

A STUDY ON CUSTOMERS SATISFACTION TOWARDS HOUSE LOAN

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ABSTRACT

In the competitive scenario customer is the king. The normal progression of any concern in today's marketing scenario is highly customer centred. Housing is one of the most important that we human beings need. The study will help the bank to identify the problems and dissatisfaction of customers in availing housing loan scheme provided by the bank and also to bring out the significance between socio-economic status and satisfaction level of the consumers. The availability of home loan depends on various factors. The level of satisfaction is determined not only by the quality and type of customers experience but also by the customers expectations. This study determines whether the customers are satisfied with the documentation procedures, processing charges, interest rates, time for sanction, response to queries provided by the bank. The study of this objective is to mainly quote the significance between the socio-economic status and the level of satisfaction of customers for the various factors influencing them.

KEY WORDS

Customer's expectation, customer's satisfaction, Nominal fee, House loan

INTRODUCTION

'House' is one of the basic human necessities next to food and clothing. It is not only a shelter but also an asset and wealth of human being. House loan means "finance for meeting various needs relating to housing such as purchase of house, acquisition of a plot and construction of a house, extension of a house, repairs, renovation and up gradation of a house with repayment spread over 15-20 years.

Customer satisfaction refers to how satisfied customers are with the procedures or services they receive from a particular agency. The level of satisfaction is determined not only by the quality and type of customers experience but also by the customers' expectations.

LITERATURE REVIEW

Jamal and Naser (2002), propose that customer satisfaction is based not only on the decision of customers towards the reliability of the delivered service, but also on customers' experiences with the service delivery method.

“Customer Service in Rural Banks: An analytical Study of Attitude of Different Type of Customers towards Banking Services” - 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.

“Comparative study of customer satisfaction in Public and Private Sector Banks in India” - Gupta and Agarwal (2013)

This is a comparative study in Meerut city, India, to evaluate service quality and resultant customer satisfaction in private banks as compare to public sector ones.

Sharma and Sharma (2014)

The study analysed customer delight in urban consumer banking. The study found out that customers were satisfied with loan facilities, bank environment, routine work procedures, location, interest rates and were dissatisfied with loan formalities and promotion through media.

OBJECTIVE OF THE STUDY

To study the socio-economic categories of customers satisfaction related to home loan.

STATEMENT OF THE PROBLEM

In the competitive scenario customers are the king. The normal progression of any concern in today's marketing is customer centric. So it is important to see that whether the products, service and procedures in availing a house loan provided by a particular institutions or banks are satisfactory to customers. Therefore it is also important to find out the significance between the socio-economic status and the various factors influencing the level of satisfaction of the customers.

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.

ANALYSIS OF RESULTS**TABLE: 1 DEMOGRAPHIC FACTOR AND FLEXIBILITY OF DOCUMENTATION PROCEDURE**

FACTORS		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	Male	45	4.02	.690	0.631	3.920	NS
	Female	55	3.89	.916			
MARITAL STATUS	Married	38	3.97	.716	.051	3.920	NS
	Unmarried	62	3.94	.885			
AGE	below 30yrs	72	3.93	.845	.577	2.680	NS
	30-40yrs	14	4.14	.770			
	40-50yrs	9	4.00	.866			
	50&above	5	3.60	.548			
LEVEL OF EDUCATION	school level	7	3.43	.535	.955	2.447	NS
	under graduate	61	4.00	.894			
	post graduate	23	4.04	.706			
	Diploma	3	3.67	.577			
	Professional	6	3.83	.753			
OCCUPATION	Employed	49	4.02	.829	.940	2.680	NS
	Business	24	3.75	.794			
	Professional	17	4.12	.857			
	home maker	10	3.80	.789			
MONTHLY INCOME	less than 20000	23	3.87	.694	.264	2.680	NS
	20000-30000	34	4.03	.937			
	30000-40000	24	3.88	.900			
	40000&above	19	4.00	.667			

NULL HYPOTHESIS (H01):

There is no significant difference between demographic factor and level of satisfaction in flexibility of documentation procedure. Significant difference between gender, marital status, age, level of education, occupation, monthly income and level of satisfaction in flexibility of documentation procedure shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(.631), marital status (.051), age(.577), level of education (.955), occupation(.940), monthly income(.264) is less than the particular table

valueofgender(3.920,df=1),maritalstatus(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 H01 null hypothesis.

TABLE: 2 DEMOGRAPHIC FACTOR AND NOMINAL PROCESSING FEE CHARGED

FACTORS		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	Male	45	3.73	.837	.560	3.920	NS
	Female	55	3.85	.780			
MARITAL STATUS	Married	38	3.71	.867	.757	3.920	NS
	Unmarried	62	3.85	.765			
AGE	below 30yrs	72	3.90	.735	2.791	2.680	S
	30-40yrs	14	3.71	.825			
	40-50yrs	9	3.11	.928			
	50&above	5	3.80	1.095			
LEVEL OF EDUCATION	school level	7	3.57	.976	.566	2.447	NS
	under graduate	61	3.84	.820			
	post graduate	23	3.74	.689			
	Diploma	3	4.33	.577			
	professional	6	3.67	1.033			
OCCUPATION	Employed	49	3.78	.896	.338	2.680	NS
	Business	24	3.71	.751			
	professional	17	3.94	.659			
	home maker	10	3.90	.738			
MONTHLY INCOME	less than 20000	23	3.87	.757	.321	2.680	NS
	20000-30000	34	3.85	.784			
	30000-40000	24	3.67	.917			
	40000&above	19	3.79	.787			

NULL HYPOTHESIS (H02):

There is no significant difference between demographic factor and level of satisfaction in flexibility of documentation procedure. Significant difference between gender, marital status, level of education, occupation, monthly income and level of satisfaction in flexibility of documentation procedure shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(.560), marital status (.757), level of education (.566), occupation(.338), monthly income(.321) is less than the particular table value of gender (3.920,df=1), marital status (3.920,df=1),level of education(2.447,df=4),occupation(2.680,df=3), monthly income (2.680,df=3) to support H02 null hypothesis. Significant difference between age and satisfaction towards nominal processing fee charged shows statistically significance between two variables. The calculated value , F value for age (2.791) is more than the table value (2.680, df=3) to reject null hypothesis.

TABLE: 3 DEMOGRAPHIC FACTOR AND RATE OF INTEREST CHARGED

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	Male	45	3.71	.843	.608	3.920	NS
	Female	55	3.85	.970			
MARITAL STATUS	Married	38	3.66	.909	1.286	3.920	NS
	Unmarried	62	3.87	.914			
AGE	below 30yrs	72	3.83	.904	1.838	2.680	NS
	30-40yrs	14	3.64	1.008			
	40-50yrs	9	4.11	.601			
	50&above	5	3.00	1.000			
LEVEL OF EDUCATION	school level	7	3.43	.787	1.141	2.447	NS
	under graduate	61	3.87	.826			
	post graduate	23	3.83	1.114			
	Diploma	3	4.00	.000			
	professional	6	3.17	1.169			
OCCUPATION	Employed	49	3.88	.971	.444	2.680	NS
	Business	24	3.62	.875			
	professional	17	3.82	.883			
	home maker	10	3.70	.823			
MONTHLY INCOME	less than 20000	23	3.52	.790	1.039	2.680	NS
	20000-30000	34	3.91	.996			
	30000-40000	24	3.92	.881			
	40000&above	19	3.74	.933			

NULL HYPOTHESIS (H03):

There is no significant difference between demographic factor and level of satisfaction in flexibility of documentation procedure. Significant difference between gender, marital status, age, level of education, occupation, monthly income and level of satisfaction in flexibility of documentation procedure shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(.608), marital status (1.286), age(1.838), level of education (1.141), occupation(.444), monthly income(1.039) 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 H03 null hypothesis.

TABLE: 4 DEMOGRAPHIC FACTOR AND PROCESSING TIME TAKEN BY BANK

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	Male	45	3.40	1.156	.933	3.920	NS
	Female	55	3.60	.915			
MARITAL STATUS	Married	38	3.47	1.109	.076	3.920	NS
	Unmarried	62	3.53	.987			
AGE	below 30yrs	72	3.56	1.019	.294	2.680	NS
	30-40yrs	14	3.50	1.019			
	40-50yrs	9	3.22	1.302			
	50&above	5	3.40	.894			
LEVEL OF EDUCATION	school level	7	3.43	.976	.208	2.447	NS
	under graduate	61	3.46	1.104			
	post graduate	23	3.65	.832			
	Diploma	3	3.33	2.082			
	professional	6	3.67	.516			
OCCUPATION	Employed	49	3.63	.972	.928	2.680	NS
	Business	24	3.38	1.245			
	professional	17	3.59	.795			
	home maker	10	3.10	1.101			
MONTHLY INCOME	less than 20000	23	3.26	1.176	1.855	2.680	NS
	20000-30000	34	3.74	.828			
	30000-40000	24	3.25	1.113			
	40000&above	19	3.74	.991			

NULL HYPOTHESIS (H04):

There is no significant difference between demographic factor and level of satisfaction in flexibility of documentation procedure. Significant difference between gender, marital status, age, level of education, occupation, monthly income and level of satisfaction in flexibility of documentation procedure shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(.933), marital status (.076), age(.294), level of education (.208), occupation(.928), monthly income(1.855) is less than the particular table

valueofgender(3.920,df=1),maritalstatus(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 H04 null hypothesis.

TABLE: 5 DEMOGRAPHIC FACTOR AND EASINESS OF MONTHLY INSTALLMENT SCHEDULED

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	Male	45	4.16	.903	2.703	3.920	NS
	Female	55	3.84	1.014			
MARITAL STATUS	Married	38	4.11	1.034	1.013	3.920	NS
	Unmarried	62	3.90	.936			
AGE	below 30yrs	72	3.92	.960	1.215	2.680	NS
	30-40yrs	14	4.00	1.177			
	40-50yrs	9	4.56	.527			
	50&above	5	3.80	1.095			
LEVEL OF EDUCATION	school level	7	3.57	.976	1.073	2.447	NS
	under graduate	61	3.90	1.012			
	post graduate	23	4.13	.968			
	Diploma	3	4.33	.577			
	professional	6	4.50	.548			
OCCUPATION	Employed	49	4.00	.890	2.493	2.680	NS
	Business	24	3.67	.963			
	professional	17	4.47	.874			
	home maker	10	3.80	1.317			
MONTHLY INCOME	less than 20000	23	3.61	.988	4.577	2.680	S
	20000-30000	34	3.97	.717			
	30000-40000	24	3.83	1.274			
	40000&above	19	4.63	.597			

NULL HYPOTHESIS (H05):

There is no significant difference between demographic factor and level of satisfaction in flexibility of documentation procedure. Significant difference between gender, marital status, age, level of education, occupation and level of satisfaction in flexibility of documentation procedure shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(2.703), marital status (1.013), age(1.215), level of education (1.073), occupation(2.493) 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), to support H05 null hypothesis. Significant difference between monthly income and satisfaction towards easiness of monthly instalment schedueld shows statistically significance between two variables. The calculated value , F value for monthly income (4.577) is more than the table value (2.680, df=3) to reject null hypothesis.

TABLE: 6 DEMOGRAPHIC FACTOR AND RESPONSE GIVEN TO YOUR QUERIES

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	Male	45	3.73	1.053	.042	3.920	NS
	Female	55	3.69	1.016			
MARITAL STATUS	Married	38	3.47	1.033	3.316	3.920	NS
	Unmarried	62	3.85	1.006			
AGE	below 30yrs	72	3.76	1.068	.357	2.680	NS
	30-40yrs	14	3.57	.756			
	40-50yrs	9	3.44	1.236			
	50&above	5	3.80	.837			
LEVEL OF EDUCATION	school level	7	3.71	.756	.086	2.447	NS
	under graduate	61	3.69	1.148			
	post graduate	23	3.70	.822			
	Diploma	3	4.00	1.000			
	professional	6	3.83	.983			
OCCUPATION	Employed	49	3.71	1.021	.597	2.680	NS
	Business	24	3.67	1.090			
	professional	17	3.94	.966			
	home maker	10	3.40	1.075			
MONTHLY INCOME	less than 20000	23	3.48	1.082	3.634	2.680	S
	20000-30000	34	3.65	1.012			
	30000-40000	24	3.50	1.022			
	40000&above	19	4.37	.761			

NULL HYPOTHESIS (H06):

There is no significant difference between demographic factor and level of satisfaction in flexibility of documentation procedure. Significant difference between gender, marital status, age, level of education, occupation and level of satisfaction in flexibility of documentation procedure shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(.042), marital status (3.316), age(.357), level of education (.086), occupation(.597) 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(2.680df=3) to support H06 null hypothesis. Significant difference between monthly income and satisfaction towards response given to queries shows statistically significance between two variables. The calculated value, F value for monthly income (3.634) is more than the table value (2.680, df=3) to reject null hypothesis.

TABLE: 7 DEMOGRAPHIC FACTOR AND TRANSPARENCY IN OPERATION

FACTOR		N	MEAN	SD	F	TABLE VALUE	SIG
GENDER	Male	45	3.56	1.013	1.314	3.920	NS
	Female	55	3.78	.956			
MARITAL STATUS	Married	38	3.58	1.004	.645	3.920	NS
	Unmarried	62	3.74	.974			
AGE	below 30yrs	72	3.69	1.002	.143	2.680	NS
	30-40yrs	14	3.71	.825			
	40-50yrs	9	3.67	1.118			
	50&above	5	3.40	1.140			
LEVEL OF EDUCATION	school level	7	3.43	.535	.563	2.447	NS
	under graduate	61	3.69	1.057			
	post graduate	23	3.78	.998			
	Diploma	3	3.00	.000			
	professional	6	3.83	.753			
OCCUPATION	Employed	49	3.65	1.011	.324	2.680	NS
	Business	24	3.58	.974			
	professional	17	3.88	.928			
	home maker	10	3.70	1.059			
MONTHLY INCOME	less than 20000	23	3.30	.876	2.140	2.680	NS
	20000-30000	34	3.68	1.121			
	30000-40000	24	3.75	.897			
	40000&above	19	4.05	.848			

NULL HYPOTHESIS (H07):

There is no significant difference between demographic factor and level of satisfaction in flexibility of documentation procedure. Significant difference between gender, marital status, age, level of education, occupation, monthly income and level of satisfaction in flexibility of documentation procedure shows that there is no statistical significance between the two variables. The calculated value ,F value for gender(1.314), marital status (.645), age(.143), level of education (.563), occupation(.324), monthly income(2.140) 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 H07 null hypothesis.

FACTOR		FREQUENCY	PERCENT
The interest rate in the bank where you availed loan is high	Yes	64	64.0
	No	36	36.0
If yes, the reason for availing loan at high interest rate.	to complete the construction	31	31.0
	to avail the loan soon	24	24.0
	to get the benefit in existing account in a bank	18	18.0
	Others	9	9.0

Out of one hundred respondents 64% of respondents answered that there was a high rate of interest chargeable in the bank where they availed loan. The remaining 36% of respondent answered that there was no high rate of interest.

31% of respondents mentioned the reason that to complete the construction the availed loan even the interest rate was high, 24% of respondents mentioned that to avail the loan soon and 18% of respondents mentioned the reason to avail loan at higher rate of interest is to get the benefit in existing account in a bank. The remaining 9% respondents are under others who does not come under the above categories.

FINDINGS

- It is found that significant difference between demographic variables and satisfaction towards nominal processing fee charged, out of six demographics viz. gender, marital status, age, level of education, occupation and monthly income, statistical significance is achieved only between age and satisfaction to reject H_0 , whereas there is no association between the demographics such as gender, marital status, level of education, occupation and monthly income to support null hypothesis respectively.
- It is found that significant difference between demographic variables and satisfaction towards easiness of monthly instalment scheduled and response to queries, out of six demographics viz. gender, marital status, age, level of education, occupation and monthly income, statistical significance is achieved only between age and satisfactions to reject H_0 , whereas there is no association between the demographics such as gender, marital status, level of education, occupation and monthly income to support null hypothesis respectively.
- It is found that significant difference between demographic variables and satisfaction towards flexibility in documentation, rate of interest charged, processing time taken, transparency in operation, out of six demographics viz. gender, marital status, age, level of education, occupation and monthly income, there is no association between the demographics and satisfaction level to support null hypothesis respectively.

CONCLUSION

The need to satisfy customers for success in any enterprises is very obvious. The income of all enterprises is derived from the payments received for the products and services supplied to its external customers. If there are no customers, there is no income and there are no banks to lend loans. This leads us to another important conclusion; customer satisfaction assumes even greater importance in a competitive environment. From this study the greater level of satisfaction is achieved in documentation procedure, followed by processing fee, time taken by bank for sanctioning loan, rate of interest and monthly instalment. The least satisfaction is given for response to queries and transparency in operation. Hence lending of loans by banks depends upon the customer's satisfaction and expectation.

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