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A Study On Customer Satisfaction On The Quality Of Home Loan Services Of Commercial Banks And Housing Financial Institutions In Sub Urban Chennai City

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Abstract:
The house building was very easy in the primitive days Butnow a daysdue to fattest development of technologies not only a essential one but also requires shelter to be more than protection against anti-human elements. The housing has become the necessity and essential in the society to upkeep of dignity and prestige.. The home paves the physical framework in which human, social cultural resources of the individuals are released, enriched and integrated .The individual housing provide the comport of living with all kind of protections .Family living influences the values, goals of the individual. In every developing country, there exists wide gap between demand for and supply of adequate houses. The reasons are many and varied which can be attributed to the increase in population, industrialization, escalation in the price of the construction materials, non-availability of land, refugee arrival and the real estate policy of the Government. Each and every individual's dream is to occupy a own house. To fulfill this dream, the customers are approaching banks and financial institutions to obtain housing loan.

Key Words: Shelter, Housing Loan, Family Influence, Financial Instructions, Sub urban areas, and Customer service

Introduction: House has become human need and is judicious investment which attracts by ways rent to the owner of the house. It has the rising value of money and prestige in every body's life. The nuclear family system made the housing is compulsory for everyone in the present days. The middle income group's dream for housing fulfills through the commercial bank and housing financial institutions. This is more so in the general level of income is relatively low. It is, therefore, imperative that a specialized housing finance system – albeit as an integral part of the national finance system – be created for this region for the development of new housing stock as well as for the renovation, up gradation and expansion of the existing housing stock in the rural, semi – urban and urban areas. The emergence of a number of HFIs in organized and unorganized sectors has brightened the economic scenario. The potential for the HFIs is vast. The success of HFIs depends on how effectively they can tap resources.

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Fortunately, during the last couple of years, lot of emphasis has been placed on creating an integrated national housing finance system. With the creation of National Housing Bank, an apex housing finance institution, housing finance has received added impetus.

REVIEW OF LITERATURE

J.D. Power (2008) [1] reveals in his report that measuring the satisfaction of the home loan providers. He observed through his study the home loan lenders are not acting upto the satisfaction of the home loan customers. 1 processing the loan quickly and to meet the need of the home loan..2 Calculating and arriving pre approval charges3 Avoiding the certain expenses while applying for loan 4Providing the flexible and judicial method of settling the home loan..

Paul Jackson (2008)[2] found that the satisfactions of the customer is foremost important in availing the loan. The interest and settling methods must be very clear and certain there must not be subsequent changes in the rate of interest or on the settlement process of the loan which is considered to be important one.

Bandyopadhyay and Shah (2009) [3] reveal that in his study more 13500 housing accounts have entertained and inspecting between 2003-2008 that in india the housing loan ratio has increased in surprising ratio. The credibility of customer demand for housing loan nuclear family system, investment model and income tax purposes the housing loan ratio has become increasing in trend and more numbers of customer going buying a new house as deem to be the better investment

Boyd W. et al. (2011) [4] reveal in a report that the major implications paved that rate of interest, repayment options, closure and enclosure charges are playing the greater role in the housing loan. The banks provide housing loans based on the income level with lessor interest and with regard to payment and settlement process in a easy way. Providing of better services and ample of concessions and flexible interest rate depending of the economic development in the country.

Machauer A. and Morgner S. (2012) [5]found that the expected benefits and satisfaction are playing major role for addressing the housing towards building or buying of the new house. The gradual settlement of house loan by customers will certainly raise standard of financial equity and steady growth of the financial progress Using cluster analysis, segments were formed based on combinations of customer rating for different attitudinal dimensions and benefits of bank services.

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Devlin (2013) [6]reveals that the different demographic factors are influencing for obtaining the housing loan such age, gender, income level, family type, family size, multiple employment in the family The selection of the home loan institution is professionally done as to take a decision in order to avail the loan without any practical difficulties..

JasmindeepKaurBrar and J.S. Pasricha (2014) [7] found shelter is considered to be basic one in the modern world. Every individual goes for getting their own house as it becomes necessity which is considered to be the affluent investment pattern also.

OBJECTIVES OF THE STUDY

The study has been carried out with the following objectives:

1.To sketch the demographic profile of borrowers and their experiences at the time of availing home loan.

2.To find out the customers preference for home loan

3.To analyze the factors influencing the customer for home loan

4. To Identify the age And the Preference for availing home loan From commercial banks and housing financial institutions

RESEARCH METHOLODLOGY

The relevant data were collected by the researcher from the home loan customers of select commercial banks and financial institutions. The two Home Loan service providing companies viz., - LIC Housing Finance and HDFC Housing Finance Company Limited and two commercial banks of SBI and ICICI were selected on the basis of market share in Indian Home Loan market in India. The area of the study has been restricted to sub-urban areas of Chennai city. The target group of the research is the customers of Housing Loan. This is a descriptive study and the data collected through structured questionnaire.

DATA ANALYSIS AND INTERPRETATION

. The customers' perception on the quality of services offered by the commercial banks and housing financial institutions are assessed through 20 variables covering different dimensions of service quality. The variables considered for the data collections are:

These variables reflect the service quality dimensions of Tangibility, Reliability, Responsiveness, Assurance and Empathy. The perception of customers on these variables is examined in a five point scale ranging from highly dissatisfied to highly satisfied. The data collected are subjected to Score analysis, Confirmatory Factor Analysis, ANOVA and t test. The analysis and discussion on the customer satisfaction on the quality of home loan services

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of commercial banks and housing financial institutions are highlighted in this chapter under the following headings:

1.Customers perception on quality of home loan services-Score Analysis

2.Satisfaction-Dissatisfaction gap in customer perception on the quality of home loan services-Gap Analysis

3.Influence of service quality dimensions towards the customer satisfaction of preferring the home loan services by the commercial banks and housing financial institutions-Structural Equitation Model.

1 SERVICE QUALITY OF HOME LOAN PROVIDERS

A. TANGIBLITY ASPECT OF SERVICES

The table 1 shows that home loan borrowers opinion towards the tangibility aspect of services offered by both Commercial Banks and Housing Financial Institutions.

Table showing perception of customers on Tangibility aspect of Services

Statements	**HD**	**D**	**N**	**S**	**HS**	**Total**
Banks/Financial institution has state of the art technology	22 5.5%	30 7.5%	22 5.5%	193 48.3%	133 33.3%	400
Physical features of Banks/Financial institutions are visually appearing	20 5%	40 10%	24 6%	196 49%	120 30%	400
Banks/Financial Institutions employees who have very neat, professional appearance	24 6%	16 4%	20 5%	220 55%	120 30%	400
Communication materials in Banks/Financial institutions are visually appealing easy to read influence and useful	24 6%	40 10%	20 5%	196 49%	120 30%	400

Source: Primary data

Table .1 reveals that 33.33 % of the respondents were highly satisfied and 48.3% of the respondents were satisfied with the state of art technology of commercial banks and housing financial institutions.7.5% and 5.5 % of the respondents were dissatisfied and highly dissatisfied respectively towards the state of art technology of commercial banks and housing financial institutions and regarding physical features of commercial banks/ housing financial institutions are visually appearing 30% and 49% of the respondent were highly satisfied and satisfied respectively towards the physical features available in the commercial banks and housing financial instutions.10% and 5% of the respondents dissatisfied and highly

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dissatisfied towards the physical features available in the commercial banks and housing financial institutions

It could be seen that 55% of the respondents were satisfied about the professional appearance of the employees of commercial banks and housing financial institutions and only 30 % of the respondents were highly satisfied about the appearance of the employees of commercial banks and housing financial institutions; The table further shows that 49 % of respondents were satisfied about communication materials in commercial banks and housing financial institutions, which are visually appealing, easy to read, influence and useful and only 30% of respondents were highly satisfied about the communication materials in commercial banks and housing financial institutions.

2 RELIABILITY ASPECT OF SERVICES

The .2 table depicts that home loan borrowers' opinion on the reliability services offered by Commercial Banks and Housing Financial Institutions.
Table 2 showing services on Reliability Dimension

Statements	HD	D	N	S	HS	Total
Banks/financial institutions are sympathetic and sincere to solve the problem	24 6%	36 9%	20 5%	196 49%	124 31%	400
Providing services at promised time	24 6%	48 12%	16 4%	216 54%	96 24%	400
Promise to do something on time	48 12%	72 18%	64 16%	104 26%	112 28%	400
Keeping records correctly	60 15%	60 15%	60 15%	120 30%	100 25%	400
Performing the service right at first time itself	48 12%	64 16%	64 16%	128 32%	96 24%	400

Source: Primary data

It could be seen from table 6.1.2 that 49% and 31% of the respondents were satisfied and highly satisfied respectively about the sympathetic and sincere efforts taken by the commercial banks and housing financial institutions to solve the problems related to home loan ; 54% of the respondents were satisfied about services offered by the commercial banks and housing financial institutions at promised time and 12% of the respondents were dissatisfied with the timely service providers.

Further, the table also reports 28% of the respondents were highly satisfied about the promises given by the commercial banks and housing financial institutions to do something on time. But 12% of the

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respondents were highly dissatisfied with the services at promised time by commercial banks and housing financial institutions and 30% of respondents were satisfied about the records maintenance by the commercial banks and housing financial institution, 25% of respondents were highly satisfied about the records maintenance by the commercial banks and housing financial institution, 30% of respondents were dissatisfied with the services about the records maintenance by the commercial banks and housing financial institution, and 15% of respondents were neutral about the maintenance of records.

3.RESPONSIVENESS ASPECT OF SERVICES

The table 3 states that home loan borrowers' opinion on the responsiveness aspect of services offered by both Commercial Banks and Housing Financial Institutions.

Table .3 showing services on Responsiveness Dimension

Statements	HD	D	N	S	HS	Total
Being polite and kind especially when employees are busy	32 8%	80 20%	48 12%	144 36%	96 24%	400
Keeping customers informed about when services will be performed	24 6%	88 22%	56 14%	144 36%	88 22%	400
Willingness to provide advice and suggestion to guide customers	16 4%	40 10%	64 16%	128 32%	152 38%	400
Easy to meet and discuss with the manager and staff	60 15%	84 21%	64 16%	120 30%	72 18%	400
Prompt services to customers respond quickly and efficiently	40 10%	56 14%	40 10%	136 34%	128 32%	400

Source: Primary data

It was found that 36% and 24% of the respondents reported that they were satisfied and highly satisfied respectively about the attitude of employees being polite and kind especially when they are busy; 58% of the respondents reported that they were satisfied and 28% of respondents were dissatisfied with the information given by commercial banks and housing financial institutions when services were performed.

Further, the table also reveals that 14% of the respondents were dissatisfied; 70% of the respondents were satisfied about the advice and suggestions given by the commercial banks and housing financial institutions to guide their customers and 48% of the respondents reported that they were able to meet and discuss with the mangers and staff of commercial banks and housing financial institutions; 36% of the respondents were not able to meet and discuss with the mangers and staff of commercial banks and housing financial institutions.

It was reported that 66% of the respondents were satisfied about the prompt and efficient home loan services offered by commercial banks and housing financial institutions to their customers. Only 10 % of the respondents were dissatisfied about the prompt and efficient

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home loan services offered by commercial banks and housing financial institutions to their customers.

4 ASSURANCE ASPECT OF SERVICES

The table 6.1.4 reveals the home loan borrowers' opinion on the assurance aspect of services offered by both Commercial Banks and Housing Financial Institutions.

Table .4 showing Customer Perception on the Assurance Dimension of Services

Statements	HD	D	N	S	HS	Total
Employees create confidence to customers	48 12%	88 22%	48 12%	128 32%	88 22%	400
Employees possess the required knowledge to answer clearly the quires of the customer	32 8%	92 23%	36 9%	144 36%	96 24%	400
Provide appropriate, accurate clear communication and information to customers of their operation and charges	24 6%	52 13%	24 6%	192 48%	108 27%	400
Employees are interested in helping customers, friendly and respectful	72 18%	56 14%	32 8%	164 41%	76 19%	400
Employees are consistent and polite	32 8%	44 11%	24 6%	188 47%	112 28%	400

Source: Primary data

Table 6.1.4 reveals that 32 % and 22% of the respondents were satisfied and highly satisfied respectively about the confidence created by the employees of commercial banks and housing financial institutions to their customers. But 12% of the respondents were highly dissatisfied about the same; 60% of the respondents accepted that the employees of commercial banks and housing financial institutions possess the required knowledge to answer clearly the queries of the customers, and 8% of the respondents were highly dissatisfied; 48% and 27% of the respondents were satisfied and highly satisfied respectively about employees providing appropriate accurate and clear communication to customers of their operation and charges: 6% of the respondents were highly dissatisfied about providing appropriate accurate and clear communication to customers of their operation and charges.

The results also show that 60% of the respondents of commercial banks and housing financial institutions were satisfied with the employees' attitudes towards helping the customers, friendly and respectful, but 18% of the respondents were highly dissatisfied; 75% of the respondents were satisfied with the consistent and polite attitude of the employees of commercial banks and housing financial institutions but 8% of the respondents were dissatisfied about the same.

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5.EMPATHY ASPECT OF SERVICES

The table 5 shows that home loan borrowers' opinion on the empathy aspect of services offered by both Commercial Banks and Housing Financial Institutions.

Table .5
Table showing customer perception on Empathy Aspect of Services

Statements	HD	D	N	S	HS	Total
Employees devote enough time to their customers	28 7%	44 11%	20 5%	188 47%	120 30%	400
Sincerely concerned about their problems and willing to help customers	20 5%	100 25%	56 14%	132 33%	92 23%	400
Providing service even in holidays to solve customer's problem	32 8%	40 10%	20 5%	196 49%	112 28%	400
Giving individual attention to customers' need and requirements	28 7%	80 20%	36 9%	160 40%	96 24%	400
Employees recognize the value of regular customers	32 8%	24 6%	20 5%	204 51%	120 30%	400
Provision for better complaint procedures	28 7%	60 15%	44 11%	164 41%	104 26%	400

Source: Primary data

Table .5 reports that 77% of the respondents were satisfied and 7% of the respondents were highly dissatisfied about the employees of commercial banks and housing financial institutions for devoting enough time to their customers; 55% of the respondents were satisfied and 25% of them were dissatisfied with the attitude of employees of commercial banks and housing financial institutions about the problems of the customers; 77% of the respondents were satisfied and 10% of them were dissatisfied with the services provided by employees of commercial banks and housing financial institutions to their customers even during holidays; 64% of the respondents were satisfied and 9% of the respondents were highly dissatisfied about the individual attention given to their customers' need and requirements by the employees of commercial banks and housing financial institutions;81% of the respondents were satisfied and 6% of the respondents were dissatisfied about the employees' attitudes in recognizing the regular customers and treating them as valued customers; 67% of the respondents were satisfied and 7% of the respondents were highly dissatisfied about the complaint redressal mechanism followed by commercial banks and housing financial institutions.

In order to examine differences between commercial banks and housing financial institutions ANOVA test was carried out with the following Null Hypothesis.

Ho: There is no significant difference between the Commercial Banks and Housing Financial Institutions with respect to service quality dimensions.

Table .6 shows the results of ANOVA test on service quality dimensions of Commercial Banks and Housing Financial Institutions.

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Table .6

ANOVA test showing the differences between the Commercial Banks and Housing Financial Institutions with respect to Service Quality Dimensions

Service Quality Dimensions	HFI	N	Mean	F value	P value
Overall Tangibility	SBI	100	3.70^{b}	33.957	0.000**
	ICICI	100	4.32^{c}		
	LICHFL	100	4.18^{c}		
	HDFC	100	3.52^{a}		
Overall Reliability	SBI	100	3.61^{a}	6.648	0.000**
	ICICI	100	3.82^{bc}		
	LICHFL	100	3.97^{c}		
	HDFC	100	3.66^{ab}		
Overall Responsiveness	SBI	100	3.65^{a}	7.462	0.000**
	ICICI	100	3.92^{b}		
	LICHFL	100	3.95^{b}		
	HDFC	100	3.64^{a}		
Overall Assurance	SBI	100	3.40^{a}	12.327	0.000**
	ICICI	100	3.77^{b}		
	LICHFL	100	3.61^{b}		
	HDFC	100	3.28^{a}		
Overall Empathy	SBI	100	3.44^{a}	33.131	0.000**
	ICICI	100	4.07^{b}		
	LICHFL	100	3.97^{b}		
	HDFC	100	3.27^{a}		

Source: Primary data
**denotes significant at 1% level

Different alphabet between the commercial banks and housing financial institutions denotes significance at 5% level using Duncan Multiple Range Test.

The above table shows the results of ANOVA test to find out differences between the commercial banks and housing financial institutions with respect to service quality dimensions. The p values of all the statements are less than 0.01. The null hypothesis is rejected at 1% level of significance. Hence, it is concluded that there is a significant difference between the commercial banks and housing financial institutions with respect to service quality dimensions.

Limitations of the study

This study is not free from some limitations which have been discussed as follows:

1.The sample size of 400 customers and two financial institution and two commercial banks might prove a limitation because of difficulty in generalization of results.

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2.To collect the data from various bank customers, it was quite difficult due to non-cooperation from banks and customers. This proved to be major limitation of the study.
3.Since the preference of customers are subject to change due to changing scenario, the study of preferences at one situation may not be relevant for another situation and time. Studies based on attitude always suffer with such limitations to genaralise the results.
4.There was limitation of time to conduct such a big survey in limited available time. Ignorance and reluctant attitude of customers were also major limitations in this study.

Conclusion:

The study concludes that the rapid economic development, industry growth, information technology booming, communication medium and education played a vital role buying and having a house in every individual become essential. Availability of housing loan institutions and approach of the loan provider made very drastic change in the mind of the common man even who does want invest is encouraged. As the old pro-verb says that even a "rat to have its own shelter" like wise the desire to have housing increased. While, quality service is essential in today's competitive market, present research has maped out the customer preferences and satisfaction of home loan service quality of commercial banks and housing financial institutions in sub-urban areas of Chennai

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