

A Study of Consumer perception on SBI Home Loan with Special reference to Pune City

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In recent days Pune city is witnessing a change in consumerism. The market is now mainly consumer driver. The focus is shifting for product based marketing to need based marketing in banking sectors. Consumer is given much option to make a decision. In home loan sector is no faulty to this general trend. An effective communication is crucial for reaching the target audience. So it is important that we study the consumer perception of the home loan customers which will give us feedback or suggestion on how marketing strategies can be worked. Pune city has a progressive and growing large market for home loan in banking sectors.

In 21th century the banking sector raised up and rapidly acquired maximum share in national income compare to other sector like I.T.services, automobile services etc. In the last 10 years, the home loans market has increased. It is widely recognized as an important aspect of loan for people and considered it is short and long term investment.

In today's competitive business world every customer is significant for the lending home loan. The customer expectation are very high so it should be kept in mind offer them best possible service. The report deal with conceptual background of home loan and over view of the bank, the next part with research design of the study that is problem identification, objectives, how the research was carried out. The conclusion of the study shows that the levels of customer realization towards home

loan are good benefits and service what they are giving and most of the people want to go for investment.

Banks can start some promotional activities to build its brand and make accepted by all the peoples in the market. The effective marketing channel with the personal selling is an essential factor influencing bank growth.

Consumer Perception a marketing concept that encompasses a customer's impression and awareness about a company or its offering. Customer perception or affected by advertising, reviews, public relation, social media, personal experience, and other channels.

OBJECTIVES

1. To find out various types of loans taken customers from bank.
2. To evaluate the turnaround time for customer in taking their loans from bank.
3. To identify whether any procedure problem were faced by the customer in taking the loan.
4. To evaluate the customer satisfaction regarding various loan related services offered at bank.

COMPANY PROFILE

The State Bank of India is an Indian multinational, public sector banking and financial services statutory body. It is a government of corporation statutory body headquartered in Mumbai, Maharashtra. SBI is ranked as 216th the fortune global 500 list of the biggest corporations of 2018. It is the largest bank in India with a 23% market share in assets, besides a share of one fourth of the total loan and deposits market.

The bank decades from the bank of Calcutta, founded in 1806, via the imperial bank of India, subcontinent. The bank madras merged into the other two presidency banks in British India, the bank of Calcutta and the bank of Bombay, to from the imperial bank of India, which in turn became the state bank of India in 1955. The government of India took control of the imperial bank of India in 1955, with

reserve bank of India taking a 60% stake, renaming it the state bank of India. In 2008, the government took over the stake held by the reserve bank of India.

About Home Loan

State bank of India home loan give concession on interest rate on green home loan under its environment protection program. State bank of India include loan types such as new home loan, resale loan, Takeover loan and Top up loans. State bank of India interest rate is very low charges compare with other banks. SBI gives various good qualities of services and facilities in home loan. In market any time available SBI service providers for taking home loans in any location in Pune.

Unique Features

- Number cap on maximum loan amount for purchase construction of house / flat.
- Option to club income of the customer spouse and children to compute eligible loan amount.
- Provision to finance cost of furnishing and consumer durable as per of project cost.
- Repayment permitted up to 70 years of age.
- Exclusive packages depending upon individual needs of customers.
- Optional group insurance from SBI life at concessional premium.
- Interest applied on daily diminishing balance basis.
- Option for E-banking.

SBI home Loan eligibility Criteria

- **Salaried**
 - The age of the applicant must be between 18 years to 70years.
 - The annual income must be at least rs.1.2 lakh per annum.
- **Self Employed**
 - The age of applicant must be between 21 years to 70 years.

- The annual income must be at least rs.2 lakh per annum

RESEARCH METHODOLOGY AND RESEARCH DESIGN

The study showing the Consumer Perception on SBI home loans in Pune City. It shows customer experience and their perception about SBI home loans. The research is done at Pune City.

Research Problem

Researcher wants to check customer awareness of the different home loan products. Also the home loan services which are providers to satisfy the customer, they also want to take suggestion from customers.

Research design

Research design is the overall description of all the steps through which the project has preceded from the setting of objectives to the writing of the project report. The research that is undertaken is descriptive in nature. The research is give awareness about SBI home loans.

Sample Size and Method of Sample

For sampling, researcher has chosen Simple Random Sampling Method.

Simple random sampling is based on the personal judgement. Under this method a desired number of sample units are selected deliberately depending upon the chosen home loan consumers. Only important items representing the true characteristics of the population are included in the sample.

Sample Size

For this study population is infinite so researcher has selected 70 samples from Pune city to take home loans in State Bank of India.

Research statement

A study of consumer Perception on SBI home loans with reference to Pune city.

Table No.4.1.

RESEARCH STATEMENT

Type of Research Design	Descriptive Research Problem
Research Area	Pune City
Type of Sampling Method	Simple Random Method
Sample Size	70
Data Source	Primary
Research Instruments	Structured Questionnaire

Data Analysis and Interpretation

5.1 Introduction

The data after collection has to be processed and analyzed in accordance with the outline lay down for the purpose of the time developing the research plan, data analysis refers to the computation of certain major alone with searching for patters of relationship that exits among the group.

5.2. Data analysis

For the data analysis one statistical tool used such as percentage.

5.2.1 Gender wise classification of respondents.

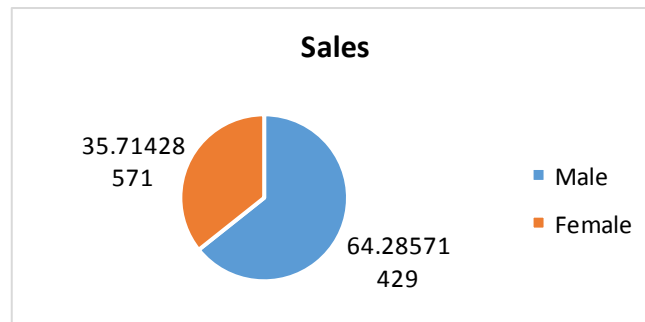
Table no 5.2.1 Gender wise classification of respondents.

Following table showing gender wise classification of respondents.

Sr. No.	Parameter	Frequency	Percentage
1	Male	45	64.28%
2	Female	25	35.71%
Total		70	100%

Chart 5.2.1 Gender wise classification of respondents.

Following chart showing gender wise classification of respondents



Interpretation

Above table and chart shows that 64.28% of respondents are from male group and 35.71% are from female group, it shows that most of the respondents are male.

5.2.2 Age wise classification of respondents.

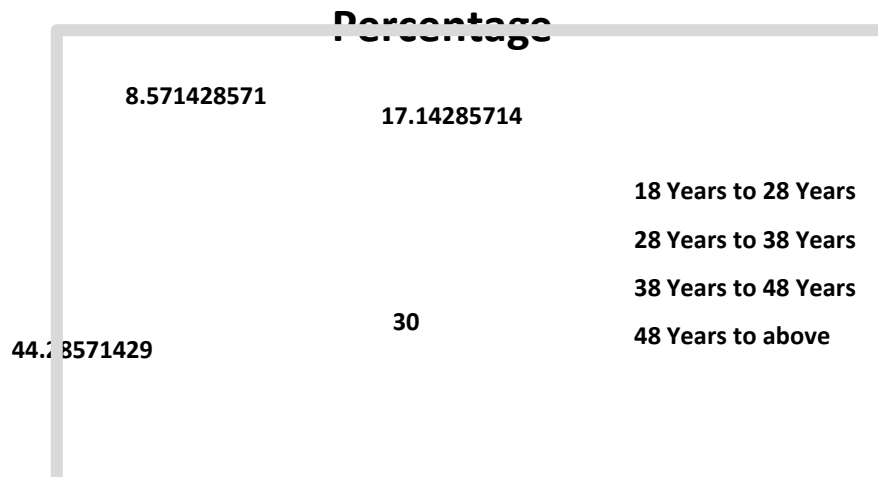
Table no 5.2.2 Age wise classification of respondents..

Following table showing age wise classification of respondents.

Sr .No.	Parameter	Frequency	Percentage
1	18 Years to 28 years	12	17.14%
2	28 Years to 38 years	21	30%
3	38 Years to 48 Years	31	44.28%
4	48 Years to Above	6	8.57%
Total		70	100%

Chart No 5.2.2 age wise classification of Respondents.

Following chart showing age wise classification of Respondents.



Interpretation

Above table and chart shows that 17.14% respondents are from 18 Years to 28 Years of age, 30% respondents are from 28 Years to 38 Years of age. 44.28% respondents are from 38 Years to 48 Years of age, 8.57% respondents are from 48 Years to above.

5.2.3 The application form of home loan is easy to understand.

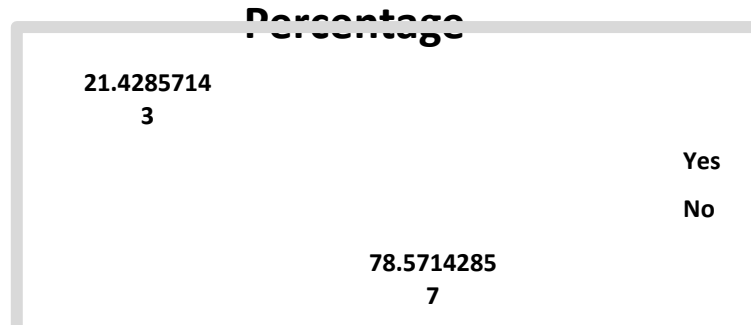
Table No. 5.2.3 showing application form of home loan is easy to understand.

Following table shows application form of home loan is easy to understand.

Sr. No.	Parameters	Frequency	Percentage
1	Yes	55	78.58%
2	No	15	21.42%
Total		70	100%

Chart No. 5.2.3 showing application form of home is easy to understand.

Following chart showing application form of home loan is easy to understand.



Interpretation

Above table and chart shows 78.58% of respondents answered Yes and 21.42% of respondents answer No, Its Chart shows 78.57% respondents said to home loan application form is easy to understand.

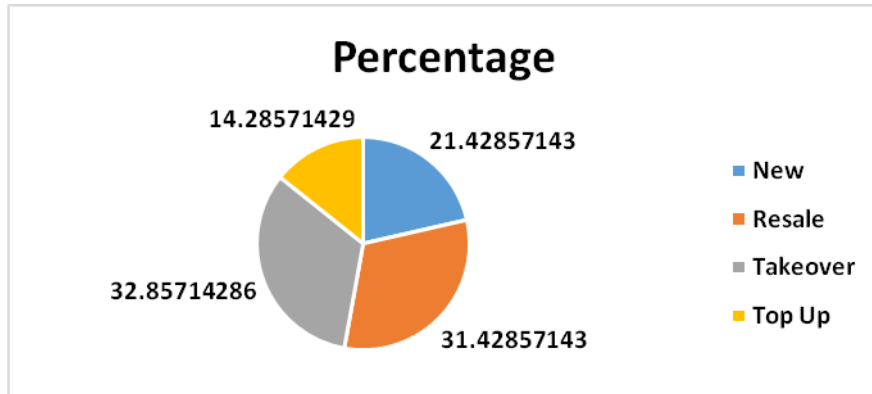
5.2.4 Which type of home loan you have took from SBI bank

Table No. 5.2.4 following table showing which type of home loan consumers took from SBI bank.

Sr. No.	Parameters	Frequency	Percentage
1	New	15	21.42%
2	Resale	22	31.42%
3	Takeover	23	32.87%
4	Top Up	10	14.29%
Total		70	100%

Chart No. 5.2.4 showing which type of home loan consumers took from SBI bank

Following Chart showing which type of home loan consumers took from SBI bank.



Interpretation

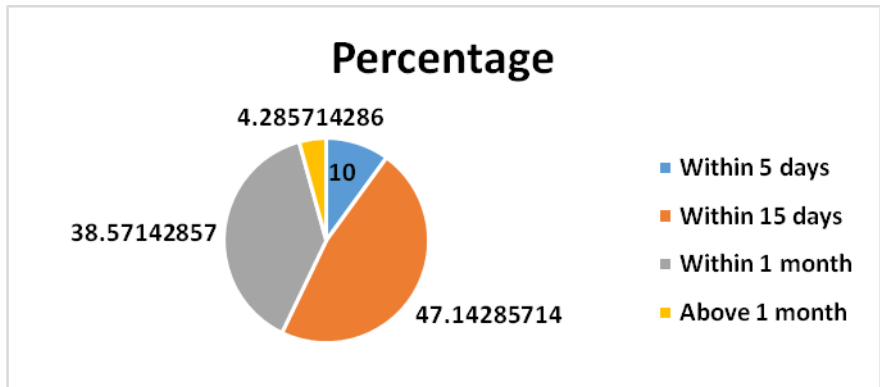
Above table and chart shows 21.42% of respondents have taken type of New home loan, 31.42% of respondents have taken type of Resale home loan, 32.85% of respondents have taken type of Takeover home loan, 14.28% of respondents have taken type of Top Up home loan, it shows that most of the respondents have taken home loan in Takeover category.

5.2.5 How much time used for loan procedure from bank.

Table no. 5.2.5 Following table showing how much time used for loan procedure from bank.

Sr.No.	Parameter	Frequency	Percentage
1	Within 5 days	7	10%
2	Within 15 days	33	47.14%
3	Within 1 month	27	38.58%
4	Above 1 month	3	4.28%
Total		70	100%

Chart No. 5.2.5 Following chart showing how much time used for loan procedure from bank.



Interpretation

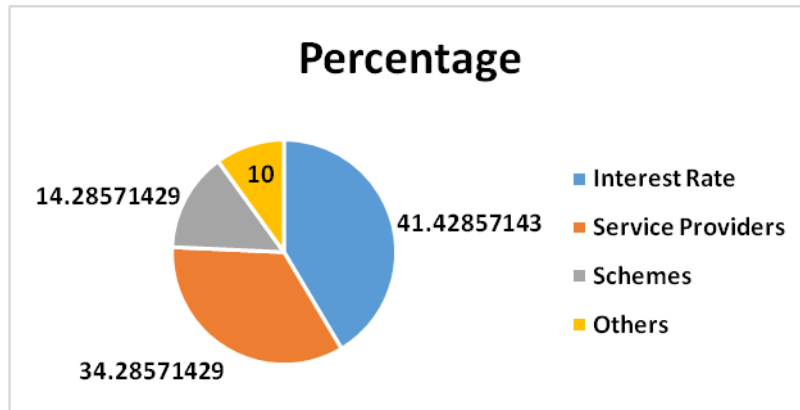
Above table and chart shows that 10% respondents are from within 5 days time used for their loan procedure, 47.14% respondents are from within 15 days time used for their loan procedure, 38.57% respondents are from within 1 month time used for their loan procedure, 4.28% respondents are from above 1 month time used for their loan procedure, it shows most of the respondents are from within 15 days category.

5.2.6 Which things attracted you for took home loan in SBI bank.

Table no. 5.2.6 Following table showing which things attracted you for took home loan in SBI bank

Sr.No.	Parameter	Frequency	Percentage
1	Interest Rate	29	41.42%
2	Service Providers	24	34.29%
3	Schemes	10	14.29%
4	Others	7	10%
Total		70	100%

Chart No. 5.2.6 Following chart showing which things attracted you for took home loan in SBI bank.



Interpretation

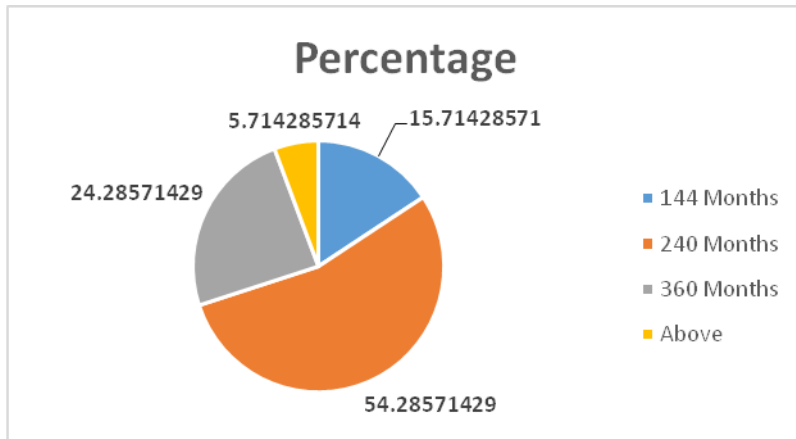
Above table and chart shows that 41.42% respondents are attracted on interest rate for taking home loan from SBI, 34.28% respondents are attracted on service providers for taking home loan from SBI, 14.28% respondents are attracted on schemes for taking home loan from SBI, 10% respondents are attracted on other services for taking home loan from SBI, it shows that most of the respondents are attracted on interest rate for taking home loan from SBI bank.

5.2.7 Which home loan tenure have you chosen?

Table no. 5.2.7 Following table showing which home loan tenure consumer have choose.

Sr.No.	Parameter	Frequency	Percentage
1	144 Months	11	15.71%
2	240 Months	38	54.28%
3	360 Months	17	24.28%
4	Above	4	5.71%
Total		70	100%

Chart no.5.2.7 Following chart showing which home loan tenure consumer have choose.



Interpretation

Above table and chart shows that 15.71% respondents have choose 144 months tenure for their home loan, 54.28% respondents have choose 240 months tenure for their home loan, 24.28% respondents have choose 360 months tenure for their home loan, 5.71% respondents have choose above tenure for their home loan. It shows that most of the respondents have choose 240 months tenure for repayment their loan to bank.

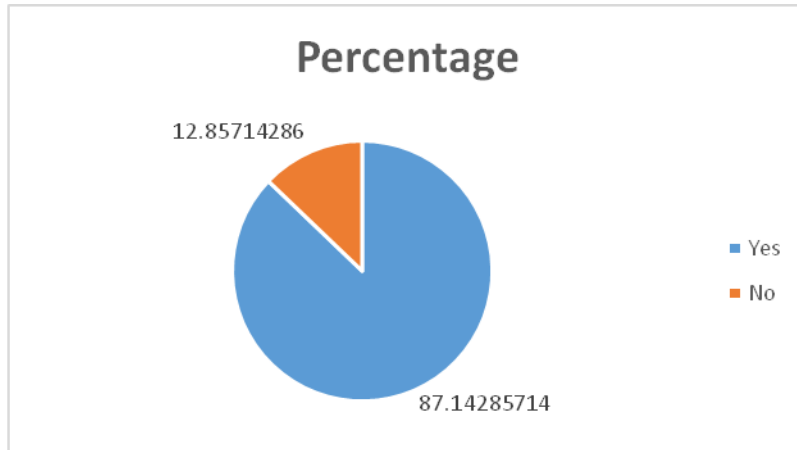
5.2.8 Do you like to your EMI fixed by bank.

Table no. 5.2.8 Following table showing consumers home loan EMI fixed by bank.

Sr. No.	Parameter	Frequency	Percentage
1	Yes	51	72.85%
2	No	9	12.85%
Total		70	100%

Chart no.5.2.8

Following chart showing consumer home loan EMI fixed by bank.



Interpretation

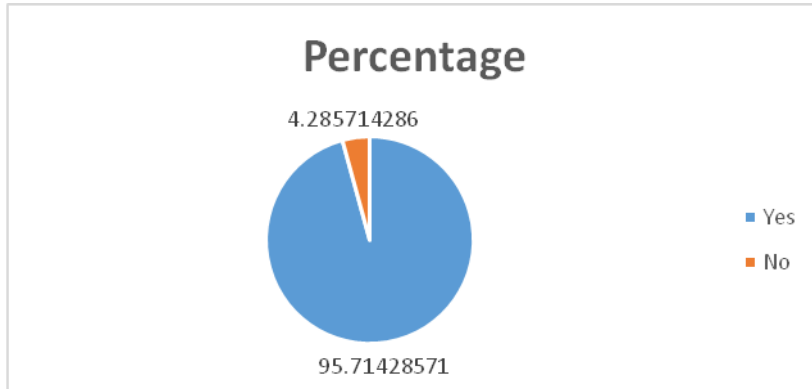
Above table and chart shows that 87.14% respondents are like to EMI fixed by bank and 12.85% respondents have do not like to EMI fixed by bank. It shows that most of the respondents are from yes category.

5.2.9 Are you took home loan Insurance.

Table no 5.2.9 Following table showing consumer have home loan insurance or not .

Sr.No.	Parameter	Frequency	Percentage
1	Yes	67	95.71%
2	No	3	4.28%
Total		70	100%

Chart no.5.2.9 Following chart shows that consumer has home loan insurance.



Interpretation

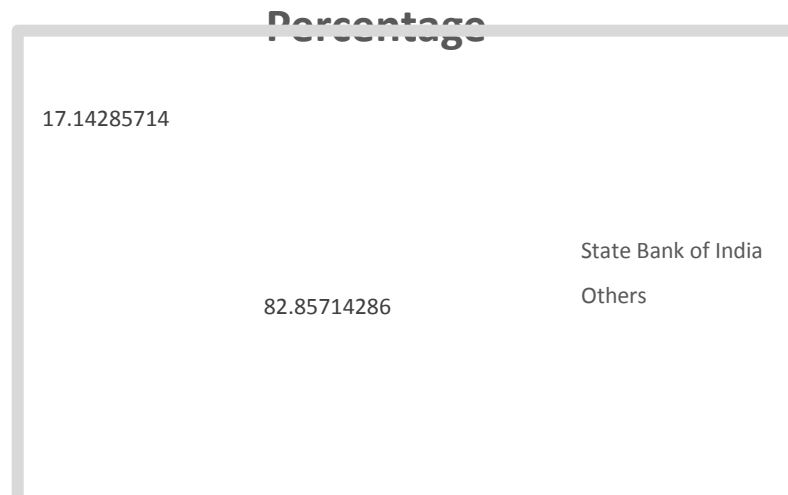
Above table and chart shows that 95.71% respondents have taken home loan insurance and 4.28% respondents do not take home loan insurance. It shows that most of the respondents are from the Yes category.

5.2.10 In future which bank you are interested to take home loan.

Table no. 5.2.10 Following table showing that consumer which bank interested for their next home loan in future.

Sr.No.	Parameter	Frequency	Percentage
1	State Bank of India	58	82.85%
2	Others	12	17.14%
	Total	70	100%

Chart no. 5.2.10 Following chart shows that consumer which bank interested for their next home loan in future.



Interpretation

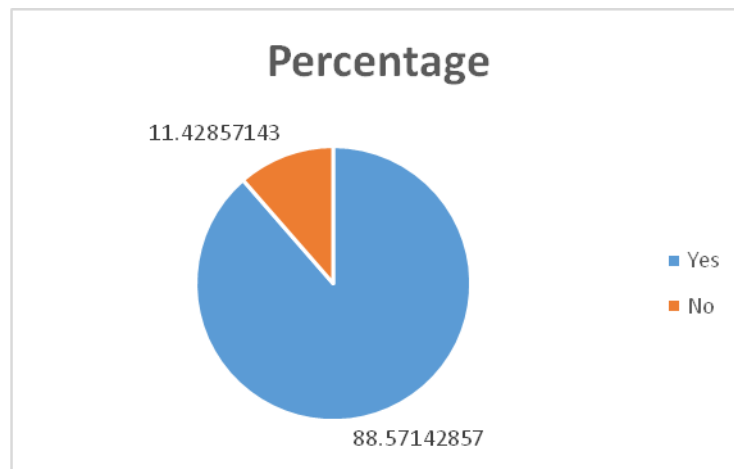
Above table and chart shows that 82.85% of respondents are interested to take SBI home loan and 17.14% of respondents are not interested to take SBI home loan, they choose other banks. It shows most of respondents are from yes category.

5.2.11 Are you satisfied with facility provide SBI Home Loans.

Table no.5.2.11 Following table showing consumer satisfaction with facility provide SBI home loan.

Sr.No.	Parameter	Frequency	Percentage
1	Yes	62	88.57%
2	No	8	11.42%
Total		70	100%

Chart no 5.2.11 Following chart showing that consumer satisfaction with facility provide SBI home loans.



Interpretation

Above table and chart shows that 88.57% of respondents are satisfied with facility provide SBI home loan services and 11.42% of respondents are not satisfied with facility provide SBI home loan. It shows that most of the respondents are from yes category.

Finding, Suggestion, Limitation and Conclusion

Finding

- 78.58% of the respondents are easy to understand home loan application form.
- 33% of respondents are took takeover home loan in SBI, they are transfer our balance form another banks.
- 47.14% of respondents' home loan procedures are complete within 15 days.
- 41.42% respondents are attracted on interest rate for taking home loan from SBI bank.
- Mostly consumers are taken 240 months tenure for their loan repayment.
- To find the consumers like to home loan EMI is fixed by bank.
- 95.71% respondents have home loan insurance.
- Find the 88.58% respondents are satisfied with SBI home loan services.

Suggestions

- In loan documentation procedure is not lengthy but most financial services providers use traditional technique, so they have use online documentation technology.
- Most of the customers they give suggestion to SBI that staff is not cooperative to customers in any queries. So SBI staff should firstly work in supportive manner.
- Most of the customers are satisfied with sanctioning loan time but financial services providers reduce sanctioning time.
- Company has to create a sense of security among the customers regarding bank deposits, future of bank, because most of the people fear about security.

Limitations

- This research study was time bound and due to this only a few aspect of the problem their taken up for study 70. This research study was taken in limited area only (Pune).
- To extent these data are reliable, the conclusion derived from them are valid. This research study was only on SBI bank due to non-Available data from bank.

Conclusion

This research is based on the SBI home loan So all customer belongs to SBI only, it can be concluded that proposal of home loan is very customer friendly, rate of interest of reasonable, loan procedure is also easy. Any lay man customer can understand & trust on SBI as a brand as it's every Indians bank. But still average customer facing problems of documentations, procedures etc.

However all types of loans like New, Resale, Takeover, Top up etc taken from SBI. Services given by bank on the basis of loan are very effective but still many customers are facing good service facility on pan India level though quantum ,size of customers are huge so it may difficult for any organization to handle each customer promptly. Every problem has its own solutions so research on his own level given suggestions what observed practically. It's difficult to suggest any thing to such a big institutions but some small suggestions are there for betterment in future.

Bibliography

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W.W.W.SBI Wikipedia.com

W.W.W. SBI Home Loans

QUESTIONNAIRE

Name

Age

Gender

Occupation

Place

1. The application form of home loan is easy to understand?

Yes

No

2. Which type of home loan you have took from SBI bank ?

New

Resale

Take over

Top Up

3. How much time used for loan procedure from bank ?

Within 5 days

Within 15 days

Within 1 Month

Above 1 Month

4. Which things attracted you for took home loan in SBI bank ?

Interest Rate

Service Providers

Schemes

Others

5. Which home loan tenure have you chosen?

144 Months

240 Months

- 360 Months Above
6. Do you like to your EMI fixed by bank?
Yes No
7. Are you took home loan Insurance?
Yes No
8. In future which bank you are interested to take home loan ?
State Bank of India Others
9. Are you satisfied with facility provided by SBI home loan?
Yes No
10. Your opinion about SBI staff and SBI Services?
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