40
Total	100	100.0	100	100.0
Nature of job				
Private	40	40	40	40
Public	25	25	25	25
Business	35	35	35	35
Total	100	100.0	100	100.0
Income group of respondents (annual)				
Up to 5 lakh	20	20	20	20
5lakh-10lakh	60	60	59	59
Above 10 lakh	20	20	21	21
Total	100	100.0	100	100.0
Type of interest				
Fixed rate	30	30	40	40
Floating rate	60	60	46	46
Hybrid	10	10	14	14
Total	100	100.0	100	100.0
Amount of loan				
Up to 10 lakh	10	10	10	6.7
10-20 lakh	60	60	30	30
20-30 lakh	25	25	40	40
Above 30 lakhs	5	5	20	20
Total	100	100.0	100	100.0
Period of loan				

Up to 10 years	10	10	10	6.7
10-15 years	60	60	30	30
15-20 years	25	25	40	40
Above 20 years	5	5	20	20
Total	100	100.0	100	100.0
Purpose of loan				
Purchase house	30	30	30	30
Construct new house	60	60	60	60
Repair old house	5	5	5	5
Purchase land	5	5	5	5
Total	100	100.0	100	100.0

Source: Survey Data

Housing purchasers may invest in their dream home at a younger age, given the increased availability and improved employment status in our country. The total number of home debtors is more than 70 percent rural. In the supply of suitable loans, borrowers' earnings are an important factor. Over 60 percent of respondents have between 5 and 10 lakhs of annual income. A variable interest rate has been chosen by the majority of respondents from three types of loans available to borrowers. Interested parties from both bank sectors got just a loan of up to 10 lakhs, despite more banks. Most household customers in both banks selected up to 15 years for a loan. Most creditors have as their objective the construction of a new dwelling.

Table 3 Customer preference on selecting home loan in both sectors

Variables	Mean Rank	Chi-square significance at 5%level
Low interest rate	3.16	
Convenient Location	2.91	
Reputation of bank	3.60	134.449
Prompt services	3.40	Df=5 P=0.000
Timely and adequate loan	3.62	
Response to customer	4.30	

Table 3 above shows the findings from the customer satisfaction level of home finance companies. It demonstrated clearly that the effect of choice and customer satisfaction are linked with a significant value = 0.000.

The value of "t" obtained is 2355, which is significant at 5%. The figure indicates that the satisfaction of the domestic financial loan process across banking sectors is somewhat different. Accordingly, the hypothesis presented is that "no associated credit satisfaction difference between the banking industry is rejected." (Table 4)

Table 4 Comparison of banking sectors with respect to customers' atisfaction

Variables	Bank	No	Mean	S D	t-value
Customers' satisfaction towards loan process	Public sector	72	21.63	1.804	2.355* (p=.012)
	Private sector	28	20.91	1.868	
Customers' satisfaction towards Banking services	Public sector	72	38.38	2.612	2.470* (p=.011)
	Private sector	28	37.20	2.413	

*Significant at 5% level **Significant at 1% level

The average table also indicates that the average value of customers' home financing to public sector banks is 21.63, with the lowest average value being private sector house financing (20.91). This suggests that the public sector banks got house financing with more credit satisfaction than those received from the privately owned sector banks for housing financing.

The "t" table is 2.470 and is substantial at 5%. The number indicates that there are significant differences in the banking industry with regard to its satisfaction with domestic financing banking services. The stated hypothesis, therefore, is that "their satisfaction with bank services does not vary significantly among the banks."

This means that, on average, the applicant was receiving house finance from banks of the public sector with a maximum averages of 38,38, and that those with housing finance from private sector banks obtained the lowest average value (37.20). This shows that respondents in banks in the public sector are more pleased with domestic funding than respondents in banks in the private sector.

Comparison of banking sectors with respect to respondents' satisfaction

- The delay in penalties and allocation of housing funds does not solve problems. Delays in the punishment and payment of private banks are more difficult than in public sector banks by being provided with home financing.
- Insufficient guidance on house finance is seen in the bank's problem. In the private sector, because of the bank's bad guidance, respondents reported more problems with house finance than those getting housing funding from public sector banks.
- The main error is that the procedure of domestic funding is complex. Private sector banks' home finance is harder to respond via complicated processes than public sector banks.
- The home financing authorities have shown a lack of concern. In the absence of attention from public authorities to those receiving house finance from government institutions, the respondents have obtained domestic financing from private-sector banks.
- And thus it is difficult for home financing loans to get security/security. Logging financing is more hard for responders at private sector banks, since it is difficult to get collateral for public sector banks on loans and home financing.

CONCLUSION

Several factors were discovered that domestic borrowers were satisfied with private and public sector banks. Certain factors have been considered to contribute to the satisfaction of borrowers. The study also focused on home loan policies, banks' consumer amenities, bank staff behaviour and customer satisfaction in general for those financial institutions. It has to be determined that both public sector groups are the most important domestic lending institution, and that private sector banks truly do deserve to be.

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