



A Study on Customer Satisfaction of Home Loans in Hinduja Housing Finance Limited

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ABSTRACT

The house loans include home equity loans for buying a real estate property for residential purposes, loans for developing or renovating an existing house property and also mortgage loans against real estate property in Chennai. Real estate mortgage in Chennai has fetched high loan values mainly due to the expensive land in the city. The main objective of this study is to know the Customers Satisfaction about home loans in Hinduja Housing Finance Limited. The secondary objectives are to understand the rating of the customers on the written materials received from the Hinduja Housing Finance Limited, know the knowledge of customers about home loan products and services, assess the most attractive features of Home loans in Hinduja Housing Finance Limited and to study the overall satisfaction level with the services provided by Hinduja Housing Finance Limited.

The study is conducted in Chennai. This survey targets not only those who have existing plans to purchase home, but also who have no immediate plans, but may in the future. Loan officers basically work for banks, credit unions and other financial and savings institutions and they specialize in commercial, consumer or mortgage as per the officer job description. Commercial officers, as the name implies work with business to help them officers help individuals to get auto loans, personal loan, and home equity loans, mortgage loan officers offer guidance in refinancing an existing mortgage or to get fresh mortgage for buying commercial or residential property. Multiple choice questions have been chosen to collect the responses from 100 customers of home loans in Hinduja Housing Finance Limited. Convenience sampling method has used in the research work. The data collected has been analyzed through various statistical tools like Karl Pearson's Correlation, Chi square test and One-way Anova test. Numerous new findings have been derived from this research has helped to provide few suggestions to the company to improve the satisfaction level of the customer taking the home loans from Hinduja Housing Finance Limited

KEYWORDS: CUSTOMER SATISFICATION

INTRODUCTION:

Home loans in Chennai have augmented home ownership among the masses since housing finance required a bulk amount of money that is not possible for many people in India. Thus the banks and finance companies provide you with easily accessible housing loans. All leading banks and finance companies in India have their branch network spread across Chennai.

As one of the fastest growing city of the state and an IT hot spot, the property prices in Chennai have escalated to the level a person with moderate income finds it difficult to buy built home or even a plot anywhere in the city. The prices are rising even more at an alarming rate making the situation worse for home buyers. In such a grim situation, housing loans are a glimmer of hope for the people who have no shelter of their own in the city. As the market is growing with the demands of easily available home loans, several banks have come up with their customized products to cater to the need of such people. Furthermore, the rules to get loans are gradually being simplified by leading banks to attract more customers. But what is more important is the curtailment of interest rate by significant margin and the availability of user friendly schemes to pay the loan amount in easy installments. Installments have to be paid on monthly basis

OBJECTIVES:

- ✓ To analyze the role of home loans in facilitating home ownership in Chennai amidst escalating property prices.
- ✓ To evaluate the level of customer satisfaction with home loan products offered by banks and finance companies in Chennai.
- ✓ To examine the industry profile of Non-Banking Financial Companies (NBFCs) and their significance in the Indian financial system.
- ✓ To assess the regulatory framework governing NBFCs and its impact on their operations.

- ✓ To analyze the trends, progress, and challenges faced by NBFCs in the context of their role in catering to credit requirements, particularly in rural and semi-urban markets

REVIEW OF LITERATURE:

HENRY FORD, 1926 'business must be run at a profit, else it will die. But when anyone attempts to run a business solely for profits and thinks not at all of the service to the community, then also the business must die, for it no longer has a reason for existence. Dealers are an important part of our product-led strategy. Ford measure dealer satisfaction with all our brands and regions through various methods. Day-to day interactions with our dealer councils and input from third- party surveys Dealer's attitude survey results for 2006 reflect an improving trend for over all dealer satisfaction.

E. Laird (1974) classified "The relative importance of self and ideas self image to the purchase intention of customer. He concludes that self image and self-image tend to be positively correlated in overall suspects the purchase intentions of some products tend to be more correlated with self image than can ideal self image whereas in some other products the purchase intention tends to be more correlated with ideal self image."

Evi Clamons, K. and Warress, F., "Stable production schedules just in time production strict quality control reliable delivery communication, close location, all the features help to forge a closer relationship between the business customer and the business marketers."

Sproles (1985) developed a 50-item instrument to profile the decision making styles of consumers. Using data collected from 111 undergraduate women in two classes at the University of Arizona and employing a factor analysis technique, Sproles (1985) found six consumer decision-making style traits He named and described these traits: (1) Perfectionism, (2) Value Conscious, (3) Brand Consciousness, (4) Novelty-Fad- Fashion Consciousness, (5) Shopping Avoider Time Saver-Satisfice (6) Confused, Support- Seeking Decision-Maker. In a later study

Sproles and Kendall (1986) developed a comprehensive instrument called Consumer Style Inventory (CSI) to measure consumer decision making styles. The instrument was administered to 482 students in 29 home economics classes in five high schools in the Tucson, Arizona area. (cf. Fan, J.X., 1998). This instrument measures eight mental characteristics of consumer's decision making: perfectionism, brand consciousness, novelty-fashion consciousness, recreational, price-value consciousness, impulsiveness, confused by over choice.

Kent Monroe (1976) conducted "A study of influence of price different and brand familiarity into brand preference. The findings of the experiment designed to isolated the effect of price increase than the price increase than to price decrease. Forkel choice, price, quality, experiment may lead to result that are artificial and brand familiarity is a dominant one is a choice behavior."

RESEARCH DESIGN:

Research is a process of systematic inquiry that entails collection of data; documentation of critical information; and analysis and interpretation of that data/information, in accordance with suitable methodologies set by specific professional fields and academic disciplines

SOURCES OF DATA:

After identifying and defining the research problem and determining specific information required to solve the problem, the researcher's task is to look the type and sources of data which may yield the desired results. Data sources are of two types through which data is collected. Data sources may be classified as

1. Primary data
2. Secondary data

ANALYSIS AND INTERPRETATION

Table No 5.1.1: Age group of respondents:

AGE	No of Respondents	In Percentage
Below 30	10	10%
30 – 40	10	10%
40 – 50	10	10%
Above 50	70	70%
Total	100	100%

SOURCES OF DATA: primary data.

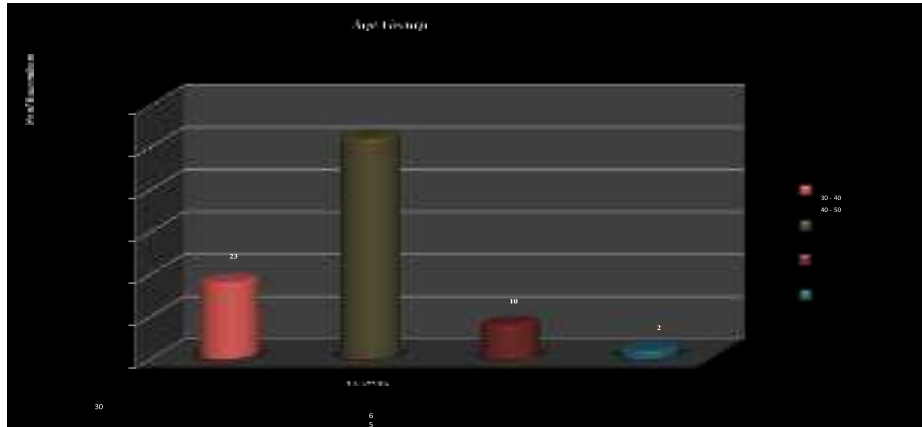


Table No 5.1.12: Source of information about home loan scheme:

Source of Information	No of Respondents	In Percentage
HINDUJA HOUSING	10	10%
FINANCE LIMITED employees	50	50%
Website	10	10%
Magazines	0	0%
Newspaper	10	10%
Family/friends	50	50%
Builder	20	20%
Other	0	0%
Total	100	100

SOURCES OF DATA: primary data

Graph no:5.1.12

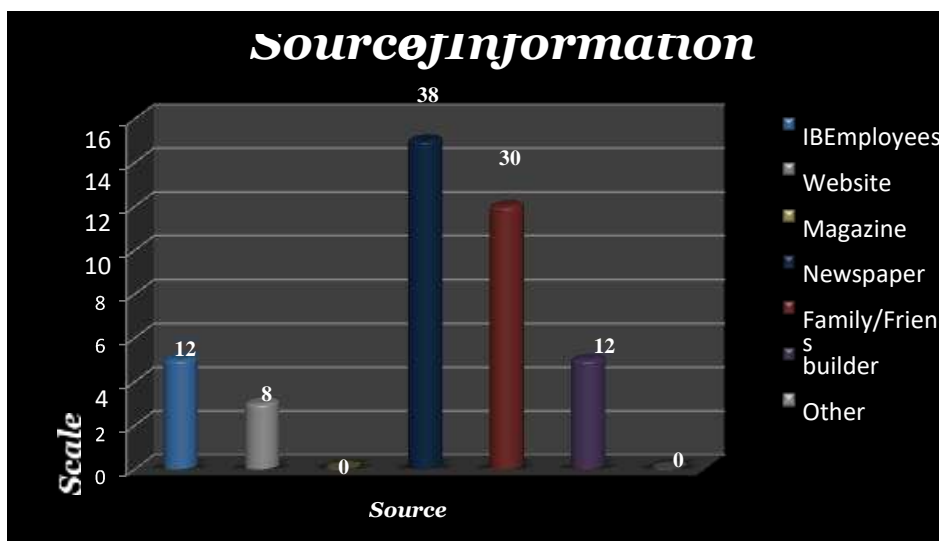


Table No 5.1.14: Satisfaction about staff service:

Satisfaction Scale	No of Respondents	Percentage
Poor	10	10%
Fair	10	10%
Good	10	10%
Satisfied	10	10%
Highly Satisfied	60	60%
Total	100	100%

SOURCES OF DATA: primary data

Graph no 5.1.14:

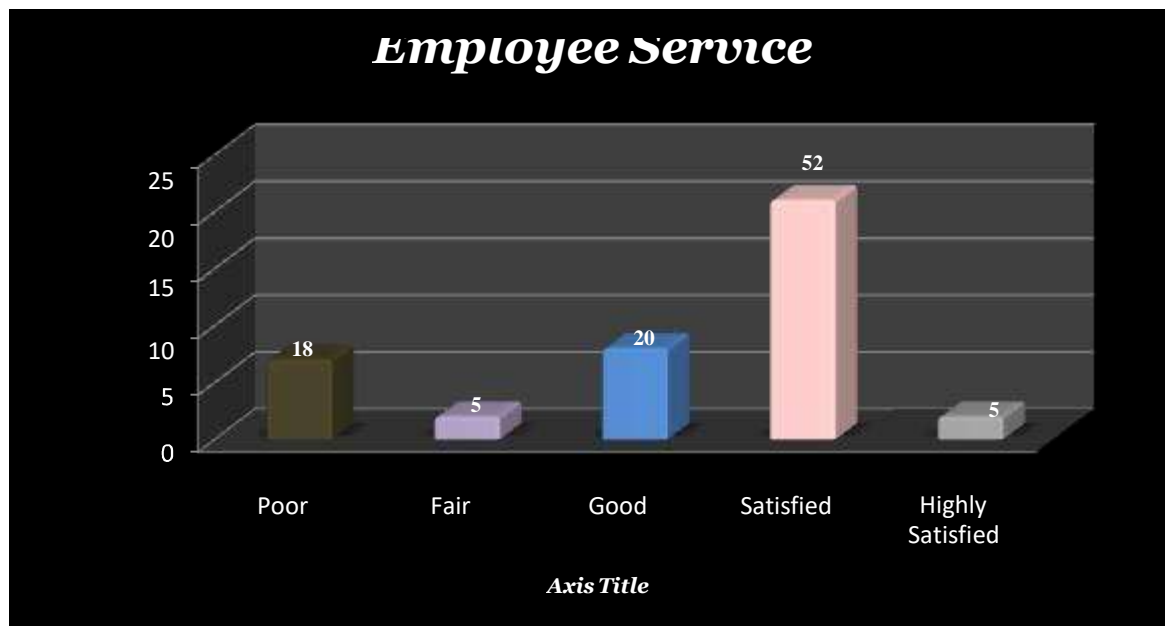
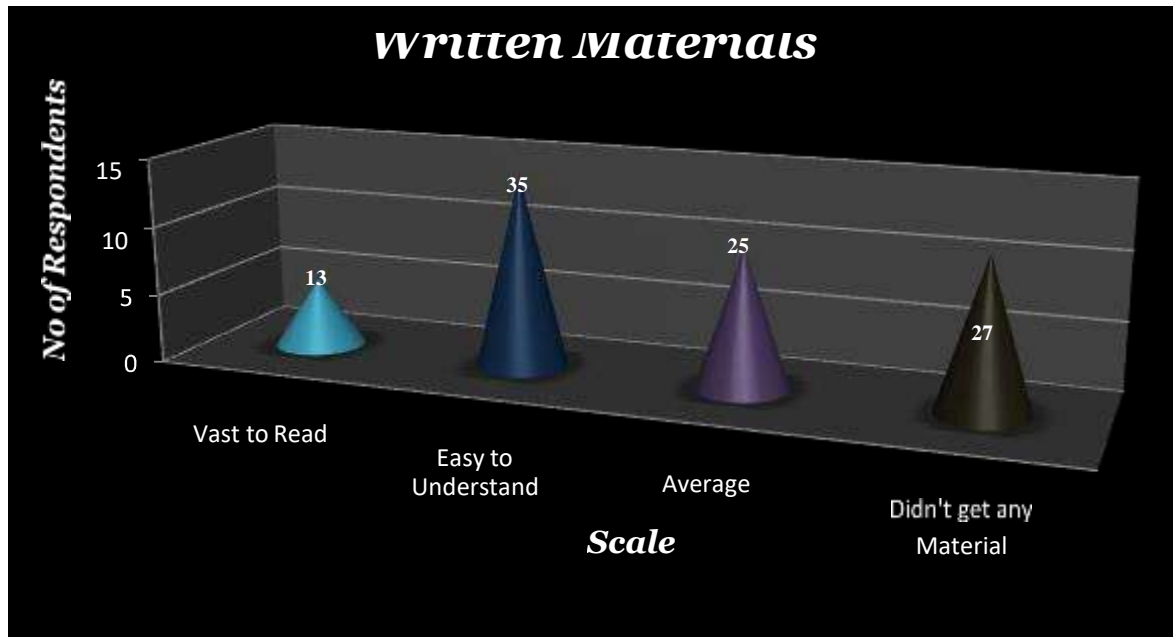


Table No 5.1.15: Opinion about Written Materials:

Scale	No of Respondents	Percentage
Vat to Read	10	10%
Easy to Understand	10	10%
Average	50	50%
Didn't get any Materials	30	30%
Total	100	100%

SOURCES OF DATA: primary data

Graph No:5.1.15



INTERPRETATION:

- Out of 100 respondents a majority 65% of the respondents fall in the age group of 30 to 40 years the purpose of targeting this age group represents the current ideal segments for loan. Following to that 23% of respondents is from the age group of below 30 years
- The study options of company employees, website, magazines, newspaper, friends among these newspaper is the most popular source of information for the respondents. Following to that friend recommended about Hinduja Housing Finance Limited to the customers. Here can see from the above graph 38% of respondents have got information from newspaper, so here advertisement through news paper made a tremendous impact on customers
- Here, can see that, most of the respondents are satisfied with the solutions received from the employees, as 52% of the respondents are satisfied as compare to this can see 18% of the respondents are scaled as poor service of employees regarding information and solutions, so company has to concentrate on the service of employees, it has to train them regarding interaction and for solution.
- From the above table and graph we can see that, 35% of respondents out of 100 said that, written materials given from the company was easy to read and to understand. But Following to that 27% of the respondents are didn't get the material which given those was vast too read and they got those information orally, didn't go through those because those were time consuming materials

FINDINGS:

- Out of 100 respondents a majority 65% of the respondents fall in the age group of 30 to 40 years the purpose of targeting this age group represents the current ideal segments for loan.
- A total of 83% of the respondents who took the survey are male
- 72% of respondents interviewed are salaried
- 43% of respondents are from the income group of 5 lacs to 10lacs
- Hinduja Housing Finance Limited also a best Institution in the customer point of view it has got 12% of respondents.
- Most of the respondents availed before from other Banks then also considered to avail loan In Hinduja Housing Finance Limited because of attractive Features in Hinduja Housing Finance Limited.
- Hinduja Housing Finance Limited is best Institution for home loans and also HSBC, ICICI have got 10% of customer respondents as best Institutions
- 43% of customer availed loan for the purpose of Purchase of new/Old dwelling unit
- 43% of respondents availed loan for 20 to 40 lacs
- 47% of the respondents were drawn to their respective company due to the alternative rate of interest and for the service given

- 38% of respondents have got information from newspaper, so here advertisement through news paper made a tremendous impact on customers.
- 30% of respondents are satisfied with the service.
- 52% of the respondents are satisfied. So company has to concentrate on the service of employees, it has to train them regarding interaction and for solution.

SUGGESTIONS

Customer should be treated well and create a good impression about the company since they are one channel through which company can attract the new customers.

- Company should see through that the decision relating to the loan should be conveyed as early as possible to the customers.
- Advertisement is the main source which attracts the customers, so the company can use an effective advertisement to attract the customers, instead using advertisement only in newspaper, company should concentrate to give ads in television which will attract customers more compared to other channels.
- It is better to reduce the Rate of Interest of home loans to compete with the other Banks/Institutions, because most of the Banks and Institutions have the same rate of interest except SBI, Canara Bank.
- Employees should have a good interaction, more cooperative and also should give prompt service to the customers.
- There is lack of coordination between employees internally, that should be reduced, and it may create negative impact on the company.
- Study reveals that, there should be transparency about information, and should give clear information about insurance to the customers.
- Company has to make a proper follow up after disbursement, and have to create a good customer focus.
- Company can give discount to the customers in interest rate and in insurance etc., it will create good image about the company in the mind of the customers

CONCLUSION

The study has identified various factors that lead to satisfaction of home loan borrowers of public and private sector banks. From among a large number of factors that contribute to the satisfaction of borrowers, a few of them were taken into account. The study also confined to the area of home loan policy, amenities provided by banks to its customers, the behavioral attitude of bank staff and the satisfaction of customers as a whole to these sectors of financial institutions. In precise it is to conclude that both public sector and private sector banks truly deserve to be the leading banks in the home loan sector.

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