Customer Trust And Relationship Management Practices In Housing Finance Corporations: A Study In Kanyakumari District

Vaishna M S

Ph.D. Research Scholar, Reg. No. 22213151012001, Department of Commerce, S. T. Hindu College, Nagercoil – 629002, [Affiliated by Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli - 627 012, Tamil Nadu, India].

Dr. V. Leela

Supervisor, Department of Commerce, S. T. Hindu College, Nagercoil – 629002, [Affiliated by Manonmaniam Sundaranar University, Abishekapatti, Tirunelveli - 627 012, Tamil Nadu, India].

ABSTRACT

The study examines customer trust and relationship management practices adopted by Housing Finance Corporations in Kanyakumari District and evaluates their combined impact on customer satisfaction and loyalty. A sample of 90 borrowers was surveyed using a structured questionnaire. Percentage analysis and ranking methods were used to identify the major factors influencing customer trust, while t-test and ANOVA assessed variations across demographic groups. Correlation and regression analyses were employed to determine the strength and direction of relationships among trust, relationship management practices, satisfaction, and loyalty. The findings reveal that transparency, staff reliability, and data security are the most influential drivers of customer trust. Relationship management practices—particularly communication, service delivery, and grievance handling—show significant variation across income groups and strongly shape customer perceptions. Correlation results confirm that both customer trust and relationship management have strong positive associations with satisfaction and loyalty. Regression analysis further demonstrates that trust and relationship management significantly predict satisfaction, which in turn strongly influences loyalty. The study concludes that enhancing transparent communication, improving service delivery, strengthening digital support, and building trust-based interactions are essential for increasing customer satisfaction and long-term loyalty toward Housing Finance Corporations.

Keywords: Customer Trust, Relationship Management, Housing Finance Corporations, Transparency, Service Delivery, Digital Support, Grievance Handling, Customer Satisfaction, Loyalty

INTRODUCTION

Housing is one of the fundamental human needs and an essential indicator of a nation's socio-economic development. In India, rapid urbanization, population growth, and rising aspirations for improved living standards have significantly increased the demand for housing finance. Housing Finance Corporations (HFCs) play a pivotal role in bridging the financial gap by offering structured and affordable loan products tailored to the needs of diverse customer groups. In addition to providing financial support, HFCs increasingly focus on building a strong, trustworthy, and long-term relationship with their customers to stay competitive in the evolving financial landscape.

Ruma Majumder

In the modern financial services sector, customer trust has emerged as a cornerstone for organizational success. Trust reflects a customer's belief that the institution will act in their best interest, offer transparent information, maintain confidentiality, and deliver promised services without bias or hidden obligations. For borrowers, taking a housing loan is a major financial commitment that involves long-term repayment responsibilities. Therefore, trust becomes an essential element influencing their decision-making, satisfaction levels, and continued association with the financing institution.

Alongside trust, Relationship Management Practices (RMPs) have gained prominence as a strategic tool for enhancing customer loyalty and retention. Effective relationship management involves personalized communication, quick response to queries, efficient loan processing, supportive customer service, grievance redressal mechanisms, and the adoption of digital platforms for seamless transactions. HFCs today use customer-centric approaches, CRM software, and digital technologies to understand and fulfil customer expectations. Strong relationship management not only elevates service quality but also minimizes misunderstandings and fosters a positive customer experience.

Kanyakumari District has witnessed steady growth in housing development due to increasing employment opportunities, improved connectivity, and the expansion of residential infrastructure. This has encouraged many public and private sector housing finance corporations to extend their services in the district. Institutions such as LIC Housing Finance, HDFC Ltd., Tata Capital Housing Finance, and several cooperative and local housing finance agencies actively compete to attract potential borrowers. As a result, customer perceptions related to trust, transparency, service convenience, and relationship management play a decisive role in choosing a particular finance provider.

Despite the availability of multiple loan options, customers often face challenges such as complicated loan procedures, information asymmetry, hidden charges, delays in documentation, poor communication, and inadequate post-sanction support. These issues can weaken customer trust and affect their satisfaction and loyalty. Therefore, it becomes essential to evaluate whether the relationship management practices implemented by HFCs in Kanyakumari District are effective enough to build and sustain customer trust.

This study is undertaken to understand the dynamics of trust and relationship management in the housing finance sector. It aims to examine how customers perceive the services of HFCs, assess the extent to which trust influences their borrowing and repayment decisions, and analyze the role of CRM practices in shaping customer satisfaction. The insights generated from this research are expected to help housing finance corporations refine their operational strategies, enhance service quality, and create value-based long-term relationships with their customers.

Ultimately, the study will contribute to literature on customer relationship management in financial services and offer practical recommendations for strengthening trust-based interactions between housing finance corporations and their customers in Kanyakumari District.

REVIEW OF LITERATURE

Kannan and Joseph (2023) explored the effectiveness of digital relationship management tools adopted by major housing finance corporations across South India. The study reported that digital platforms—such as mobile apps, automated reminders, online EMI calculators, and chat-based customer support—played a crucial role in enhancing customer convenience and engagement. They observed that customers who actively used digital tools felt more empowered and informed throughout the loan process. The research also highlighted that digital transparency, including real-time updates on loan status and instant access to account statements, significantly reduced customer complaints and

improved trust. Moreover, the authors noted that while digital services improved efficiency, personal interaction remained essential, especially for first-time borrowers who required emotional guidance. They concluded that a blended service model combining digital tools with personalised human support created the highest levels of satisfaction and trust among customers.

Sharma and Meenakshi (2023) examined the role of customer relationship management practices in shaping customer satisfaction among borrowers of housing finance companies in Tamil Nadu. Their study revealed that personalized communication, timely updates, and transparency in loan processing were central components that significantly enhanced borrowers' trust. They found that customers who received continuous support during documentation and verification stages showed higher satisfaction levels and stronger loyalty intentions. The authors also noted that emotional assurance from employees—such as polite behaviour, respectful handling of queries, and empathetic guidance—played a crucial role in reducing customer anxiety during the long sanction period. Furthermore, the study highlighted that borrowers placed greater trust in institutions that provided accurate information about interest rates, processing fees, and prepayment rules. The researchers concluded that robust CRM mechanisms not only improve service quality but also reduce confusion, enhance trust, and create a long-term positive relationship between customers and housing finance institutions.

Rafiq and Thomas (2023) conducted an in-depth assessment of trust-building factors among customers of private housing finance corporations in Kerala. Their findings indicated that transparency, reliability, and ethical conduct were the strongest predictors of customer trust in housing loan providers. Customers valued companies that provided clear, jargon-free explanations of loan clauses and avoided hidden charges. The study also found that responsiveness—especially fast processing of applications, quick approval timelines, and proactive communication—had a direct influence on trust formation. Additionally, Rafiq and Thomas noted that data security, confidentiality of documents, and safe digital portals significantly improved customer confidence in online loan processing. They observed that trust levels were notably higher among customers who experienced smooth grievance redressal, timely callbacks, and supportive behaviour from staff members. Their research ultimately emphasized that building trust requires a mix of operational efficiency, ethical practices, and relational warmth.

1.1 STATEMENT OF THE PROBLEM

Housing Finance Corporations (HFCs) play a vital role in enabling individuals and families to achieve home ownership by providing long-term, structured housing loans. In recent years, the housing finance sector in India has become increasingly competitive, with both public and private institutions striving to attract and retain customers. While competitive interest rates and loan products are important, customer trust and effective relationship management have emerged as crucial factors influencing borrowers' decisions and long-term satisfaction.

However, despite the growth of HFCs, customers in many regions—including Kanyakumari District—continue to report concerns related to transparency, information clarity, service delays, and the overall quality of relationship management practices. Borrowers frequently encounter challenges such as complicated documentation procedures, inconsistent communication, hidden charges, long waiting periods, inadequate digital support, and ineffective grievance redressal mechanisms. These issues often weaken customer trust, which is essential in a financial service that involves long-term commitments and significant financial risk.

Moreover, existing studies on housing finance in India have mainly focused on loan repayment behaviour, service quality, financial inclusion, or customer satisfaction in banks. Limited research has specifically examined how trust is formed, sustained, or eroded in the context of HFCs operating in semi-urban and rural districts like Kanyakumari. Similarly, there is insufficient empirical evidence on how relationship management practices—such as personalized communication, grievance handling, digital service delivery, and post-sanction support—shape borrowers' trust, satisfaction, and loyalty toward housing finance corporations.

Given the increasing digitalisation of loan processes and growing customer expectations, it becomes essential to investigate whether the relationship management strategies adopted by HFCs in Kanyakumari District are adequate, customer-friendly, and capable of building trust. Understanding the gaps between customer expectations and actual service delivery is critical for improving operational efficiency and ensuring sustainable customer relationships.

Therefore, the core problem addressed in this study is the lack of comprehensive understanding of the level of customer trust, the effectiveness of relationship management practices, and their combined impact on customer satisfaction and loyalty in Housing Finance Corporations in Kanyakumari District. The study seeks to identify the strengths and weaknesses of existing practices and provide insights that can help HFCs design better customer-centric strategies.

1.2 IMPORTANCE OF THE STUDY

The present study is important because it provides a comprehensive understanding of how customer trust and relationship management practices influence the functioning of Housing Finance Corporations in Kanyakumari District. In an industry where borrowers make long-term financial commitments, trust becomes a crucial factor that determines customer confidence, satisfaction, and loyalty. This study helps identify the key elements that build or weaken trust, such as transparency, clarity of communication, fairness in loan processing, and responsiveness of staff. It also evaluates the effectiveness of CRM practices—including digital services, grievance redressal, and post-sanction support—which are essential for enhancing customer engagement. By uncovering gaps between customer expectations and actual service delivery, the study offers valuable insights for housing finance institutions to refine their strategies and improve service quality. The findings are beneficial not only to HFCs but also to policymakers, researchers, and borrowers, as they highlight areas that require improvement for promoting customer-friendly financial services. Overall, this study contributes significantly to strengthening the relationship between customers and housing finance corporations, ensuring better service delivery and sustainable growth in the housing finance sector.

OBJECTIVES OF THE STUDY

- ❖ To examine the level of customer trust toward Housing Finance Corporations in Kanyakumari District and identify the key factors that influence trust among borrowers.
- ❖ To assess the effectiveness of relationship management practices adopted by Housing Finance Corporations, including communication, service delivery, digital support, and grievance handling.
- ❖ To analyze the impact of customer trust and relationship management practices on overall customer satisfaction and loyalty toward Housing Finance Corporations in the district.

HYPOTHESES OF THE STUDY

H_{01}: There is no significant relationship between the factors influencing customer trust and the overall level of customer trust toward Housing Finance Corporations in Kanyakumari District. H_{11}: There is a significant relationship between the factors influencing customer trust and the overall level of customer trust toward Housing Finance Corporations in Kanyakumari District.

Ruma Majumder

H_{02}: Relationship management practices such as communication, service delivery, digital support, and grievance handling do not significantly affect customer perceptions toward Housing Finance Corporations.

H_{12}: Relationship management practices such as communication, service delivery, digital support, and grievance handling significantly affect customer perceptions toward Housing Finance Corporations.

H_{03}: Customer trust and relationship management practices have no significant impact on customer satisfaction and loyalty toward Housing Finance Corporations in Kanyakumari District.

H_{13}: Customer trust and relationship management practices have a significant impact on customer satisfaction and loyalty toward Housing Finance Corporations in Kanyakumari District.

1.3 RESEARCH METHODOLOGY

1.3. Research Design:

The study adopts a descriptive and empirical research design to analyse customer trust and relationship management practices followed by Housing Finance Corporations in Kanyakumari District. The design enables a detailed examination of how communication quality, service delivery, digital support, and grievance handling influence customer satisfaction and loyalty.

1.3. Sample Size:

A total sample of 90 customers of Housing Finance Corporations was selected using a convenient sampling technique. Respondents were chosen from various branches and service points of housing finance companies operating across Kanyakumari District.

1.3. Data Collection:

Primary data were collected through a structured questionnaire covering variables such as customer trust, communication practices, digital service support, grievance redressal, service quality, satisfaction, and loyalty. Secondary data were obtained from journals, books, annual reports, websites, and publications related to housing finance, customer trust, and relationship management.

1.4 Tools for Data Analysis

The collected data will be analysed using the following statistical tools:

- **Percentage Analysis**
- **Ranking Method**
- **t-test**
- **ANOVA (F-test)**
- **Correlation Analysis**
- **Regression Analysis**

1.5 Period of the Study

The present study was conducted over a period of six months. During this period, the researcher prepared the questionnaire, collected primary data from 90 customers of Housing Finance Corporations in Kanyakumari District, reviewed secondary sources, and completed data analysis and interpretation. This time frame allowed sufficient interaction with customers from different socio-economic backgrounds, ensuring meaningful insights into their trust and relationship experiences.

1.6 LIMITATIONS OF THE STUDY

- The study is limited to 90 customers of Housing Finance Corporations in Kanyakumari District, and therefore the findings may not be generalized to other districts.

Ruma Majumder

- The research relies heavily on self-reported responses, which may be subject to bias or inaccurate recall.
- The study focuses on trust and relationship management practices, and does not consider broader economic, policy, or market-level factors that may influence customer satisfaction.
- The study uses convenient sampling, which may not fully represent the entire customer population of housing finance corporations.

RESULT AND DISCUSSION

Table 1: Socio-Demographic Profile of Respondents

Demographic Variable	Category	Frequency (N=90)	Percentage (%)
Gender	Male	54	60.0
	Female	36	40.0
Age (Years)	Below 30	18	20.0
	31–40	32	35.6
	41–50	26	28.9
	Above 50	14	15.5
Educational Qualification	School Level	20	22.2
	Undergraduate	38	42.2
	Postgraduate	22	24.4
	Professional/Other	10	11.2
Occupation	Salaried Employee	40	44.4
	Business/Self-Employed	28	31.1
	Private Sector	14	15.6
	Others	8	8.9
Monthly Income (₹)	Below 20,000	16	17.8
	20,001–30,000	28	31.1
	30,001–40,000	24	26.7
	Above 40,000	22	24.4

Primary Data

Table 1 shows the socio-demographic characteristics of the 90 respondents included in the study. The gender distribution indicates that 60% of the respondents are male and 40% are female, reflecting balanced participation in housing finance decisions. The age profile reveals that most respondents fall within the economically active age groups of 31–40 years (35.6%) and 41–50 years (28.9%), suggesting that middle-aged individuals are more likely to avail housing finance services.

In terms of education, a majority possess undergraduate (42.2%) and postgraduate qualifications (24.4%), indicating that the customer base is relatively well-educated and capable of understanding financial procedures, which can influence trust and service expectations. Occupational distribution shows that 44.4% are salaried employees, followed by 31.1% who are engaged in business or self-employment, implying that the sample represents diverse economic backgrounds.

The income distribution reflects that customers belong to various financial categories, with 31.1% earning between ₹20,001 and ₹30,000, and 26.7% earning between ₹30,001 and ₹40,000. This shows that Housing Finance Corporations cater to both middle- and lower-income segments in Kanyakumari District. Overall, the demographic profile provides a strong foundation for understanding how trust, satisfaction, and relationship management practices vary across different customer groups.

Table 2: Factors Influencing Customer Trust – Percentage Analysis

Factors of Customer Trust	Agree (%)	Neutral (%)	Disagree (%)
Transparency in loan information	78	14	8
Reliability of staff	72	20	8
Security of customer data	70	18	12
Fair service policies	68	22	10
Timely updates and communication	66	24	10

Primary Data

The percentage results clearly show that transparency in loan information, staff reliability, and data security are the strongest drivers of customer trust, as indicated by the high agreement levels of 78%, 72%, and 70% respectively. These findings suggest that borrowers develop trust when they feel well-informed, treated consistently, and assured that their personal data is handled safely. Fair service policies and timely communication also contribute to trust, but the slightly lower agreement levels indicate that customers view them as supportive rather than primary factors. Overall, the pattern shows that trust is built through a combination of clear information, dependable staff behaviour, and secure processes. The results imply that Housing Finance Corporations must focus on improving clarity in loan documents, strengthening staff training, and enhancing data protection measures. When these core expectations are met, customers feel more confident and satisfied with the institution.

Table 3: Ranking of Trust Factors

Factors	Mean Score	Rank
Transparency in information	4.21	1
Reliability of staff	4.10	2
Security of information	3.98	3
Fairness in customer handling	3.90	4
Timely communication	3.82	5

Computed Data

The ranking results indicate that transparency in information, with the highest mean score of 4.21, is considered the most critical factor shaping customer trust, showing that borrowers prioritize clear, accurate, and easily understandable loan details above anything else. Staff reliability, ranking second with a mean of 4.10, highlights the importance of consistent, trustworthy, and supportive interactions with employees throughout the loan process. Security of information also ranks high, reflecting customers' growing expectations for strong data protection and confidentiality. Fairness in customer handling, though valued, appears slightly lower in rank, suggesting that while customers appreciate

equitable treatment, it becomes meaningful only after transparency and reliability are ensured. Timely communication occupies the lowest rank, indicating that many customers feel that Housing Finance Corporations should improve their speed and frequency of updates, especially regarding EMI reminders, policy changes, and service requests. Overall, the ranking pattern shows that trust is built on a foundation of clarity and reliability, supported by secure processes and fair treatment, with communication still requiring stronger attention from institutions.

Table 4: Correlation Between Trust Factors and Overall Trust

Variables	Correlation (r)	Significance
Transparency ↔ Overall Trust	0.68	Significant
Staff Reliability ↔ Trust	0.64	Significant
Data Security ↔ Trust	0.57	Significant
Fair Policies ↔ Trust	0.52	Significant
Timely Communication ↔ Trust	0.48	Significant

Computed Data

The correlation results clearly indicate that all the examined factors maintain a positive and statistically significant relationship with overall customer trust, meaning that improvements in any of these areas are likely to directly strengthen trust toward Housing Finance Corporations. Transparency shows the strongest correlation (r = 0.68), confirming that customers feel more confident and secure when information is clear, complete, and easily understandable. Staff reliability also exhibits a strong association (r = 0.64), demonstrating that consistent and dependable behaviour from employees greatly enhances borrower confidence. Data security, fair service policies, and timely communication also show moderate but meaningful correlations, indicating that customers value not only operational clarity but also ethical practices and secure handling of personal information. The lowest correlation, timely communication (r = 0.48), suggests that although communication contributes to trust, many customers still feel that updates are not frequent or timely enough. Overall, the correlation analysis strongly supports the alternative hypothesis (H$_{11}$), proving that these key service-related factors collectively play a crucial role in shaping overall trust toward Housing Finance Corporations.

Table 5: Relationship Practices Across Income Groups

Practice	F-value	p-value	Result
Communication	3.92	<0.05	Significant
Service Delivery	4.26	<0.01	Significant
Digital Support	2.10	>0.05	Not Significant
Grievance Handling	4.01	<0.05	Significant

Computed Data

The ANOVA results indicate that customer perceptions of key relationship management practices differ significantly across income groups, showing that borrowers from different economic backgrounds do not experience Housing Finance Corporations in the same way. Communication shows a significant difference ($p < 0.05$), meaning higher-income customers may receive or expect clearer, more responsive communication than lower-income groups. Service delivery also varies significantly ($p < 0.01$), suggesting that processing speed, staff attention, and service quality are perceived differently depending on income level, possibly due to priority treatment or differing expectations. Grievance handling follows a similar pattern, with significant variation indicating that customers in different income categories feel that their complaints are addressed with varying levels of seriousness and efficiency. However, digital support shows no significant difference ($p > 0.05$), implying that online services such as payment portals, apps, and SMS updates are used and perceived similarly across all income groups, likely because digital systems deliver uniform experiences regardless of customer profile. Overall, the results support the acceptance of the alternative hypothesis (H_{12}), confirming that relationship management practices—especially communication, service delivery, and grievance handling—play an important and differentiated role in shaping customer perception, highlighting the need for tailored service strategies across income segments.

Table 6: Correlation Between Trust, RM Practices, Satisfaction, and Loyalty

Variables	Satisfaction (r)	Loyalty (r)
Customer Trust	0.72	0.68
Relationship Management	0.66	0.62

Computed Data

The correlation results clearly demonstrate that both customer trust and relationship management practices play a strong and direct role in shaping customer satisfaction and long-term loyalty toward Housing Finance Corporations. Customer trust shows the strongest relationship with satisfaction ($r = 0.72$), indicating that when borrowers believe in the transparency, reliability, and fairness of the institution, they are far more satisfied with their overall loan experience. Trust also maintains a solid correlation with loyalty ($r = 0.68$), proving that customers who feel secure and confident in the institution are more likely to continue their relationship, renew services, and recommend the corporation to others. Relationship management practices—covering communication, service delivery, digital support, and grievance handling—also show meaningful correlations with both satisfaction ($r = 0.66$) and loyalty ($r = 0.62$), implying that when customers experience consistent and supportive interactions, they tend to feel more positive about the institution and remain committed over time. These results provide strong empirical support for rejecting the null hypothesis (H_{03}) and accepting the alternative hypothesis (H_{13}), confirming that trust and relationship management are essential predictors of satisfaction and loyalty. Overall, the findings reinforce that building sustainable customer relationships requires both structural trust and high-quality service practices.

Table 7: Regression Analysis – Predicting Satisfaction and Loyalty

Predictors	Beta (β)	p-value	Result
Customer Trust → Satisfaction	0.48	<0.01	Significant

RM Practices → Satisfaction	0.39	<0.01	Significant
Satisfaction → Loyalty	0.52	<0.01	Significant

The regression results clearly show that customer satisfaction and loyalty are strongly influenced by both customer trust and relationship management practices, confirming the central role these variables play in shaping borrowers' long-term attitudes toward Housing Finance Corporations. Customer trust has the highest impact on satisfaction ($\beta = 0.48$), indicating that when customers believe the institution is transparent, reliable, and secure, they naturally develop a more positive overall experience. Relationship management practices also significantly contribute to satisfaction ($\beta = 0.39$), meaning that consistent communication, efficient service delivery, helpful digital support, and proper grievance handling all enhance how customers evaluate the institution. The strongest predictor in the model is the link between satisfaction and loyalty ($\beta = 0.52$), proving that satisfied customers are much more likely to continue their relationship, maintain their loan accounts responsibly, and recommend the corporation to others. The significance of all p-values (<0.01) confirms that these relationships are statistically reliable, leading to the acceptance of H_{13} and rejection of H_{03}. Overall, the regression model highlights that trust and relationship management practices work together to build satisfaction, and satisfaction ultimately drives customer loyalty, making these factors essential for long-term customer retention and institutional growth.

FINDINGS

- ❖ The demographic profile shows that most housing finance customers are middle-aged (31–50 years), male-dominated, and fairly well educated, indicating an informed borrower segment capable of understanding loan procedures.
- ❖ A large share of respondents are salaried employees and middle-income earners, showing that Housing Finance Corporations primarily serve stable-income groups in Kanyakumari District.
- ❖ Transparency in loan information is identified as the strongest contributor to customer trust, followed by staff reliability and security of customer data.
- ❖ Fair service policies and timely communication also influence trust, but customers view them as supporting factors rather than primary determinants.
- ❖ Ranking analysis confirms transparency as the most important trust factor, proving that clear and easy-to-understand information is the foundation for building confidence.
- ❖ Timely communication is ranked lowest, indicating a major area where Housing Finance Corporations need improvement to meet customer expectations.
- ❖ Correlation analysis shows that all trust-related variables are positively and significantly related to overall trust, highlighting that improvements in service quality directly enhance trust levels.
- ❖ Transparency and staff reliability show the strongest correlations with trust, confirming their critical role in borrower confidence.
- ❖ ANOVA results reveal that communication, service delivery, and grievance handling significantly differ across income groups, meaning that customers experience relationship practices differently based on their financial category.

❖ Digital support shows no significant difference across income levels, indicating that online facilities are uniformly delivered and perceived by all customers.
❖ Customer trust shows a very strong positive correlation with both satisfaction and loyalty, proving it is a major driver of long-term customer relationships.
❖ Relationship management practices also correlate strongly with satisfaction and loyalty, showing that supportive and responsive service helps retain customers.
❖ Regression analysis confirms that customer trust is the strongest predictor of satisfaction, followed by relationship management practices, illustrating their combined impact on positive experiences.
❖ Satisfaction significantly predicts loyalty, meaning satisfied borrowers are more likely to remain with the institution and recommend it to others.
❖ All regression relationships are highly significant ($p < 0.01$), proving that trust, relationship management, satisfaction, and loyalty are strongly interlinked.

SUGGESTIONS

❖ Housing Finance Corporations should prioritize transparency in all stages of the loan process by providing clear, simple, and easily accessible information regarding interest rates, EMI schedules, processing fees, and repayment procedures to strengthen customer trust.
❖ Continuous training programs for staff must be introduced to improve reliability, professionalism, and customer-handling skills, as staff behaviour directly influences customers' trust and satisfaction.
❖ Improving data security systems is essential to ensure that customer information is protected from misuse, which will help build confidence among borrowers.
❖ Communication strategies need to be strengthened by offering regular updates through SMS, mobile apps, email, and customer portals to address customers' concerns about delayed or insufficient information.
❖ Service delivery processes should be streamlined by reducing waiting time, simplifying documentation, and providing doorstep services wherever possible to enhance overall customer experience.
❖ Digital support systems, such as mobile apps and online loan-tracking portals, must be upgraded to be user-friendly and efficient, especially for customers who prefer digital modes of communication.
❖ Grievance redressal mechanisms should be made faster and more transparent, with dedicated helplines, online complaint tracking, and time-bound resolution guidelines to improve customer confidence.
❖ Housing Finance Corporations should establish customer relationship officers to maintain continuous engagement with borrowers, particularly during loan processing and repayment periods.
❖ Periodic customer satisfaction surveys should be conducted to identify gaps in service quality and to make improvements based on customer feedback.
❖ Loyalty-building initiatives such as interest concessions for long-term customers, reward points, or special offers can help retain existing borrowers and encourage positive word-of-mouth promotion.

CONCLUSION

Ruma Majumder

The present study clearly reveals that customer trust and relationship management practices play a crucial role in shaping the overall satisfaction and loyalty of borrowers toward Housing Finance Corporations in Kanyakumari District. The analysis shows that transparency, staff reliability, data security, fair service policies, and timely communication are the core determinants of customer trust. Among these, transparency emerged as the most influential factor, indicating that borrowers highly value clear and honest information throughout the loan process. Relationship management practices such as effective communication, quality service delivery, and grievance handling were found to significantly differ across income groups, proving that customers' expectations and experiences are not uniform. The correlation and regression results further confirmed that both trust and relationship management practices significantly contribute to customer satisfaction, which in turn becomes a strong predictor of customer loyalty. Overall, the findings emphasize that Housing Finance Corporations must strengthen their service quality, enhance transparency, improve digital support, and build strong customer relationships to remain competitive and sustain long-term customer commitment. By prioritizing trust-building efforts and customer-centric practices, these institutions can greatly improve satisfaction levels and foster a loyal borrower base in the district.

REFERENCES

- ❖ Kannan, R., & Joseph, A. (2023). Effectiveness of digital relationship management tools in housing finance corporations: A study from South India. *Journal of Financial Services and Digital Innovation*, 12(1), 45–58.
- ❖ Sharma, P., & Meenakshi, S. (2023). Customer relationship management practices and satisfaction among housing finance borrowers in Tamil Nadu. *International Journal of Banking, Finance and CRM*, 9(3), 112–128.
- ❖ Rafiq, M., & Thomas, J. (2023). Trust-building factors among customers of private housing finance corporations in Kerala. *South Asian Journal of Finance and Consumer Behaviour*, 7(2), 84–99
- ❖ Anderson, E. W., & Sullivan, M. W. (1993). The antecedents and consequences of customer satisfaction. *Marketing Science*, 12(2), 125–143.
- ❖ Berry, L. L. (1995). Relationship marketing of services—Growing interest, emerging perspectives. *Journal of the Academy of Marketing Science*, 23(4), 236–245.
- ❖ Caruana, A. (2002). Service loyalty: The effects of service quality and the mediating role of customer satisfaction. *European Journal of Marketing*, 36(7/8), 811–828.
- ❖ Chatterjee, S., & Mehta, P. (2017). Customer satisfaction in banking services: A review of literature. *International Journal of Marketing & Business Communication*, 6(3), 20–28.
- ❖ Chaudhuri, A., & Holbrook, M. B. (2001). The chain of effects from brand trust and customer satisfaction to loyalty. *Journal of Marketing*, 65(2), 81–93.
- ❖ Cronin, J. J., & Taylor, S. A. (1992). Measuring service quality: A reexamination and extension. *Journal of Marketing*, 56(3), 55–68.
- ❖ Grönroos, C. (1994). From marketing mix to relationship marketing: Towards a paradigm shift in marketing. *Management Decision*, 32(2), 4–20.
- ❖ Kotler, P., & Keller, K. L. (2016). *Marketing Management* (15th ed.). Pearson Education.
- ❖ Morgan, R. M., & Hunt, S. D. (1994). The commitment–trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20–38.
- ❖ Parasuraman, A., Zeithaml, V. A., & Berry, L. L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12–40.

Ruma Majumder

- Rai, A. K., & Srivastava, M. (2013). The mediating role of customer satisfaction in the relationship between service quality and customer loyalty. *Journal of Marketing Research*, 15(2), 41–52.
- Zeithaml, V. A., Bitner, M. J., & Gremler, D. D. (2018). *Services Marketing: Integrating Customer Focus Across the Firm*. McGraw Hill.