

A Comparative Study of Home Loan Procedure and Customer Satisfaction with Reference to SBI and HDFC

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ABSTRACT

This study explores the comparative analysis of home loan procedures and customer satisfaction between State Bank of India (SBI) and Housing Development Finance Corporation (HDFC). The research investigates key aspects such as application processes, documentation requirements, processing times, interest rates, and customer support. Through primary data collected from 160 respondents in Coimbatore, along with secondary data sources, the study evaluates customer preferences, digital platform usability, and the overall loan experience. Findings indicate that HDFC demonstrates superior performance in factors like loan approval speed, interest rate competitiveness, and customer service, while both banks maintain similar transparency in fee communication. The study concludes with insights for potential home loan seekers and recommendations for banks to enhance their service delivery.

Keywords: Home Loan Comparison, SBI vs HDFC, Customer Satisfaction, Home Loan Process, Interest Rates, Loan Approval Speed, Digital Banking, Documentation Process, Coimbatore Study.

I. INTRODUCTION

Home loans play a pivotal role in enabling individuals to achieve their dream of home ownership, making them one of the most sought-after financial products in the banking and finance sector. As the demand for housing continues to rise, so does the need for accessible and efficient home loan services. Among the leading providers in this domain in India are the State Bank of India (SBI) and Housing Development Finance Corporation (HDFC), both renowned for their extensive reach and diverse offerings.

This study aims to provide a comparative analysis of the home loan procedures and customer satisfaction with reference to SBI and HDFC, focusing on key aspects such as application processes, documentation requirements, processing times, interest rates, and overall customer support. Additionally, it seeks to assess customer satisfaction levels, highlighting the experiences of borrowers in their journey from application to loan disbursement and beyond. By examining these factors, the study will offer valuable insights into how each institution meets the expectations of its customers, contributing to a deeper understanding of the home loan landscape in India.

Ultimately, the findings of this comparative study will not only benefit potential home loan seekers in making informed decisions but also provide actionable recommendations for both SBI and HDFC to

enhance their services and improve customer satisfaction.

II. LITERATURE REVIEW

Vishal Geete and Anshu Thakur (2014) investigated the cost of home loans offered by banks, comparing loan schemes from private and public sector banks. They evaluated customer satisfaction levels, identified challenges faced by borrowers in obtaining loans, and analyzed consumer perceptions of home loans in both banking sectors. A sample size of 100 respondents, equally divided between private and public sector banks, was analyzed to provide insights into these aspects.

Raju Kaur, Kajal Chaudhary, Amit Kumar, Supreet Kaur Jaggi (2017) owning a home was identified as a major financial goal for many, but it could be challenging, especially for middle-class families. To make homeownership more affordable, the government offered housing finance loans at lower interest rates, with tax incentives. Borrowers repaid these loans through monthly installments, with loan eligibility depending on individual circumstances and bank policies. Numerous banks and financial institutions offered competitive housing loans with both fixed and floating interest rates. This study compared the home loan procedures and customer satisfaction between SBI, India's largest public sector bank, and HDFC, the largest private sector bank, focusing on their operations in Bathinda, Punjab.

Ramesh Vankadoth (2017) the study examined the evolution of housing finance in India, which faced challenges like an unorganized market and development disparities. Reforms in the 1990s, including fiscal incentives, shelter policies, and legal changes, improved the sector significantly. With a growing focus on individual loans, service quality, and product innovation, interest rates became less critical as a competitive tool in the housing finance industry.

Dr. Sukhjeet Kaur Matharu, Dr. Swaranjeet Arora, and Dr. Sachchidanand Pachori (2017) explored the increasing demand for home loans in India over the past decade, driven by the essential need for housing. The study observed that due to the high cost of housing, families typically opted for long-term loans, leading to a significant expansion of the home loan market. The researchers noted that both public and private banks, such as SBI and HDFC, offered competitive housing loans along with additional options for home improvement and 10 construction. Their research aimed to compare customer perceptions of housing loan services provided by SBI and HDFC, using a sample of 210 respondents from Indore. The objective was to analyze customer satisfaction and preferences between the two leading banks.

Sanjeev Kumar (2019) the paper aimed to analyze the feasibility of housing finance schemes based on key factors like interest rates, loan sanctioning stages, processing time, and communication efficiency, comparing SBI and HDFC Bank. It evaluated home loan borrowers' perceptions and the factors influencing their choice, based on a survey of 450 respondents from different age groups, income levels, and occupations. Through a combination of literature review and data analysis, the study offered insights into borrower preferences and served as a guideline for customers to better assess loan schemes, interest rates, and processing times to suit their needs.

Ms. Sanarahat Shigli (2019) the study conducted at HDFC Bank Vijayapur involved an in-depth analysis of housing loans, focusing on the comparison of fixed and variable interest rates for men and women. It also examined the existing conditions and challenges in the housing loan sector across three private and three nationalized banks. The research emphasized the role of the housing sector in economic development and how banks continuously evolved their products and services to stay competitive.

Ms. M. Uma Devi and Ms. R. Bharathi (2019) explored homeownership as a significant achievement for many, symbolizing efforts, sacrifices, and financial planning. They examined how banks and financial

institutions, such as HDFC, facilitated homeownership by offering various home loan products with competitive interest rates. The study highlighted HDFC's wide network and how it provided services tailored to individual needs. In response to India's housing shortage, the RBI had urged banks to promote housing finance, encouraging a more customer-friendly approach and offering affordable loan options to attract consumers.

Snehal Shah, Lalwani Nikita, Diya Modi (2022) home was a fundamental necessity for individuals and families, serving as both a living space and a long-term investment. However, many middle-class families found it challenging to afford a house. To facilitate home ownership, the government provided housing loans at lower interest rates. A housing loan allowed individuals to purchase a home through monthly installments at a specified interest rate, with approval based on eligibility and income. Many banks offered various loan options at different interest rates. This comparative study focused on customer satisfaction and the home loan procedures in public and private sector banks.

Pandi Sasikala. C and Dr. R. Venkatesan (2023) conducted research to understand the factors that influenced borrowers' decisions to choose SBI home loans in Ramanathapuram District. They emphasized the importance of a home as a basic need that provided emotional, mental, and physical well-being, especially for middle-class families. Their study noted that banks and financial institutions had offered home loans at reasonable interest rates, helping many individuals achieve their homeownership dreams. A sample of 125 respondents had been selected using random sampling, and data was collected through a structured questionnaire. The study aimed to analyze the simplified procedures for obtaining SBI home loans and the quality of customer service provided.

Miss. Pratiksha Deepak Chhagankar (2024) owning a home was a significant achievement, but the high costs involved made it difficult for many individuals to afford. To make homeownership possible, home loans served as a valuable financial tool. Leading institutions like SBI and HDFC offered home loans with various features tailored to borrowers' needs. SBI, as a public sector bank, typically offered competitive interest rates and a wide range of loan products, including options for salaried and self-employed individuals. HDFC, a prominent housing finance company, focused on providing customized home loan solutions, often with flexible repayment options and quick processing times. Both institutions played a pivotal role in helping individuals secure the funding necessary to purchase or build their dream homes.

III. RESEARCH METHODOLOGY

OBJECTIVES OF THE STUDY

(a) Primary Objective

To Study the Home Loan Procedure and Customer Satisfaction of SBI and HDFC.

(b) Secondary Objectives

- To assess the customer preference towards home loan applications.
- To Study the extent to which customers find the interest rates, processing fees, and hidden charges clearly communicated and reasonable.
- To Understand the customer satisfaction towards bank home loan process.
- To Investigate customer satisfaction with the bank's digital platforms, such as mobile apps and websites, for loan management and their usability.
- To Identify customer preferences for future loans and their feedback on how well the bank values its customers and addresses their concerns.

SCOPE OF THE STUDY

- The study will focus on comparing home loan procedures, interest rates, service quality, and customer satisfaction for SBI and HDFC across various demographics.
- The research will analyze customer feedback and experiences to highlight key differences and similarities in loan offerings between the two banks.
- This research will be conducted in the Coimbatore district. The study period will cover data collection and analysis carried out over a duration of six months, ensuring a detailed and comprehensive evaluation of customer perspectives and banking practices within the specified region and timeframe.

NEED FOR THE STUDY

- There is a growing demand for home loans in India, making it essential to understand how banks can better serve customers to remain competitive.
- Identifying factors influencing customer satisfaction will help banks improve their home loan offerings and address challenges faced by borrowers.
- The research will contribute to existing literature by providing insights into customer preferences and behaviours related to home loans.

DATA COLLECTION

Online survey of 160 SBI and HDFC home loan borrowers, covering application, interest rates, documentation, processing time, and satisfaction. Random sampling ensures unbiased data.

VARIABLES

Dependent Variables

- Customer satisfaction levels (measured through surveys).
- Loan processing time.
- Overall borrower experience.

Independent Variables

- Interest rates offered by SBI and HDFC.
- Service quality metrics (e.g., responsiveness, customer support).
- Additional costs (processing fees, insurance, etc.).
- Demographic factors (age, income level, type of home loan).

SAMPLING TECHNIQUES

(a) Sample Selection

The sample size is used for the study is 160.

(b) Research Instrument

The research instrument is used in this study is questionnaire. A questionnaire is a list of questions or items used to gather data from respondents about their attitudes, experiences, or opinions.

IV. DATA ANALYSIS AND INTERPRETATION

DESCRIPTIVE ANALYSIS

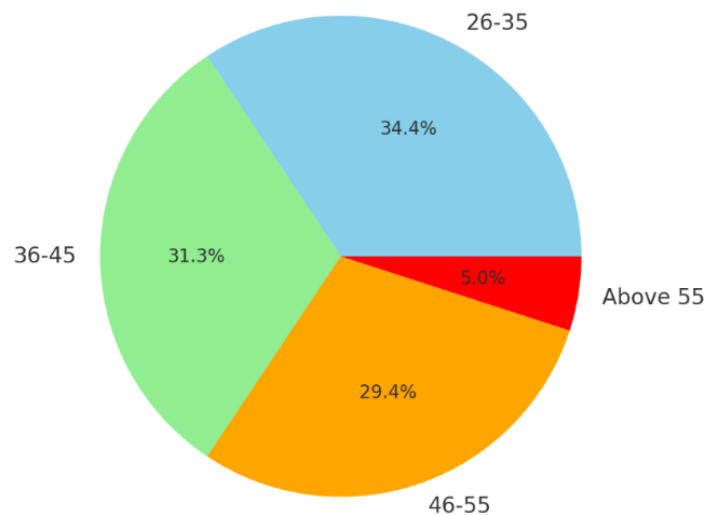
(a) Age

Table 1 (Frequencies of Age)

Age	Counts	% of Total	Cumulative %
26-35	55	34.4 %	34.4 %
36-45	50	31.3 %	65.6 %
46-55	47	29.4 %	95.0 %
Above 55	8	5.0 %	100.0 %

Fig 1 (Percentage of Age)

Age Distribution of Home Loan Borrowers



Interpretation

The sample is predominantly composed of respondents aged 26-35 (34.4%) and 36-45 (31.3%), together making up 65.6% of the total, indicating that home loan borrowers are mostly in their prime working years. The 46-55 age group accounts for 29.4%, suggesting that middle-aged individuals also actively seek home loans, likely for upgrading homes or investments. Only 5% of respondents are above 55, reflecting lower participation, possibly due to retirement, financial stability, or reduced eligibility for long-term loans. This distribution highlights that home loans are primarily sought by individuals in the 26-45 age range, reinforcing their financial capacity and inclination towards homeownership.

(b) Gender

Table 2 (Frequencies of Gender)

Gender	Counts	% of Total	Cumulative %
Female	64	40.0 %	40.0 %
Male	96	60.0 %	100.0 %

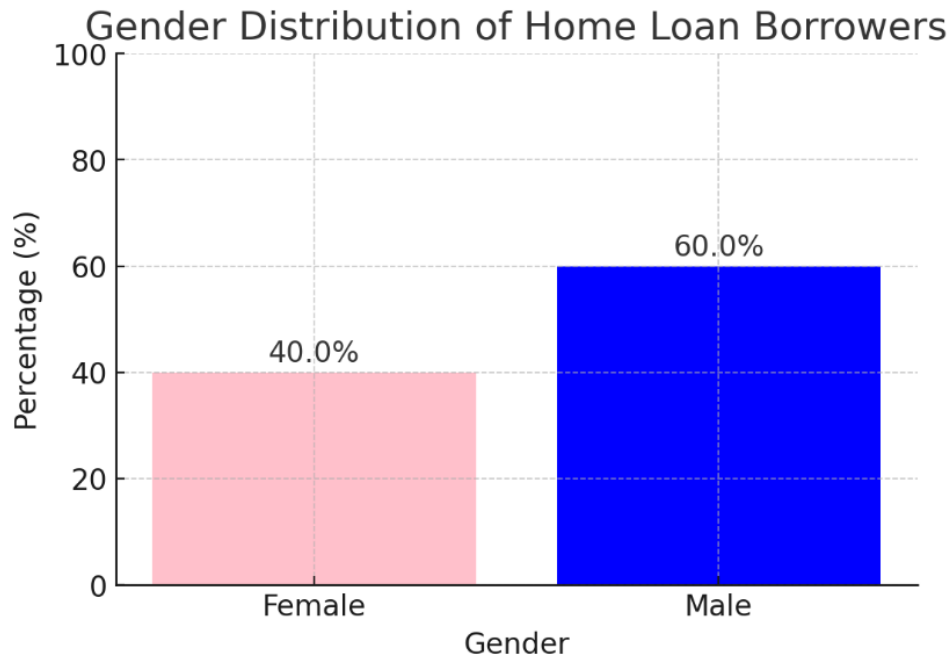


Fig 2 (Percentage of Gender)

Interpretation

The sample consists of 160 respondents, with 60% being male and 40% female. This indicates a gender imbalance, as males form a significantly larger proportion of the surveyed population. The disparity suggests that more men than women have availed home loans from SBI and HDFC, or that men were more likely to respond to the survey. This imbalance may influence the overall findings, particularly in areas where gender-specific preferences or challenges exist in the home loan process.

(c) Income Level

Table 3 (Frequencies of Income Level)

Income Level	Counts	% of Total	Cumulative %
Above ₹15,00,000	7	4.4 %	4.4 %
Below ₹5,00,000	37	23.1 %	27.5 %
₹10,00,000 - ₹15,00,000	40	25.0 %	52.5 %
₹5,00,000 - ₹10,00,000	76	47.5 %	100.0 %

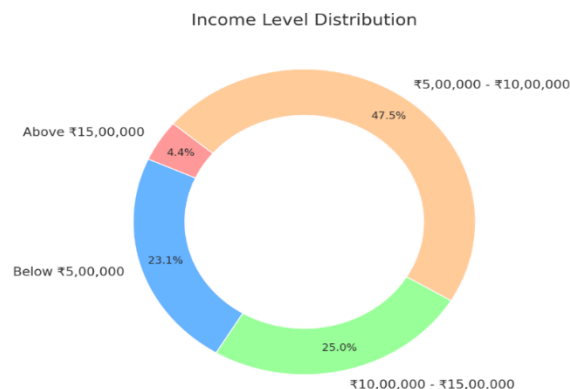


Fig 3 (Percentage of Income Level)

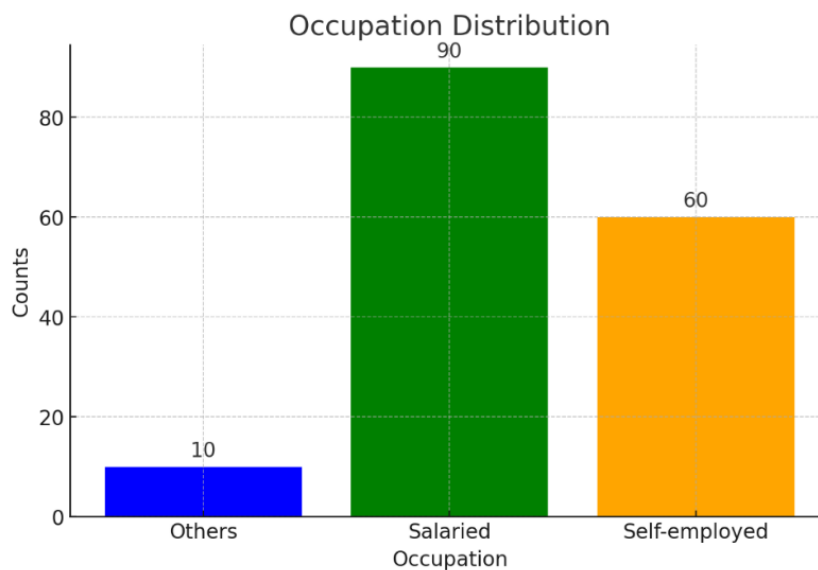
Interpretation

The income distribution of respondents shows that the majority fall within the ₹5,00,000 - ₹10,00,000 range (47.5%), indicating that home loan borrowers are primarily from the middle-income segment, likely seeking financing for their first homes or investment properties. The ₹10,00,000 - ₹15,00,000 group (25.0%) represents upper-middle-class individuals with greater financial stability and access to higher loan amounts. A smaller proportion (23.1%) earn below ₹5,00,000, suggesting that lower-income individuals still secure home loans, possibly through government schemes, subsidies, or smaller loan amounts. Only 4.4% of respondents earn above ₹15,00,000, indicating that higher-income groups may rely less on home loans or prefer alternative financing. Overall, the data highlights a predominance of mid-range income earners (₹5,00,000 - ₹15,00,000) in the home loan market, reflecting strong demand for housing finance among financially stable individuals.

(d) Occupation

Table 4 (Frequencies of Occupation)

Occupation	Counts	% of Total	Cumulative %
Others	10	6.3 %	6.3 %
Salaried	90	56.3 %	62.5 %
Self-employed	60	37.5 %	100.0 %



Interpretation

The employment distribution of respondents indicates that the majority are salaried employees (56.3%), highlighting that a stable income plays a crucial role in securing home loans. Salaried individuals often have better access to loans due to predictable earnings, employer-backed documentation, and lower perceived risk by banks. The self-employed category accounts for 37.5%, reflecting a substantial portion of borrowers who rely on business income. While self-employed individuals can secure home loans, they may face stricter eligibility criteria, including higher documentation requirements and proof of consistent income. The "Others" category makes up only 6.3%, indicating a minimal representation of borrowers outside traditional employment structures, such as freelancers, retirees, or contractual workers. Combined, salaried employees and "Others" constitute 62.5%, while the self-employed segment completes the dataset.

at 100%, reinforcing that formal employment remains a dominant factor in home loan approvals, though self-employed individuals also contribute significantly to the borrowing population.

(e) Bank Preference

Table 5 (Bank Preference Analysis)

Which bank did you choose for your home loan?	Counts	% of Total	Cumulative %
HDFC	87	54.4 %	54.4 %
SBI	73	45.6 %	100.0 %

Home Loan Bank Preference

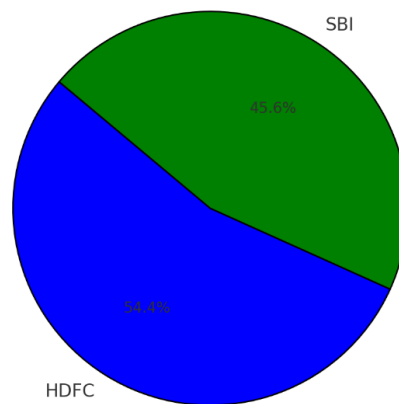


Fig 5 (Percentage of Bank Preference)

Interpretation

Among the 160 respondents, a majority of 87 (54.4%) opted for HDFC for their home loan, while 73 (45.6%) chose SBI, indicating that HDFC is slightly more popular among the surveyed borrowers. The preference for HDFC could be due to factors such as competitive interest rates, faster loan processing, better customer service, or flexible loan terms. On the other hand, SBI, as a trusted public sector bank, still attracts a significant share of borrowers, possibly due to its government-backed credibility, lower interest rates for specific customer categories, or wider accessibility in semi-urban and rural areas. The cumulative percentage confirms that 100% of respondents selected either HDFC or SBI, with no other banks being chosen, highlighting the dominance of these two institutions in the home loan market. This suggests that borrowers prefer well-established banks for home financing due to their reliability, financial products, and customer support services.

INDEPENDENT SAMPLES T-TEST

Table 6 (Independent Samples T-Test)

		Statistic	df	p	Mean difference	SE difference	Cohen's d	Effect Size
The home loan application process was easy to follow.	Student's t	3.24	158	0.001	0.447	0.138		0.515

The information provided during the application process was clear.	Student's t	2.96	158	0.004	0.408	0.138	Cohen's d	0.47
The documentation required for the loan process was reasonable.	Student's t	2.68	158	0.008	0.396	0.148	Cohen's d	0.425
The loan approval process was completed within a reasonable time.	Student's t	3.6	158	< .001	0.601	0.167	Cohen's d	0.571
The processing fees and hidden charges were clearly communicated.	Student's t	2.55	158	0.012	0.415	0.163	Cohen's d	0.404
The interest rates offered were competitive and met my expectation.	Student's t	3.95	158	< .001	0.659	0.167	Cohen's d	0.627
I was satisfied with the transparency regarding all fees and charges associated with the home loan.	Student's t	1.86	158	0.065	0.293	0.157	Cohen's d	0.295
The customer service provided by the bank during the loan application.	Student's t	3.41	158	< .001	0.538	0.158	Cohen's d	0.541
Communication with the bank during the loan application was clear.	Student's t	2.21	158	0.029	0.361	0.163	Cohen's d	0.351
I am satisfied with the overall home loan process at my bank.	Student's t	2.27	158	0.024	0.357	0.157	Cohen's d	0.361

Note. $H_a \mu_1 \neq \mu_2$

Levene's test is significant ($p < .05$), suggesting a violation of the assumption of equal variances

Interpretation

The t-test results show significant differences in home loan perceptions. Levene's test ($p < .05$) suggests using Welch's t-test due to unequal variances. The largest differences were in interest rates ($t = 3.95$, $p <$

.001, $d = 0.627$) and loan approval time ($t = 3.6$, $p < .001$, $d = 0.571$), indicating varied customer experiences. Significant differences also appeared in customer service ($t = 3.41$, $p < .001$, $d = 0.541$) and loan application ease ($t = 3.24$, $p = 0.001$, $d = 0.515$). Moderate differences were seen in processing fee transparency ($t = 2.55$, $p = 0.012$, $d = 0.404$) and communication clarity ($t = 2.21$, $p = 0.029$, $d = 0.351$), while fee transparency satisfaction ($t = 1.86$, $p = 0.065$, $d = 0.295$) was not significant. These insights suggest areas for improvement in loan processing, interest rates, and transparency.

Assumptions

Table 7 (Homogeneity of Variances Test (Levene's))

	F	df	df2	p
The home loan application process was easy to follow.	18.17	1	158	< .001
The information provided during the application process was clear.	6.14	1	158	0.014
The documentation required for the loan process was reasonable	9.26	1	158	0.003
The loan approval process was completed within a reasonable time.	18.71	1	158	< .001
The processing fees and hidden charges were clearly communicated.	12.89	1	158	< .001
The interest rates offered were competitive and met my expectation.	18.52	1	158	< .001
I was satisfied with the transparency regarding all fees and charges associated with the home loan.	7.51	1	158	0.007
The customer service provided by the bank during the loan application.	11.88	1	158	< .001
Communication with the bank during the loan application was clear.	12.89	1	158	< .001
I am satisfied with the overall home loan process at my bank.	5.34	1	158	0.022
<i>Note.</i> A low p-value suggests a violation of the assumption of equal variances				

Interpretation

The results show significant variations in customer experiences with the home loan process, reflecting diverse expectations. Unequal variances were found in loan application ease ($F = 18.17$, $p < 0.001$), approval time ($F = 18.71$, $p < 0.001$), and interest rates ($F = 18.52$, $p < 0.001$). Differences also appeared in fee transparency ($F = 7.51$, $p = 0.007$) and documentation requirements ($F = 9.26$, $p = 0.003$). These insights help banks identify key customer segments, improve communication, enhance transparency, and offer personalized financial solutions to boost satisfaction.

PRINCIPAL COMPONENT ANALYSIS

Component Loadings Table 8 (PCA)

	Component			Uniqueness
	1	2	3	
The customer service provided by the bank during the loan application process was satisfactory.	0.737			0.257
I feel that the bank values its customers and provides good service overall.	0.726			0.39
The bank's online services for loan management meet my expectations.	0.66			0.491
I was satisfied with the transparency regarding all fees and charges associated with the home loan.	0.653			0.434
The interest rates offered were competitive and met my expectations.	0.562		0.539	0.363
The documentation required for the loan process was reasonable and straightforward.	0.56			0.519
The overall customer experience with the loan process was positive.	0.548			0.503
I am satisfied with the bank's approach to handling customer feedback and complaints.	0.525			0.446
I am satisfied with the overall home loan process at my bank.	0.502			0.494
The loan process was transparent and free of hidden costs or fees.				0.528
The information provided during the application process was clear and understandable.				0.547
The bank clearly explained all the terms and conditions of the loan.		0.765		0.352
The processing fees and hidden charges were clearly communicated by the bank.		0.672		0.372
Communication with the bank during the loan application was clear and efficient.		0.664		0.429
The home loan application process was easy to follow.		0.657		0.406
The loan approval process was completed within a reasonable time frame.		0.653		0.399
Which bank did you choose for your home loan?			- 0.697	0.51

I would consider taking another loan from this bank in the future.			0.62	0.442
I would recommend my bank's home loan services to others.			0.548	0.414
The bank's mobile app/website is user-friendly for managing my loan account.			0.532	0.45
I did not face any significant issues during the loan process.				0.506
Note. 'varimax' rotation was used				

Interpretation

Component 1: Customer Service & Satisfaction factors include customer service (0.737), feeling valued (0.726), and online services (0.660), shaping overall perceptions.

Component 2: Clarity & Communication strongly influenced by loan terms explanation (0.765) and processing fee clarity (0.672).

Component 3: Loyalty & Digital Experience driven by repeat loan likelihood (0.620) and recommendation (0.548), while bank choice (-0.697) indicates service quality differences.

Summary

Table 9 (Component Statistics)

Component	SS Loadings	% of Variance	Cumulative %
1	4.53	21.6	21.6
2	4.08	19.4	41
3	3.13	14.9	55.9

Interpretation

Three principal components were retained, explaining 55.9% of the total variance. Component 1 (21.6%), Component 2 (19.4%), and Component 3 (14.9%) capture a significant portion of the data's variability, aligning with the Eigenvalues >1 rule and the Scree Plot.

Assumption Checks

Table 10 (Bartlett's Test of Sphericity)

χ^2	df	p
1713	210	<.001

Interpretation

Bartlett's Test of Sphericity was significant ($\chi^2 = 1713$, $df = 210$, $p < .001$), confirming that sufficient correlations exist between the variables, thereby validating the appropriateness of performing Principal Component Analysis (PCA).

KMO Measuring of Sampling Adequacy

Table 11 (MSA)

	MSA
Overall	0.922

Which bank did you choose for your home loan?	0.902
The home loan application process was easy to follow.	0.908
The information provided during the application process was clear and understandable.	0.943
The documentation required for the loan process was reasonable and straightforward.	0.932
The loan approval process was completed within a reasonable time frame.	0.941
The processing fees and hidden charges were clearly communicated by the bank.	0.92
The interest rates offered were competitive and met my expectations.	0.939
I was satisfied with the transparency regarding all fees and charges associated with the home loan.	0.938
The customer service provided by the bank during the loan application process was satisfactory.	0.914
Communication with the bank during the loan application was clear and efficient.	0.882
I am satisfied with the overall home loan process at my bank.	0.944
I would recommend my bank's home loan services to others.	0.947
The bank clearly explained all the terms and conditions of the loan.	0.895
I did not face any significant issues during the loan process.	0.935
The overall customer experience with the loan process was positive.	0.937
The loan process was transparent and free of hidden costs or fees.	0.916
I would consider taking another loan from this bank in the future.	0.913
The bank's online services for loan management meet my expectations.	0.924
I am satisfied with the bank's approach to handling customer feedback and complaints.	0.948
The bank's mobile app/website is user-friendly for managing my loan account.	0.887
I feel that the bank values its customers and provides good service overall.	0.877

Interpretation

The Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy is 0.922, indicating excellent suitability for factor analysis. Individual MSA values (0.877–0.948) confirm strong intercorrelations among variables. The highest MSA values were found in customer satisfaction with feedback handling (0.948), recommendation of home loan services (0.947), and overall loan process satisfaction (0.944), highlighting key determinants of customer experience. While perceived customer value (0.877) and communication efficiency (0.882) show slightly weaker correlations, they remain highly valid. Overall, the dataset is well-structured for further multivariate analyses like PCA or EFA.

Eigenvalues

Table 12 (Initial Eigenvalues)

Component	Eigenvalue	% of Variance	Cumulative %
1	9.484	45.162	45.2
2	1.151	5.479	50.6
3	1.114	5.305	55.9
4	0.912	4.342	60.3
5	0.849	4.043	64.3

6	0.815	3.881	68.2
7	0.749	3.566	71.8
8	0.686	3.266	75
9	0.642	3.056	78.1
10	0.578	2.75	80.8
11	0.56	2.667	83.5
12	0.527	2.508	86
13	0.462	2.2	88.2
14	0.443	2.111	90.3
15	0.44	2.095	92.4
16	0.34	1.619	94
17	0.319	1.52	95.6
18	0.273	1.298	96.9
19	0.248	1.18	98
20	0.207	0.985	99
21	0.203	0.967	100

Interpretation

Based on Kaiser's Criterion (Eigenvalues >1), three components were retained, explaining 55.9% of total variance: Component 1 (9.484, 45.16%), Component 2 (1.151, 5.48%), and Component 3 (1.114, 5.31%). The sharp drop in eigenvalues suggests Component 1 is dominant, while Components 2 and 3 provide smaller contributions. A three-factor solution is appropriate for further analysis.

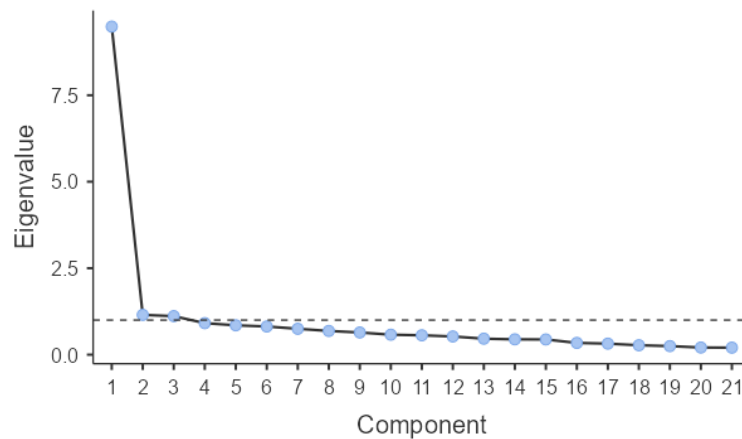


Fig 6 (Scree Plot)

Interpretation

The scree plot shows a steep decline from Component 1 to Component 2, indicating that Component 1 captures the most variance. The elbow point at Component 3 suggests that additional components contribute minimal variance. The eigenvalue = 1.0 line (Kaiser's Criterion) confirms that only three components are significant, making a three-factor solution optimal for summarizing the dataset.

4.1 BINOMIAL LOGISTIC REGRESSION

Model Fit Measures

Table 13 (Model Fit Measures)

Model	Deviance	AIC	BIC	R ² _{McF}
1	190	212	246	0.14

Interpretation

The binomial logistic regression model shows a moderate fit, with a deviance of 190 and McFadden's R² of 0.14, explaining 14% of the variance. The AIC (212) and BIC (246) indicate model performance, with lower values preferred. While the model captures key factors, adding predictors or refining specifications could improve its explanatory power.

Model Coefficients – Which Bank Did You Choose for Home Loans?

Table 14 (Model Coefficients)

Predictor	Estimate	SE	Z	p	Odds ratio	95% Confidence Interval	
						Lower	Upper
Intercept	2.4782	0.634	3.911	< .001	11.92	3.443	41.27
I would recommend my bank's home loan services to others.	-0.3115	0.269	-1.158	0.247	0.732	0.432	1.241
The bank clearly explained all the terms and conditions of the loan.	0.0657	0.242	0.272	0.786	1.068	0.665	1.715
I did not face any significant issues during the loan process.	-0.3246	0.233	-1.394	0.163	0.723	0.458	1.141
The overall customer experience with the loan process was posit	0.0834	0.239	0.348	0.728	1.087	0.68	1.738
The loan process was transparent and free of hidden costs or fees.	-0.108	0.225	-0.479	0.632	0.898	0.577	1.396
I would consider taking another loan from this bank in the future.	-0.0555	0.25	-0.222	0.824	0.946	0.58	1.543
The bank's online services for loan management meet my expectation.	0.192	0.266	0.722	0.47	1.212	0.72	2.04
I am satisfied with the bank's approach to handling customer feedback and complaints.	0.244	0.247	0.988	0.323	1.276	0.787	2.071

The bank's mobile app/website is user-friendly.	-0.5507	0.243	-2.265	0.024	0.577	0.358	0.929
I feel that the bank values its customers and provides good services.	-0.4308	0.251	-1.718	0.086	0.65	0.398	1.062
<i>Note.</i> Estimates represent the log odds of "Which bank did you choose for your home loan? = HDFC" vs. "Which bank did you choose for your home loan? = SBI"							

Interpretation

The binomial logistic regression shows that digital banking services significantly impact bank choice for home loans. The intercept (OR = 11.92, $p < .001$) indicates high odds of choosing a bank. The only significant predictor is mobile app/website usability (OR = 0.577, $p = 0.024$), suggesting that a poor digital experience reduces selection likelihood. Other factors, such as recommendations, customer service, and transparency, are not statistically significant ($p > 0.05$). This highlights the importance of enhancing digital banking services to attract home loan customers.

Prediction

Table 15 (Classification Table – ...)

Observed	Predicted		% Correct
	1	2	
SBI	39	34	53.4
HDFC	11	76	87.4
<i>Note.</i> The cut-off value is set to 0.5			

Interpretation

The classification table shows that the model predicts HDFC choices more accurately (87.4%) than SBI (53.4%). It correctly identifies 76 HDFC customers (TP) but misclassifies 11 (FP), while for SBI, 39 are correctly classified (TP), but 34 are misclassified (FN). The higher accuracy for HDFC suggests the model struggles with SBI due to overlapping predictors or insufficient distinguishing factors. Refining predictor selection or adjusting classification thresholds could improve overall accuracy.

V. LIMITATIONS OF THE STUDY

- **Regional Limitations:** The study may focus on Coimbatore district, which may not reflect broader trends in customer experiences and preferences across different areas.
- **Sample Size Limitations:** Although the sample size is 160, it may not be large enough to draw definitive conclusions or represent all customer segments adequately.

VI. RECOMMENDATIONS

- SBI should improve its digital platforms for better user experience.
- SBI should streamline its loan approval process to reduce delays.
- SBI could adopt clearer communication practices to enhance customer interactions.
- Both banks should introduce flexible loan terms tailored to diverse financial needs.
- SBI should improve its customer service through better staff training.

- Both banks should implement regular customer feedback mechanisms for service improvements.
- SBI should review its interest rates to remain competitive with HDFC.

VII. CONCLUSION

Based on the findings of this study, HDFC emerges as the more convenient choice for customers when compared to SBI. HDFC outperforms SBI in key areas such as faster loan approval processes, clearer communication, better customer service, and more competitive interest rates. Additionally, HDFC's digital platforms were found to be more user-friendly, enhancing the overall loan management experience. While both banks maintain similar transparency regarding fees and charges, HDFC's streamlined procedures and improved customer support make it the preferable option for home loan seekers seeking convenience and efficiency.

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