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A STUDY ON ANALYSIS OF HOME LOAN AT ICICI BANK

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ABSTRACT

This research provides an analysis of ICICI Bank's home loan services, focusing on loan schemes, eligibility criteria, interest rates, processing fees, and repayment options. It evaluates customer experiences, the application and approval process, and the impact of government policies like subsidies and tax benefits. Using both quantitative and qualitative methods, the study explores factors influencing customers' decisions to choose ICICI Bank, such as brand reputation, competitive rates, and customer service. It identifies challenges in customer awareness, transparency, and documentation. Findings suggest that ICICI Bank's home loans are highly regarded for competitive rates and flexibility, but improvements are needed in communication, transparency, and customer education. The research offers recommendations for enhancing digital tools, personalized services, and transparency to strengthen ICICI Bank's position in the home loan market in India.

KEYWORDS: *Home Loan, ICICI Bank, Loan Products, Interest Rates, Customer Satisfaction, Loan Application Process, Eligibility Criteria, Housing Finance, Loan Approval, Mortgage Loan.*

INTRODUCTION

In today's rapidly evolving economy, home ownership is a key aspiration, and home loans play a crucial role in achieving this goal. With rising disposable income, urbanization, and government initiatives, the demand for home loans in India has increased significantly. ICICI Bank, a leading private-sector bank, offers a variety of home loan solutions tailored to meet the needs of a diverse customer base. This study aims to analyse ICICI Bank's home loan products, focusing on interest rates, eligibility, repayment options, and customer experiences. It also examines factors influencing customer decisions, such as loan approval ease, digital platforms, and customer service.

The research highlights challenges faced by borrowers, including complex procedures and documentation requirements, and assesses how ICICI Bank has addressed these through personalized assistance and streamlined processes. The findings aim to offer recommendations for improving ICICI Bank's home loan offerings, focusing on customer satisfaction, simplified procedures, and leveraging technology to enhance the loan application process. This research provides valuable insights for borrowers and financial institutions in the competitive home loan market.

OBJECTIVES

- To analyse the socio-economic profile of respondents.
- To study the loan process, repayment status and interest amount charged in the bank
- To study the challenges and satisfaction level of customers.

REVIEW OF LITERATURE

Bansal, S. (2020), Risk Management Practices in Indian Private-Sector Banks: A Case Study of ICICI Bank. Bansal's paper delves into the risk management practices of ICICI Bank, particularly focusing on its strategies for mitigating credit risk, market risk, and operational risk. The study suggests that ICICI Bank's proactive approach has allowed it to maintain stability amidst market volatility.

Shukla, A. (2021), Sustainable Banking and CSR: A Look into ICICI Bank's Efforts to Align with Global Sustainability Goals. Shukla's study examines ICICI Bank's commitment to sustainable banking practices and its alignment with global environmental, social, and governance (ESG) standards. The paper highlights the bank's initiatives in green banking, sustainable investments, and community development.

Pandey, S., & Sharma, P. (2022) This research explores the macroeconomic factors that influence the demand for home loans in India, with a specific focus on ICICI Bank. It finds that interest rates, inflation, and real estate market conditions significantly affect loan disbursements. The study suggests that ICICI Bank's home loan offerings are highly sensitive to these factors, which requires adaptive strategies.

Verma, S., & Gupta, R. (2023) This research focuses on the role of AI, machine learning, and digital platforms in revolutionizing the home loan application and approval process. It highlights ICICI Bank's use of AI to assess creditworthiness, streamline documentation, and improve customer experience.

Agarwal, S., & Mehta, V. (2024) This research explores changing customer preferences for home loans in 2024, particularly in terms of loan tenure, interest rates, and flexibility. The study highlights how ICICI Bank has tailored its products to meet these evolving needs in a competitive market.

SOURCES OF DATA

• **Primary Data –** Questionnaire given to 120 respondents
• **Secondary Data -** Secondary data will be collected from ICICI Bank's reports, product brochures, market research, government publications, academic articles, and competitor analysis to validate findings.

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DATA ANALYSIS AND DISCUSSION

Table 1
Analysis of the Socio-Economic Profile of Respondents

Particular	Choices	No of Respondents	Percentage
Age	Below 18	57	48
	18 - 22	28	23
	23 - 26	20	17
	Above 26	15	13
Gender	Male	70	58
	Female	50	42
Marital status	Single	57	48
	Married	48	40
	Divorced	15	13
Education	Higher Secondary	57	48
	Undergraduate	48	40
	Postgraduate	11	9
	Ph. D	4	3
Occupation	Govt employee	43	36
	Private employee	41	34
	Self-employee professional	15	13
	Self-employee non professional	12	10
	Un employee	9	8
Income	Below 2 lakhs	39	33
	2-6 lakhs	39	33
	6-12 lakhs	37	31
	Above 12 lakhs	5	4

The data reveals a young demographic, with 48% of respondents being below 18 years. Males make up 58% of the sample. Most respondents are single (48%) and have completed higher secondary (48%) or undergraduate (40%) education. Employment is divided between government (36%) and private (34%) sectors, while 13% are self-employed professionals. Income is largely in lower brackets, with 66% earning below ₹6 lakhs annually, and only 4% earning above ₹12 lakhs. This suggests a youthful, early-career population with moderate income and education, possibly reflecting emerging professionals or students.

Table 2
Details of Loan Taken by Respondents

Particular	Choices	No of Respondents	Percentage
Type of home loan	Loan for lands	44	37
	Balance transfer home loan	42	35
	Loan for purchase of house / flat	27	23
	Pradhan Mantri awas yojana	7	6
Repayment tenure	5-10 years	45	38
	10-20 years	41	34
	2-5 years	31	26
	30 years	3	3
Taken any home loan previously	Yes	38	32
	No	62	52
	If yes fully paid	20	17
Parameter based on loan	Interest rate	58	48
	Loan amount	46	38
	Processing charges	16	13
Preferred EMI range	Below ₹15,000	46	38
	₹30,000 – ₹50,000	38	32
	₹15,000 – ₹30,000	28	23
	Above ₹50,000	8	7

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ICICI Bank's home loan options	Social media	33	28
	Advertisement (TV, radio, print)	32	27
	ICICI Bank website	27	23
	Referrals from friends/family	21	18
	Bank representative	7	6

The data indicates that most respondents are interested in loans for land (37%) and balance transfer home loans (35%). The majority prefer repayment tenures of 5-10 years (38%) or 10-20 years (34%). A larger proportion (52%) have not taken a home loan before, while 32% have, and 17% of those have fully repaid it. Interest rates (48%) and loan amounts (38%) are the key factors influencing loan decisions. The preferred EMI range is below ₹15,000 (38%). Most respondents learned about ICICI Bank's home loan options through social media (28%) and advertisements (27%), with 23% finding information on the bank's website. This suggests that the audience is price-sensitive and relies on digital platforms for information.

Table 3
Satisfaction and Other Factors

Particular	Choices	No of Respondents	Percentage
Satisfaction with Home Loan Interest Rate	Very Satisfied	41	34
	Satisfied	39	33
	Neutral	30	25
	Unsatisfied	8	7
	Very Unsatisfied	9	8
Comparison of ICICI Bank's Interest Rates with Other Banks	Yes, Much More Competitive	40	33
	Yes, Somewhat Competitive	36	30
	About The Same	32	27
	No, Not Competitive	12	10
Customer service rating during loan application process	Neutral	40	33
	Good	37	31
	Excellent	35	29
	Poor	6	5
	Very Poor	2	2
Most Beneficial Features of the Home Loan	Flexible Repayment Options	40	33
	Prepayment Options	40	33
	Lower Interest Rates	31	26
	Fast Processing Time	6	5
	High Loan Eligibility	3	3
Suggested Additional Benefits for ICICI Home Loan Customers	Yes	83	69
	No	37	31
Satisfaction with Overall Loan Product Offerings	Satisfied	52	43
	Very Satisfied	34	28
	Neutral	33	27
	Dissatisfied	1	1
	Very Dissatisfied	1	1
Issues with EMI Amount or Repayment Schedule	No Issues	54	45
	Minor Issues	48	40
	Major Issues	18	15

The data shows that most respondents are satisfied with ICICI Bank's home loan interest rates, with 34% very satisfied and 33% satisfied. A majority (63%) find ICICI's rates competitive, with 33% considering them much more competitive. Customer service ratings are mixed, with 33% neutral, 31% good, and 29% excellent. The most beneficial loan features are flexible repayment and prepayment options (33% each), followed by lower interest rates (26%). A significant 69% believe additional benefits should be offered. In terms of overall loan product satisfaction, 43% are satisfied and 28% very satisfied. Regarding EMI and repayment schedules, 45% faced no issues, while 40% had minor issues, and 15% had major issues. The feedback is generally positive, but there is room for improvement in customer service and additional benefits.

FINDINGS

- The majority of respondents are young, with 48% below 18 years and 58% male.

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- Most respondents are single (48%) and have completed higher secondary (48%) or undergraduate (40%) education.
- Employment is mostly in government (36%) or private (34%) sectors, with 66% earning below ₹6 lakhs annually.
- Preferred home loan types are loans for land (37%) and balance transfer loans (35%).
- 52% of respondents have not taken a home loan before, and 38% have fully repaid previous loans.
- Interest rates (48%) and loan amounts (38%) are key factors influencing loan decisions.
- Most prefer EMI below ₹15,000 (38%), with social media (28%) being the primary source of information.
- 69% believe additional benefits should be offered, and 43% are satisfied with the overall loan product offerings.

SUGGESTIONS

- Improve customer service to address mixed feedback and enhance user experience.
- Offer more competitive interest rates to attract customers seeking better deals.
- Introduce additional loan benefits to meet the demand from 69% of respondents.
- Streamline the EMI process to minimize issues faced by 55% of respondents.
- Focus marketing efforts more on digital platforms, as respondents primarily use social media and websites.
- Provide flexible repayment options that cater to varying income levels and preferences.

CONCLUSION

The study on the analysis of home loan services at ICICI Bank reveals that the bank offers a competitive and customer-focused range of home loan products. Customers appreciate the bank's flexible repayment options, attractive interest rates, and the convenience provided by digital platforms. However, the research also highlights areas that require improvement, such as simplifying documentation procedures, enhancing transparency, and increasing awareness of schemes like Pradhan Mantri Awas Yojana (PMAY). The statistical analysis indicates that factors like occupation influence customer satisfaction with EMI options and interest rates. While ICICI Bank has made significant strides in leveraging technology and offering personalized services, further steps in customer education and streamlined processes can enhance borrower experience. Overall, ICICI Bank holds a strong position in the home loan market, and with continued improvements in service delivery and communication, it can further strengthen its reputation and customer trust in the competitive housing finance sector.

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