

TO STUDY THE FACTORS AFFECTING CUSTOMER SATISFACTION TOWARDS HOUSING LOAN SCHEME OF HDFC IN KOTTAYAM DISTRICT

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ABSTRACT

The banking sector in India is one of the most mature, exceptionally deep and focused markets. It is one of the most intense income generators in the economy, pumping out immense funds to regulate, stabilize and support the economy. Banks help raise huge incomes and control spending within households. To generate revenue, reduce costs, regulate interest rates and maximize profitability, retail banking has unleashed a stronghold on customer satisfaction. The factors expected to motivate customer satisfaction are studied using the SERVAQUL model. The basic objective of the assessment is to make a close investigation of the fulfilment of borrowers from HDFC banks. It appears from the review that HDFC Bank has superb staff concerning the conduct and customer satisfaction is a concern in judging the performance of the bank. In addition, HDFC Bank administrations are significantly improved and continue to innovate new technologies to reduce customers' nuts over time.

Keywords – Customer Satisfaction, housing Loan, housing loan Scheme

INTRODUCTION

The Indian bank is experiencing great changes and innovations in terms of products and services. The management, maintenance and processing of a registry is a general problem with permanent deficiencies. Changes in the fiscal region, encompassing maintaining cash flow, insurance, fiscal markets, trade, taxation of valuations, etc., have been an imperative catalyst for sustaining the fundamentals of the Indian economy. The measures of change have been recognized as real progress in this fundamental division of the Indian economy.

The house in which he is accommodated is an essential place for human rights to be respected and for better reading of daily activities. In perfect condition, it can be said and observed that the loans satisfy the need and will seek refuge. Buying a house is a dream for everyone. It can be inferred that there is an increase in property valuation due to the increase in inflation and that it is increasingly difficult to buy, maintain and maintain a property. in an equally uncertain market. It becomes incomprehensible for a typical successful individual to buy a house with a certain amount of money. In summary, it is confirmed that the housing cat is the best reconciliation of banks according to easy loans and subsidies (Gupta and Agrawal,

2013). Choosing to choose a bank and mortgage offer from among the thousands of decisions available is a business that risks being complex from construction to flourishing in the country. Plus, business conversations are leading to actionable elements that make the business even more productive. In this review, the study proposes to provide the main information about the mortgage impulse points of interest, so that a man demands a mortgage, can include the basics, and give the means to avoid mortgages. deceptive parts of the market.

The quality of management is an essential segment of customer recognition. In cases where the client organization or organizations are offered in combination with something physical, the quality of the benefit, in the same way, chooses the satisfaction of the clients. Clients judge the idea of organizations based on their impression of the particular result given, the method by which that result was conveyed, and the idea of the physical environment where the organization is conveyed. The determinants of the quality of the administration can be characterized because the reliability integrates the consistency of the execution and the fidelity. It deduces that the company plays the organization from the first pass. Responsiveness relates to the delegates' ability or willingness to make a profit. Access integrates approval and ease of contact. It deduces that the organization is easily opened by phone; the waiting time to obtain the benefit is not great, useful long periods of activities and an invaluable area of organizational transport. Communication/correspondence suggests keeping clients informed in lingo that they can understand and hear. This can infer that the association needs to change its vernacular or different buyers: increase the level of refinement with a tight customer and speak fairly and unequivocally with a student. Credibility includes consistency, reliability, validity. It incorporates having the best customer preparation at the most essential level.

Each bank offers many types of loans and advances to clients, such as retail credit, term advance, working capital advance, overdraft, import store switch, and errant support. The survey will examine the elements that influence consumer loyalty to HDFC home loans in the city of Kottayam. Apart from this, the review will use relapse and the effect on consumer loyalty will be seen from the calculated factors. The study will also focus on the impact of the variables extracted on customer satisfaction. It will reveal the key determinants that help shape banks to prosper and increase customer satisfaction. The impact and relationships for mortgage loan management will also be calculated and observed. The study will provide banks with all the necessary resources to improve CRM (Customer Relationship Management) in the bank.

LITERATURE REVIEW

Berger and Udall (2006) classified loaning innovations into two sorts which are exchanges loaning that depends fundamentally on "hard" quantitative information and relationship loaning, which depends essentially on "soft" subjective data and it is intended to address data issues that are not plausible or cost-adequately explained by different advancements. Under this classification, exchanges loaning is for the

most part seen as being centered around enlightening straightforward borrowers, while relationship loaning is viewed as utilized for instructive obscure borrowers. Relationship loaning is the one that is regularly recognized as the most plausible methodology when it wants the independent company credit condition. Different loaning advances and credit hazard forecast models are looked for the expectation of hazard factor in an SME loaning choice essentially dependent on the data relevant to the association and its business and administration. In this manner, concentrates using a credit card reimbursement conduct advance principally around the individual and ecological elements that may affect borrowers' mentalities on reimbursements. Reza and Mansoori (2008) indicated that rancher's understanding, pay, got credit size and insurance esteem have constructive outcome on the reimbursement execution though the financing cost, application cost, and due to advance negatively affect reimbursement execution of borrowers

Luasha, Edmund (2009) in his investigation examined the components that obstruct reimbursement of money credits in business saves money with proof from National Micro Finance Bank (NMB) thought of the discoveries which show that the speed of advance reimbursement was low and borrowers neglected to meet conditions stipulated in advance agreement shapes by postponing to pay advances. Discoveries likewise show that credit defaults were because of, poor business execution, high financing cost, cheating by clients intentionally of the advance and poor advance management.

Lee (2002) has distinguished the 'reason for buying land property is one of the key determinants of default hazard. On the off chance that the borrowers buy new houses with the end goal of individual speculation rather than proprietor involved lodging, at that point they will move some portion of their hazard to the money related foundations by paying littler up-front instalments and diminishing their underlying value duty however much as could be expected. Along these lines, when the market cost of insurance falls strongly or monetary execution turns out to be a lot more terrible, the property much of the time will be relinquished by the proprietors in this way constraining their loss.

Getter (2003) supplemented these findings by utilizing the 1998 Survey of Consumer Accounts to show that borrowers utilize other non-lodging money related advantages to help make instalments during startling times of monetary pressure. Other announced investigations have additionally discovered that financial assessments, contemporaneous monetary conditions, and the impetus structure of the loan specialist all can affect wrongdoing (Baku and Smith 1998, Calem and Wachter 1999, Ambrose and Capone 2000).

Follian, Huang, and Ondrich (1999) remember for their model residency, area, segment and financial factors as covariates to clarify default. The unexpected case approach, which is considered by Kau and Keenan (1998), regards default as a balanced choice, with the end goal that default happens if the house estimation (value esteem) falls underneath the estimation of the home loan. Lee (2002) has observationally demonstrated that private dispossession rates are contrarily identified with neighborhood monetary expansion.

OBJECTIVES

- To identify the factors affecting customer satisfaction towards housing loans.
- To identify the impact of factors on customer satisfaction towards housing loans.
- To compare the satisfaction level of the customers towards housing loan services offered by HDFC

Sample

The sample is chosen from a larger number of people, distinguishing itself as the population from which the information is collected. To continue with the study, an irregular inspection strategy was chosen as a risk to the population. We know from the precedent that it is conceivable to measure the qualities of the population measurably.

Sample Size

The survey is based on data collected by 200 clients chosen for this research after inspecting facilities in the Kottayam region.

Tools Used

The study carries out the tools namely, reliability analysis, factor analysis and regression analysis to compare the impact and effect of the study variables. The tools are applied using the statistical software SPSS-18 and E Views-8.

RESULTS AND ANALYSIS

Reliability Statistics(HDFC)

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	No. of Items
.858	.857	29

Source: Reliability Analysis calculated SPSS

The reliability analysis was performed with data from the HDFC bank and the Cronbach's Alpha value in HDFC was 0.858. This indicates that the data is very reliable and suitable for further factor analysis and regression analysis.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure.		.833
Test of Sphericity - Bartlett's	Approx. Chi-Square	2192.757
	Df	405
	Sig.	.000

Source: KMO and Bartlett's Test calculated using SPSS

In the KMO and Bartlett test, the HDFC value was 0.833, indicating that the data fit the model well and that factor extraction is possible. According to the Kaiser Criterion, only seven factors can be extracted to continue the study and have a further contribution to the investigation.

LABELS		FACTORSNAME	STATEMENT	FACTOR LOADING
F1	Ques16	Responsiveness	Proper information of revision in Rates of Interest	0.745
	Ques14		Accurate Transactions in Finance	0.677
	Ques25		Device alert	0.621
	Ques17		Timely Feedback	0.578
	Ques19		Long term contact	0.531
F2	Ques15	Reliability	On time problem handling	0.528
	Ques12		Settlement Transparency	0.522
	Ques18		Timely Service	0.521
	Ques24		Main banking facilities	0.492
	Ques22		Customer's trust	0.117
F3	Ques20	Communication	Advanced technology	0.708
	Ques21		upgradation	0.698
F4	Ques1	Trustworthy	Accrual of loan	0.188
	Ques2		Record maintaining	0.310
	Ques3		24*7 loan providing	0.250
F5	Ques7	Access	Less transaction cost	0.073
	Ques10		Easy Closure plan	0.286
	Ques11		Proper Services	0.163
	Ques9		Redressal system	0.526
F6	Ques5	Credibility	On time loan	0.764
	Ques8		IT support	0.698
	Ques6		Competitive Pricing policy	0.527
	Ques4		Application of loan easiness	0.511

Factors HDFC

F7	Ques26	Customer Satisfaction	EMI	0.865
	Ques27		Customer services	0.777
	Ques23		Security system	0.68
	Ques13		Loan Policy and procedure	0.582
	Ques28		Record	0.54
	Ques29		Proper support	0.43

The factor analysis is explained based on the accumulated factor load and depends on the maximum load shared cumulatively by the explained variables. The factors extracted for the investigation are:

1. Customer Satisfaction (CS).
2. Responsiveness (RES).
3. Credibility.
4. Reliability (REL).
5. Access.
6. Communication.
7. Trustworthy.

Factor1: Customer Satisfaction(Factor Loading:3.873)

Customer satisfaction is one of the major factors for banks and other financial institutions. In a competitive environment where service is a key constraint to sustainability, banks must focus on prioritizing customer satisfaction. The variables that contribute to customer satisfaction are "EMI Easy Collection", where the collection mechanism must be simplified and the benefits for the borrower must be granted regularly. "We are happy with the services," the auction says and customers can announce by word of mouth the benefits the bank offers. As an extension of services, banks must install an "adequate security system" in terms of the data centre, ie every bit of information must be protected by the bank. The next point that banks should focus on is the "Reliable Lending Policy". This means that banks must be transparent in disbursing loans and must be fair. In addition, it should be noted that the "Central Record-Keeping" should be there to have clear information on defaulters and seizures. Finally, to improve performance and obtain better results in the market, banks must have "sufficient support from the department".

Factor2: Responsiveness (Factor Loading:3.154)

The first factor "Adequate information on the interest rate review" is considered to have a maximum load in the series, as it is of great concern to the borrower. If the review is on the higher side, then the borrower has to pay a high rate which is an additional charge and vice versa. Second, "accurate financial transactions" is another area of concern, as you risk being misled because you are not aware of reviews. "Alerts received in the device" is a tool to know the moment of the refund and its real situation. As a borrower, therefore, you must be up to date with your

financial situation. The "instant feedback" factor also addresses the way employees treat customers. As an important part of CRM, feedback plays an important role in facilitating customers in banking. Finally, the "long-term relationship maintained" helps to develop trust among customers and in the future, they may be ready to benefit from more services provided by the bank.

Factor 3: Credibility (Load factor: 2.503)

The factor with a high factor load is credibility, which is an important aspect for banks to consider. It shows the goodwill of the bank with its customers. The first sub-factor of concern is "Loan with a time limit", which shows that if the customer's requirement is met on time, he will be satisfied and try to take advantage of more services from the bank. "Computer-based services" will increase the speed and accuracy of service, thereby reducing customer hassle. "Competitive pricing" builds trust between customers, and if the prices are the same, they have the confidence to create long-term relationships with the bank. Finally, if the "loan application is easy", they find it ideal for communicating with the bank and all the factors contribute to improving the credibility of the bank.

Factor 4: Reliability (Load factor: 2.182)

The reliability factor involves "Issue Addressed On-Time" meaning that execution must be flawless and on time to help borrowers and their dreams come true at the right time. Thus, the settlement system should be transparent and the customer should have a clear idea of their one-time Penney payment. The "Quick Service" allows banks to develop better relationships and better trust with customers so that they feel comfortable and well informed about the bank's services. The central bank facilitates the payment system and interest can be paid on time. The trust between the bank and the customer is again the cause of the dependence and the banks help the customer to alleviate his financial problems.

Factor 5: Access (Load factor: 1.051)

Banks should also focus on charging a low transaction cost so that customers do not change banks, but loyalty to banks can be enhanced. Closure policies should be straightforward and document transfers should be straightforward. Banks should also focus on providing better services and there should be consistency in services to build trust and complaints handling should be simple and easy for banks.

Factor 6: Communication (Load factor: 1.047)

Banks should try to build trust among customers by communicating everything to them in an appropriate manner. Information plays an important role in bridging the gap between the customer and the bank. Communication plays an important role in the changing dynamics of employees and banks. Banks need to use new and modern technologies to communicate with their customers and give them a picture of their financial situation. If banks embrace all possible technologies and build goodwill and trust, communication and credibility are said to go hand in hand.

Factor 7: Reliable (Load factor: 0.750)

Finally, confidence in the bank and its services must be at the top where employees develop the repository with customers and persuade them to take advantage of the

various services provided by them. If there is a fair, consistent and easy loan policy, it is possible to develop customer satisfaction. There should be a central record-keeping system in the banks and the customer should receive it instantly. Finally, the loan service should be available 24/7 so that customers feel comfortable.

CORRELATIONANALYSIS

	Acc	Comm	Cred	CS	Rel	Res	Trust
Acc	1	0.0730	0.13582	0.05230	0.05795	0.191816	-0.055102
Com	0.0731170	1	0.07371	0.12810	0.062033	0.04603	0.1783536
Cred	0.135836070	0.0736	1	0.544752	0.391367	0.696867	0.2825681
CS	0.052310847	0.1280	0.544752	1	0.60034	0.689633	0.2114876
Rel	0.057962441	0.061	0.391367	0.600358	1	0.367650	0.2365866
Res	0.191817651	0.0461	0.69685	0.68962	0.367650	1	0.1446072
Trust	-0.05510342	0.1782	0.282567	0.211486	0.236585	0.14461	1

Source: Correlation table calculated using E-views8

Correlation analysis in the table reveals that there is a strong correlation between customer satisfaction with a reliability of 61% and responsiveness of 68%, while a moderate correlation is observed with the credibility of 54%. The study reveals a weak correlation with Trust 22%, Communication 12% and Accessibility 6% respectively. Therefore, the non-correlation hypothesis is rejected and it can be said that there is a relationship between the variables studied and the null hypothesis is rejected.

REGRESSION ANALYSIS

Regression analysis applied to customer satisfaction as a dependent variable and access, communication, credibility, reliability, responsiveness and reliability as an independent variable. In the following table, it is revealed that there is a high impact of credibility and reliability on customer satisfaction because the p-value is 0.8816 and 0.7017 is on customer satisfaction. While the rest of the variables have a moderate and low impact. The value of r^2 is 0.6278, indicating that the combined variables contribute a 62% effect on the dependent variables. The p-value is 0.0163, which indicates that all the variables are good enough to define the impact as a p-value less than 0.05.

Dependent Variable: Customer Satisfaction

Method: Least Squares

Sample: 1189

Included observations: 189

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	0.088654160	0.22253728	0.39837887	0.6905356
ACCESS	-0.10606305	0.05860268	-1.80986651	0.0715007
COMMUNICATIO N	0.097112512	0.05406550	1.79620062	0.0753474
CREDIBILITY	0.009577227	0.0642853	0.14897978	0.8817891
RELIABILITY	0.379078507	0.04753902	7.97404886	0.3505216
RESPONSIVENE SS	0.585490171	0.06705562	8.73145379	0.225857
TRUSTWORTHIN ESS	0.01852503	0.04831626	0.38345063	0.7015846
R-squared	0.6278549	Mean dependent var		2.3555879
Adjusted R-squared	0.618776	S.D.dependen tvar		0.9495892
S.E. of regression	0.5886842	Akaike info criterion		1.8115549
Sum squared resid	66.460632	Schwarz criterion		1.9275039
Log-likelihood	-173.2555	Hannan-Quinn criteria.		1.8585092
F-statistic	53.956828	Durbin-Watson stat		2.1185679
Prob(F-statistic)	0.0164			

Source: Regression Analysis table calculated using E-views

CONCLUSION

The study reports that the independent variables, namely customer satisfaction, are the highest priority for HDFC Bank. The bank places the highest priority on responsiveness - that is, getting the job done quickly in the form of a grievance and feedback system. Apart from that, credibility, reliability and affordability are the keys to success and building a solid reputation with customers. Finally, communication and reliability can be enhanced to gain the trust of bank customers. As we can see, banks, being an axis of the economy, contribute more to society. They are custodians of investors' funds and provide them with security and profitability on time. To provide quality services and improve customer satisfaction, the bank is committed to providing qualitative support to its customers and helping them grow. The factors derived from the correlation conclude that these variables, namely reliability and responsiveness, are strongly correlated and strongly related. A moderate relationship is observed in credibility and low accessibility and very weak relationships with communication and reliability. Regression analysis studies the impact of these variables collectively and in most cases, these variables contribute to

the development of the relationship with the client. Therefore, it is concluded that banks can only grow in the market if they provide accessibility and reliability in the market, as they have low impact. It is suggested that the bank even goes to the suburban level to enjoy the benefits for the customer.

SUGGESTION

The study suggested that HDFC considered the importance of the SERVAQUL model to work efficiently and satisfy its clients. Few grey areas are to be considered to capitalize on the market segment. If they could do that, it would build trust between customers and the bank could have better access and better coverage of customers in the market. Based on the same, it can be said that if HDFC bank can perform well, it has a simplified financing and repayment system so that confidence in banking services can be developed.

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