CUSTOMER PERCEPTION AND PROBLEMS OF HOUSING FINANCE OF BANKING SECTORS WITH REFERENCE TO COIMBATORE DISTRICT IN TAMIL NADU- A STUDY

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Abstract
Today, the banking industry has been drastically changes during the last one decade due to the advent of the financial sector reforms in the form of New Economic Policy of Liberalization, Privatization and Globalization (Mohan S.and Raju S. 2008). It was brought under major developments in the banking industry and as such provided a new change in the banking business. It is on the one side transformed the financial policy, norms, regulations, credit rates, service condition, customer service, focus, priorities and procedures of the banks and on the other brought new players into the filed in the form of foreign banks and non-banking financial institutions (Mozeindar 1999). Customer is an integral part of any business. Customer satisfaction level is an exclusive area especially in the service sector/housing finance sector. The service sector has always been a virtual component of all economies. It has become more so in these days of globalization. Starting with the agricultural and industrial economy, the emphasis has now focused towards the service economy. This study aims at studying the customers' perception and factors influencing on the housing finance offered by State Bank of India, HDFC and Indian Bank Ltd. Besides, it will bring out the various sources of finance for house construction and types of home loans, loan procedure and documents required for home loan from the banking sector.

Keywords: Banking sector such as SBI, HDFC and, Demographic factors, influencing factors and problems.

1.1. Introduction

Today, the banking industry has been drastically changes during the last one decade due to the advent of the financial sector reforms in the form of New Economic Policy of Liberalization, Privatization and Globalization *(Mohan S.and Raju S. 2008).* It was brought under major developments in the banking industry and as such provided a new change in the banking business. It is on the one side transformed the financial policy, norms, regulations, credit rates, service condition, customer service, focus, priorities and procedures of the banks and on the other brought new players into the filed in the form of foreign banks and non-banking financial institutions *(Mozeindar 1999).* Besides, the main aims of the banking sector to provide adequate and timely financial assistance to help the small entrepreneurs, middle class and weaker sections of the rural and urban communities especially in housing finance system in India*(Hajela, T.N. 1987).*

'House' is one of the basic human necessities next to food and clothing. House plays an important role in shaping the destiny of people. It is not only a shelter but also an assets and wealth of human being. Housing comprises not merely household facilities but a number of services, facilities and utilities which link the individual and his family to community and community to the region in which man grows and progress. Housing and related infrastructure is one of the principal sectors that can revitalize and sustain economic growth and development, employment creation and poverty reduction*(Harish Chand Sharma, 1969).* Besides housing has the maximum propensity to generate income and demand for materials, equipment's and services. There has been tremendous growth in the demand for housing due to population growth, expansion of industrial and commercial activities and the consequent migration of people in large scale into urban areas. Along with this, the aspirations of individuals and families are also increasing to ensure better living conditions and standards. Consequently, the requirements of housing finance and financing for infrastructure increased considerably. But at the same time it has become more competitive especially during the post liberalisation era due to the entry of new institutions into the industry, offering variety of loan products. Because of intense competition, the players in the housing finance sector have to become more customer oriented *(Lewis B.R.(1993).* They must provide quality services to their customers and ensure that customers are satisfied with their experience.

1.2. Statement of the Problem

Today, due to inflation in the economy, there is rise in the price of all commodities. Due to this an ordinary individual is not able to save sufficiently to meet the high cost requirement of house construction or purchase. It has to essentially depend upon of the Financial Institutions for borrowing money for the purpose of house constructions or purchase. At this juncture, it is very essential to fulfill the expectations of the customer for whom bank renders services. The satisfaction of customer leads to the survival fitness, success and sustainability of these banks. Hence, this study aims at studying the customers' perception and factors influencing on the housing finance offered by State Bank of India, HDFC and Indian Bank Ltd. Besides, it will bring out the various sources of finance for house construction and types of home loans, loan procedure and documents required for home loan from the banking sector. Therefore, the following issues are to be addressed. What are the products offered by housing finance banking institutions? What type of people preferred housing finance banking sectors? What is the

process of housing finance in banking institution? How is housing finance sector attractive terms to customers in the form of lower rate of interest? What are the terms and conditions of housing finance institution? What are the methods of repayment period? What are the costs borne in availing the loan? What is the rate of interest charged on loan? What is the amount of loan provided of housing finance? Whether the financial performance of the housing finance are satisfactory in terms of solvency, productivity, profitability and other operational aspects? What are the factors influencing housing financing? These and other such issues are addressed through field enquiry enabling for understanding the housing fiancé of the selected banks. Hence, this present study.

1. 3. Objectives of the Study
The following are the main objectives of the study as given below;
1. To know the socio-economic conditions and Customers Perception on housing loan offered by finance institutions.
2. To identify the factors influencing the customers towards choice of housing finance companies/institutions and offer suitable suggestions based on the findings of the study.

1.4. Hypotheses of the Study
1. There are differences in the socio-economic characteristics between perception on housing finance such as age, gender, marital status, family size, family type etc.
2. There is no significant relation between demographic variable and perception and influencing factors on housing finance in selected area.
3. There are no significant differences between the levels of satisfaction of the customer towards housing finance institution.

1.5. Methodology
The study is both analytical and empirical. The Customer Perception and factors influencing on Housing Finance was analysed in detail with appropriate statistical tools. The methodology adopted for the research included compilation of primary data and consultation with bankers. The primary data were collected from three banks in Coimbatore District in North Regions such as State Bank of India, HDFC and Indian Bank. Discussions were held with Heads of the Housing Finance departments of these selected banks to gather first-hand information about the as well as perception and influencing factors and data were also collected from the beneficiaries with the help of a structured questionnaire. The beneficiaries were selected from the list of beneficiaries supplied by the selected bank branches on random sampling basis. The survey method through interview was adopted to collect the data from the beneficiaries

1.6. Selection of the Sampling
Purposive sampling procedure was adopted for the selection of the sample banks in Coimbatore District. The considerations kept in mind were the Coimbatore District of Tamil Nadu is popular for agricultural, industrial growth, educational institutions and Banking institutions. It is also covers hill and plain areas with different cropping patterns. Hence, Coimbatore District were selected for the present study by using Cluster sampling method of which three banks were selected as they fulfill the above criteria for the study.

Selection of the Respondents
As for the selection of customer, a convenient sampling method was adopted. In other words, primary data are information that banks must gather a broad questionnaire was administered to the individual home loan borrower of SBI, HDFC and Indian Bank to know their perception i.e., factors influencing the selection of the SBI, opinion regarding the rate of interest on home loan, time taken in processing the loan, procedural formalities were held to fill the gaps in the data. Hence, it was decided to select 50 customers at random from each of three housing finance representation to each bank. Totally 150 customers were selected with the help of Quota sampling procedure. **Interview Schedule:** The primary data were collected through well-structured interview schedule. In this method, the interviewer personally meets the informants and asks necessary questions to them regarding the demographic profile of the customer, customer perception on employees, knowledge about the house loan, perception of the customers, awareness about the house loan products, reasons for preferring the housing loan from these institution and factors influencing , ways of attracting by the customer, to find out the variation about housing finance, level of satisfaction of the customer and Problems and suggestion about the housing finance sector. It comprised optional type and Likerts' five point scale type of questions. Likert's five point scaling technique adopted. **Framework Analysis** The data collected were tabulated and analyzed with the help of appropriate statistical tools. SPSS (Statistical Package for Social Sciences) is used for data analysis. Simple percentages, ANOVA, PostHoc Test and Factor Analysis, were used for interpreting the data and assessing performance of the housing finance as well as problems of housing finance banks. The purpose of using the statistical tools is to make the analysis more comprehensive and to draw meaningful inferences. A summary of key findings was made, based on inferences.

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1.7. Results and Discussions
Demographic Profile of the Respondents

Table 1: Demographic Factors

Variable	Classification of Variable	SBI	HDFC	Indian Bank	Total
Gender	Male	38 (76.00)	34(68.00)	41(82.00)	113(75.00)
	Female	12(24.00)	16(32.00)	9(18.00)	37(25.00)
	Total	**50(100)**	**50(100)**	**50(100)**	**150(100)**
Age	below 30 years	4(8.00)	3(6.00)	3(6.00)	10(7.00)
	31 years - 40 years	23(46.00)	22(44.00)	18(36.00)	62(41.00)
	41 - 50 years	8(16.00)	8(16.00)	14(28.00)	31(21.00)
	51 -60 years	9(18.00)	12(24.00)	14(28.00)	35(23.00)
	above 60	6(12.00)	5(10.00)	1(2.00)	12(8.00)
	Total	**50(100)**	**50(100)**	**50(100)**	**150(100)**
Marital status	Single	6 (12.00)	5(10.00)	11(22.00)	22(44.00)
	Married	44(88.00)	45(90.00)	39(78.00)	128(66.00)
	Total	**50(100)**	**50(100)**	**50(100)**	**150(100)**
Religions	Hindu	35(70.00)	37(74.00)	33(66.00)	105(70.00)
	Muslim	10(20.00)	9(18.00)	13(26.00)	32(21.00)
	Christian	5(10.00)	4(08.00)	4(8.00)	13(09.00)
	Total	**50(100)**	**50(100)**	**50(100)**	**150(100)**
Community	Upper	47(94.00)	6(12.00)	15(30.00)	68(45.00)
	Backward	3(06.00)	44(88.00)	35(70.00)	82(55.00)
	Total	**50(100)**	**50(100)**	**50(100)**	**150(100)**
Educational Qualification	School level	5(10.00)	8(16.00)	10(20.00)	23(15.00)
	Diploma	9(18.00)	14(28.00)	12(24.00)	35(23.00)
	Degree	18(36.00)	13(26.00)	10(20.00)	41(27.00)
	Post graduate	11(22.00)	9(18.00)	8(16.00)	28(19.00)
	Professional	7(14.00)	6(12.00)	10(20.00)	23(15.00)
	Total	**50(100)**	**50(100)**	**50(100)**	**150(100)**
Occupation	Agriculture	4(8.00)	3(6.00)	1(5.00)	8(6.00)
	Business	2(4.00)	0	1(5.00)	3(2.00)
	Government employee	13(26.00)	20(40.00)	10(20.00)	43(28.00)
	Private sector employee	23(46.00)	18(36.00)	30(60.00)	71(47.00)
	Professional	8(16.00)	9(18.00)	8(20.00)	25(18.00)
	Total	**50(100)**	**50(100)**	**50(100)**	**150(100)**
Income	below 10000	4(8.00)	5(10.00)	8(16.00)	17(12.00)
	10001 to 20000	13(26.00)	5(10.00)	13(26.00)	31(21.00)
	20001 to 30000	8(16.00)	8(1600)	13(26.00)	29(19.00)
	30001 to 40000	22(44.00)	31(62.00)	15(30.00)	68(45.00)
	above 40000	3(6.00)	1(2.00)	1(2.00)	5(3.00)

- *Figures in brackets are percentage to column total*

Analysis and Discussion
- **Gender:** The Statistical data shows that majority of them come under male category respondents in Indian Bank.

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- **Age:** It is evident from the table shows that, the majority of the respondents is State Bank of India come under the age group of 41-50 (46 percent), followed by HDFC and Indian Bank fall under 31-40 age group.
- **Marital Status:** As far as the marital status of the respondents 90 percent are comes under marital status in HDFC followed by SBI and Indian Bank.
- **Religions:** With regard to religions of the respondents, most of the them fall under HDFC (74 percent) for Hindu.
- **Community:** Majority of the respondents (94 percent) comes under upper category in SBI
- **Educational Qualification:** From the table indicate that the Educational qualification of the respondents under SBI having higher (36 percent) level education (UG/PG Degree). Besides, HDGC bank 28 percent and 26 percent for Indian Bank are comes under UG degree level. The study inferred that majority of them did Degree level
- **Occupation:** It is evident that, 46 per cent of the respondent are comes under private sector employee followed by HDFC bank is 40 percent under Government employee and Indian Bank (47 percent) under private sector employed categories of respondents which implies that among them, private sector employee categories of the respondents is high.
- **Monthly Income:** The table shows that SBI bank respondents have earned income category of 30001 to 40000 (44 per cent). The HDFC bank income wise category of 62 percent and 30 percent in Indian Bank

Analysis of Variance
Ho: There is no significant relationship between demographic variable and perception on factors influencing on housing finance.
H1: There is a significant relationship between demographic variable and perception on factors influencing on housing finance.

Table 2: Factors influencing the customers towards choice of housing finance companies

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Low rate of interest	Between Groups	31.720	2	15.860	6.540	.002
	Within Groups	1084.060	447	2.425		
	Total	1115.780	449			
Faster processing	Between Groups	.498	2	.249	.126	.881
	Within Groups	880.933	447	1.971		
	Total	881.431	449			
Minimal formalities and procedures	Between Groups	10.111	2	5.056	4.722	.009
	Within Groups	478.547	447	1.071		
	Total	488.658	449			
Flexible repayment system	Between Groups	8.431	2	4.216	3.836	.022
	Within Groups	491.180	447	1.099		
	Total	499.611	449			
Convenient repayment term	Between Groups	22.631	2	11.316	9.022	.000
	Within Groups	560.660	447	1.254		
	Total	583.291	449			
Prepayment penalty	Between Groups	4.564	2	2.282	1.891	.152
	Within Groups	539.427	447	1.207		
	Total	543.991	449			
Progressive funding	Between Groups	21.960	2	10.980	7.714	.001
	Within Groups	636.220	447	1.423		
	Total	658.180	449			
In-house legal and technical services	Between Groups	17.498	2	8.749	5.854	.003

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	Within Groups	668.067	447	1.495			
	Total	685.564	449				
Home insurance	Between Groups	18.191	2	9.096	6.659	.001	
	Within Groups	610.567	447	1.366			
	Total	628.758	449				
Lesser miscellaneous charges	Between Groups	11.898	2	5.949	4.372	.013	
	Within Groups	608.200	447	1.361			
	Total	620.098	449				
Professional customer service	Between Groups	11.418	2	5.709	3.464	.032	
	Within Groups	736.673	447	1.648			
	Total	748.091	449				
Influence of sale people	Between Groups	9.204	2	4.602	2.744	.065	
	Within Groups	749.587	447	1.677			
	Total	758.791	449				
Influence of friends and relatives	Between Groups	9.284	2	4.642	2.125	.121	
	Within Groups	976.307	447	2.184			
	Total	985.591	449				
Brand name of the housing finance agency	Between Groups	24.031	2	12.016	6.781	.001	
	Within Groups	792.033	447	1.772			
	Total	816.064	449				
Influence of advertisements	Between Groups	1.773	2	.887	.616	.541	
	Within Groups	643.507	447	1.440			
	Total	645.280	449				
Location and ambience of the housing finance agency	Between Groups	11.871	2	5.936	2.920	.055	
	Within Groups	908.573	447	2.033			
	Total	920.444	449				

From the above table, it is inferred that in one way Anova, the total variable is partitioned into two components between groups represents variation of the other groups means around the overall mean and within groups represent variation of the each individual scores around their respective group means significance indicators the significant level of the 'F' test. Small significant value (0.05) indicate group difference from the above table, it is inferred that the significant level is observed to be less than 0.005 per cent level. Hence, the Null Hypothesis is rejected and alternate hypothesis is accepted and inferred that there is a significant difference observed between other banks group with that on factors influencing on housing by customers. Based on the hypothesis the multivariate analysis were applied for find out the significant level.

Multiple comparisons (Post Hoc- Bonferroni Test)

						95% Confidence Interval	
Dependent Variable	**(I) type of the bank**	**(J) type of the bank**	**Mean Difference (I-J)**	**Std. Error**	**Sig.**	**Lower Bound**	**Upper Bound**
Low rate of Interest	State Bank of India	HDFC bank	**-.25000***	**.17982**	**.001**	-1.0721	-.2079
		State bank	-.22000	.17982	.665	-.6521	.2121
	HDFC	Indian Bank	**.64000***	**.17982**	**.001**	.2079	1.0721
		State bank	.42000	.17982	.060	-.0121	.8521

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		Indian Bank	.22000	.17982	.665	-.2121	.6521
	Indian Bank	HDFC bank	-.42000	.17982	.060	-.8521	.0121
Faster processing	State Bank of India	HDFC bank	.02667	.16210	1.000	-.3629	.4162
		State bank	-.05333	.16210	1.000	-.4429	.3362
	HDFC	Indian Bank	-.02667	.16210	1.000	-.4162	.3629
		State bank	-.08000	.16210	1.000	-.4695	.3095
	Indian Bank	Indian Bank	.05333	.16210	1.000	-.3362	.4429
		HDFC bank	.08000	.16210	1.000	-.3095	.4695
Minimal formalities and procedures	State Bank of India	HDFC bank	**.42233***	**.21948**	**.026**	.0462	.6204
		State bank	.03333	.11948	1.000	-.2538	.3204
	HDFC	Indian Bank	**-.33333***	**.11948**	**.016**	-.6204	-.0462
		State bank	**-.70200***	**.00948**	**.037**	-.5871	-.0129
	Indian Bank	Indian Bank	-.03333	.11948	1.000	-.3204	.2538
		HDFC bank	**.30000***	**.11948**	**.037**	.0129	.5871
Flexible repayment system	State Bank of India	HDFC bank	**.31333***	**.12104**	**.030**	.0225	.6042
		State bank	.26000	.12104	.097	-.0309	.5509
	HDFC	Indian Bank	**-.24628***	**.52120**	**.010**	-.6042	-.0225
		State bank	-.05333	.12104	1.000	-.3442	.2375
	Indian Bank	Indian Bank	**-.26000**	**.12104**	**.097**	-.5509	.0309
		HDFC bank	.05333	.12104	1.000	-.2375	.3442
Convenient repayment term	State Bank of India	HDFC bank	**.52000***	**.12932**	**.000**	.2092	.8308
		State bank	.10667	.12932	1.000	-.2041	.4174
	HDFC	Indian Bank	-.52000*	.12932	.000	-.8308	-.2092
		State bank	-.41333*	.12932	.004	-.7241	-.1026
	Indian Bank	Indian Bank	-.10667	.12932	1.000	-.4174	.2041
		HDFC bank	.41333*	.12932	.004	.1026	.7241
Prepayment penalty	State Bank of India	HDFC bank	.12000	.12685	1.000	-.1848	.4248
		State bank	.24667	.12685	.157	-.0582	.5515
	HDFC	Indian Bank	-.12000	.12685	1.000	-.4248	.1848
		State bank	.12667	.12685	.956	-.1782	.4315
	Indian Bank	Indian Bank	-.24667*	.12685	.057	-.5515	.0582
		HDFC bank	-.12667	.12685	.956	-.4315	.1782
Progressive funding	State Bank of India	HDFC bank	-.54000*	.13776	.240	-.8710	-.2090
		State bank	-.30000	.13776	.090	-.6310	.0310
	HDFC	Indian Bank	**.54000***	**.13776**	**.000**	.2090	.8710
		State bank	.24000	.13776	.246	-.0910	.5710
	Indian Bank	Indian Bank	.30000	.13776	.090	-.0310	.6310
		HDFC bank	-.24000	.13776	.246	-.5710	.0910
In-house legal and technical services	State Bank of India	HDFC bank	**-.48000***	**.14116**	**.002**	-.8192	-.1408
		State bank	-.28667	.14116	.129	-.6259	.0526
	HDFC	Indian Bank	**.26020***	**.4250**	**.018**	.1408	.8192
		State bank	.19333	.14116	.515	-.1459	.5326

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	Indian Bank	Indian Bank	.28667	.14116	.129	-.0526	.6259
		HDFC bank	-.19333	.14116	.515	-.5326	.1459
Home insurance	State Bank of India	HDFC bank	**.45333***	**.13495**	**.003**	.1290	.7776
		State bank	.06000	.13495	1.000	-.2643	.3843
	HDFC	Indian Bank	**-.45333***	**.13495**	**.003**	-.7776	-.1290
		State bank	-.39333*	.13495	.011	-.7176	-.0690
	Indian Bank	Indian Bank	-.06000	.13495	1.000	-.3843	.2643
		HDFC bank	**.39333***	**.13495**	**.011**	.0690	.7176
Lesser miscellaneous charges	State Bank of India	HDFC bank	**.38000***	**.13469**	**.015**	.0563	.7037
		State bank	**.29333**	**.13469**	**.090**	-.0303	.6170
	HDFC	Indian Bank	**-.38000***	**.13469**	**.015**	-.7037	-.0563
		State bank	-.08667	.13469	1.000	-.4103	.2370
	Indian Bank	Indian Bank	**-.29333**	**.13469**	**.090**	-.6170	.0303
		HDFC bank	.08667	.13469	1.000	-.2370	.4103
Professional customer services	State Bank of India	HDFC bank	.38000*	.14824	.032	.0238	.7362
		State bank	.11333	.14824	1.000	-.2429	.4695
	HDFC	Indian Bank	**-.38000***	**.14824**	**.032**	-.7362	-.0238
		State bank	-.26667	.14824	.218	-.6229	.0895
	Indian Bank	Indian Bank	-.11333	.14824	1.000	-.4695	.2429
Influence of sale people	State Bank of India	HDFC bank	**-.30000***	**.14953**	**.013**	-.6593	.0593
		State bank	**-.30667***	**.14953**	**.023**	-.6660	.0527
	HDFC	Indian Bank	**.30000***	**.14953**	**.016**	-.0593	.6593
		State bank	-.00667	.14953	1.000	-.3660	.3527
	Indian Bank	Indian Bank	.30667	.14953	.123	-.0527	.6660
		HDFC bank	.00667	.14953	1.000	-.3527	.3660
Influence of friends and relatives	State Bank of India	HDFC bank	-.32000	.17065	.184	-.7301	.0901
		State bank	-.28667	.17065	.281	-.6967	.1234
	HDFC	Indian Bank	**.32000***	**.17065**	**.04**	-.0901	.7301
		State bank	.03333	.17065	1.000	-.3767	.4434
	Indian Bank	Indian Bank	.28667	.17065	.281	-.1234	.6967
		HDFC bank	-.03333	.17065	1.000	-.4434	.3767
Brand name of the housing finance agency	State Bank of India	HDFC bank	**.54333***	**.15370**	**.001**	.1840	.9227
		State bank	.17333	.15370	.780	-.1960	.5427
	HDFC	Indian Bank	**-.72333***	**.35170**	**.001**	-.9227	-.1840
		State bank	**-.38000***	**.15370**	**.041**	-.7494	-.0106
	Indian Bank	Indian Bank	-.17333	.15370	.780	-.5427	.1960
		HDFC bank	**.38000***	**.15370**	**.041**	.0106	.7494
Influence of advertisements	State Bank of India	HDFC bank	-.15333	.13855	.807	-.4863	.1796
		State bank	-.06667	.13855	1.000	-.3996	.2663
	HDFC	Indian Bank	.15333	.13855	.807	-.1796	.4863
		State bank	.08667	.13855	1.000	-.2463	.4196

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	Indian Bank	Indian Bank	.06667	.13855	1.000	-.2663	.3996
		HDFC bank	-.08667	.13855	1.000	-.4196	.2463
*. The mean difference is significant at the 0.05 level.							

From the above table, it is inferred that there is a significant difference between the groups (CCB, HDFC and State banks). The mirror image of the same was reflected in the original table. The following table given the summary report of the Multivariate Analysis.

Table 3: A summary Report on Factors influencing the customers towards choice of housing finance in banking sectors by using Multivariate Analysis

S. No	Variables	Significant Level		
		HDFC	Indian Bank	State bank
1	Low rate of interest	Y	Y	X
2	Faster processing	X	X	X
3	Minimal formalities and procedures	Y	X	Y
4	Flexible repayment system	Y	Y	Y
5	Convenient repayment term	Y	X	X
6	Prepayment penalty	X	X	X
7	Progressive funding	X	Y	X
8	In-house legal and technical services	Y	Y	X
9	Home insurance	Y	Y	X
10	Lesser miscellaneous charges	Y	Y	Y
11	Professional customer service	Y	X	X
12	Influence of sale people	Y	Y	Y
13	Influence of friends and relatives	Y	X	X
14	Brand name of the housing finance agency	Y	Y	Y

Y-   Indicate Significant level X- indicate not significant

Factors for Level Satisfaction among the House Loan Members
In order to check the appropriateness of factor analysis, Kaiser-Meyer-Olkin(KMO) and Bartlett's test were used. The result are shown in the below table. The Factor levels of satisfaction were examined with help of factor analysis. The rating on the importance of variables influence to service benefits for analysis. Initially, the KMO measures of sampling adequacy and Bartlefts test of sphericity have been conducted to test the validity of data for factor analysis.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.624
Bartlett's Test of Sphericity	Approx. Chi-Square	931.838
	df	66
	Sig.	.000

Factor Analysis, a statistical analysis tool was used as a data reduction method. KMO and Bartlett's test was conducted to reveals adequacy of sampling and validity of factor analysis. The results revealed a chi-square value of 931.838 with 66 as degrees of freedom and 0.000 level of significance. Kaiser Meyer Olkin Measure of sampling adequacy value was 0.624 revealing the validity of factor analysis.

Based on factor analysis reduction method. Factors are classified into five compnents. They are as follows;
1.   Four components were loaded on factor first. It has been labeled as rate of interest , tennure of house loan, loan repayment related to the Customer.

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2. Two components were loaded on factor second. It has been labeled progressive funding and income tax benefits
3. Three components were loaded on factor third. It has been labeled an additional charges such as additional charges, transfer facilties and service rendered by the agents.
4. Two components were loaded on factor fourth. It has been labeled as loan repayment, flexible repayment system.
5. One components were loaded on factor fith. It has been labled as maintenance cost.

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.861	32.173	32.173	3.861	32.173	32.173	3.022	25.180	25.180
2	2.070	17.250	49.423	2.070	17.250	49.423	2.064	17.196	42.377
3	1.308	10.897	60.320	1.308	10.897	60.320	1.817	15.145	57.522
4	1.189	9.906	70.227	1.189	9.906	70.227	1.277	10.641	68.163
5	1.027	8.559	78.786	1.027	8.559	78.786	1.275	10.623	78.786
6	.722	6.015	84.801						
7	.692	5.771	90.572						
8	.511	4.255	94.827						
9	.222	1.848	96.675						
10	.179	1.492	98.167						
11	.116	.967	99.134						
12	.104	.866	100.000						
Extraction Method: Principal Component Analysis.									

It is observed from the above table that the principal component method has been grouped the total variable under study into five components with the help of eigen values that one greater than one. The components are sequenced in a way that the factor with maximum eigen value is extracted first and factor with the next maximum value placed second likewise the entire components are extracted. The component is extracted with the maximum eigen value of 3.861, the second components eigen value is estimated as 2.070 and third component with the eigen value of 1.308. The rest of the components are extracted with a minimum difference in their eigen value.

Further extraction of variables comes under each components was made with principal component methods and by using varimax rotation and Kaiser Normalisation. All the 12 variables are grouped into five components and are shown in the following table.

Rotated Component Matrix[a]					
	Component				
	1	2	3	4	5
Security feeling regarding the loan	.850				
Rate of interest	.809				
Tenure of the house loan	.750				
Repayment penalty	.698				
Progressive funding		.918			
Income tax benefits		.834			
Additional charges			.803		
Transfer facilities			.718		
Service rendered by the agents			.657		

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Loan repayment				.878	
Flexible repayment system				-.556	
Maintenance cost					.919
Eigen value	**3.861**	**2.070**	**1.308**	**1.189**	**1.027**
Percentage of variance	**25.180**	**17.196**	**15.145**	**10.641**	**10.623**
Cumulative variance	**25.180**	**42.377**	**57.522**	**68.163**	**78.786**
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.					

The rotated component matrix above shows the grouping of variables into five factors of different nature. The first factor consists of four variable with an eigen value of 3.861 explains 25.180 percentages of variance. The variables included in the first factor are security feeling regarding the loan, Rate of interest, Tenure of the house loan and repayment penalty. Among the four variables employee who instill confidence in customers by proper behaviour with a maximum of 0.850 and followed by security feeling regarding the loan in all branch of bank with 0.809 loading and the least loaded variable is rate of interest as promised which explain the underlying factor with 0.698 points.

The second factor includes nine variables namely, progressive funding and income tax benefits. The second factor accounts 42.377 per cent variance with an Eigen value of 2.070 among the two variable progressive funding and income tax with 17.196 points.

The next factor is a combination of three variables. The third factor explains the 57.522 per cent to the total variance with an Eigen value of 1.308. The cumulative percentage of variance upto third factor is observed as 15.145 per cent. Among the variable in the third factor the additional charges with 0.803 and followed by transfer facilities 0.718 loadings. The least loading is 0.657 for service rendered by the agents.

The component four is extracted with two variables namely loan repayment and flexible repayment system. The total percentages of variance explained by the four the factor is 1.189 per cent with an Eigen value of 10.641. The cumulative percentage of variance upto third factor is 68.163 per cent.

The factor fifth is extracted with five variable namely maintenance cost. The last factor is extracted with the variable of maintenance cost with an Eigen value of 1.027 and the per cent variance is 10.623. The cumulative percentage of these entire factors is estimated as 78.786 which show that the present study identified the maximum possible factors that influence the level of satisfaction on housing finance in Coimbatore district, TamilNadu.

1.8. Conclusion
Findings revealed that improved quality help in increasing customer satisfaction. Out of the three aspects of perception, influencing and satisfaction contributed maximum in influencing customer satisfaction on HDFC than other two banks namely Indian Bank and State banks. The Efficient interpersonal interactions between customers and employees can improve customer satisfaction. Good quality physical evidence helps in increasing customer satisfaction. This study is restricted to Coimbatore District only and sample size is also small. Therefore, results should be generalized with caution. It is advisable to increase the sample size and include more Districts of Tamil Nadu to have a better insight of customer of bank. Finally the study reveals that customer perception and influencing factor on house loan in HDFC bank more positive and significant relationship with perception and influencing factors than other two banks.

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