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EVALUATION OF HOME LOAN FACILITIES AND CUSTOMER SATISFACTION AT ICICI BANK

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ABSTRACT

In this research paper, against the milieu of rapid urbanization and a changing socioeconomic scenario, the demand for housing has grown explosively. The importance of the housing sector in the economy can be illustrated by a few key statistics. According to the National Building Organization (NBO), the total demand for housing is estimated at 2 million units per year and the total housing shortfall is estimated to be 19.4 million units, of which 12.76 million units is from rural areas and 6.64 million units from urban areas. The housing industry is the second largest employment generator in the country. It is estimated that the budgeted 2 million units would lead to the creation of an additional 10 million man- years of direct employment and another 15 million man-years of indirect employment. A year equates a century, knowledge compresses time and the information technology sweeps the world, gathering momentum with each new application, soaring towards fresh goal, rapidly opening vistas hitherto unknown. Here we are, in the 21st century....Years that catapults us towards new challenges at every stage of endeavor. It gives us good reason for aiming high. Retail Banking has been popular segment to enter into for many banks. In this retail banking, housing sector has been most promising segment which is promising a comprehensive growth rate of about 30% for the next fifty years. During the past 4-5 years the housing sector helped by the growing housing finance industry has witnessed significant developments.

Keeping the above philosophy in mind, this summer internship is carried out with an objective to identify the basic needs of the applicants and the process of Home Loans in ICICI Bank Ltd.

Keywords: Housing Sector, Employment, Rapid Development.

INTRODUCTION

The objective of this paper is to understand the conceptual frame work of home loan in India and to undertake the empirical study on home loan industry. In this regard secondary data is being used. The various issues related to drivers of demand in housing, evolution of home loan. Housing in India, importance and types of home loan have been discussed. Through this paper the basics of housing loan addressed.

Home is an integral part of a human being, who since his childhood, dreams to have living space of his own. Once in a lifetime investment requires loan to do it and that is how the home loan comes into scheme

of things. Buying a home is a dream for everyone. Due to the rising price of properties, it has almost become impossible for an average earning person to buy a home through lump sum payment. Therefore, the concept of home loan has come into existence. There are plethora of housing finance institutions and banks both in public and private sector which offer home loans. Choosing one institution and one offer for home loan amidst the thousands available options have become a very complex task in our country. Apart from this, there are intricate business jargons and technicalities that make this job more tough and difficult. Through this study, I propose to identify the critical factors impacting the growth and distinguishing the growth pattern in home loan portfolio particularly in public sector banks in India.

ICICI Bank is India's No. 1 Home Loans Provider. At ICICI Bank Home Loans, it offers unbeatable benefits to ensure that the customers get the best deal without any hassles and ICICI Bank makes it extremely easy for them.

RESEARCH METHODOLOGY

Research is a systematic and scientific process of collecting, organizing, analyzing, and interpreting data to obtain reliable information regarding a specific problem or phenomenon. The present study aims to evaluate the home loan facilities provided by ICICI Bank and to examine the level of customer satisfaction with respect to various aspects such as interest rates, processing procedures, repayment facilities, and customer service. The methodology adopted for the study provides a structured framework for achieving the objectives and ensuring the validity and reliability of the findings.

Research Process

The research process begins with the identification and formulation of the research problem. After defining the problem, relevant objectives are established to evaluate customer perceptions regarding home loan facilities offered by ICICI Bank. Subsequently, appropriate research methods are selected, and data are collected, analyzed, and interpreted to derive meaningful conclusions.

Period Of Survey

- Two months

Research Design

The present study adopts a descriptive research design. A descriptive design is considered suitable because it enables the researcher to describe and analyze customer opinions, preferences, and satisfaction levels regarding home loan facilities. The design facilitates the collection of quantitative information from respondents and assists in understanding the factors influencing customer satisfaction.

Table: Research Design Details

Particulars	Description
Type of Design	Descriptive Research Design
Sample Size	The sample comprises 100 respondents
Research Area	Mandsaur and Neemuch District
Sampling Technique	Simple Random Sampling

The use of simple random sampling ensures that every customer in the selected area has an equal opportunity of being included in the sample. This method minimizes selection bias and enhances the representativeness of the sample, thereby improving the reliability of the study findings.

Questionnaire Preparation

A structured questionnaire was prepared to obtain information from customers regarding their experiences and satisfaction with home loan facilities provided by ICICI Bank. The questionnaire consisted of close-ended questions based on a five-point Likert scale, enabling respondents to express their opinions in a systematic manner. The questions were designed in accordance with the objectives of the study and focused on various dimensions of customer satisfaction.

Collecting Data from Customers

Primary data for the study were collected from customers of ICICI Bank with the help of Google Forms and personal interactions. The respondents were selected from Mandsaur and Neemuch districts using a simple random sampling technique. Secondary data were collected from journals, books, reports, websites, and other published sources related to banking and home loan services.

Analysis of Data

The collected data were organized, classified, and analyzed using tables, charts, and percentage analysis. These techniques facilitated the presentation and interpretation of customer responses in a simple and understandable manner. The analysis helped in identifying trends and evaluating customer satisfaction levels with respect to home loan facilities.

Testing of Hypothesis

The hypotheses formulated for the study were tested using appropriate descriptive statistical methods. Percentage analysis and graphical representations were employed to examine the relationship between customer responses and the factors affecting their satisfaction. The analysis enabled the researcher to verify the assumptions and draw meaningful conclusions regarding customer perceptions toward home loan facilities.

Analysing using SPSS Tools

The collected data were coded and entered into the Statistical Package for Social Sciences (SPSS) for systematic analysis. SPSS was used for data organization, frequency distribution, percentage analysis, and preparation of graphical representations. The software facilitated efficient handling of the data and enhanced the accuracy and reliability of the analysis.

Findings

The findings of the study were presented in the form of tables, charts, and descriptive interpretations. These findings provided insights into customer satisfaction levels and helped identify the strengths and areas requiring improvement in the home loan facilities offered by ICICI Bank. The results obtained from the analysis served as the basis for drawing conclusions and suggesting measures for enhancing customer satisfaction.

RESULT AND DISCUSSION

Percentage Analysis

Table 1: Gender

Gender	No. of Respondents	Percentage
Male	60	60%
Female	40	40%

Source: Primary Data

Interpretation

From the above table, it is found that 60% of respondents are Males and remaining 40% are females.

Chart 1: Gender

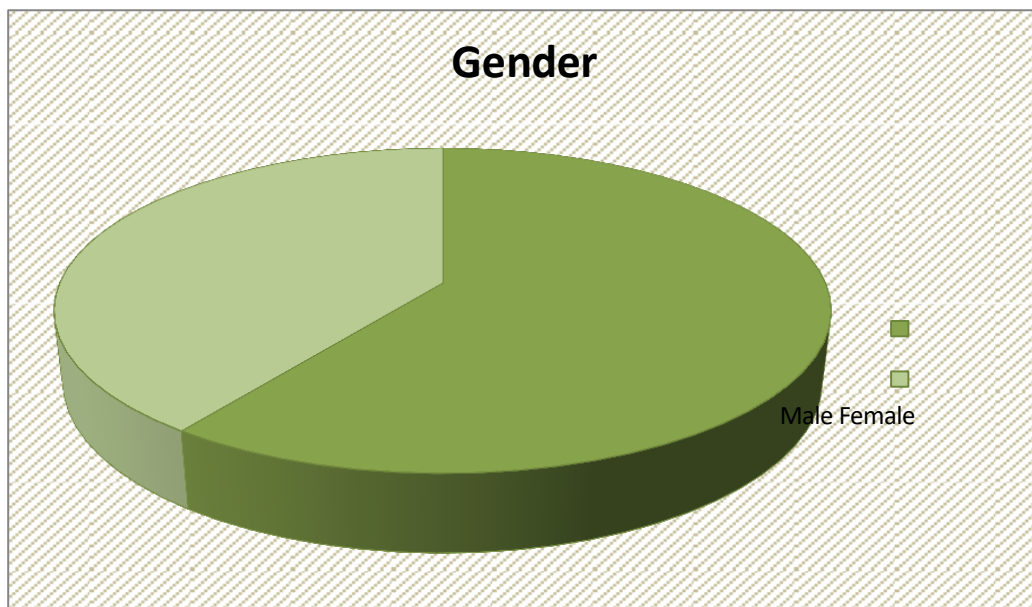


Table 2: Occupation

Occupation	No. of Respondent	Percentage
Govt.Employee	18	18%
Private Employee	37	37%
Self-Employed Professional	23	23%
Self Employed Non-Professional	14	14%
Unemployed	8	8%

Source: Primary Data

Interpretation

From the above table, it is found that majority of 37% of respondents are from private employee.

Chart 2: Occupation

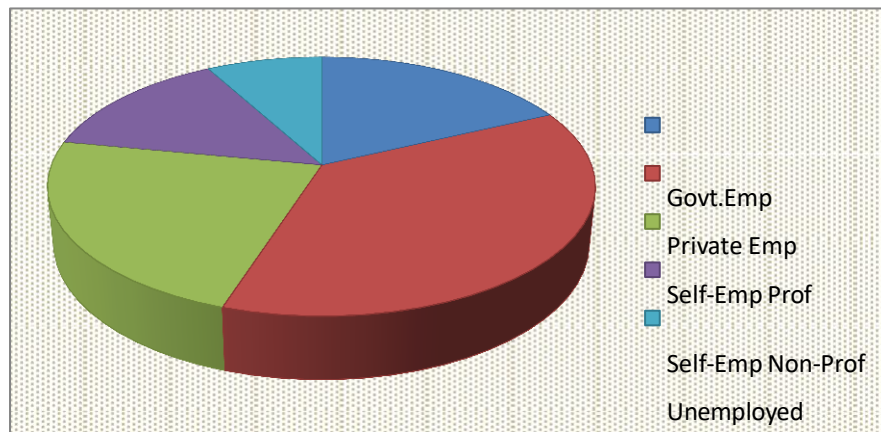


Table 3: Income

Income	No. of Respondents	Percentage
Below 2Lakhs	15	15%
2-6 Lakhs	23	23%
6-12 Lakhs	37	37%
Above 12Lakhs	25	25%

Source: Primary Data

Interpretation

From the above table, it is found that 15% of respondents receive income below 2lakhs, 23% of respondents receive 2-6 lakhs, 37% of respondents receive income 6-12lakhs and 25% of respondents receive above 12lakhs.

Chart 3: Income

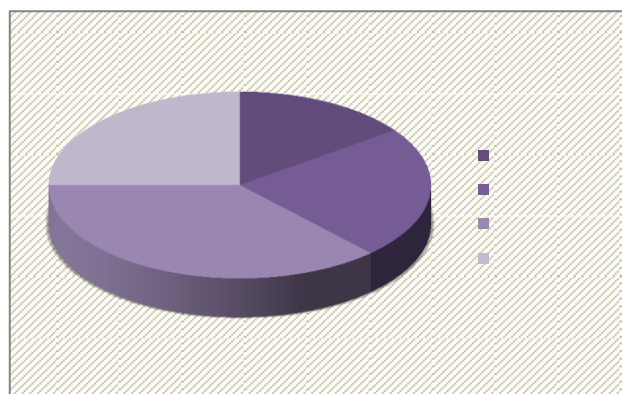


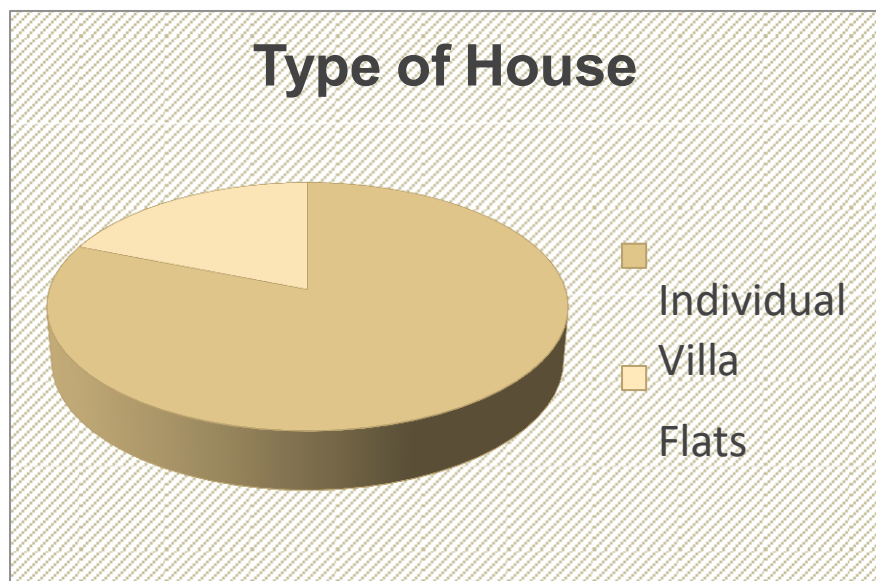
Table 4: Type of House

Type of House	No. of Respondents	Percentage
Individual Villa	81	81%
Flats	19	19%

Source: Primary Data

Interpretation

From the above table, it is found that 81% of respondents are in individual villa and remaining 19% are in flats.

Chart 4: Type of House**Table 5: Category of House**

Category of House	No. of Respondents	Percentage
Own House	70	70%
Rental House	30	30%

Interpretation

From the above table, it is found that 70% of respondents are in own house and remaining 30% are in rental house.

Chart 5: Category of House

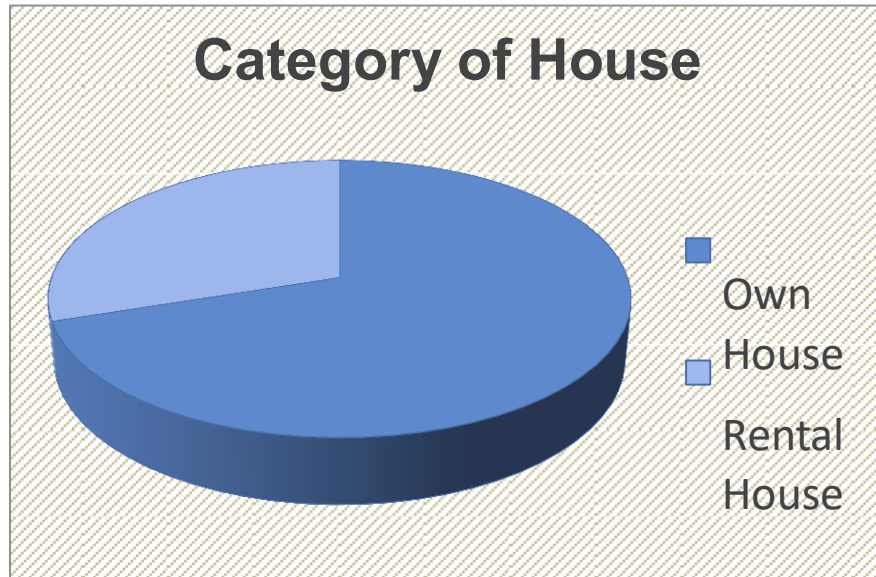


Table 6: Ownership

Ownership	No. of Respondents	Percentage
Parents	36	36%
Spouse	32	32%
Relative	8	8%
Others	24	24%

Source: Primary Data

Interpretation

From the above table, it is found that 36% of respondent's owner is their parents, 32% of respondent's owner is their spouse, 8% of respondent's owner is their relatives and 24% of respondent's owner is others.

Chart 6: Ownership

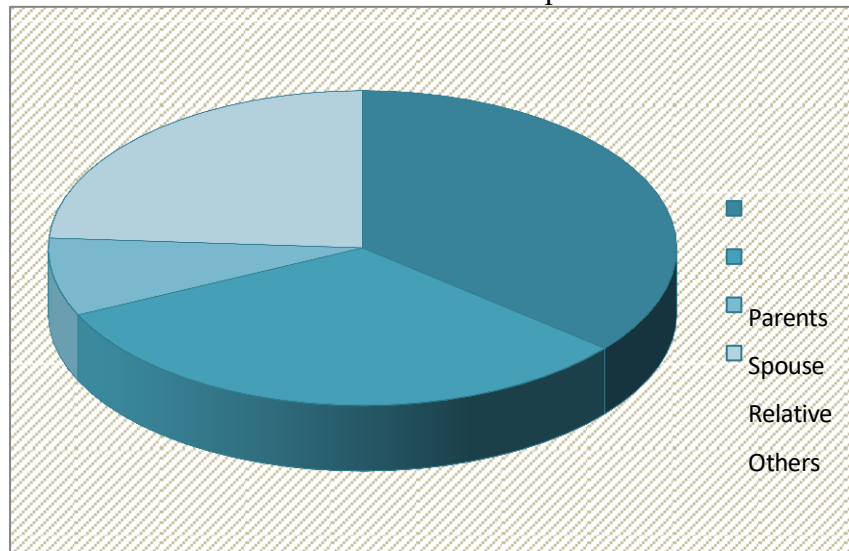


Table 7: Primary Bank

Primary Bank	No. of Respondent	Percentage
ICICI Bank	65	65%
HDFC Bank	10	10%
Axis Bank	7	7%
Govt. Sector Banks	18	18%

Source: Primary Data

Interpretation

From the above table, it is found that 65% of respondent's primary bank is ICICI Bank, 10% of respondents in HDFC Bank, 7% of respondents in Axis Bank and 18% of respondents in Govt. Sector Banks.

Chart 7: Primary Bank

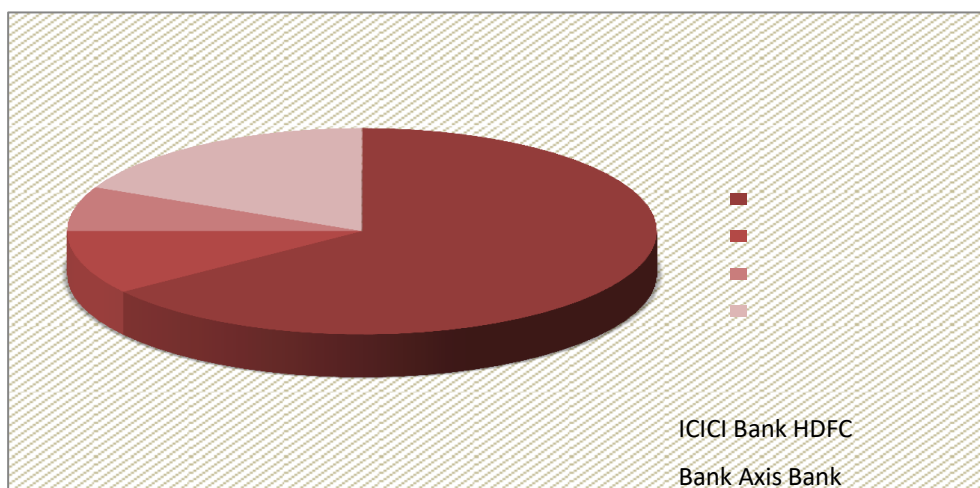


Table 8: Preferred Bank for Home Loan

Preferred Bank for Home Loan	No. of Respondents	Percentage
Primary Bank	65	65%
Other Bank	35	35%

Source: Primary Data

Interpretation

From the above table, it is found that 65% of respondents prefer their primary bank and 35% of respondents prefer other banks.

Chart 8: Preferred Bank for Home Loan

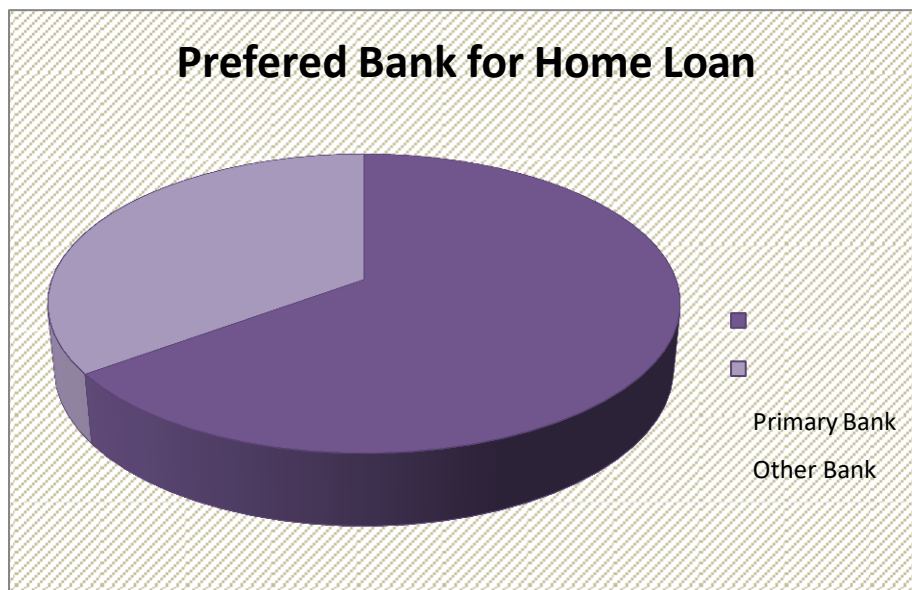


Table 9: Status of Home Loan

Status of Home Loan	No. of Respondents	Percentage
Primary Bank	90	90%
Other Bank	10	10%

Source: Primary Data

Interpretation

From the above table, it is found that 90% of respondents are new home loan customers and remaining 10% are existing home loan customers.

Chart 9: Status of Home Loan

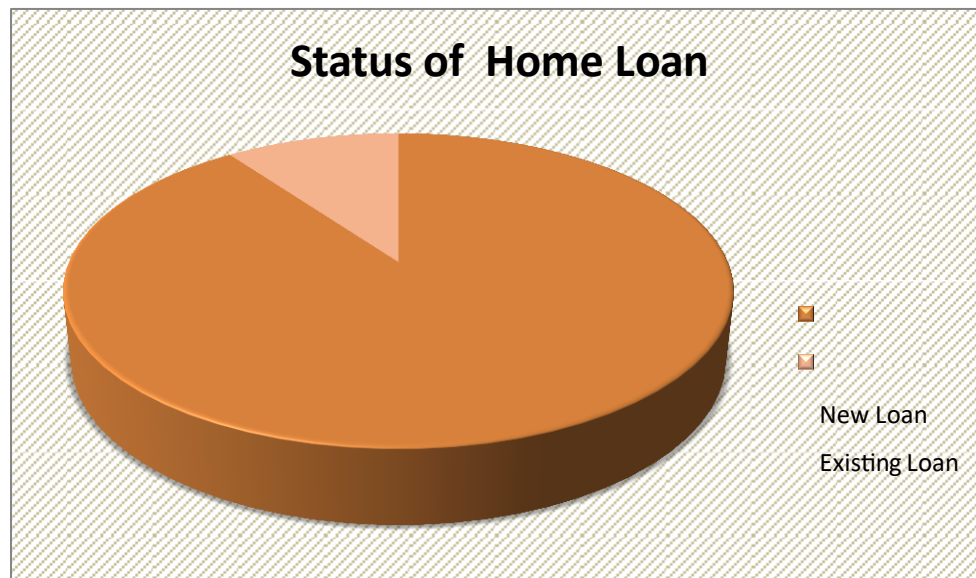


Table 10: Type of Loan

Type of Loan	No.of Respondent	Percentage
Construction Loan	35	35%
Buying Flat/House	26	26%
Balance Transfer	9	9%
Land Loan	11	11%
PMAY	19	19%

Source: Primary Data

Interpretation

From the above table, it is found that majorly 46.7% of respondents says that Yes training helps to reduce stress.

Chart 10: Type of Loan

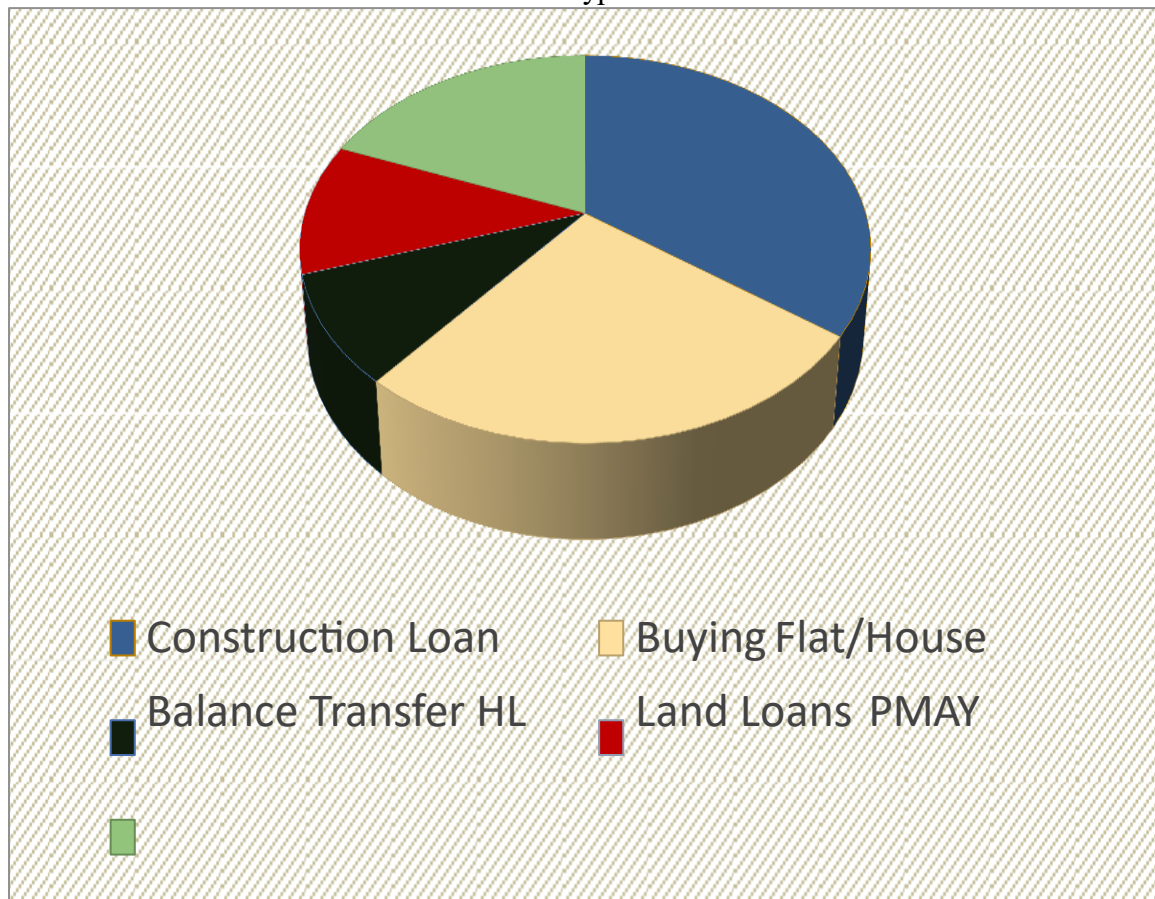


Table 11: Repayment Tenure

Repayment Tenure	No. of Respondent	Percentage
5-10years	30	30%
10-20 years	65	65%
30 Years	5	5%

Source: Primary Data

Interpretation

From the above table, it is found that majority of 65% prefer repayment between 10-20 years.

Chart 11: Repayment Tenure

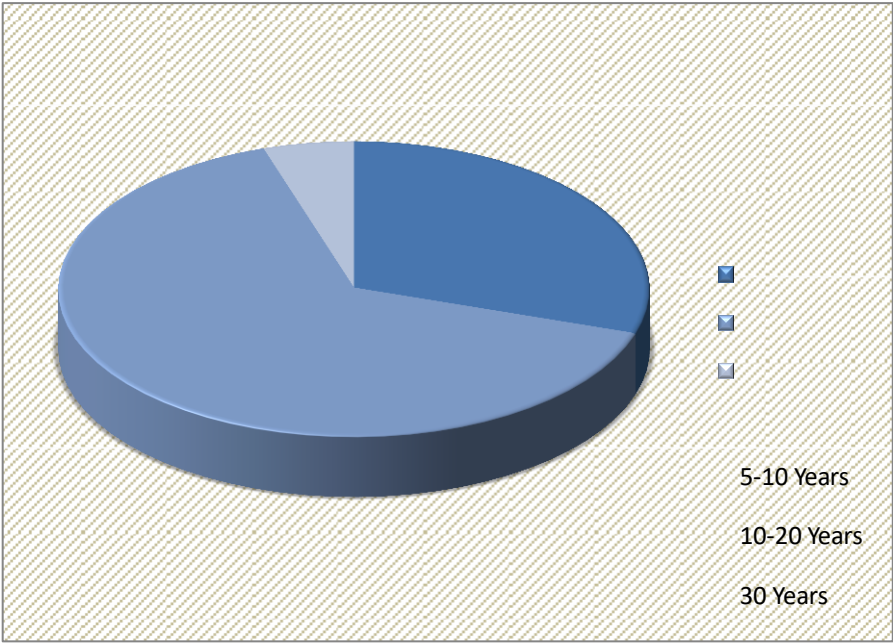


Table 12: Extension Loan

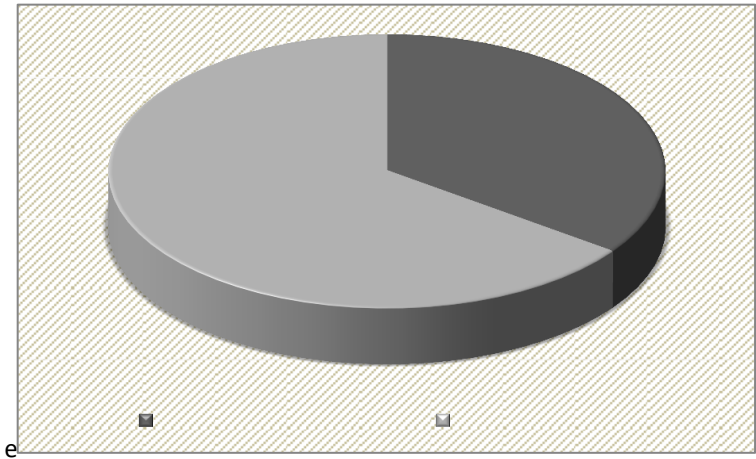
Extension Loan	No. of Respondent	Percentage
Repursion and Renovation	35	35%
Additional Extended Loan	65	65%

Source: Primary Data

Interpretation

From the above table,it is found that majority of 65% prefer additional extended loan.

Chart 12: Extension Loan



Source: Primary Data

Statistical Analysis:**One Sample T-Test:**

Hypothesis:

Null Hypothesis (H0) : There is no significant relationship between time taken to process the loan and disbursement of loan.

Alternate Hypothesis(H1) : There is a significant relationship between time taken to process the loan and disbursement of loan.

One-Sample Statistics

N		Mean	Std. Deviation	Std. Error Mean
Time Taken To	100	4.09	.668	.067
Process Loan				
Disbursement of Loan	100	1.05	.334	.034

One-Sample Test

Test Value = 0

		df	Significance		Mean Difference	95% Confidence Interval of the Difference	
			One-Sided p	Two-Sided p		Lower	Upper
Time Taken To	61.218	99	<.001	<.001	4.090	3.96	4.22
Process Loan							
Disbursement of Loan	30.54	99	<.001	<.001	2.045	1.98	2.10

One-Sample Effect Sizes

Standardized ^a			Point Estimate	95% Confidence Interval	
				Lower	Upper
Time Taken To	Cohen's d	.668	6.122	5.247	6.994
Process Loan	Hedges'	.673	6.075	5.207	6.941
	correction				
Disbursement of	Cohen's d	.234	3.066	2.623	3.497
Loan	Hedges'	.241	3.037	2.603	3.470
	correction				

The denominator used in estimating the effect sizes. Cohen's d uses the sample standard deviation. Hedges' correction uses the sample standard deviation, plus a correction factor.

Interpretation

Since p value 0.067 is greater than 0.05 null hypothesis is accepted and alternate hypothesis is rejected. Hence, there is no significant relationship between time taken to process the loan and disbursement of loan.

CHI-SQUARE

Hypothesis

Null Hypothesis (H0) : There is no significant difference regarding repayment of Home Loan based on Gender.

Alternate Hypothesis (H1): There is a significant difference regarding repayment of Home Loan based on Gender.

Case Processing Summary

Cases

Valid			Missing		Total	
N	Percent		N	Percent	N	Percent
GENDER * Repayment Of Homeloan	100	100.0%	0	0.0%	100	100.0%

Crosstab

Count

REPAYMENT OF HOME LOAN					Total
10-20 YEARS			30 YEARS	5-10 YEARS	
GENDER	Female	20	2	18	40
	Male	45	3	12	60
Total		65	5	30	100

Chi-Square Tests

Pearson Chi-Square	3.288 ^a	2	.193
Likelihood Ratio	4.771	2	.092
N of Valid Cases	100		

Asymptotic Significance(2sided)

2 cells (33%) have expected count less than 5. The minimum expected count is 1.73.

Interpretation

Since p value 0.193 is greater than 0.05 null hypothesis is accepted and alternate hypothesis is rejected. Hence, there is no significant difference regarding repayment of Home Loan based on Gender.

Frequency Test

Type of Home Loan

Frequency			Percent	Valid Percent	Cumulative Percent
Valid	Balance Transfer Home Loan	9	9.0	9.0	9.0
	Loan For Construction Of House	35	35.0	35.0	44.0
	Loan For Lands	11	11.0	11.0	55.0
	Loans For Purchase Of House/ Flat	26	26.0	26.0	81.0
	Pradhan Mantri Awas Yojna	19	19.0	19.0	100.0
	Total	100	100.0	100.0	

Case Processing Summary

Cases

Included	Excluded	Total				
N	Percent	N	Percent	N	Percent	
Occupation * Repayment Of Home Loan	100	100.0%	0	0.0%	100	100.0%
Primary Bank Account * Repayment Of Home Loan	100	100.0%	0	0.0%	100	100.0%

summer internship			
Repayment Of Home Loan		Occupation	Primary Bank Account
10-20 YEARS	N	65	65
30 YEARS	N	5	5
5-10 YEARS	N	30	30
Total	N	100	100

Interpretation

From the above data, more people prefer the repayment period to choose between 10-20years.

CONCLUSION

In my study we came to know that many peoples are interested to take a home loan from ICICI bank to construct their homes. Home loans have long period when compare to other personal loans and other loans. So peoples are interested to take a home loan as it becomes an asset. Even though the interest rates are high peoples are willing to take a loan from ICICI bank due to quick process and sanctioning with expert teams. The loan sanction process is much faster when compare to other banks. For disbursement process is also it will take less time and less number of stages when compare to other banks. Finally, Home Loan is best income for banks for long time and customers also get their dreams fulfilled.

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