



A Study on Consumer Perception towards Home Loan

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1.1 Introduction

To attract customers bank provide home loans at cheaper rate. Customers are the Kings of any business. This study takes into account the choice of the customer, reasons, problems and knowledge about house loan. There are many problems faced by customers while borrowing loans from banks. Few problems are as lack of knowledge, procedural delays, desired amount not being sanctioned and credit score. This study aims to identify those problems faced by customers while borrowing home loans from banks. When there is lot of problems the study was made to know the consumer perception towards the loan.

2.1 Literature Reviews

1. Factors affecting Customers' decision for taking out bank loans: A case of Greek customers" - Frangos Et Al (2012)

He studied The Factors affecting Decision to choose a Bank for Loan among Greek Citizens. Survey Was Carried By Administering Questionnaires To Citizens Of Athens. And Annual Income Less Than 8000 Euros And Belonging To Personal Property Band Less Than 10000Euros Prefer To Take Loan.

2. "A study on comprehensive problems of H.D.F.C. and S.B.I. loan takers in Andhra Pradesh State" - Rao (2013)

This study discussed about the perception and problems of home loan takers in Andhra Pradesh. The paper discussed about the Housing Policy frame work, trends and progress in Housing Finance, the operational performance of H.D.F.C. and S.B.I. with regard to providing housing finance to individuals, perception and problems of home loan takers in the State of Andhra Pradesh. The services and product innovations are the key tools for success.

3. Murugan and Jansirani (2017)

carried out a study in Chennai to understand customer perception towards home loan by selecting the 500 customers on a random basis. Their study made an attempt to evaluate in depth the performance and operational problems faced by the banking sector Sangwan and Bhan (2012) the study focused on the satisfaction level of customers and problems faced by them in while obtaining home loans. For this purpose, they have taken four commercial Banks in Chandigarh city

4. "A conceptualization of a customer – Bank bond in the context of the twenty first century U.K retail banking industry" - Rizal Ahmad (2005)

It studied the conceptualization of a customer- bank bond. The primary bond consists of utility, reliability and overall value of the services. The secondary bonds are friendliness, empathy, helpfulness, and convenience and user friendliness of banking infrastructure.

3.1 OBJECTIVES OF THE STUDY:

1. To know customers perception towards house loan.
2. To understand the socio-economic categories of customers satisfaction related to home loan.
3. To identify the problems faced by the customers while borrowing loans from bank.

3.2 STATEMENT OF THE PROBLEM:

The more information the customer have about a product or service, the more comfortable they are while buying the product. Positive customer perception is an invaluable tool in marketing. Customers are the Kings of any business. It is an important key to success. So it is important to find about customers' perception towards home loans and the problems faced by them while availing loan. Objectives are framed according to that.

3.3 Research Methodology

The present study is based on primary data and secondary data. The data and relevant statistics for this study have been collected from different sources. Information has been gathered from the RBI website, Money market, Google, Magazine, News Paper.

1. RESEARCH DESIGN:

The research design that has been adopted for the study is descriptive. The Methodology involved in this design is mostly qualitative in nature. Because, Descriptive research includes surveys and fact-finding enquiries of different kind Adopted.

2. METHODOLOGY:

The method used for carrying out this research is done by using data collection, Sampling and data analysis.

3. TYPES OF SAMPLING:

Sampling method will be used for the study.

4. DATA COLLECTION:

A. Primary abstracts are calm through observation, questionnaire, and personal Interaction

B. Secondary data : RBI's bulletins , publication of Indian banks, association of home loan ,Indian institute of bankers ,Indian banking association ,NBFC's journal, various published and unpublished literature and websites.

5. SAMPLE SIZE

Sample size are related to 120.

6. INSTRUMENTS USED FOR DATA COLLECTION: • Questionnaires • Observations • Archival documents and government sources

7. SAMPLING the sampling assemblage and admeasurement for this analysis are 120 respondents, who are called randomly.

3.4 DATA ANALYSIS AND INTERPRETATION

A well-structured questionnaire was circulated among the respondent and the responses are:

Age	No. of respondent	Percentage
25-35	69	57.50
36-45	37	30.83
Above 46	14	11.67
Total	120	100

Gender	No. of respondent	Percentage
Male	66	55.00
Female	54	45.00
Total	120	100

Occupation	No. of respondent	Percentage
Salaried	55	45.83
Self Employed Business	46	38.33
Self Employed Profession	19	15.83
Total	120	100

Annual income in Lakhs	No. of respondent	Percentage
2-6	45	37.50
7-9	38	31.67
10-15	27	22.50
15 and Above	10	8.33
Total	120	100

Loan amount available	No. of respondent	Percentage
UP TO 10 LAKHS	50	41.67
10-25 LAKHS	39	32.50
25-50 LAKHS	25	20.83
50 LAKHS AND ABOVE	6	5.00
Total	120	100

Rate of Interest	No. of respondent	Percentage
6.5-8.5	53	44.17
8.6-10.0	54	45.00
10.1 AND ABOVE	13	10.83
Total	120	100

Loan availed from	No. of respondent	Percentage
BANK	77	64.17
NBFC/HOUSING FINANCE COMPANY	43	35.83
Total	120	100

How was your experience in getting a loan sanctioned

	No. of respondent	Percentage
Excellent	42	35.00
Very Good	46	38.33
Good	27	22.50
Poor	5	4.17
Total	120	100

Post disbursement service experience

	No. of respondent	Percentage
Excellent	56	46.67
Very Good	41	34.17
Good	18	15.00
Poor	5	4.17
Total	120	100

OBSERVATION

57.50% of the respondent belong to age group of 25-35 years, whereas 55% of them were males and the rest females. 45.83% of the respondent are salaried and 38.33% are self-employed business and only 15.83% of respondent are self-employed professional. 37.54% of the respondent have 2 to 6 lakh annual income which following by 31.67% of the respondent have 7.9 lakh annual income. Out of 41.67% of the respondent available of loan amount is up to 10 lakh following by 32.50% respondent available of loan amount is 10-25 lakh. 44.17% of the respondent takes loan with 6.5-8.5 rate of interest and 45% respondent take loan with 8.6-10 rate. 64.17% of the respondent availed loan from bank and rest of from NBFC. 35% of the respondent have excellent experience on getting a loan sanctioned. Only 4.17% respondent have experience poor. 34 to 46% of the respondent getting 34 to 46% of the respondent getting poor experience in post disbursement service.

FINDINGS

According to my study home loan procedure is difficult and time consuming process for those who do not have appropriate documentary evidence. Maximum people preferred fixed rate of interest. People get knowledge about home loan from television, internet or families and friends. Respondent are agreeing the way they are treated by the banks. Quality of service and minimum rate of interest are the important criteria which are seen by the people before taking home loans.

CONCLUSION AND SUGGESTIONS

1. Banks should be provide different housing loan schemes with attractive features like rate of interest, margin etc. for attractive more and more people in rural area.
2. Housing schemes and process of passing loan should be easy to make the people understand.
3. Rate of interest should be competitive with other financial institutions.
4. Proper credit appraisal of the customer should be done.
5. Open more number of branches in different cities and tap the rural areas.
6. Counter facility should be provided in all banks to help the customers.
7. To attract more customers, banks should make process of loan repayment easy.
8. Loan passing process should be quicker by public sector bank like private sector bank.
9. File processing charges should be eliminated in the banks.
10. For customer's awareness banks should also distributebooklets and advertise attractive advertisements for the awareness ofthe customer on different housing loan scheme.
11. The number of staff, handling loan affairs should be increased.
12. To respect the customers by giving them individual attention and alsohelp them to know the bank better by public sector bank.
13. There should be lesser formalities for providing the home loans.
14. The bank should disseminate information using web sites and personal contact programs for providing information on variou s product and services.

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