

**A STUDY ON CUSTOMER EXPECTATION AND SATISFACTION TOWARDS
HOUSING FINANCE COMPANIES: A COMPARATIVE STUDY**

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ABSTRACT

The present study was undertaken to analyse the Customer expectation and customer satisfaction towards housing finance companies. A sample of 300 customer's data were collected through convenient sampling method which comprising of public servant, private sector employees and self-employed from both urban and rural areas has been selected. The Cronbach alpha is (0.812) which considered good for internal consistency. The research has found that the customers of the housing finance companies were highly satisfied with the home loan services in relation to its services.

KEYWORDS: Home Loan, Interest Rate, Loan Approval, Employee Co-operation, Query Handling, Customer Perception, Financial Assistance, Satisfaction, Interest rate.

INTRODUCTION

Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation and satisfaction. Customer satisfaction is defined as the number of customer or percentage of total customer's, whose reported experience with a firm, its products, or its services ratings exceed specified satisfaction goals. In a competitive marketplace where businesses compete for customers, customer satisfaction is seen as a key differentiator and increased to become a key element of business strategy.

Approach many customers of DHFL and find out level of satisfaction from customers many housing finance companies are in India, here the researcher study about how customer expectation is changed into customer satisfaction. Customer satisfaction may divide into positive and negative satisfaction through positive satisfaction how it will differ from other housing finance companies, questioner is prepared to know about their expectation and satisfaction level on customer through

convenient sampling. Housing finance companies are targeted to all kind of customers like middle class people, above poverty line for build their own house and start up their business.

STATEMENT OF THE PROBLEM

Customer satisfaction is a significant factor for the organization, because as marketing point of view sales are depending on the sales, the banking industry like many other financial services industries also facing a rapidly changing market, new technologies, economic uncertainties, fierce competition, and more demanding customers; and the changing climate has presented an unprecedented set of challenges.

OBJECTIVES

- To study the demographic profile of respondent
- To study the customer expectation from Dewan Housing Finance Corporation Ltd.
- To understand and evaluation of the satisfaction level of customer towards DHFL.
- To identify in what way DHFL satisfy their customers
- To know about relationship and association between customer expectation and satisfaction of DHFL
- To compare the customer expectation and satisfaction of DHFL with other housing finance companies.

RESEARCH METHODOLOGY:

Customer expectation will help to increase satisfaction level of customer and also improve brand image. The present study is based on descriptive study. The objective of the study and the hypothesis is studied with help of primary data that has been collected. Help of research technique is used to identify the satisfaction level and factor that affect the sales, understand and evaluate the satisfaction level through research methodology. Also identify the satisfaction level on other housing finance companies, with help of research technique researcher identify the factors that consider satisfaction level.

LITERATURE REVIEW

Roos, Inger; Gustafsson, Anders; Edvardsson, Bo,(2006) From this study is to compare the Customer's perception of their business and customers' dynamic view of their relationships with the same company.

Jham, Vimi; Khan, Kaleem Mohd (2009), From this study impact of customer satisfaction on the performance of Indian banks and is an useful for managers. Organizations are realizing that customers have different economic value to the company.

Vetrivel, T; Devasenathipathi, T (2010), The purpose of this study is to investigate the different perception and satisfaction of customer towards housing finance company that is home loan, By using convenient sampling, result of this study is customer get satisfaction from their service.

Sujatha, S; Arumugam, N (2013), The relationship dimensions which lead to customer satisfaction have been identified. This study reports on the different satisfaction levels of customers of banks or finance institute with respect to the services provided by their banks.

Devasia, T T; Thomas, Anish (2014), There has been tremendous growth in the demand for housing. Consequently, the requirements of housing finance are increased considerably. Because of intense competition, the players in the sector have to become more customer oriented.

Choudhury, Koushiki (2014), This study explores that service quality influence customer's behavioural intentions in class and mass banking that implications for public and consumer policy.

Shammout, Mohammad Z; Haddad, Shafiq I (2014), This study aims at identifying the most important impacts of complaint handling on customer's satisfaction.

Kumar, K C John Sasi; Vikkraman, P (2010), The purposes of this research are to study the level of customer's satisfaction about various services provided by the financial institutions and to study the investment preference of the investors.

Gupta, Aayushi; Dev, Santosh (2012), The purpose of this paper is to identify the factors impacting customer satisfaction in Indian banks and analyze their level of customer satisfaction through a regression analysis.

Chen, Houn-Gee; Julie Yu-Chih Liu; Tsong Shin Sheu; Ming-Hsien Yang (2012), The purpose of this paper is to build a broader understanding of the determinants of customer satisfaction from the financial services industry by incorporating the perceptions of fairness in service delivery.

LIMITATION OF THE STUDY

- Some people refuse to answer.
- Difficult to understand the customers need and some cases respondents will not cooperate for questions.
- Customer satisfaction level is identified at post purchase.
- There may be some limitations encountered during collection of data.

DATA ANALYSIS& INTERPRETATION

In the present scenario satisfaction among customer for housing finance is differ From one person to other person, so to understand expectation of different customer the Researcher have used various dimension such as interest rate of loan, timely and adequate in loan, response of customer in housing loan and customer satisfaction is identified through taking home loans.

Table 1- Frequency Analysis of Demographic variable

Variables	Category	Frequency	Percentage frequency
Gender	Male	188	62.7
	Female	112	37.3
Age	20-30	65	21.7
	31-40	120	40.0
	41-50	103	34.3
	Above 50	12	4.0
Nature of job	Private	160	53.3
	Public	105	35.0
	Business	35	11.7
Income of respondent	1,50,000-2,00,000	56	18.7
	2,00,000-3,00,000	49	16.3

	3,00,000-4,00,000	83	27.7
	Above 5,00,000	112	37.3
Name of housing finance	DHFL	180	60.0
	Aptus	40	13.3
	RepcO	40	13.3
	Manapuram home	40	13.3
Residential place	Rural	122	40.7
	Urban	178	59.3
Amount of housing loan	2,00,00-8,00,00	104	34.7
	8,00,00-14,00,000	70	23.3
	14,00,000-20,00,000	104	34.7
	Above 20,00,000	22	7.3
Types of Housing Loan	Purchase	145	48.3
	Construction	35	11.7
	Renovation	91	30.3
	Plot loan	29	9.7

Above table shows that most of them are male respondent (62%), they are getting home loans in research area as compared to women in the city. Through age groups 20-30 are (21%) level and respondent of age group between 31-40 is (40%) and others falls on other category, out of which urban people who takes home loan more compare to rural customers, and amount of housing loan 2lakh-8lakh and 14lakh-20lakh have similar respondent as (34%) and others falls on other category.

Table 2- Relationship between Income of respondent & Reputation of bank

Correlations	Income of respondent	Reputation of bank
Income of respondent	1	0.032

Above table 2 shows that there is a weak relationship between Income of respondent & Reputation of bank. This means that changes in income are not correlated with changes in reputation of bank, finally it conclude that these variables were not correlated.

Table 3- Correlation between Nature of job and Simple and Fast Processing

Correlations	Nature of job	Time taken for Loan approval
Nature of job	1	0.398

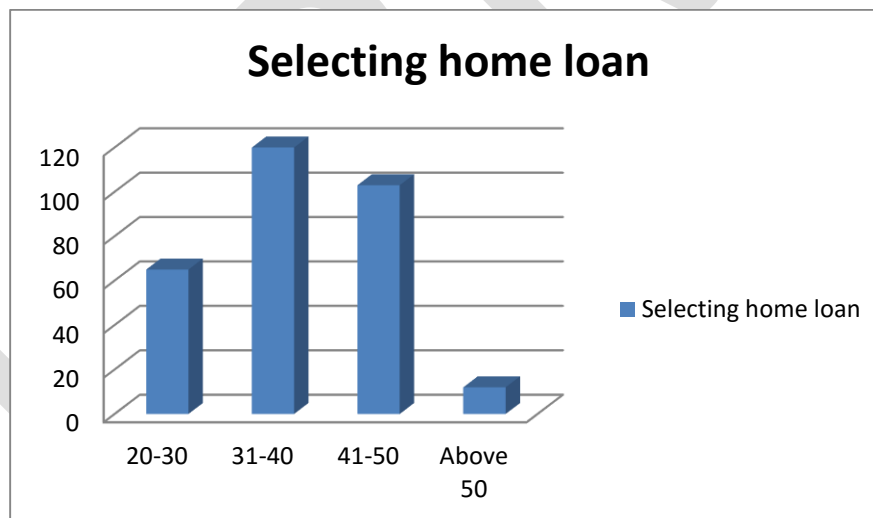
Above table 3 shows that there is a relationship between nature of job and time take for loan approval It clearly shows that changes in Nature of job are correlated with changes in Time taken for loan approval. It concludes that these variables were correlated.

Table 4- Based on Age Group on choosing home loan

Age	Selecting home loan
20-30	65
31-40	120
41-50	103
Above 50	12

Source: Primary Data

Chart-1 Based on age group selecting home loan



Source: Primary Data

In above chart resulted that age group of 31-40 have nearly 45% taking home loan , and other category like 20-30 are 10%, another age group of 41-50 nearly 40% and remaining are under category of above 50 is nearly 5% are prefer loan in various types as purchase, construction, renovation and plot loan

Table 5- Customer preference on selecting home loan

Variables	Mean Rank	Chi-square significance at 5%level
Low interest rate	3.16	134.449 Df=5 P=0.000
Convenient Location	2.91	
Reputation of bank	3.60	
Prompt services	3.40	
Timely and adequate loan	3.62	
Response to customer	4.30	

Above table 5 shows that outcome of satisfaction level of customer from housing finance companies. It clearly resulted that significant value = 0.000, so null hypothesis (H0) is rejected, there is a significant relationship between towards influence reason for selection and customer satisfaction.

Table 6- Customer Satisfaction comes from various factors.

Variable	Chi-Square value	Significant value Results	Significant value Results
Interest rates are comparatively Lesser	392.933	0.000	H0 is rejected
Fast and efficient services of the Bank	198.2	0.000	H0 is rejected
Paper work	214.133	0.000	H0 is rejected
Bank employees Co-operation	326.4	0.000	H0 is rejected
Repayment period	115.227	0.000	H0 is rejected
Professional and serve you with Quick Response	173.28	0.000	H0 is rejected
Time taken for Loan approval	98.32	0.000	H0 is rejected
Reliable and Transparent services	98.213	0.000	H0 is rejected
Easy query handling	143.28	0.000	H0 is rejected

Above table 4 shows that outcome of relationship between various factors like interest rate are comparatively less, fast and efficient in service, paper work, from this analysis there is a significant relationship between towards service and customer satisfaction with various factors like query handling, quick response and repayment period significant relationship between them.

FINDINGS, RECOMMENDATIONS & CONCLUSION

It is found that customer satisfied with housing finance companies of DHFL, age group who prefer home loans are 30-40, they are committed to the family so desire to buy a home, in future all age group will tend approach housing finance companies, major drawback with home loan are interest rate, here change from 9%-13% for salaried people less interest rate of 9%, but for self-employed persons interest rates are up to 13%, so DHFL concentrate on home loan with various types are purchase, construction, renovation, plot loan, age group of 31-40 have nearly 45% taking home loan , and other category like 20-30 are 10%, another age group of 41-50 nearly 40% and remaining are under category of age above 50 is nearly 5% are prefer loan in various types as purchase, construction, renovation and plot loan.

Now a day's competition among all sector, so bring satisfaction among customer is difficult, but private sector plays dominant role, main expectation among customers are less interest rate, timely and adequate loan, less insurance, more tenor period and less paper work these are some expectation among various customers, so housing finance companies have to concentrate and do some favour for their customers.

The need to satisfy customers for success in any commercial enterprise is obvious. The income of all commercial enterprises is derived from the payments received for the products and the services supplied to its external customers. If there is no customer's, there is no income and there will be no business. This leads us to an important conclusion customer satisfaction assumes even greater importance in a competitive business environment.

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