A STUDY ON CONSUMER SOCIO ECONOMIC PROFILE AND ATTRACTIVE FEATURES OF HOME LOANS

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ABSTRACT

A home loan is a contract between a borrower and a lender that allows someone to borrow money to buy a house or liveable property. Attracting consumers to avail home loan is very important for a bank. Banks provide some schemes to attract consumers. Interest rates, payback period, faster processing, branding image of the banks margin amounts are some of the features which tend to attract the consumers to avail home loans. Socio economic status like age, marital status, income level etc. place important role in deciding the banking schemes accordingly. The study is to find the significance between socio economic profile and attracting features of home loan. The study will help the bank to identify the most attractive features which is preferred by the consumers.

Key words: Attracting features, consumers

INTRODUCTION

As the old version goes, "make new friends but the old. One is silver, the other is gold". Similarly a long term consumer is of more value than a single deal consumer. And it's a lot less expensive to keep a current consumer than to acquire a new consumer. So attracting consumer is very important for a business to sustain. Banks provide many schemes to attract consumers to avail loans. The key attractive features are interest rates, payback period etc. Atlast, without consumer any business is dead operation that only spend and does not create income.

LITERATURE REVIEW

Hasanbanu (2004) It analysed the customer service in rural banks. It is revealed that customers from rural areas expect speed, courtesy and concern from the bank. The main thrust of the survey shows that the system followed in banks needs simplification of the various norms and procedure, particularly for loan sanctioning. The highly ranked service components are courteous service, good bank environment, prompt service and accuracy, whereas the poorly perceived services are promotion of new schemes, personal rapport with customers and loan facilities for small scale industries.

Sitaram C. Ghandat (2000) In his study said that the AbhyudayaGrahaPravesh Scheme was the key to the customer's dream house as publicized by Abhyodaya Co-operative Bank. Under the scheme, the finance was made available at affordable interest rates. Very quick sanction, low service charges, installments at the 46 convenience of customers, interest on daily reducing balance and prepayments with no penalty were the important factors influencing the customer satisfaction.

OBJECTIVE:

    To find out the significant difference between socio economic profile and attractive features of home loan.

STATEMENT OF THE PROBLEM

    Attracting consumer to avail home loan place a important role in a bank. Consumers are attracted by the interest rates, payback period, faster processing, brand image etc. If these schemes are not properly provided pay back of loans will be very difficult. Hence attraction towards the schemes provided by the bank should be keenly noted and accordingly the bank should be selected for availing loan.

RESEARCH METHODOLOGY

    This research is descriptive in nature and the sampling method which has been used in the study is convenience sampling. Descriptive research describes the state of affairs as it exist at present. The sample size includes 100 respondents who have taken housing loan in Coimbatore city. Discriminate analysis has been used to analyse the data collected through questionnaire with the help of statistical software spss. Tools used are percentage method, ANOVA method.

ANALYSIS OF RESULT

TABLE: 1 DEMOGRAPHIC FACTOR AND RATE OF INTEREST

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	Male	45	3.76	1.734	1.062	3.920	NS
	Female	55	4.09	1.519			
MARITAL STATUS	married	38	4.13	1.455	.856	3.920	NS
	unmarried	62	3.82	1.713			
AGE	below 30yrs	72	3.88	1.661	.144	2.680	NS
	30-40yrs	14	4.14	1.406			
	40-50yrs	9	4.11	1.764			
	50&above	5	4.00	1.732			
LEVEL OF EDUCATION	school level	7	3.71	1.890	.758	2.447	NS
	under graduate	61	4.16	1.508			

	post graduate	23	3.57	1.701			
	diploma	3	3.67	2.309			
	professional	6	3.50	1.975			
OCCUPATION	employed	49	3.92	1.592	.211	2.680	NS
	business	24	4.08	1.586			
	professional	17	3.71	1.829			
	home maker	10	4.10	1.663			
MONTHLY INCOME	less than 20000	23	3.26	1.936	1.885	2.680	NS
	20000-30000	34	4.15	1.438			
	30000-40000	24	4.25	1.422			
	40000&above	19	4.00	1.633			

NULL HYPOTHESIS (H0):

There is no significant difference between demographic factor and level of attraction in interest rates.

Significant difference between gender, marital status, age, level of education, occupation, monthly income and level of attraction in interest rates shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(1.062), marital status (.856), age(.144), level of education (.758), occupation(.211), monthly income(1.885) is less than the particular table value of gender (3.920,df=1), marital status (3.920,df=1), age (2.680,df=3),level of education (2.447,df=4), occupation (2.680,df=3), monthly income (2.680,df=3) to support H0 null hypothesis.

TABLE : 2 DEMOGRAPHIC FACTOR AND SERVICE PROVIDED

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	male	45	3.16	1.833	1.176	3.920	NS
	female	55	3.55	1.751			
MARITAL STATUS	married	38	3.13	1.862	1.088	3.920	NS
	unmarried	62	3.52	1.744			
AGE	below 30yrs	72	3.44	1.791	1.216	2.680	NS
	30-40yrs	14	3.21	1.805			
	40-50yrs	9	3.78	1.716			
	50&above	5	2.00	1.732			
LEVEL OF EDUCATION	school level	7	3.71	1.890	1.290	2.447	NS
	under graduate	61	3.39	1.791			
	post graduate	23	3.61	1.725			
	diploma	3	3.33	2.082			
	professional	6	1.83	1.602			
OCCUPATION	employed	49	3.65	1.678	1.597	2.680	NS

	business	24	3.50	1.794			
	professional	17	2.71	1.929			
	home maker	10	2.80	1.932			
MONTHLY INCOME	less than 20000	23	3.91	1.505	1.076	2.680	NS
	20000-30000	34	3.29	1.851			
	30000-40000	24	3.00	1.911			
	40000&above	19	3.32	1.827			

NULL HYPOTHESIS (H0):

There is no significant difference between demographic factor and level of attraction in service provided.

Significant difference between gender, marital status, level of education, occupation, monthly income and level of attraction in service provided shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(1.176), marital status (1.088), level of education (1.290), occupation(1.597), monthly income(1.076) is less than the particular table value of gender (230.16,df=1), marital status (230.16,df=1),level of education(6.2561,df=4),occupation(9.0135,df=3), monthly income (9.0135,df=3) to support H0 null hypothesis.

TABLE : 3 DEMOGRAPHIC FACTOR AND SCHEMES

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	male	45	3.67	1.784	1.663	3.920	NS
	female	55	4.09	1.506			
MARITAL STATUS	married	38	4.03	1.479	.360	3.920	NS
	unmarried	62	3.82	1.742			
AGE	below 30yrs	72	3.79	1.711	.476	2.680	NS
	30-40yrs	14	4.36	1.216			
	40-50yrs	9	4.00	1.732			
	50&above	5	4.00	1.732			
LEVEL OF EDUCATION	school level	7	3.57	1.902	.222	2.447	NS
	under graduate	61	3.98	1.638			
	post graduate	23	3.91	1.535			
	diploma	3	3.33	2.082			
	professional	6	3.67	2.066			
OCCUPATION	employed	49	3.76	1.690	1.148	2.680	NS
	business	24	3.88	1.752			
	professional	17	3.82	1.704			
	home maker	10	4.80	.632			
MONTHLY INCOME	less than 20000	23	4.09	1.564	1.322	2.680	NS
	20000-30000	34	3.74	1.675			
	30000-40000	24	4.33	1.373			
	40000&above	19	3.42	1.924			

NULL HYPOTHESIS (H0):

There is no significant difference between demographic factor and level of attraction in schemes.

Significant difference between gender, marital status, age, level of education, occupation, monthly income and level of attraction in schemes shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(1.663), marital status (.360), age(.476), level of education (.222), occupation(1.148), monthly income(1.322) is less than the particular table value of gender (3.920,df=1), marital   status(3.920,df=1),age(2.680,df=3),levelofeducation(2.447,df=4),occupation(2.680,df=3),monthly income (2.680,df=3) to support H0 null hypothesis.

TABLE : 4 DEMOGRAPHIC FACTOR AND PAYBACK PERIOD

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	male	45	3.89	1.570	.057	3.920	NS
	female	55	3.96	1.539			
MARITAL STATUS	married	38	3.87	1.580	.096	3.920	NS
	unmarried	62	3.97	1.536			
AGE	below 30yrs	72	3.94	1.564	.435	2.680	NS
	30-40yrs	14	4.21	1.188			
	40-50yrs	9	3.67	2.000			
	50&above	5	3.40	1.517			
LEVEL OF EDUCATION	school level	7	4.29	1.496	.107	2.447	NS
	under graduate	61	3.89	1.603			
	post graduate	23	3.91	1.474			
	diploma	3	4.00	1.732			
	professional	6	4.00	1.673			
OCCUPATION	employed	49	3.80	1.594	1.061	2.680	NS
	business	24	4.42	1.176			
	professional	17	3.71	1.759			
	home maker	10	3.80	1.687			
MONTHLY INCOME	less than 20000	23	4.00	1.414	1.387	2.680	NS
	20000-30000	34	3.74	1.620			
	30000-40000	24	3.67	1.810			
	40000&above	19	4.53	1.073			

NULL HYPOTHESIS (H0):

There is no significant difference between demographic factor and level of attraction in payback period.Significant difference between gender, marital status, age, level of education, occupation, monthly income and level of attraction in payback period shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(.057), marital status (.096), age(.435), level of education (.107), occupation(1.061), monthly income(1.387) is less than the particular table value of gender (230.16,df=1),marital status(3.920,df=1),age(2.680,df=3),levelofeducation(2.447,df=4),occupation(2.680,df=3), monthly income (2.680,df=3) to support H0 null hypothesis.

TABLE : 5 DEMOGRAPHIC FACTOR AND FASTER PROCESSING

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	male	45	3.31	1.807	1.161	3.920	NS
	female	55	3.69	1.709			
MARITAL STATUS	married	38	3.08	1.807	3.987	3.920	NS
	unmarried	62	3.79	1.681			
AGE	below 30yrs	72	3.71	1.690	1.130	2.680	NS
	30-40yrs	14	3.07	1.940			
	40-50yrs	9	2.78	1.922			
	50&above	5	3.40	1.817			
LEVEL OF EDUCATION	school level	7	3.14	2.035	.453	2.447	NS
	under graduate	61	3.70	1.773			
	post graduate	23	3.30	1.690			
	diploma	3	3.00	1.732			
	professional	6	3.17	1.835			
OCCUPATION	employed	49	3.39	1.730	.861	2.680	NS
	business	24	3.67	1.685			
	professional	17	4.00	1.732			
	home maker	10	3.00	2.108			
MONTHLY INCOME	less than 20000	23	3.00	1.784	1.550	2.680	NS
	20000-30000	34	3.56	1.744			
	30000-40000	24	3.46	1.865			
	40000&above	19	4.16	1.500			

NULL HYPOTHESIS (H0):

There is no significant difference between demographic factor and level of attraction in faster processing.

Significant difference between gender, marital status, age, level of education, occupation and level of attraction in faster processing shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(1.161), marital status (3.987), age(1.130), level of education (.453), occupation(.861) , monthly instalment(1.550) is less than the particular table value of gender(3.920,df=1), marital status (3.920,df=1), age (2.680,df=3),level of education(2.447,df=4),occupation(2.680,df=3), monthly instalment (2.680,df=3) to support H0 null hypothesis.

TABLE : 6 DEMOGRAPHIC FACTOR AND BRAND IMAGE OF THE BANK

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	male	45	3.11	1.799	3.416	3.920	NS
	female	55	3.76	1.721			
MARITAL STATUS	married	38	3.13	1.788	2.249	3.920	NS
	unmarried	62	3.68	1.753			
AGE	below 30yrs	72	3.56	1.791	.672	2.680	NS
	30-40yrs	14	3.50	1.653			
	40-50yrs	9	2.67	2.000			
	50&above	5	3.60	1.673			
LEVEL OF EDUCATION	school level	7	4.43	1.512	1.057	2.447	NS
	under graduate	61	3.44	1.812			
	post graduate	23	3.39	1.777			
	diploma	3	2.00	1.732			
	professional	6	3.67	1.633			
OCCUPATION	employed	49	3.20	1.732	1.659	2.680	NS
	business	24	3.88	1.727			
	professional	17	4.00	1.732			
	home maker	10	2.90	2.025			
MONTHLY INCOME	less than 20000	23	3.48	1.831	.539	2.680	NS
	20000-30000	34	3.41	1.777			
	30000-40000	24	3.21	1.933			
	40000&above	19	3.89	1.560			

NULL HYPOTHESIS (H0):

There is no significant difference between demographic factor and level of attraction in brand image of the bank.

Significant difference between gender, marital status, age, level of education, occupation and level of attraction in brand image of the bank shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(3.416), marital status (2.249), age(.672), level of education (1.057), occupation(1.659), monthly income(.539) is less than the particular table value of gender (3.920,df=1), marital status (3.920,df=1), age (2.680,df=3),level of education(2.447,df=4),occupation(2.680,df=3), monthly income (2.680,df=3) to support H0 null hypothesis.

TABLE : 7 DEMOGRAPHIC FACTOR AND MARGIN AMOUNT

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	male	45	3.56	1.700	.082	3.920	NS
	female	55	3.45	1.793			
MARITAL STATUS	married	38	3.74	1.622	1.132	3.920	NS
	unmarried	62	3.35	1.812			
AGE	below 30yrs	72	3.60	1.733	.472	2.680	NS
	30-40yrs	14	3.36	1.737			
	40-50yrs	9	2.89	2.028			
	50&above	5	3.60	1.673			
LEVEL OF EDUCATION	school level	7	4.29	1.496	1.058	2.447	NS
	under graduate	61	3.57	1.717			
	post graduate	23	3.43	1.779			
	diploma	3	2.67	2.082			
	professional	6	2.50	1.975			
OCCUPATION	employed	49	3.47	1.733	2.535	2.680	NS
	business	24	2.83	1.786			
	professional	17	4.18	1.590			
	home maker	10	4.10	1.524			
MONTHLY INCOME	less than 20000	23	3.61	1.777	1.263	2.680	NS
	20000-30000	34	3.47	1.762			
	30000-40000	24	3.92	1.530			
	40000&above	19	2.89	1.883			

NULL HYPOTHESIS (H0):

There is no significant difference between demographic factor and level of attraction in margin amount.

Significant difference between gender, marital status, age, level of education, occupation, monthly income and level of attraction in margin amount shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(.082), marital status (1.132), age(.472), level of education (1.058), occupation(2.535), monthly income(1.263) is less than the particular table value of gender

(3.920,df=1), marital status(3.920,df=1),age(2.680,df=3),levelofeducation(2.447,df=4),occupation(2.680,df=3), monthly income (2.680,df=3) to support H0 null hypothesis.

TABLE : 8 DEMOGRAPHIC FACTOR AND NEAR TO RESIDENCE

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	Male	45	3.02	1.852	.395	3.920	NS
	Female	55	3.25	1.828			
MARITAL STATUS	Married	38	2.47	1.736	9.016	3.920	S
	Unmarried	62	3.56	1.780			
AGE	below 30yrs	72	3.50	1.808	3.357	2.680	S
	30-40yrs	14	2.21	1.578			
	40-50yrs	9	2.33	1.803			
	50&above	5	2.20	1.643			
LEVEL OF EDUCATION	school level	7	3.57	1.813	.615	2.447	NS
	under graduate	61	3.25	1.886			
	post graduate	23	3.09	1.782			
	Diploma	3	2.67	1.528			
	professional	6	2.17	1.835			
OCCUPATION	Employed	49	3.29	1.768	1.804	2.680	NS
	Business	24	3.38	1.861			
	professional	17	3.18	1.944			
	home maker	10	1.90	1.663			
MONTHLY INCOME	less than 20000	23	3.17	1.850	1.152	2.680	NS
	20000-30000	34	3.53	1.796			
	30000-40000	24	2.62	1.789			
	40000&above	19	3.11	1.912			

NULL HYPOTHESIS (H0):

There is no significant difference between demographic factor and level of attraction in near to residence.

Significant difference between gender, marital status, age, level of education, occupation, monthly income and level of attraction in near to residence shows that there is no statistical significance between the two

variables. The calculated value ,F value for gender(.395), level of education (.615), occupation(1.804), monthly income(1.152) is less than the particular table value of gender (3.920,df=1), marital status(3.920,df=1),age(2.680,df=3),levelofeducation(2.447,df=4),occupation(2.680,df=3), monthly income (2.680,df=3) to support H0 null hypothesis. The significant difference between the calculated value marital status(9.016) , age (3.357) is more than the table value marital status (3.920,df=1), age (2.680,df=3) to reject null hypothesis.

FINDINGS

- It is found that significant difference between demographic variables and attraction towards easiness of monthly instalment scheduled and response to queries, out of six demographies viz gender , marital status, age, level of education, occupation and monthly income , statistical significance is achieved between marital status, age and satisfactions to reject h0, whereas there is no association between the demographies such as gender , level of education, occupation and monthly income to support null hypothesis respectively.

- It is found that significant difference between demographic variables and interest rates, service provided, schemes, payback period, faster processing, brand image of the bank, margin amount and near to residence, out of six demographics viz.gender, marital status, age, level of education, occupation and monthly income, there is no significant difference between the demographies and attraction level to support null hypothesis respectively.

CONCLUSION

The present study aimed at finding the significance of demographic factors and attractive factors of home loan. The income of all enterprises is derived from the payments received for the products and services supplied to its external customers. The need to satisfy customers for success in any enterprise is very obvious. It has been found that the payback period, interest rate, brand image of bank mostly attract the people to avail home loan without considering the demographic factors.

REFERENCE

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