Housing Finance - An Analysis Of Post Purchase Behaviour Of Consumers

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INTRODUCTION

Post-purchase behavior involves all the consumers' activities and the experiences that follow the purchase. Usually, after making a purchase, consumers experience post-purchase dissonance. In other words, they regret their purchase decision. *Dissonance* is sometimes confused with dissatisfaction, is defined as a situation which exists when consumers who have made recent purchases have doubts about the wisdom of their decisions **(Engel 1963)**. Consumer dissatisfaction, on the other hand, is the degree to which expectations are negatively confirmed **(Tse, Nicosia and Wilton (1990)**. Post purchase dissonance can occur after important and difficult decisions have been made, after being easily persuaded **(Bell 1967)**, after being coerced to do so or say something contrary to one's beliefs, attitudes and opinions, and after being exposed to discrepant information **(Oshikawa 1969)**. Post purchase dissonance is often affected by a number of alternatives considered **(Holloway 1967)** and price (e.g. more expensive items may tend to increase dissonance) **(Oshikawa 1970)**. The reasons for high post-purchase dissonance can be attractiveness and performance of forgone alternatives, difficult purchase decisions, large number of alternatives, etc. A high level of post-purchase dissonance is negatively related to the level of satisfaction the consumer draws out of product usage. While experiencing post-purchase dissonance, consumers become acutely aware of the marketers' communication. To reduce post-purchase dissonance, consumers may sometimes even return or exchange the product. Marketers, therefore, can use these opportunities to reduce consumers' risk perception by way of good return/exchange policies and reduce their post-purchase dissonance by messages targeted at this segment of their consumers. Despite post-purchase dissonance, many consumers proceed with consumption of the product. How consumers use the products is an important knowledge source for marketers, as they can offer better products and reach more consumers based on these consumer usage patterns. Product use/consumption is followed by its evaluation, which may then lead to satisfaction (perceived performance > minimum desired expectations); non-satisfaction (perceived performance = minimum desired expectations); or dissatisfaction (perceived performance < minimum desired expectations). Consumer dissatisfaction may result in complaint behavior. Consumers may choose to take action against the marketer/service provider by way of not recommending to friends & relatives, returning the product, boycotting and brand switching, complaining to the marketer, complaining to the relevant government/non-government bodies, and/or taking legal action against marketers/service provider. Housing, as one of the three basic needs of life, always remains the top priority of any person, government and society at large **(Gul singh 2006)**. Housing constitutes an important component and is a measure of the socio- economic status of people. A house is considered a key sector of the national economy that measures the standard of living and economic condition of a country. It also has social benefits, for inadequate dwelling contributes to low family income, while a well planned house can increase national productivity, economic urban space and minimize the cost of urban infrastructure **(World Bank, 1975)**. Rapid increases in population and urbanization and changing socio-economic patterns in India over the last few decades have resulted in a rapid increase in the demand for housing. It is regarded as a critical sector in terms of policy initiatives and interventions. This is reflected in the efforts of the Government to improve housing and habitat conditions by way of financial allocations in the Five Year Plans and fiscal measures related to housing announced in the Union Budgets.

THE HOUSING FINANCE INDUSTRY

Mortgage financing industry, which was earlier known as the housing finance industry in India was estimated

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approximately at US $ 18 billion. In the recent years, a significant change has been seen in the structure of the mortgage industry. Currently, the HFCs are regaining market share in direct housing finance segments, which they had lost to Banks. The share of HFCs in the direct housing finance segment increased from 32% in FY 2005-06 to 52% in the FY 2008-09. Housing finance industry in India is growing at a fast rate, but still, of the total housing investment in India, financing through the organized sector continues to account only for 25% (Source: LIC Housing finance). The top players in this industry are housing finance companies, commercial (local as well as foreign) banks, cooperative banks and other non-banking financial companies (NBFCs). Currently, HDFC (Housing Development Finance Corporation) is the market leader and after it, SBI (State Bank of India) stands. Other companies that have a significant share apart from HDFC and SBI are ICICI (The Industrial Credit and Investment Corporation of India) and LIC (Life Insurance Corporation).

METHODOLOGY
In this study, the descriptive research design has been used. The descriptive research is marked by a clear statement of the problem, specific hypotheses, detailed information needs, sample selection, data collection and processing and analysis of the collected data to get valid inferences in the form of findings. The present study deals with the post purchase behaviour of the consumers of the commercial banks namely Public Sector Banks, Old Generation Private Sector Banks and New Generation Private Sector Banks.

❋ **Period of the study:** The study was carried out from June 2009 to February 2010.

❋**Sampling Design:** In the Present study, a multi-stage stratified proportionate random sampling technique has been used to draw adequate samples. There are 5 municipalities, 19 Town Panjayats and 331 village Panjayats in Namakkal District, Tamil Nadu. Out of which, 1 Municipality, 4 Town Panjayats and 66 Village Panjayats were randomly selected. 531 borrowers were identified randomly in proportion to the number of housing loans disbursed in the selected area.

OBJECTIVES OF THE STUDY
❋To assess the socio-economic characteristics of the consumers of the housing loans in scheduled commercial banks.
❋To find out the problems faced by the respondents after availing the housing loans.
❋To analyze the post purchase behaviour of the consumers.

ANALYSIS AND INTERPRETATION
Table 1: Demographic Factors Of The Respondents

S.No	Factors	Public sector banks	Old Private Sector Banks	New Generation Private	Total
1	**Gender**				
	Male	68.21	85.12	88.37	**75.33**
	Female	31.79	14.88	11.63	**24.67**
2.	**Age**				
	Below 30 years	8.02	4.13	1.16	**6.03**
	30-40 years	38.89	43.80	26.74	**38.04**
	41-50 years	40.12	50.41	55.81	**45.01**
	51-60 years	8.03	0.83	16.28	**7.91**
	Above 60Years	4.63	0.83	0	**3.01**

Source: Primary Data

From the Table 1, it can be inferred that more number of female respondents had taken housing loan from public sector banks and 89.08 per cent of the respondents had been involved in the house construction activity before they were completed 50 years of age. From the Table 2, it can be inferred that majority of the respondents were salaried males, with a family size of 3-5 people. Most of the respondents, i.e., 59.32 per cent were either graduates or post graduates.Economic factors from Table 3 provide the respondents' income, savings and asset information. It can be

Table 2 : Social Factors

Sl.No	Factors	Public sector banks	Old Private Sector Banks	New Generation Private	Total
1.	**Marital Status**				
	Married	91.98	97.52	97.67	**94.16**
	Unmarried	8.02	2.48	2.33	**5.84**
2.	**Occupation**				
	Professional	4.63	2.48	19.77	**6.59**
	Salaried	69.44	66.12	9.30	**58.95**
	Self Employed	25.93	31.40	70.93	**34.46**
3.	**Education**				
	No formal Education	1.85	6.61	0	**2.64**
	Higher Secondary Education	31.17	20.66	47.67	**31.45**
	Under Graduation	38.27	42.98	20.93	**36.53**
	Post-Graduation	24.07	27.27	11.63	**22.79**
	Professional	4.63	2.48	19.77	**6.59**
4.	**Family Size**				
	Less than 3	5.25	16.53	0	**37**
	3-5	69.14	64.46	60.47	**354**
	6-8	25.00	17.36	39.53	**136**
	Above 8	0.62	1.65	0	**4**

Source: Primary Data

Table 3 : Economic Factors

Sl.No	Factors	PSB	Old Private Sector Banks	New Generation Private	Total
1.	**Annual Family Income (₹)**				
	Upto ₹ 150000	6.48	38.84	19.77	**16.01**
	₹ 150001- ₹300000	29.63	35.54	24.42	**30.13**
	₹ 300001- ₹450000	51.23	23.14	34.88	**42.18**
	Above ₹ 450000	12.65	2.48	20.93	**11.68**
2.	**Annual Family Savings (₹)**				
	Upto ₹ 100000	19.14	54.55	32.56	**29.38**
	₹100001- ₹ 200000	52.16	42.98	39.53	**48.02**
	₹ 200001- ₹300000	28.40	2.48	26.74	**22.22**
	Above ₹300000	0.31	0	1.16	**0.38**
3.	**Assets (₹)**				
	Up to 500000	50.93	52.07	29.07	**47.65**
	500001-1000000	15.43	23.97	30.23	**19.77**
	1000001-2000000	16.05	0	0	**9.79**
	2000001-3000000	1.54	3.31	11.63	**3.58**
	3000001-4000000	2.45	7.44	0	**3.20**
	Above 4000000	13.58	13.22	29.07	**47.65**

Source: Primary Data

understood that 51.23 per cent of the respondents have an annual income of ₹ 3,00,000 to ₹ 4,50,000.Regarding the savings and the assets of the respondents, a majority of the respondents had ₹ 1,00,000 to ₹ 2,00,000 as savings and ₹ 5,00,000 as asset value with 52.16 per cent and 50.93 per cent of the respondents respectively.

<div align="center">Table 4 : Period of Repayment of Loan</div>

Sl.N	Repayment Period	No. of Borrowers						Total	%
		PS Bank	%	OGPS Banks	%	NGPS Banks	%		
1.	Up to 5 Years	26	8.02	17	14.05	9	10.47	52	9.79
2.	6-10 Years	51	15.74	45	37.19	43	50.00	139	26.18
3	11-15 Years	146	45.06	55	45.46	24	27.91	225	42.37
4	16-20 Years	101	31.17	4	3.31	10	11.63	115	21.66
	Total	324	100.00	121	100.00	86	100.00	531	100.00

Source: Primary Data

It can be understood from the Table 4, that in total, 42.37 per cent of the total borrowers have a repayment period of 11 to 15 years, followed by 26.18 per cent of the respondents, who have a repayment period of 6 to 10 years. The number of borrowers with a repayment period of up to 5 years constituted 9.79 per cent to the total respondents. The first two important repayment periods availed by the borrowers from public sector banks were 11 to 15 years and 16 to 20 years, whereas, in the case of old generation private sector banks, these were 11 to 15 years and 6 to 10 years. In case of new generation private banks, these were 6-10 years and 11 to 15 years. This analysis reveals that the repayment period in public sector banks is higher than it is in the other two groups of banks.

<div align="center">Table 5 : Linear Multiple Regression Model - Amount Of Loan Applied- Bank Wise</div>

Independent Variables	Among Public Sector Banks	Among Old Generation Private Sector Banks	Among New Generation Private Sector Banks
Product	.492*	.855*	1.292*
Price	3.374*	2.852*	3.900*
Place	-.295	-.203	1.185*
Promotion	.041	.492*	-.877
People	-.134	.463*	.184
Process	-.108	.167	-.057
Physical Evidence	.345	.166	-.063
Constant	-1.856	-2.393	.324
R^2	.582	.782	.603
N	323	121	84

*Significant at 0.05 level   Source: Primary Data

LMR analysis of Table 5 shows that the perception on product and price has a significant positive impact among all kinds of banks. Place as a factor has a significant positive impact among the new-generation private sector banks. Perception on promotion and people has a significant positive impact among the old generation private sector banks. The analysis shows that perception on 4P's has a significant positive impact on different types of banks. From the Table 6, it is understood that 70.81 per cent of the respondents use the installment amount for the intended purpose i.e.,

<div align="center">Table 6 : Uses Of Loan Amount</div>

S.No	Use of Installment amount	No. of Borrowers						Total	%
		PS Banks	%	OGPS Banks	%	NGPS Banks	%		
1.	Construction purpose	235	72.53	71	58.68	70	81.40	376	70.81
2.	For settlement of other loans	47	14.51	14	11.57	8	9.30	69	12.99
3	For business	25	7.71	10	8.26	0	0	35	6.59
4.	Personal spending	17	5.25	26	21.49	8	9.30	51	9.60
	Total	324	100	121	100	86	100	531	100

Source: Primary Data

construction purpose, whereas 12.99 per cent of the respondents used it for settlement of other loans which they availed for the urgent need of house construction. In the case of public sector undertaking banks, 72.53 per cent of the respondents used the installment amount for construction purpose only. In the case of old and new-generation private sector banks, an installment amount was used for construction activity by 58.68 and 81.40 per cent of the respondents respectively.

Table 7: Repayment Behaviour

| S.No | Repayment Behaviour | No. of Borrowers | | | | | | Total | % |
		PS Banks	%	OGPS Banks	%	NGPS Banks	%		
1.	Regular	224	69.14	103	85.12	75	87.21	**402**	**75.71**
2.	Occasional defaulter	87	26.85	17	14.05	10	11.63	**114**	**21.47**
3	Defaulter	13	4.01	1	0.83	1	1.16	**15**	**2.82**
	Total	**324**	**100**	**121**	**100**	**86**	**100**	531	100

Source: Primary Data

The Table 7 reveals that majority (75.71%) of the respondents' repayment behaviour was regular. Occasional defaulter and Defaulters' accounts were for 21.47 and 2.82 per cent of the respondents in total. In all the three types of banks, public sector undertaking banks have the highest defaulter respondents, with 30.86 per cent; followed by old generation and new generation private sector banks with 14.88 and 12.79 per cent of the respondents coming under the defaulters' respectively.

Table 8: Reasons For Default

| S.No | Repayment Behaviour | No. of Borrowers | | | | | | Total | % |
		PS Banks	%	OGPS Banks	%	NGPS Banks	%		
1.	Unforeseen expenditure	56	56	5	27.78	7	63.64	**68**	**52.71**
2.	Loss of job	8	8	1	5.56	0	0	**9**	**6.98**
3	Forget to pay EMI	36	36	12	66.67	4	36.36	**52**	**40.31**
	Total	**100**	**100**	**18**	**100**	**11**	**100**	129	100

Source: Primary Data

The Table 8 reveals that majority (52.71 per cent) of the respondents default on their loans because of some unforeseen expenditures, whereas, 40.31 per cent of the respondents default on their loans because they forget to pay the EMI. 6.98 per cent of the respondents default on their loans because of loss of job. In all the three kinds of banks, the important reasons for default of the housing loan are unforeseen expenditures. The Table 9 depicts that the important problems

Table 9 : Problems Encountered

| S.No | Problems | Mean scores among borrowers | | | F- Statistics |
		PSU Banks	Old gen. Pvt. Banks	New gen. Pvt. Banks	
1.	Delay in Sanctioning	3.9351	4.0579	3.9302	0.596
2.	Lack Transparency	3.7654	3.2561	3.5349	0.000
3.	Delay in disbursement	3.3735	3.5207	3.0930	0.038
4.	Getting the expected loan amount	3.2593	3.5785	3.3837	0.032
5.	Too much formalities	3.2685	3.2066	2.8372	0.044
6.	High interest rates	3.5710	3.7438	3.2441	0.028
7.	Lack of Information	3.5957	3.4545	3.3721	0.352
8.	Lack of Employees help	3.9259	3.7190	3.5698	0.032
9.	Poor Post purchase attitude	3.1049	2.8347	3.1279	0.139
10.	Unfair charges	2.9784	2.5123	3.4558	0.001*

Source: Primary Data

faced by the respondents from public sector banks are delay in sanctioning of the loan amount, lack of bank employees' help, and lack of transparency as the respective mean scores are 3.9351, 3.9259 and 3.7654. In new-generation private sector banks, the important problems were delay in sanctioning of loan amount, High interest rates and lack of bank employees' help as its mean scores are 4.0579, 3.7438 and 3.7190 respectively. In the case of new-generation private sector banks, the important problems were delay in sanctioning of loan , lack of bank employees' help and lack of transparency as the respective mean scores are 3.9302, 3.5698 and 3.5349. The analysis shows that delay in sanctioning of loan amount, lack of bank employees' help and lack of transparency are the dominant problems in all the three kinds of banks. Regarding the perception on various problems encountered by the borrowers, the significant differences among the three group of borrowers were identified, especially regarding the perception on unfair charges, since the respective 'F' statistics are significant at five per cent level.

Table 10: Linear Multiple Regression Model - Problems Faced

Independent Variables	Among Public Sector Banks	Among Old Generation Private Sector Banks	Among New Generation Private Sector Banks
Product	.019	-.046	-.056
Price	-.305*	-.380*	-.014
Place	.057	-.026	-.004
Promotion	-.036	-.033	.082
People	-.001	-.073	-.242*
Process	.067	.038	.003
Physical Evidence	-.099	-.083	-.052
Constant	**2.413**	**1.530**	**2.631**
R^2	**.624**	**.584**	**.450**
N	**323**	**121**	**84**

Source: Primary Data

The results of LMR model as given in Table10 shows that perception of price is found to be an important variable. It has negative significant effect on the problems faced by the respondents in the public sector undertaking banks and old generation private sector banks. Perception of people by the respondents is the next important variable, as it also has a negative significant effect on the problems faced by the respondents in new-generation private sector banks. This shows that if the customers do not perceive the product, price, place, promotion, people, process and physical evidence, then there is a higher chance that they will face more problems with their respective banks.

Table 11 : Problem Stage

S.No	Use of Installment amount	No. of Borrowers						Total	%
		PS Banks	%	OGPS Banks	%	NGPS Banks	%		
1.	Application stage	62	19.14	45	37.19	3	3.49	110	20.72
2.	Screening stage	115	35.49	16	13.22	37	43.02	168	31.64
3	Sanctioning stage	25	7.72	9	7.44	20	23.26	54	10.17
4.	Disbursement stage	10	3.09	3	2.48	2	2.33	15	2.82
5.	Repayment stage	112	34.57	48	39.67	24	27.91	184	34.65
	Total	324	100	121	100	86	100	531	100

Source: Primary Data

It can be inferred from the Table 11 that a maximum of 34.65 per cent of the respondents felt that they faced more problems in the repayment stage, followed by 31.64 per cent of the respondents, who faced more problems in the screening stage of the loan process. 20.72 per cent of the respondents faced more problems in the application stage itself. In the public sector banks, the respondents' problem area was the screening stage, followed by the repayment stage. In the case of old and new-generation private sector banks, the problem area was repayment and screening stages with 39.67 and 43.02 per cent respectively.

Table 12 : Post Purchase Behaviour

Sl.No	Post Purchase Behaviour	No. of Borrowers						Total	%
		PS Banks	%	OGPS Banks	%	NGPS Banks	%		
1.	Dissatisfied state	23	7.10	12	9.91	19	22.09	**54**	**10.17**
2.	Non-satisfaction	136	41.98	47	38.84	33	38.37	**216**	**40.68**
3	Satisfied state	165	50.92	62	51.24	34	39.53	**261**	**49.15**
	Total	**324**	**100**	**121**	**100**	**86**	**100**	531	100

Source: Primary Data

It can be understood from the Table 12 that only 49.15 per cent of the respondents had a satisfied post purchase behaviour followed by 40.68 per cent of the respondents, who were in a non- satisfaction state. 10.17 per cent of the respondents had dissatisfied post purchase behaviour with their banks.

Table 13 : Actions Of The Dissatisfied Consumers Of Housing Loans

S.No	Response	No. of Respondents	Percentage
1.	Complaining behaviour	2	3.70
2.	Negative word of mouth communication	38	70.37
3.	Switching to other banks	4	7.41
4.	Foreclosing	10	18.52
	Total	**54**	**100**

Source: Primary Data

Table 13 shows that majority of the respondents, i.e., 70 per cent of the dissatisfied customers went in for negative word of mouth communication with their friends and relatives whereas 18.52 per cent of the respondents went in for foreclosing of the loans. Only 3.70 per cent of the respondents preferred to put forward their grievances with either the head office of banking ombudsman.

Table 14 : Reasons For Foreclosure

Sl.No	Use of Installment amount	No. of Borrowers						Total	%
		PS Banks	%	OGPS Banks	%	NGPS Banks	%		
1.	Increase in interest rate	22	14.29	14	34.15	14	46.67	**50**	**22.32**
2.	Settlement of other loans	54	35.06	8	19.51	4	13.33	**66**	**29.46**
3	Inability to meet EMI	25	16.23	5	12.20	2	6.67	**32**	**14.29**
4.	Settlement of family disputes	9	5.84	4	9.76	9	30.00	**22**	**9.82**
5.	Get rid of loan	26	15.88	10	24.39	0	0	**36**	**16.07**
6.	Problem with the bank	18	11.69	0	0	0	0	**18**	**8.04**
	Total	**154**	**100**	**41**	**100**	**30**	**100**	224	100

Source: Primary Data

It can be inferred from the Table 14 that in total, 29.46 per cent of the respondents opined that they have foreclosed the loan because of the settlement of other loans as their total responsibility comes down, followed by 22.32 per cent of the respondents, who foreclosed the loan because of the regular increase in the interest rates. In public sector undertaking banks, the important reason for the foreclosure of the housing loan was a settlement of the other loans. In the case of old and new-generation banks, the important reasons for the foreclosing were increase in the rates and settlement of other loans respectively.

ASSOCIATION BETWEEN THE PROFILE OF THE RESPONDENTS AND POST PURCHASE BEHAVIOR

Since the profile of the customers may be associated with the perception of the service quality factors, the present study

has made an attempt in analyzing the association between the profile of the customers and their Post purchase behaviour, with the help of one-way analysis of variance. The results are given in the Table 15. Regarding the post

Table 15 : Results of One- Way Analysis Of Variance

S.No	Variables	N	Mean	F Statistics
1.	**Gender**			
	Male	400	2.5025	19.279*
	Female	131	2.7328	
2.	**Age**			
	Upto 30 years	35	2.1428	16.679*
	31-40 years	199	2.6533	
	41-50 years	239	2.5858	
	51-60 years	42	2.1667	
	61-70 years	16	2.9375	
3.	**Occupation**			
	Professional	35	2.4857	4.519*
	Salaried	313	2.6166	
	Business	183	2.4754	
4.	**Bank Group**			
	PSB	324	2.5247	1.781
	Old Gen. PSB	121	2.6116	
	New Gen. PSB	86	2.6162	
5.	**Interest rate**			
	Floating	305	2.7475	108.748*
	Fixed	226	2.3053	
6.	**Repayment Behaviour**			
	Regular	402	2.5945	32.460*
	Occasional defaulter	114	2.5702	
	Defaulter	15	1.5333	
7.	**Amount of loan sanctioned**			
	Upto ₹ 2,00,000	37	2.3784	15.678*
	₹ 2,00,001- ₹ 4,00,000	186	2.4731	
	₹ 4,00,001-₹ 6,00,000	86	2.3023	
	₹ 6,00,001- ₹ 8,00,000	101	2.6634	
	₹ 8,00,001- ₹ 10,00,000	94	2.8191	
	Above ₹ 10,00,000	27	2.9259	
8.	**Period of Repayment**			
	Upto 5 Years	52	2.3462	67.212*
	6-10 Years	139	2.6835	
	11-15 Years	225	2.3067	
	16-20 Years	115	3.0	
9.	**Reading of the Loan agreement**			
	Not read	359	2.5125	4.470*
	Partially read	146	2.6644	
	Read	26	2.6154	

*Significant at 0.05 level.   Source: Primary data

purchase behaviour of the respondents, the significantly associating profile variables were gender, age, occupation, interest rate option, repayment behaviour, amount of loan sanctioned and reading the loan agreement since the F Statistics were significant at 5 percent level. Hence, it is concluded that there exists a significant difference among profile variables of the respondents and the post purchase behaviour of the respondents.

FINDINGS

❀ Nearly 87 % of the respondents were going in for house construction activity before they attained 50 years of age.

❀ Salaried and educated persons were the major segments of the people who applied for the housing loan.

❀ The most preferred repayment category was 11- 15 years period.

❀ Perception on product and price are the major determinants for the loan applied in all the three types of banks.

❀ Regarding the perception on various problems encountered by the borrowers, the significant difference among the three group of borrowers were identified especially in the perception on unfair charges, since the respective 'F' statistics are significant at five per cent level.

❀ Majority of the respondents felt repayment stage is the problem stage, which is similar to other studies reporting that homeowners defaulting on mortgage loans are likely to experience financial difficulty in the first 5 years of ownership **(O'Neill et al., 1995; von Furstenberg, 1970; von Furstenberg & Green, 1974)**.

❀ Majority of the respondents did not default on their loans as they have given their house as collateral security.

❀ Significant number of the respondents foreclosed their loans to get rid of the loans as the interest rates were not constant i.e., there was post purchase dissatisfaction.

❀ Though the consumers were dissatisfied, they were not switching to other banks immediately, as this impacted them in the form of switching cost. But in the long run, the respondents might consider switching to other banks.

❀ The analysis of LMR model shows that perception of price is found to be an important variable. It has a negative significant effect on the problems faced by the respondents in the public sector undertaking banks and old generation private sector banks. Perception on people by the respondents is the next important variable as it also has a negative significant effect on the problems faced by the respondents in new-generation private sector banks. This shows that if the customers do not perceive the product, price, place, promotion, people, process and physical evidence, there is a higher chance that they will face more problems in their respective banks.

❀ As Existing consumers are the main source of information to the new buyers, if the existing consumers are not satisfied, then it will affect the entry of new consumers.

❀ Consumers with satisfaction on housing loan after making the purchase, resort to positive word of mouth communication and the consumers with dissatisfaction resort to negative word of communication.

❀ With the use of one way analysis of variance, a significant difference was identified among the respondents on their post purchase behaviour with their profile variables. Further analyses revealed that there is no significant difference among the customers under different banks with their post purchase behaviour.

CONCLUSION

Post purchase behaviour is not shining for the housing loans as the respondents have negative word of mouth communication about the housing loan. Borrowers are also not comfortable with the legal formalities to acquire the housing loan as they face a lot of problems while buying a housing loan and even after buying the housing loan. Efforts should be taken to control the interest rates of the housing loans. The banks should impart soft skills training to their personnel to adopt a customer-friendly approach so that consumers will be satisfied with their services and spread positive word of mouth communication.

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