

CUSTOMER'S PERCEPTION TOWARDS HOME LOAN IN HYDERABAD: INDIABULLS LIMITED

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ABSTRACT

The housing finance sector plays a significant role in fulfilling the aspirations of individuals seeking home ownership. This study examines customer perceptions towards home loans offered by Indiabulls Housing Finance Limited in Hyderabad. The research investigates factors influencing customer preference, awareness, satisfaction, loan processing efficiency, transparency, and service quality. Primary data were collected from 117 respondents using a structured questionnaire and analyzed through descriptive statistical techniques. The findings reveal that loan approval speed, competitive interest rates, transparency in documentation, and customer support significantly influence borrower satisfaction. The study also highlights that salaried individuals constitute the major segment of home loan borrowers and that awareness regarding housing finance products affects borrowing decisions. Furthermore, customer perception is influenced by income levels, loan amount requirements, and institutional reputation. The study provides valuable insights for financial institutions to improve customer-centric services, enhance operational efficiency, and strengthen market competitiveness in the rapidly growing housing finance sector.

Keywords: Home Loan, Customer Perception, Housing Finance, Indiabulls Housing Finance, Customer Satisfaction, Loan Processing, Hyderabad, Banking Services.

I. INTRODUCTION

Housing finance has emerged as a critical component of economic development and social welfare, enabling individuals to achieve home ownership while contributing to the growth of the real estate sector. The increasing urbanization, rising disposable incomes, and government initiatives supporting affordable housing have significantly expanded the demand for home loans in India [1]. Housing loans provide financial assistance to individuals who are unable to purchase residential properties through lump-sum payments [2]. The growth of the banking and housing finance industry has intensified competition among financial institutions, compelling them to focus on customer satisfaction and service quality [3]. Customer perception plays a vital role in determining the success of home loan products [4]. Factors such as interest rates, repayment flexibility, processing time, transparency, and customer support significantly influence borrower decisions [5]. Financial institutions continuously innovate their products to attract customers and retain market share [6]. The emergence of digital banking has further transformed the home loan market by improving accessibility and convenience [7]. Understanding customer expectations is therefore essential for enhancing service delivery and maintaining competitiveness [8]. Home loan providers must ensure efficient operations and customer-centric policies to

achieve sustainable growth [9]. Customer awareness and financial literacy also influence borrowing behavior and loan selection decisions [10]. Financial institutions that effectively address customer concerns can strengthen trust and long-term relationships [11]. Consumer behavior theories emphasize the significance of perceived value and service quality in financial decision-making [12]. Housing finance thus remains a strategic sector for economic progress and social development [13]. Financial institutions increasingly emphasize relationship management to improve borrower experiences [14]. Growing competition has made customer perception a decisive factor in market success [15].

Indiabulls Housing Finance Limited is one of India's leading housing finance companies, offering a wide range of home loan products to diverse customer segments [16]. The company focuses on affordability, convenience, and technology-driven services to improve customer experience [17]. Customer satisfaction depends upon loan accessibility, documentation procedures, and responsiveness of employees [18]. Previous studies have reported that transparency and efficient loan processing significantly influence borrower confidence [19]. Home loan customers increasingly seek personalized financial solutions and flexible repayment options [20]. Service quality dimensions such as reliability, responsiveness, assurance, empathy, and tangibility are crucial determinants of satisfaction [21]. Consumer trust significantly affects borrowing intentions and loyalty toward financial institutions [22]. The housing finance market has experienced substantial growth due to favorable economic conditions and policy reforms [23]. Technological advancements have streamlined loan applications and approval procedures [24]. Financial institutions are adopting digital platforms to improve customer engagement and operational efficiency [25]. Customer perceptions regarding interest rates and hidden charges influence loan selection behavior [26]. Effective communication and awareness programs enhance customer understanding of financial products [27]. Loan approval speed and documentation support contribute significantly to customer satisfaction [28]. Understanding customer perceptions enables institutions to design better products and services [29]. Therefore, this study evaluates customer perceptions toward Indiabulls Housing Finance Limited and identifies factors affecting customer satisfaction and loan preferences in Hyderabad [30].

II. LITERATURE SURVEY

Several researchers have investigated customer perceptions and satisfaction regarding housing finance services. Mylonakis (2007) reported that bank reputation, interest rates, and employee behavior significantly influence customer preferences toward mortgage products [1]. Dutta and Dutta (2009) found that customer expectations and perceived service quality directly affect financial performance and customer loyalty [2]. Mishra and Tandon (2011) emphasized the importance of customer-centric banking strategies in improving satisfaction levels [3]. Chaudhary and Janjhua (2011) observed that transparency, employee cooperation, and loan approval speed positively influence customer perceptions of housing loans [4]. Srinivasan (2020) highlighted that customers evaluate both qualitative and quantitative factors before selecting a financial institution for borrowing [5]. Vankadoth (2017) concluded that service innovation and customer-oriented products are key drivers of success in housing finance [6]. Sharma and Garg (2014) demonstrated that competitive interest rates and repayment flexibility significantly impact borrower decisions [7]. Fulwari (2018) identified income, affordability, and demographic factors as major determinants of housing loan demand [8]. Kotler (2016) emphasized the importance

of marketing strategies in influencing customer attitudes and perceptions [9]. Bhat and Mahale (2023) reported that awareness levels and financial literacy significantly affect home loan adoption [10]. Research further suggests that service quality remains a critical factor affecting customer retention [11]. Consumer trust and institutional credibility influence long-term relationships between borrowers and lenders [12]. Efficient complaint handling improves customer confidence and loyalty [13]. Loan customization and flexible repayment schemes increase customer satisfaction [14]. Technological adoption has enhanced customer convenience and operational effectiveness in housing finance institutions [15].

Recent studies indicate that digital transformation has significantly reshaped customer expectations within the financial services sector [16]. Researchers have observed that online loan applications reduce processing time and improve service accessibility [17]. Service reliability and responsiveness are consistently identified as key dimensions of customer satisfaction [18]. Borrowers increasingly prefer institutions that provide transparent information and simplified procedures [19]. Customer awareness campaigns contribute positively to product adoption and financial inclusion [20]. Studies have shown that income levels influence loan eligibility and borrowing preferences [21]. The role of social influence and word-of-mouth communication remains significant in financial decision-making [22]. Customer satisfaction is closely associated with loan affordability and repayment convenience [23]. Housing finance institutions must continuously improve service quality to maintain competitiveness [24]. Relationship marketing strategies enhance customer retention and repeat borrowing behavior [25]. Perceived fairness in interest rates positively affects customer trust [26]. Digital customer support systems improve borrower experiences [27]. Regulatory reforms have strengthened transparency and consumer protection mechanisms [28]. Service innovation has become a critical factor in attracting new customers [29]. Consequently, understanding customer perceptions remains essential for enhancing organizational performance and sustaining growth in the housing finance sector [30].

III. RESEARCH METHODOLOGY

The present study adopts a descriptive research design to examine customer perceptions toward home loans offered by Indiabulls Housing Finance Limited in Hyderabad. The research primarily focuses on identifying customer awareness, satisfaction levels, service quality perceptions, and factors influencing home loan preferences. Both primary and secondary data sources were utilized to ensure comprehensive analysis. Primary data were collected through a structured questionnaire administered to home loan customers. Secondary data were obtained from journals, books, company reports, websites, and previous research studies related to housing finance and customer satisfaction.

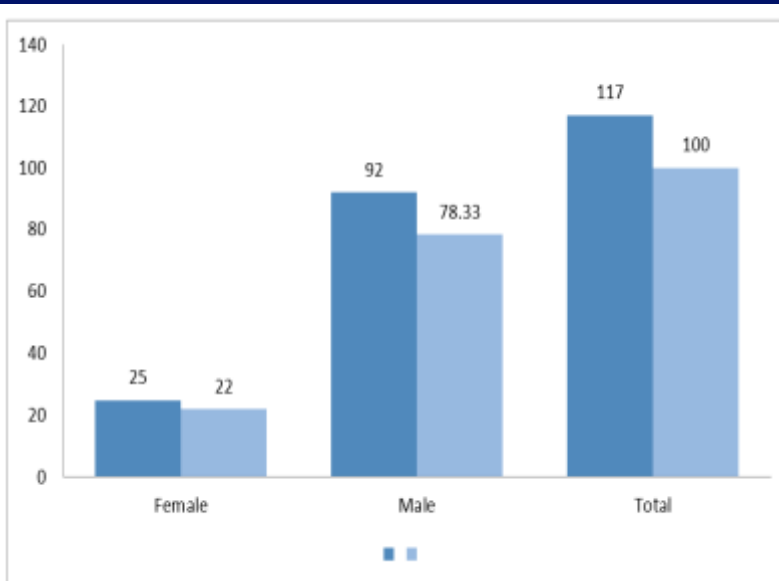
A convenience sampling technique was employed for data collection. The sample consisted of 117 respondents residing in Hyderabad who had experience with housing loan services. Data were analyzed using descriptive statistical tools such as percentages, frequency distributions, and comparative analysis. Variables including age, occupation, income, awareness level, preferred financial institution, and loan amount were examined to understand borrower behavior. The methodology also evaluated customer perceptions regarding transparency, loan processing speed, service quality, and institutional reputation. The collected data were systematically

organized and interpreted to derive meaningful conclusions. The findings provide practical insights for improving customer satisfaction and enhancing the effectiveness of housing finance services offered by financial institutions.

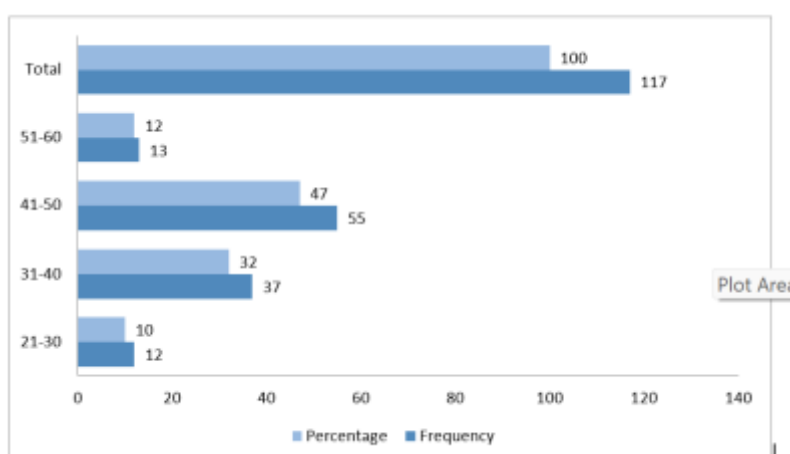
IV. RESULTS & DISCUSSION

The analysis revealed significant insights regarding customer perceptions toward home loans offered by Indiabulls Housing Finance Limited. The majority of respondents were male borrowers and belonged to the middle-aged category, indicating a strong demand for housing finance among economically active individuals. Salaried employees constituted the largest borrower segment, reflecting the preference of financial institutions for applicants with stable income sources. Most respondents reported annual incomes between ₹2–4 lakhs and preferred loan amounts ranging from ₹10–20 lakhs. The study found that approximately two-thirds of respondents were aware of Indiabulls housing loan services, indicating moderate market visibility.

Gender	Frequency	Percentage
Female	25	22
Male	92	78.33
Total	117	100.0



Age of Respondents	Frequency	Percentage
21-30	12	10.0
31-40	37	32
41-50	55	47
51-60	13	12
Total	117	100.0



Occupation	Percentage
Professional	17
self-employed	25
Salaried	58
Total	100.0

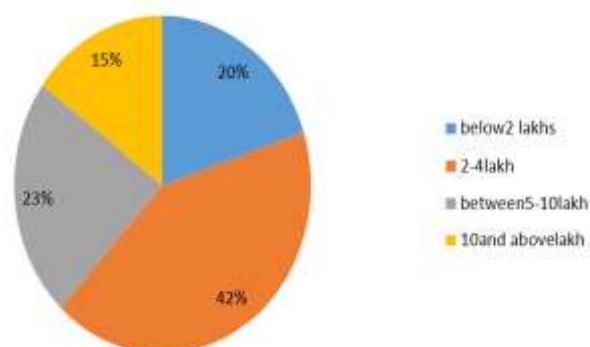
(Sources: primary & secondary data).

Print media and television emerged as major sources of awareness. While Indiabulls was recognized as a housing finance provider, respondents showed stronger preference toward established institutions such as SBI and HDFC. Factors including competitive interest rates, transparent procedures, quick loan approval, employee responsiveness, and flexible repayment options significantly influenced customer satisfaction. The findings suggest that customer perception is closely linked to service quality and institutional credibility. Therefore, enhancing awareness programs, simplifying loan procedures, strengthening digital service delivery, and improving customer support mechanisms can help Indiabulls increase customer satisfaction and strengthen its competitive position in the housing finance market.

Annual Income	Percentage
Below 2 lakhs	20
2-4lakh	42
between5-10lakh	23
10and above lakh	15
Total	100.0

(Sources: primary data)

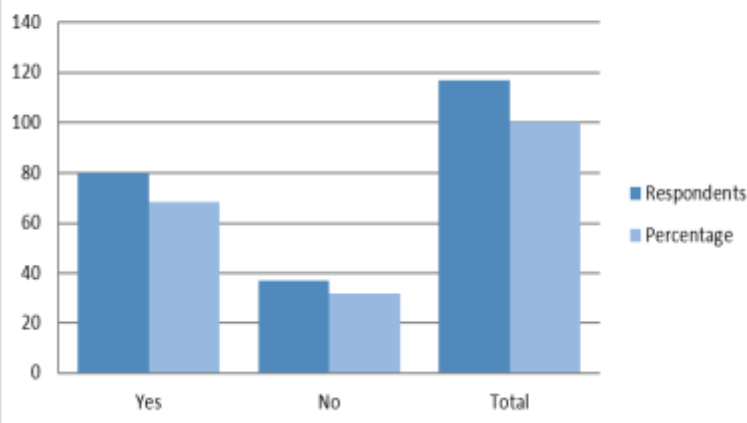
Annual income of the respondents.



Amount loan	percentage
Less than 10 lakhs	20
10-20 lakh	37
20-30lakh	28.3
Above 31 lakhs	15
Total	100.0

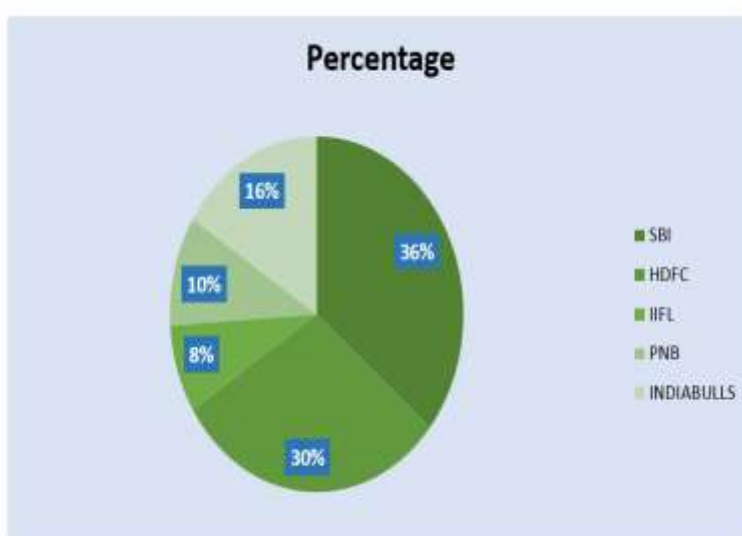
(Sources: primary data)

Are you aware of INDIABULLS offering housing loan

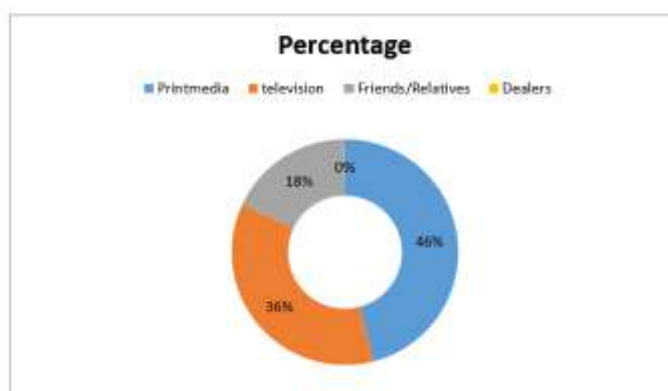


Decision	Percentage
SBI	36
HDFC	30
IIFL	8
PNB	10
INDIABULLS	16
Total	100

(Source: Primary and secondary data)

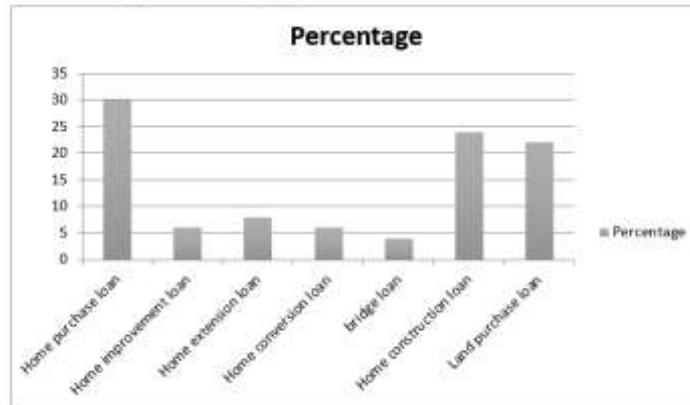


Platform	Percentage
Print media	46
Television	36
Friends/Relatives	18
Dealers	0
Total	100



Decision	Percentage
Home loan	30
Home improvement loan	6
Home extension loan	8
Home conversion loan	6
Bridge loan	4
Home construction loan	24
Land purchase loan	22

(Source: Primary and secondary data)



V. CONCLUSION

The study concludes that customer perception plays a crucial role in determining the success and sustainability of housing finance institutions. Home loans have become an essential financial instrument for individuals aspiring to own residential properties, particularly in rapidly urbanizing regions. The findings indicate that customers evaluate housing finance providers based on multiple factors, including interest rates, transparency, loan processing efficiency, service quality, employee responsiveness, and institutional reputation. Among the surveyed respondents, salaried individuals represented the dominant borrower category, highlighting the importance of stable income in housing loan eligibility and approval. Customer awareness regarding Indiabulls Housing Finance was found to be reasonably satisfactory; however, stronger market preferences were observed for established banking institutions such as SBI and HDFC. This suggests the need for enhanced branding and customer engagement strategies. The study further demonstrates that quick loan approval procedures, simplified documentation requirements, and transparent communication positively influence customer satisfaction. Technological advancements and digital banking solutions have become increasingly important in shaping borrower expectations and improving service delivery. Financial institutions that effectively integrate customer-centric practices and digital innovations are more likely to achieve higher customer retention and market competitiveness. The research emphasizes the importance of understanding borrower behavior and continuously improving service quality to meet evolving customer expectations. Furthermore, financial literacy and awareness initiatives can support informed decision-making among prospective borrowers. Overall, Indiabulls Housing Finance Limited possesses substantial opportunities to strengthen its market position by focusing on customer satisfaction, service excellence, and innovative housing finance solutions. Future research may explore

comparative studies involving multiple financial institutions and larger geographical regions to provide broader insights into customer perceptions and housing finance trends.

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