PERCEPTION AND SATISFACTION OF MARKETING EXECUTIVES TOWARDS CUSTOMER ACQUISITION AND RETENTION PLAN (CARE) OF SAKTHI FINANCE LIMITED WITH SPECIAL REFERENCE TO TAMILNADU BRANCHES

A PROJECT REPORT

Submitted
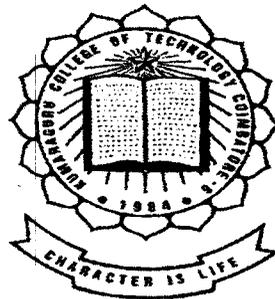
By

P. 2488

ASHRAF ALI.PM

Reg. No. 0720400008

In partial fulfillment of the requirements of

Anna-University-Coimbatore

for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

DEPARTMENT OF MANAGEMENT STUDIES

KUMARAGURU COLLEGE OF TECHNOLOGY

SEPTEMBER 2008

DEPARTMENT OF MANAGEMENT STUDIES
KUMARAGURU COLLEGE OF TECHNOLOGY
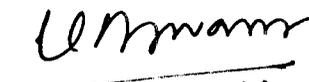**COIMBATORE**

BONAFIDE CERTIFICATE

Certified that this project titled **"PERCEPTION AND SATISFACTION OF MARKETING EXECUTIVES TOWARDS CUSTOMER ACQUISITION AND RETENTION PLAN (CARE) OF SAKTHI FINANCE LIMITED WITH SPECIAL REFERENCE TO TAMILNADU BRANCHES"** is the Bonafide work of **MR.ASHRAF ALI.PM** who carried out this project under my supervision. Certified further, that to the best of my knowledge the work reported herein does not from part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

PROF.S.V. DEVANATHAN

Director

MS.S.SANGEETHA

Faculty Guide

Evaluated and viva-voce conducted on .... 1. 11. 08 ....

Examiner I

Examiner II

SFL: HO: HRD: 0178: 08-09   14.10.2008

TO WHOMSOEVER IT MAY CONCERN

This is to certify that Mr. P.M. Ashraf Ali, (Reg No: 0720400008)

Student of Kumaraguru College of Technology, Coimbatore had

undergone a Project Titled "Perception and Satisfaction of Marketing

Executives towards Customer Acquisition and Retention plan (CARE) of

Sakthi Finance Limited with Special reference to Tamilnadu Branches"

he presented himself for Project Work in our organization from 16th June

-08 to 15th July -08.

For Sakthi Finance Ltd.,
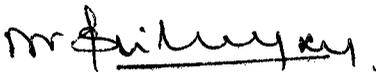

Srirangan.V
Officer - HRD

DECLARATION

I hereby declare that the dissertation entitled **"PERCEPTION AND SATISFACTION OF MARKETING EXECUTIVES TOWARDS CUSTOMER ACQUISITION AND RETENTION PLAN (CARE) OF SAKTHI FINANCE LIMITED WITH SPECIAL REFERENCE TO TAMILNADU BRANCHES"** Submitted for the **MASTER OF BUSINESS ADMINISTRATION** degree is my original work and the dissertation has not formed the basis for the reward of any Degree, Associate ship, Fellowship or any other similar titles.

I, also declare hereby, that the information given in the report is correct to the best of my knowledge and belief.

Place: Coimbatore

Date:
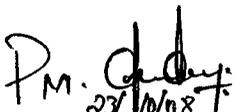
(PM.ASHRAF ALI)

ACKNOWLEDGEMENT

ACKNOWLEDGEMENT

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The research entitled **"Perception and Satisfaction of Marketing Executives Towards Customer Acquisition and Retention Plan (CARE) of Sakthi Finance Limited With Special Reference To Tamilnadu Branches"** with the primary objective to analyses the customer retention and acquisition system of sakthi finance limited which is the tool used for customer relationship management and to identify the impact of care plan on the performance of marketing executives in achieving their target.

Every marketing executive who is excelling in his performance will excel in the "networking ability". The qualities and performance of the executives are analyzed based on various influencing factors like age, experience, method of customer sourcing, target fixed and achieved and so on. A system will attain a competitive advantage only when it is "systematized". The CARE plan is a systematic approach to deal with the maintenance of customer database. The study is based on the primary data obtained from the marketing executives belonging to the **branches of South and East zones of Tamilnadu**. The study focuses on 13 marketing executives who are approached directly for the data collection belonging to different marketing areas of the respective branches. The factors influencing the performance of the executives differ from individual to individual. The collected data are analyzed using tools like percentage analysis, cross tabulation and calculation of weight age to rank the most influencing factors. The result obtained from this analysis is used to determine the success rate of care plan, its drawbacks and the change in performance level of executives

INTRODUCTION

CHAPTER – 1

INTRODUCTION

1.1 BACKGROUND

Finance is regarded as the life blood of the business enterprise. This is because in the modern money oriented economy, finance is one of the basic foundations of any kind of economic activity. It is the master key, which provides access to all sources for being employed in manufacturing and merchandising activities. It has been rightly said that business needs money to make more money. Hence, efficient management of every business enterprise is closely linked with efficient management of its finance.

The financial sector has a very important role to play in the modernization of India's economy. It serves as a vehicle for channeling savings to individuals and businesses seeking to borrow funds.

There is strong empirical evidence of a positive relationship between liberalization and growth in financial sectors significant changes have occurred in the financial sector, although foreign investment in banking and insurance remains heavily constrained. About 60% of the Indian GDP is contributed by service sector alone. Sakthi Finance Limited is one among the leading Non Banking Financial Companies

1.2 REVIEW OF LITERATURE

Krishnan et al[1] says that the notion of quality in financial services firms is quite different from that in manufacturing companies. The nature of the financial services industry is such that its products are mostly intangible. Since customers do not view the actual product as a full product, the service accompanying the product is very important in determining the overall satisfaction with the firm. To meet the needs of various segments of customers, firms in the financial services industry offer multiple products and services through different channels of delivery.

According to **Jeffrey streiter et al[2]**, Almost one-half of the product managers indicated that they learned what was expected of them from their on-the-job experiences. Approximately one-third (32 percent) indicated that they received significant direction from their superiors, while 18 percent stated that their roles were generally well defined owing to the existence of a product management system in their banks. A total of 54 percent felt they had considerable freedom in shaping their own jobs,

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1. M.S.Krishnan et al, Customer satisfaction for financial services: the role of products, services and information technology, Management science, Vol 45, No 9, September 1999, pp 1194-1209.

2. Jeffrey strieter, Product management and the marketing of financial services, International Journal of Bank Marketing, 17/7 , [1999] , pp 342 – 354

Including both defining their areas of responsibility and making significant changes in these activities. Many of the product managers noted that they had to ``make their own way" in their organizations. We did not determine whether this freedom reflects management's confidence in the product manager concept or is simply due to an incomplete understanding by management of the role of product management and its relationship to other management functions.

Andrew Banasiewicz[3], states that a widely used mass acquisition approach, the open product trial offers, relies on temporary price discounts to pull consumers to the brand. Trying to appeal to a generic many rather than a select few consumers, these programmers' are relatively easy to execute but yield poor ROI. They rarely include explicit retention considerations which inhibits their ability to stem longer term customer base profitability erosion. Price discount habituation, low transaction level profitability, poor retention and potential customer base profitability decay are all sufficient reasons to consider an alternative to open offer-based customer acquisition Customer type-centric methodology is one such alternative. Fundamentally different from the open offer-based acquisition, this approach takes a broader view of the customer recruitment process by expressly relating the near term incentive-based product trial, longer term post-trial repurchase and the overall customer base profitability.

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3. Andrew Banasiewicz, Acquiring high value, retainable Customers, Database Marketing & Customer Strategy Management , Vol. 12, 1, 21–31

Steven reider[4] says a performance score card is needed for the company to access the performance level in customer acquisition and retention The acquisition component can be divided into multiple categories, for example: consumer checking accounts sold, business checking accounts sold, loan accounts sold. But if your institution offers a free checking product, be sure to embed some accountability for needs-based selling. Address the *acquisition* component through simple tallies of accounts sold, rather than through measures of new balances. Units remain within the control of the branch staff. And, the opening balance of a new account may not be indicative of its mature balance level. Performance, and corresponding payments, can be based on absolute units sold, performance against a market potential-based sales goal, or performance against historic benchmarks. The *retention* component remains essential for two reasons: if new customers, retention reflects how well the CSK matched the product to the customer's needs and how well the CSR explained the product features, as the overwhelming proportion of new product attrition arises from mistakes in the sales process. For existing customers, measuring retention ensures that customer service receives as much attention as sales. Retention can be measured indirectly through qualitative measures such as customer satisfaction tracking surveys or mystery shopping.

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4. Steven Reider, Scoring Branch Performance, Aba Bank Marketing , May 2008 17- 21

Most institutions measure retention across transaction products only. since retention is less controllable in products such as certificates of deposit and loans. Some banks measure retention only across recently opened products (where recent is usually defined as somewhere within the ia.st three to 12 months). The argument for this method is that it frees the branch staff from responsibility for accounts opened before their tenure at the branch and sharply focuses attention on accurately assessing customer needs tiring the sales process. Will performance be measured and payments distributed at the branch level or at the individual level Because skill levels vary at each branch.

According to **Lawrence ang**[5], Customer acquisition is important even where customer retention is justified as the core strategy. It has been observed that 25% or more of customers may need replacing annually. In a business-to-consumer context, customers may shift out of a targeted demographic, or their personal circumstances may change such that they no longer find value in an offering. In a business-to-business context, corporate customers may be lost due to acquisition by another organization with firmly established supplier preferences, ceasing production of the goods and services for which the input was needed or ceasing trade.

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5. Lawrence Ang, managing for successful customer acquisition: an exploration, Journal of Marketing Management, October 2004

It is clear that without a well-developed, focused and successful customer acquisition strategy, customer retention and development is irrelevant. But how good are companies at acquiring new customers, and is it possible to identify attributes or conditions that distinguish companies that excel at customer acquisition? This area has not been well researched, even though customer acquisition is a fundamental sales and marketing activity.

According to **Jaques rossat et al**[6] Satisfaction is often confused with loyalty. Satisfaction is an emotional or feeling reaction. It is the result of a complex process that requires understanding the psychology of customers. The range of emotion is wide with, for example, contentment, surprise, pleasure, or relief. Satisfaction is influenced, in the end, by expectations and the gap between perceived quality and expected quality, called "expectancy disconfirmation". More than a limited customer approach, the loyalty effect should be viewed as a wide context in which all the key players of a firm are far more powerful, further reaching, and more interdependent than we have ever imagined. We will later focus on the customer side, but the employees and the investors problematic should be kept in mind during the entire process. They will also, now and then, show the implications of such a three dimensional environment in which creating value for customers has become a strategic issue.

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6. Jaques rossat et al, **Marketing strategies and working group policies**, December 1998, 1998-330-0018

The advantages of loyalty are numerous, but the implementation of such a culture does not go without posing problems. What should be done, who should be responsible for these changes, who should be targeted, and how should these changes be conducted are some of the questions we will try to answer in this compilation of some classical theories of the day.

Jacquelyn S. Thomas[7] says that as firms shift toward customer equity management, their attention tends to focus disproportionately on managing customer retention. Although firms may articulate various reasons for their emphasis on retention, data limitations are a practical factor that motivates firms to disproportionately emphasize retention as opposed to customer acquisition. Specifically, outside the direct marketing industry, many firms have yet to develop sophisticated databases that contain detailed interaction data on prospects as well as customers. Many of the databases that exist tend to have data only on existing customers. The practice of collecting and analyzing data only on existing customers is also prevalent in established businesses that are just starting to adopt a customer management orientation. As such, the focus of firms has been on retaining existing customers.

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7. Jacquelyn S. Thomas, A Methodology for Linking Customer Acquisition to Customer Retention, Journal of Marketing Research, Vol. XXXVIII (May 2001). 262-268

Julian Villanueva et al[8] observed that Companies can acquire customers through costly but fast-acting marketing investments or through slower but cheaper word-of-mouth processes. Their long-term success depends critically on the contribution of each acquired customer to overall customer equity. The authors propose and test an empirical model that captures these long-term effects. An application to a Web hosting company reveals that marketing-induced customers add more short-term value, but word-of-mouth customers add nearly twice as much long-term value to the firm. The authors illustrate their findings with some dynamic simulations of the long-term impact of different resource allocations for acquisition marketing.

Michael Lewis[9] states that the growth of the e-commerce sector has highlighted the importance of shipping fees. He empirically studied the effects of shipping fees and marketing activities on customer acquisition, customer retention, and average expenditures using data from an online grocer. He find that shipping fees greatly influence order incidence rates and graduated shipping fees significantly affect average expenditures. The analysis indicates that customer acquisition is more sensitive to order size incentives while retention is more influenced by base shipping fee levels.

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8. Julian Villanueva et al, **The Impact of Marketing-Induced Versus Word-of-Mouth Customer Acquisition on Customer Equity Growth**

9. Michael Lewis, **the effect of shipping fees on customer acquisition, customer retention, and purchase quantities**

Furthermore, a profitability analysis suggests that shipping policies that provide incentives for larger order sizes may outperform free shipping promotions and standard increasing fees structures.

Puneet manchanda[10] states the impact of positive word of mouth in the process of customer acquisition and retention. The author documents the existence of the direct and indirect (via word-of-mouth) effects of service quality on new customer acquisition, usage and retention using behavioral data from the launch of a new video on demand type service. For this technology, service quality - the quality of the signal determining the number of movies available for viewing - is exogenously determined and objectively measured.

Our identification strategy for these effects arises from both the main effect of neighbors who have previously adopted and the interaction between the number of neighbors and their realized service quality, while controlling for other geographic and demographic covariates. The author find a direct effect of service quality on rental usage and termination behavior. In addition, we find that word of mouth affects about one-fifth of the subscribers with respect to their activation behavior. However, this indirect effect of service quality acts as a double-edged sword as it is asymmetric.

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10. **Puneet manchanda, The Effects of Service Quality and Word of Mouth on Customer Acquisition,**

David A. Schweidel [11] considers two widely recognized components, central to the calculation of customer value, are acquisition and retention propensities. However, while extant research has incorporated such components into different types of models, limited work has investigated the kinds of associations that may exist between them. In this research, he focus on the relationship between a prospective customer's time until acquisition of a particular service and the subsequent duration for which he retains it, and examine the implications of this relationship on the value of prospects and customers. To accomplish these tasks, a bivariate timing model to capture the relationship between acquisition and retention is utilized. Using a split-hazard model, he link the acquisition and retention processes in two distinct yet complimentary ways. First, he use the Sarmonov family of bivariate distributions to allow for correlations in the observed acquisition and retention times within a customer; next, he allow for differences across customers using latent classes for the parameters that govern the two processes. he then provide a demonstration of how the proposed methodology can be used to calculate the discounted expected value of a subscription based on the time of acquisition, and discuss possible applications of the modeling framework to problems such as customer targeting and resource allocation.

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11. David A. Schweidel   et al, A Bivariate Timing Model of Customer Acquisition and Retention, June 14, 2007.

R. Dale Wilson PhD [12] highlights the reasons for which customers decide to be loyal to a specific company or brand over time are not easy to determine. Some of these reasons may be intrinsic to the customer (e.g., propensity to switch or price sensitivity) while others may be extrinsic (e.g., competitors' actions). Some may be easy to be affected by a company, while others may not. It has been shown that in highly competitive markets (e.g., automobiles) only very high levels of satisfaction lead to loyalty. In non-competitive markets, even companies with low levels of satisfaction have high levels of loyalty (Jones and Sasser, 1995).

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12. **R. Dale Wilson PhD,** Services Marketing Quarterly, volume 26, issue 2,1 - 22

1.3 OBJECTIVES OF THE STUDY

1.3.1 PRIMARY OBJECTIVE

To study the "Perception and Satisfaction of Marketing Executives Towards Customer Acquisition and Retention Plan (CARE) of Sakthi Finance Limited with Special Reference to Tamilnadu Branches".

1.3.2 SECONDARY OBJECTIVES

1. To identify the impact of care plan on the performance of marketing executives in achieving their target

2. To study the Existing Customer Acquisition and Retention (CARE) plan of the company.

3. To suggest the required changes in the present system

1.4 STATEMENT OF THE PROBLEM

The customer acquisition and retention of the sakthi finance limited is carried out and maintained by the care cell department by following the CARE plan. CARE plan is a system of maintaining the customer relationship management. The report produced by through the CARE plan is done once in a week which shows the details of customers, type of finance, criteria of sales platform such as T_0, T_1, T_2 & T_3, and the turnover made for the week. The data is updated on weekly basis. There are various factors which influence the process of CARE plan. The company wants to analyze the effect of CARE plan in maintaining the customer database and its impact on the performance level of marketing executives.

A sample of 12 marketing executives belonging to the north and west region of Tamilnadu were selected for the study. Their satisfaction level and the constraints for proper functioning of CARE plan are determined.

1.5 SCOPE OF THE STUDY

The study throws light on various aspects including the company's system of CRM and its tool, the care plan. The objective of the study includes the study of the effect of care plan in the performance of the performance of marketing executives and its impact on the maintenance of the CRM database. Using statistical tools the factors influencing the objectives can be ranked and weighed and the satisfaction level can be identified using the tools. In the study based on the analysis the researcher has made suggestions to improve the current care plan system of the organization.

1.6.1 RESEARCH METHODOLOGY

1.6.2 RESEARCH DESIGN

The study is based on the descriptive analysis of the data obtained through the questionnaire collected from the marketing executives regarding the CARE plan of north and west zone. The research design used in the study is the descriptive research design. A descriptive study is undertaken in order to ascertain and able to describe the characteristics of the variables of interest in a situation. The goal of a descriptive study is to offer to the researcher a profile or to describe relevant aspects of the phenomena of interest from an individual, organizational, industry oriented or other perspective. Descriptive studies that present data in a meaningful form helps to

1. Understand the characteristics of a group in a given situation,

2. Think systematically about aspects in a given situation,

3. Offer ideas for further probe and research and

4. Help make certain simple decisions.

1.6.3 SAMPLING DESIGN

When elements in the population have a known chance of being chosen as subjects in the sample, it is resorted to a probability sampling design. When several groups with intra group heterogeneity and intergroup homogeneity are found, then a random sampling of clusters or groups can ideally be done and information is gathered from each of the members in the randomly chosen clusters. When research pertains to populations within identical geographical areas such as countries, city blocks, or particular boundaries within a locality, area sampling can be done. In this study marketing executives of branches of **South and East zone of Tamilnadu are taken as sample.** Hence area sampling is followed in this study.

.6.4 METHOD OF DATA COLLECTION

TYPE OF DATA

PRIMARY DATA

Primary data are that which are collected afresh and for the first time and thus happens to be original in character. They are collected for the first time for analyzing the study. In this study the primary data were collected through questionnaire method.

SECONDARY DATA

Secondary data had been collected from books, websites and records.

DATA COLLECTION INSTRUMENTS

The instrument used to collect data for this study was structured questionnaire. The data required for this study is collected from the marketing executives by approaching them directly at various branches within the respective zones.

The data is to be collected through a suitable questionnaire and then to be converted into conventional way for the purpose of the research. The data collection tool is questionnaire.

PILOT STUDY

A pilot study was conducted with marketing executives in Coimbatore branch of sakthi finance limited and the alterations in the questionnaire was made considering the suggestions got through the pilot study

SAMPLE SIZE

Population refers to the entire group of people, events or things of interest that the researcher wishes investigate. The population used in this study by the researcher is marketing executives working in SFL with special reference to tamilnadu branches.

1.6.5 TOOLS OF ANALYSIS

The tools used for analysis are

1. Percentage Analysis
2. Weighted Average

1.7 LIMITATIONS

Though the study is descriptive and analytical it involved the following limitations

1. Due to time constraint the sample size taken is small
2. The reliability and accuracy of calculations are based on the information given by the marketing executives

1.8 CHAPTER SCHEME

This project work is arranged to present in the five following chapters:-

Chapter – I: INTRODUCTION AND DESIGN OF THE STUDY

Chapter – II: ORGANIZATION PROFILE

Chapter – III: OVERVIEW OF CARE PLAN

Chapter – IV: DATA ANALYSIS AND INTERPRETATIONS

Chapter – V: FINDINGS AND SUGGESTIONS

ORGANISATION PROFILE

CHAPTER - 2

ORGANISATION PROFILE

2.1 AN OVERVIEW OF NON BANKING FINANCIAL COMPANIES

Non banking financial companies are fast emerging as an important segment of Indian financial system. They raise funds from the public, directly or indirectly and lend them to ultimate spenders. They have broadened and diversified the range of products and services offered by financial sector. Gradually they have been recognized as a complementary to the banking sector due to their customer oriented services, simplified procedures, attractive rates of return on deposits, flexibility and timeliness in meeting the credit needs of specified sectors and so on.

The working and operations of NBFCs are regulated by the RBI within the framework of Reserve Bank of India Act, 1934

The role of Non Banking Financial Companies (NBFCs) is not different from that of bank by mobilizing money with the promise of high interest, unfortunately, many of them fly-by night operators. Repeated evaluation of the role of NBFCs by study group set up periodically the government has confirmed that "NBFCs usually supplement the activities of banks in the fields of both deposit mobilization and lending. NBFCs are capable of playing a dynamic role in the economy.

THE DIFFERENT TYPE OF NBFCs REGISTERED UNDER RBI

NBFCs are performing various functions and the NBFCs registered with RBI are

✓ Equipment leasing company

✓ Hire – purchase company

✓ Loan company

✓ Investment company

✓ Residuary non – banking company

2.2 PROFILE OF SAKTHI FINANCE LIMITED

INTRODUCTION

Sakthi finance limited was incorporated in 1955, a non-banking financial company. The company was called as "pollachi credit society"a group in-house financial arm for TELCO dealership. At starting stage the company mainly catered exclusively to the hire purchase business. Sakthi finance now positioned itself as a niche player and is now focusing on the commercial vehicle refinance segment. Sakthi finance limited is a unit of sakthi group promoted by DR.N.MAHALINGAM. It has 21 branches located in Tamilnadu, Kerela, Andhra Pradesh and Maharashtra with specific focus on Tamilnadu and Kerela.

THE SAKTHI GROUP OF INDUSTRIES

The sakthi group is one of the foremost industrial houses with combined turnover exceeding Rs1500crore currently the sakthi conglomerate its diverse interest spanning across sugar, textiles, transport, finance, soya products, synthetic gem, estate and other trading activities.

THE OTHER SIDE OF SAKTHI:

The sakthi group has always contributed the spirit of enterprise with the spirit of service along with industries development it has also contributed greatly to social welfare by setting up educational, charitable and medical institutions.

NACHIMUTHU POLYTECHNIC

NACHIMUTHU GOUNDER MAHALINGAM COLLEGE

SAKTHI INSTITUTE OF INFORMATION TECHNOLOGY

NACHIMUTHU INDUSTRIAL ASSOCIATIONS

KUMARAGURU COLLEGE OF TECHNOLOGY

SAKTHI INSTITUDE OF TECHNOLOGY

VOLUNTARY HEALTH SERVICE

BRANCHES OF THE COMPANY:

- ✓ TAMILNADU   - 11
- ✓ KERELA   - 6
- ✓ BANGALORE   - 1
- ✓ ANDHRA PRADESH   - 3
- ✓ NEW DELHI   - 1
- ✓ MUMBAI   - 1

STRENGTHS OF SAKTHI FINANCE:

- ✓ Customer base of more than five million
- ✓ Experience in hire purchase finance of more than 53 years
- ✓ Business focused executives at all levels.
- ✓ Availability of infrastructure to place funds through its wide network of branches.
- ✓ Valuable dealership network for Maruthi, Telco and Bajaj vehicles.

SPECIAL FEATURE OF SAKTHI FINANCE LIMITED:

- ✓ First in the industry to issue post dated interest warrants in advance every year.
- ✓ first in the industries to allow encashment of interest warrants as per in the branches of the Canara Bank and also in the branches and had office of the company

- ✓ Fastest service in processing for the application for deposits, loan and refunds at branches and head office.
- ✓ The company services both advances and deposits.
- ✓ Efficiency and promptness is notable at all level of its operations.

MAIN OBJECTIVES OF THE COMPANY

- ✓ To lend or advance money or grant loans on any terms that may be thought fit with or without security to persons, firms, individuals, companies, local bodies, or government and particularly to customers and other persons having dealing with the company.
- ✓ To promote, assist in promoting, finance, aid, procedure aids, manage, take over or operate any undertaking whether existing or new.
- ✓ To act as secretaries and financiers to enterprises. To act as an issue house registrars and share transfer agents, financial advisors, technical consultants, system analysts, and data processors.
- ✓ To purchase, sell, exchange, deal in or invest in shares, debentures, bonds, stocks of joint stock companies, firms, local bodies or government.
- ✓ To act as godown keepers, brokers, commission agents, representatives or salesman to manufacturers, dealers, exporters, and importers and or such other persons.

- ✓ To aid and carry on the business of all kinds of agencies of vehicles, machinery and equipment and consumer durables.

- ✓ To accept, endorse, negotiate, dispose of any kinds of goods or merchandise as may be received from time to time from customers and to advances money on the security of such goods or merchandise.

- ✓ To purchase, construct, maintain, repair, alter, sell and deal in buildings, houses and channels. Tenements, factories, machinery, plants and tools and to let them on lease or otherwise to deal in all materials and machinery for that purpose.

- ✓ To carry on the business of manufacturing, assembling, fitting, buying, selling, exchanging, altering, hiring, importing exporting and dealing in all kinds of cars, trucks, busses, lorries, motorcycles, tractors and other conveyances of every description and in all spares and component parts required there to and in all kinds of machineries required for civil, commercial, military or agricultural purposes or otherwise and in all kinds of materials, engines, machinery tools, implements accessories, equipments and apparatuses for use in connection with, whether for cash or for credit or on hire purchase or installment system or in any mode as may be thought fit.

VISION STATEMENT OF SAKTHI FINANCE LIMITED

✓ Market share amongst the top three re-financiers

✓ 10% net margin

✓ Most preferred financier of customer choice

✓ 95% competency index

✓ Six-sigma process efficiency

MISSION STATEMENT OF SAKTHI FINANCE LIMITED

✓ To behave like a Marwari Inc., a culture of act like owner to partner the program of small and medium road transport operators (SRTO & MRTO)

✓ To provide "End to End service" leading to total customers solution with

1. flexibility

2. speed

3. integrity

2.3 PRODUCTS OF SAKTHI FINANCE

INVESTMENT PRODUCT

This product is further divided into fixed deposits, cumulative deposit and non convertible debentures. In these products the company providing attractive interest rate ranging from 7.5% to 9% for different terms as 12 months, 24 months, 36 months to cover customer according to their investment and other aspects.

CREDIT PRODUCTS

Sakthi finance provides finance for purchase of new and used commercial vehicles, infrastructure machineries and customer durable items for two wheelers. The company providing re-finance for old vehicle, which have used more than 10 years. This is one of the competitive advantage of sakthi finance. The interest rates are very attractive starting from 15% to 24% interest rates are fixed according to the customer rating, settlements and also regarding document for loan.

LOCKERS

The company will provide finance for safety lockers, which meet safety, security standards in especially in designed and constructed buildings with appropriate ambiance and are available at various locations.

FUTURE PROSPECTS

The company committed to various future plans one of the most important is to achieve Rs 500 crores cumulative disbursal within 2007-08. This can be achieved through branch wise and month wise target.

DEPOSIT SCHEMES

Fixed deposit, cumulative deposit is the two deposit schemes that are available in Sakthi Finance Limited. For cumulative deposit minimum amount is Rs 10,000 and for fixed deposit if it is monthly interest the minimum amount is Rs 15,000, for quarterly and half yearly it is 10,000.

❶ Cumulative Deposit			Scheme I
Term (Months)	Interest rate p.a at Quarterly rests	Annual Yield	Maturity Amount Rs.10,000/-
12	9%	9.31%	10,931
24	9.50%	10.33%	12,066
36	9.75%	11.17%	13,351
Minimum Deposit : Rs.10,000/-			

LOCKER SCHEMES

1) REGULAR SCHEME

Under this scheme, 12 types of lockers are available. Their categories are small size lockers, medium size lockers and large size locker. The rent varies according to the size.

2) OWN YOUR LOCKER

It is comparatively from regular scheme. The difference lies on the payment side.

Locker Type	Size H x W x D (Inches)	Rental Advance	Annual Rent (in Rs.)
⏻ Large			
H	12 x 16 x 21	2,600	2,600
L	16 x 20 x 21	4,300	4,300
L1	12 x 20 x 21	3,300	3,300
L2	25 x 20 x 21	5,250	5,250
⏻ Medium			
E	6 x 16 x 21	1,200	1,200
F	11 x 13 x 21	2,000	2,000
G	7 x 20 x 21	1,900	1,900
H1	12 x 07 x 21	1,300	1,300
⏻ Small			
A	5 x 06 x 21	500	500
B	6 x 07 x 21	600	600
C	5 x 13 x 21	925	925
D	7 x 09 x 21	925	925

3) DEPOSIT LINKED

Under this scheme the hirer has tom pay security added with a nominal rent while he opens a new locker. This scheme gives a 70% interest on the deposit amount. The interest will be paid annually after deducting interest.

STRATEGIES FOR GROWTH

Customers delight through CRM:

Sakthi finance is delighting its customer by clearly understanding the customer's needs & wants in both products and services

Some of the solutions are

- ✓ Provide multiple products and efficient service
- ✓ Involve customers in product design
- ✓ Customers pre-assessment and rating
- ✓ For specialized service
- ✓ Customer database building for value added service

BEING A LEADER IN THE NICHE MARKET:

The company's one of the main objectives is to be leader of high margin-medium volume company by,

- ✓ Offering personalized services
- ✓ Being customer focused by being closure to them
- ✓ Having a relationship approach.

GOING LOCAL

The company is going local to their to their customer place through various means.

Become preferred credit supplier for customer by

- ✓ Security at their locality
- ✓ Delivering the product that satisfy their need
- ✓ Serving at the time of their choice

Be constant touch with customer to know

- ✓ Local market and its dynamics
- ✓ Local customer and their behavior

Improve operational efficiency by

- ✓ Desired collection ratio

Going local involves setting up a CSP (customer service point) at a local area

- ✓ To work within 50-60 kms radius
- ✓ To have minimum monthly business level of 150 accounts
- ✓ To reach minimum monthly business level of 15 lakhs

Through this strategy the company increase customer share and customer base also it encourages performance of sakthi finance limited to earn more.

2.4 COMPETITIVE STRENGTH OF THE SAKTHI FINANCE LIMITED

- ✓ First in the industry to issue post dated interest warrants in the advance every year.

- ✓ First in the industry to allow encashment of interest warrants at par in the branches of the canara bank and also in the branches and head office of company

- ✓ Faster service in processing the application for deposits, loan and refunds and branches and head office. The company services both on advances and deposits are marked by high order of courtesy. Efficiency and promptness is notable at all levels of its operations

DISTINCTIVE FEATURES OF ADVANCED PORTFOLIO

- ✓ Effective appraisal system and fast disbursement of advances within the shortest period

- ✓ Captive hire purchase business through dealership outlets for commercial vehicles held by group of companies or firms

- ✓ Specialized service in commercial vehicles finance

RATING

The company is rated by ICRA as **MA** that means adequate security

MANAGEMENT

The group is governed by chairman supported by a vice chairman and managing directors in the top level management. In this management team there are 5 boards of directors for five functional departments.

2.5 FUNCTIONAL DEPARTMENTS

1. OPERATIONS DEPARTMENT

- ✓ Credit appraisal process(CAP)
- ✓ Customer acquisition and retention(CARE)
- ✓ Customer asset management process(CAMP)

2. SECRETARIAL DEPARTMENT

- ✓ coordinating the share transactions in the public company with rules and regulations of the public limited company
- ✓ To maintain the rules and regulations of RBI and SEBI

3. FINANCE AND ACCOUNTS DEPARTMENT

- ✓ Entire accounting process of the company is carried out by this department

4. ELECTRONIC DATA PROCESSING DEPARTMENT

- ✓ Take care of dematerialization of records

5. HUMAN RESOURCE DEPARTMENT

- ✓ To maintain the personnel relationship
- ✓ To recruit new candidates on demand

2.6 ORGANISATIONAL STRUCTURE OF SAKTHI FINANCE LIMITED

```
                          ┌─────────────────┐
                          │    Chairman     │
                          └────────┬────────┘
                                   │
                                   ▼
                          ┌─────────────────┐
                          │ Vice - chairman │
                          └────────┬────────┘
                                   │
                                   ▼
                          ┌─────────────────┐
              ┌───────────┤ Managing director├───────────────┐
              │           └────────┬─────────┘               │
              │                    │                         │
              ▼                    ▼                         ▼
    ┌──────────────────┐                          ┌─────────────────────┐
    │   OPERATIONS     ├───────┐                  │   SHARED SERVICES   │
    └────────┬─────────┘       │                  └──┬───────┬───────┬──┘
             │                 │                     │       │       │
             ▼                 ▼                     ▼       ▼       ▼
      ┌──────────┐      ┌────────────┐           ┌─────┐ ┌─────┐ ┌─────┐
      │ ...ances │      │ Secretarial│           │ F&A │ │ EDP │ │ HRD │
      └────┬─────┘      └─────┬──────┘           └──┬──┘ └──┬──┘ └──┬──┘
           │                  │                     │       │       │
           ▼                  ▼                     ▼       │       ▼
┌──────────────────┐ ┌────────────────────┐ ┌──────────────┐│┌──────────────────┐
│ ...neral Manager │ │ Company Secretary  │ │Vice President││││Vice President    │
│ (..S.Velusamy)   │ │(Mr.A.Subramanian)  │ │(Mr.N.Sriniva-││││(Mr.V.Muralidaran)│
└────────┬─────────┘ └─────────┬──────────┘ │  san)        ││└────────┬─────────┘
         │                     │            └──────┬───────┘│         │
         ▼                     ▼                   ▼         │         ▼
┌──────────────────┐ ┌────────────────────┐ ┌──────────────┐│ ┌──────────────┐
│ ...edit Appraisal│ │ Deputy Manager     │ │Development &  ││ │  AGM-HRD     │
│ Process (..AP)   │ │ (Officer Assistant)│ │ Maintenance   ││ └──────┬───────┘
└────────┬─────────┘ └────────────────────┘ └──────────────┘│        │
         │                                                   │        ▼
         ▼                                                   │ ┌──────────────┐
┌────────────────────────┐                                  │ │ MD Secretariat│
│ ...stomer Acquisition & │                                  │ └──────────────┘
│ ...etention (CARE)      │
└────────┬───────────────┘
         │
         ▼
┌────────────────────────┐
│ ...stomer Asset Management│
│ ...ocess (CAMP)         │
└────────────────────────┘
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AN OVERVIEW OF CARE PLAN

CHAPTER - 3

AN OVERVIEW OF CARE PLAN

INTRODUCTION

The process of customer acquisition and retention is possible only by having a good customer relationship management system in the organization. CRM's success is basically relying on the customer expectations. The company has to serve the customers based on their need and not based on what the company can provide.

In sakthi finance private limited a specific marketing tool called Customer Acquisition and Retention (CARE) Plan is practiced for CRM and also for maintaining database for sales progress. It is a four stage database building sales progress involving database creation from listed sources. Then the database is converted to market database by profiling and pre – assessment of the prospects. These prospects are converted into customers through a structured process and they are retained by having proper CRM.

The four main tools used for acquisition and retention strategy are

T_0: Prospecting the targeted customers

T_1: Identifying the needs of customers and document collection

T_2: Credit approval and documentation

T_3: Disbursement to customers

DEVELOPMENT OF CARE PLAN

The customer acquisition and retention is dependent on the available sales platform. All accumulated efforts and activities that contribute to future results is done at the sales platform. In the sales platform not every effort result produces a result. There is always a time gap between effort and a result. By considering these factors CARE plan is developed based on the funnel theory.

THE DIMENSIONS OF SALES PLATFORM

The sales platform is having various dimensions which is based on the filtering of the prospects and converting them into customers. They are,

- Universal platform - T_0
- Market platform   - T_1
- Working platform - T_2
- Buying platform   - T_3

The filtering process done from the universal platform to the buying platform is done by the funnel technique.

HE FUNNEL TECHNIQUE

The funnel technique is schematically represented as follows

```
                    UNIVERSAL DATABASE
Validity assessment
                    MARKET DATABASE
      Need profiling
                         WORKABLE
      Risk profiling
                    RISK PROFILED          Learning & teaching
    Pre assessment
                    BANKABLE DATABASE
                                           Credit committee
QUISITION
                    CRM DATABASE           Self audit
      RETENTION
                    RISK DATABASE
```
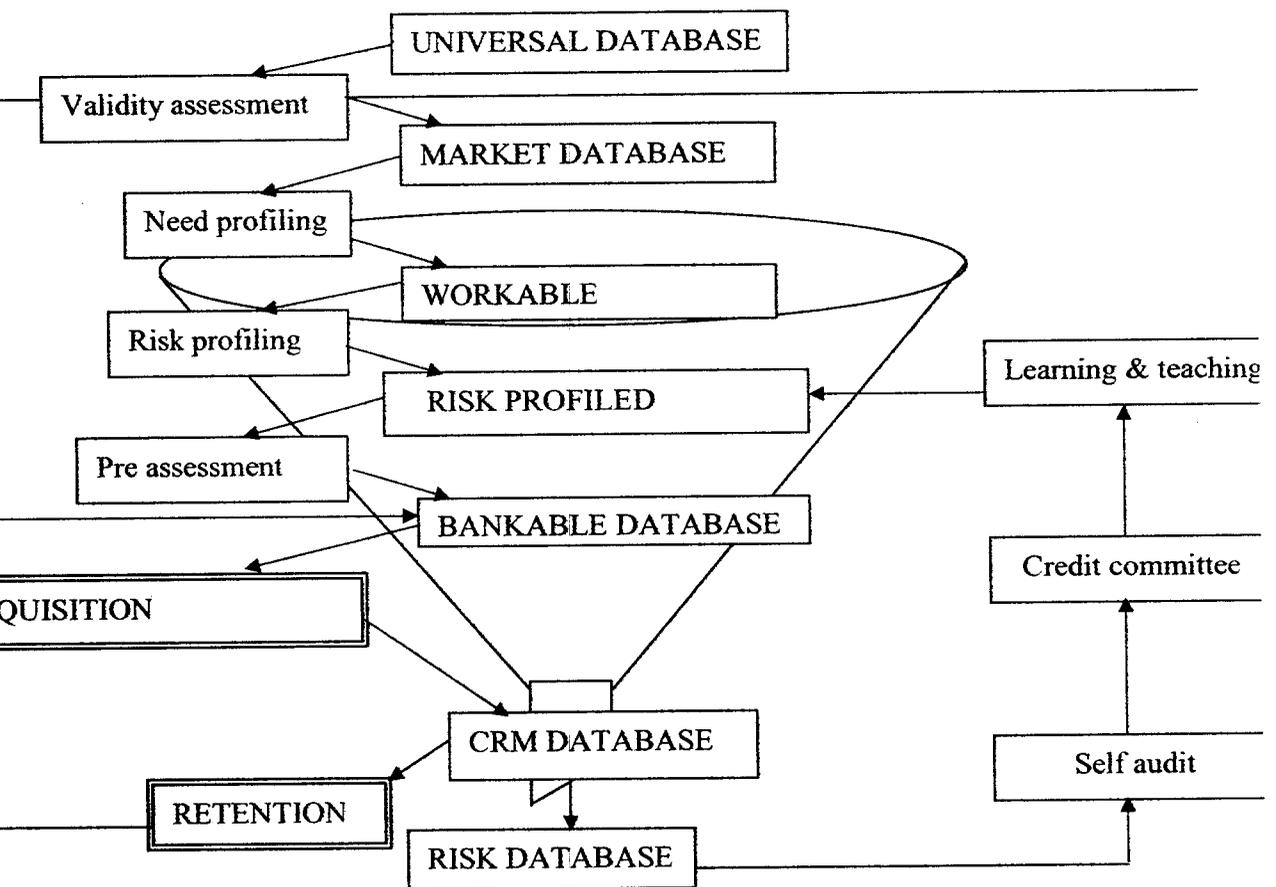
hus from the universal database the CRM database is generated by

tering the marketable segment. After the generation of CRM database

e acquisition and retention strategy helps in further maintenance and

etention of the database. The further risk generated from the CRM

atabase is eradicated using the self auditing and risk profiling programs.

he major role in the funnel technique is played by the marketing

xecutives, where they have to maintain proper relationship and proper

ollow up in each and every step of the customer database generation

SALES PLATFORM CRITERIA FOR SAKTHI FINANCE LIMITED

PROSPECTS IN UNIVERSE (T_0)

The first step is the identification of the prospects. This can be done

hrough various sources like existing customer links, direct visit, and

networking and through various associations. An appointment is fixed and

he prospect's need identification is done, like, the quantum of finance,

repayment period and so on. The company schemes like interest rates,

funding quantum, tenor and so on are explained well to the prospect and if

they are interested in availing finance they are moved to the next criteria

PROSPECTS ENTERS MARKET PLATFORM (T_1)

The requested papers and documents are collected from the prospects and the vehicle inspection is done. After the inspection clearance the proposal for initial payment is forwarded to the head office for approval.

PROSPECTS ENTERS WORKING PLATFORM (T_2)

In these criteria the proposal is approved and communicated to the prospect. The hire purchase documentation is executed and the initial payment is collected by the prospectus. Finally the RTO formalities are completed.

CUSTOMER ENTERS THE BUYING PLATFORM (T_3)

In these criteria the prospect turns into customer of the company and the finance amount is released to the hirer. The customer remains in the buying platform till the HP termination is issued.

THE CARE CELL

The CARE plan is executed through a separate department called the care cell. The complete procedure for the customer relationship database is maintained through the care cell.

OLES AND RESPONSIBILITIES

- Carrying out the function of customer database creation from the universal platform to the sales platform

- Monitoring the care plan function

  - Weekly care plan consolidation

  - Analysis of conversion ratio through the funnel technique

  - Report generation

DATA ANALYSIS AND INTERPRETATION

CHAPTER - 4

DATA ANALYSIS AND INTERPRETATION

Table No: 4.1

Table showing age of the respondents

S. No	Age Of Respondents	No. Of Respondents	Percentage (%)
1	<25 years	1	8
2	26-35 years	6	46
3	36-45 years	4	31
4	>45 years	2	15
	Total	13	100

SOURCE: Primary Data.

INTERPRETATION

It is observed that the 46.2% of the respondents' belong to age category 26-35 year, 31% belongs to the age group of 36 – 45 years and 15% of the respondents belong to the age group of more than 45 years.

INFERENCE

Most (46%) of the respondent belong to the age category26-35 years.

Chart showing age of the respondents
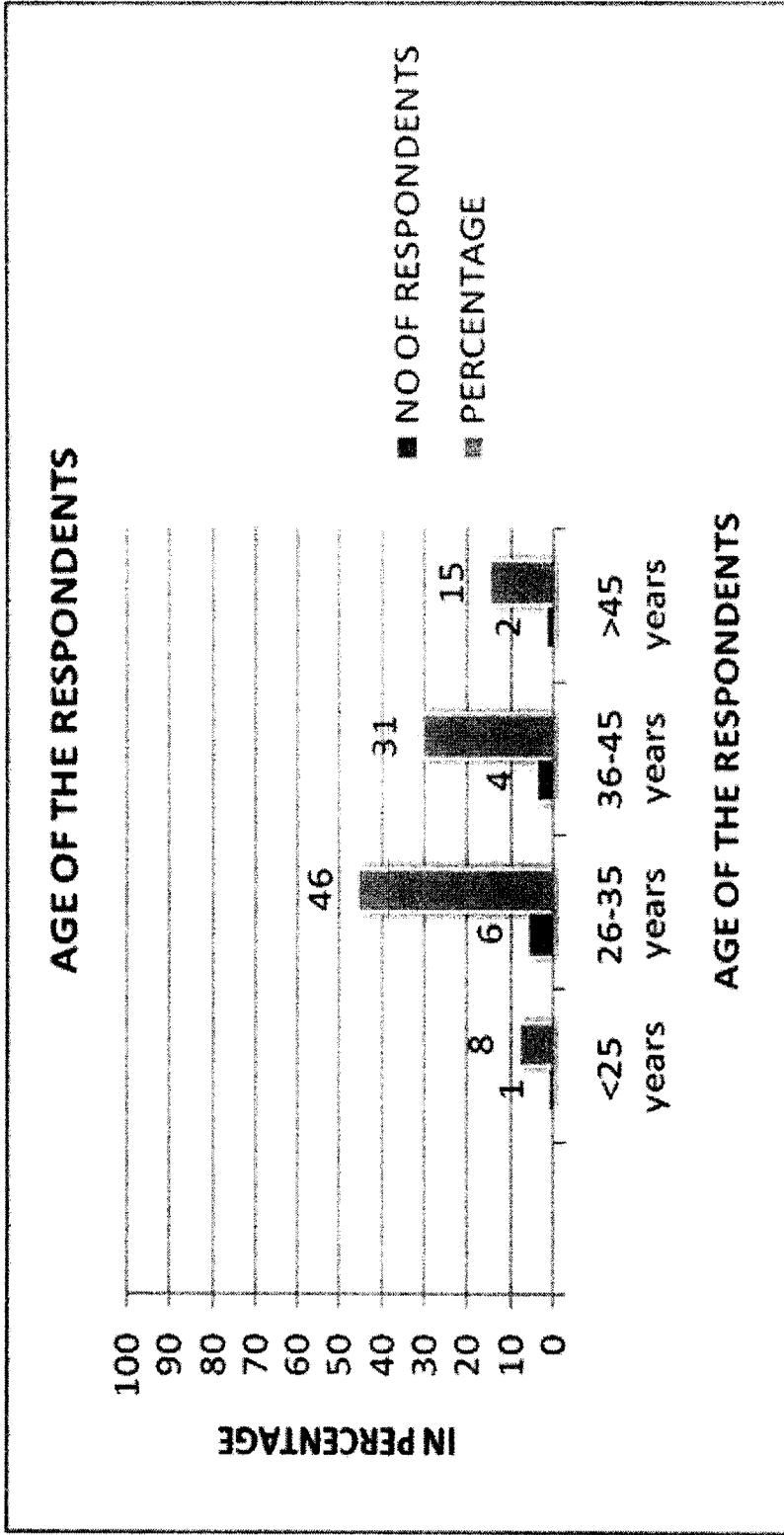
CHART NO. 4.1

AGE OF THE RESPONDENTS

■ NO OF RESPONDENTS

▓ PERCENTAGE

41

showing the total experience of the respondents in Marketing

No	Experience (In Years)	No. Of Respondents	Percentage (%)
1	<1	0	0
2	1-3	4	31
3	3-5	2	15
4	5-10	1	8
5	>10	6	46
	Total	13	100

:CE: Primary Data.

RPRETATION

It is observed that the proportion of the respondents who are experienced above 10

are 46%, and 1-3 years are 31% where as there is no respondents are employed as

that is experienced less than a year.

RENCE

Most (46%) of the respondents working in Sakthi Finance are experienced from more

) years.

CHART NO: 4.2

Chart showing the total experience of the respondents in Marketing
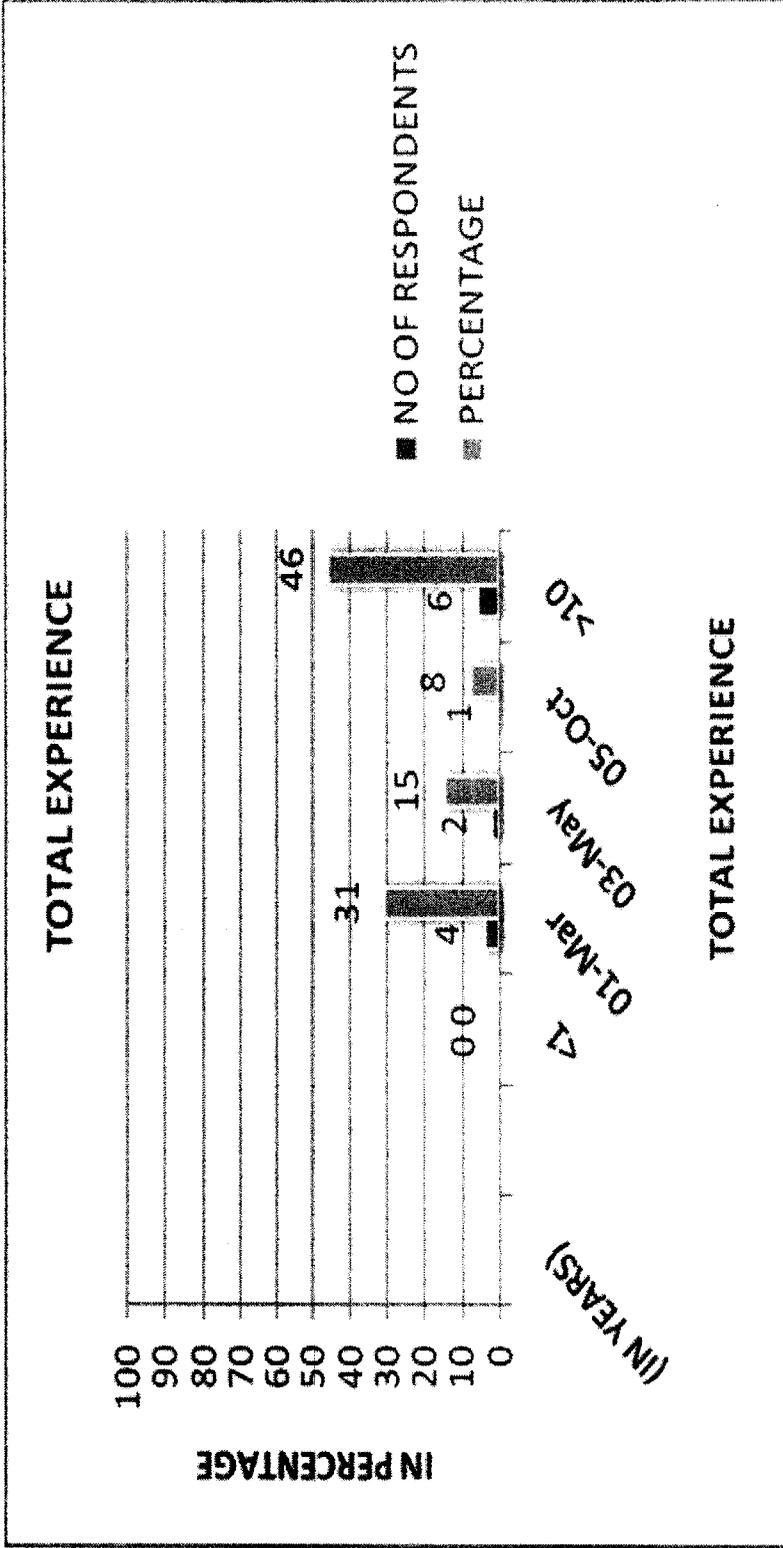
Table No: 4.3

showing the experience of the respondents in sakthi finance

lo	Experience In SFL (In Years)	No. Of Respondents	Percentage (%)
	<1	2	15
	1 to 3	6	46
	3 to 5	2	16
	5 to 10	0	0
	>10	3	23
	Total	**13**	**100**

CE: Primary Data.

PRETATION

It is observed that the 46% of the respondents have 1-3 years of experience in sakthi

RENCE

Most (46%) of the respondents have 1-3 years of experience in sakthi finance. Hence

owledge about the system which will come through experience won't be up to the

ed level.

CHART NO. 4.3

Chart showing the experience of the respondents in sakthi finance

EXPERIENCE IN SAKTHI FINANCE

45
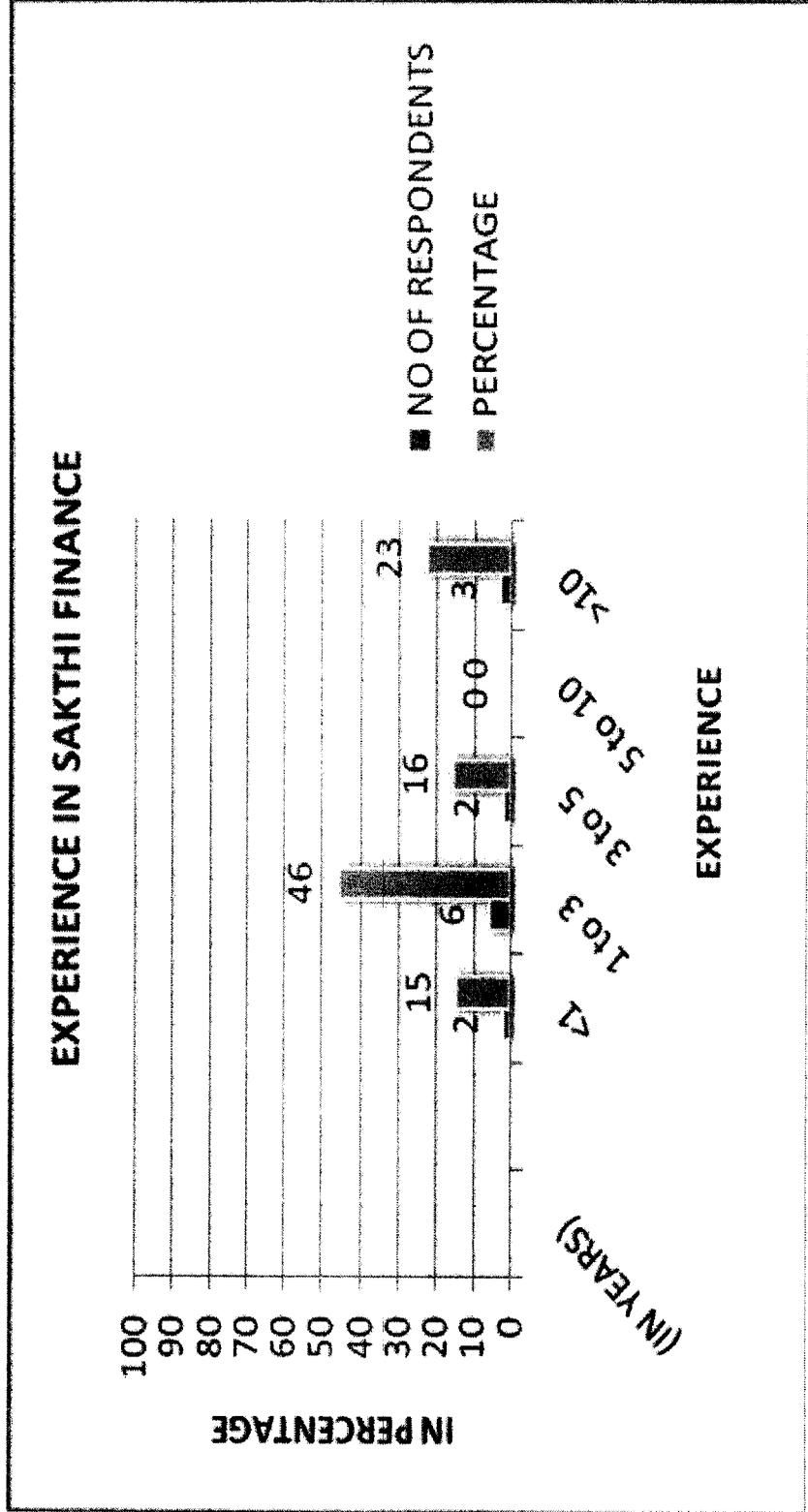
<div align="center">**Table No: 4.4**</div>

showing average target fixed per month for the respondents.

No	Target (No Of Customers)	No. Of Respondents	Percentage (%)
1	20-25	8	62
2	26-35	2	15
3	36-40	2	15
4	>40	1	8
	Total	**3**	**100**

CE: Primary Data.

RPRETATION

It is observed that the target fixed per month of about 20-25 customers is for 62% of the

dents, 26-35 is for 15% of the respondents, 36-40 is fixed for 15% and above 40

ers is for 8% of the respondents.

RENCE

Most (62%) of the respondents are fixed with the least target of 20-25 customer per

CHART NO: 4.4

Chart showing average target fixed per month for the respondents
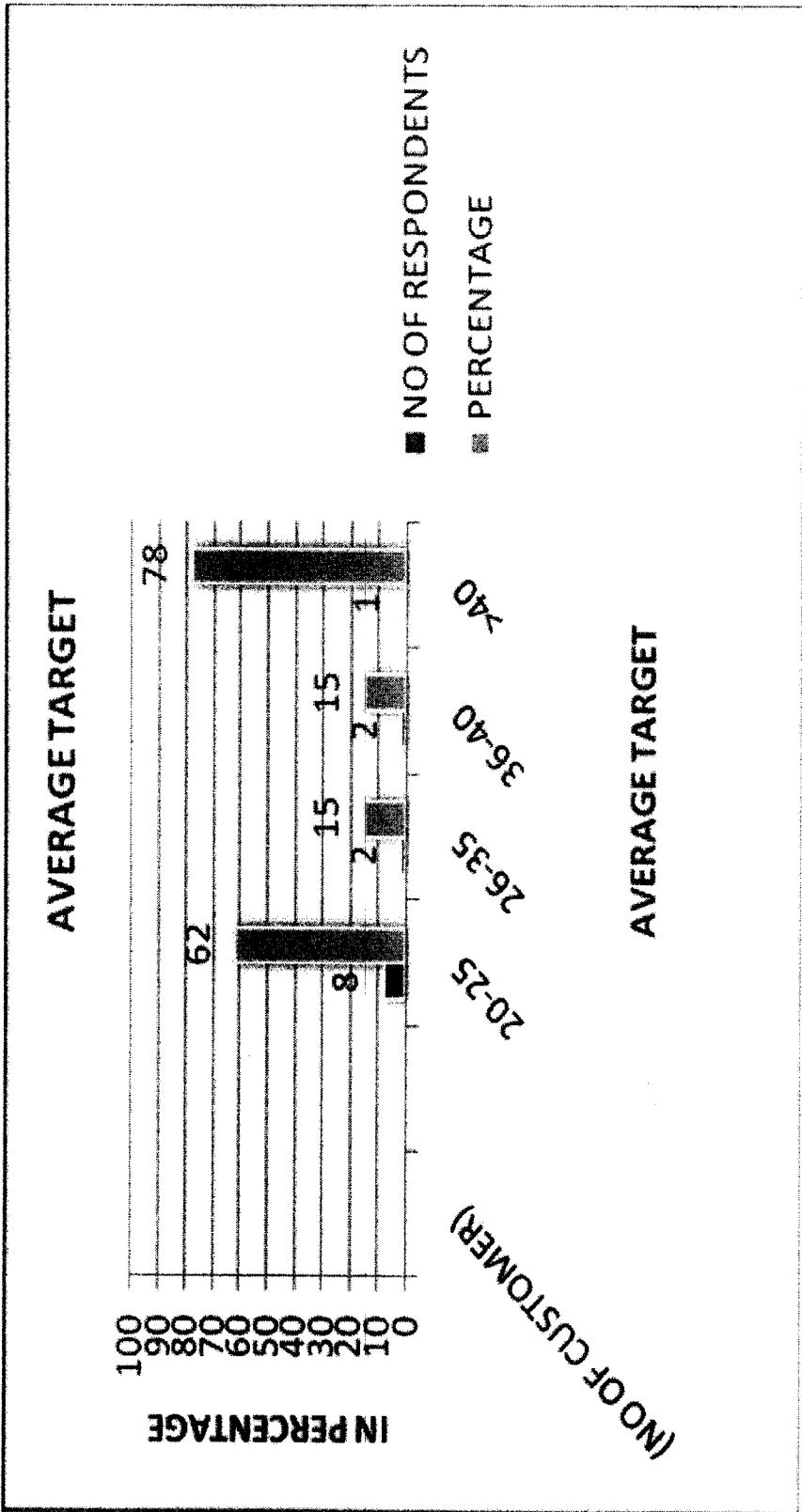
showing the target achievement per month for the respondents

S. No	Target Achievement	No. Of Respondents	Percentage (%)
1	Above the target	1	8
2	Near the (± 5% of target)	7	54
3	Below the target	5	38
	Total	**13**	**100**

CE: Primary Data.

PRETATION

It is observed that 54% of the respondents are achieved near the target and followed by

the respondents are achieved below the target level.

ENCE

A significant amount of respondents (38%) are achieving below the target level. Hence

I influence greatly for the necessary of a proper systematic procedure for follow up in

lance which can be done through CARE plan.

Chart showing the target achievement per month for the respondents

CHART NO. 4.6

TARGET ACHIEVEMENT

IN PECENTAGE

100 80 60 40 20 0

1 8 7 54 5 38

Above the target   Near the target(± 5% of target)   Below the target

TARGET ACHIEVEMENT

■ NO OF RESPONDENTS

▓ PERCENTAGE

49
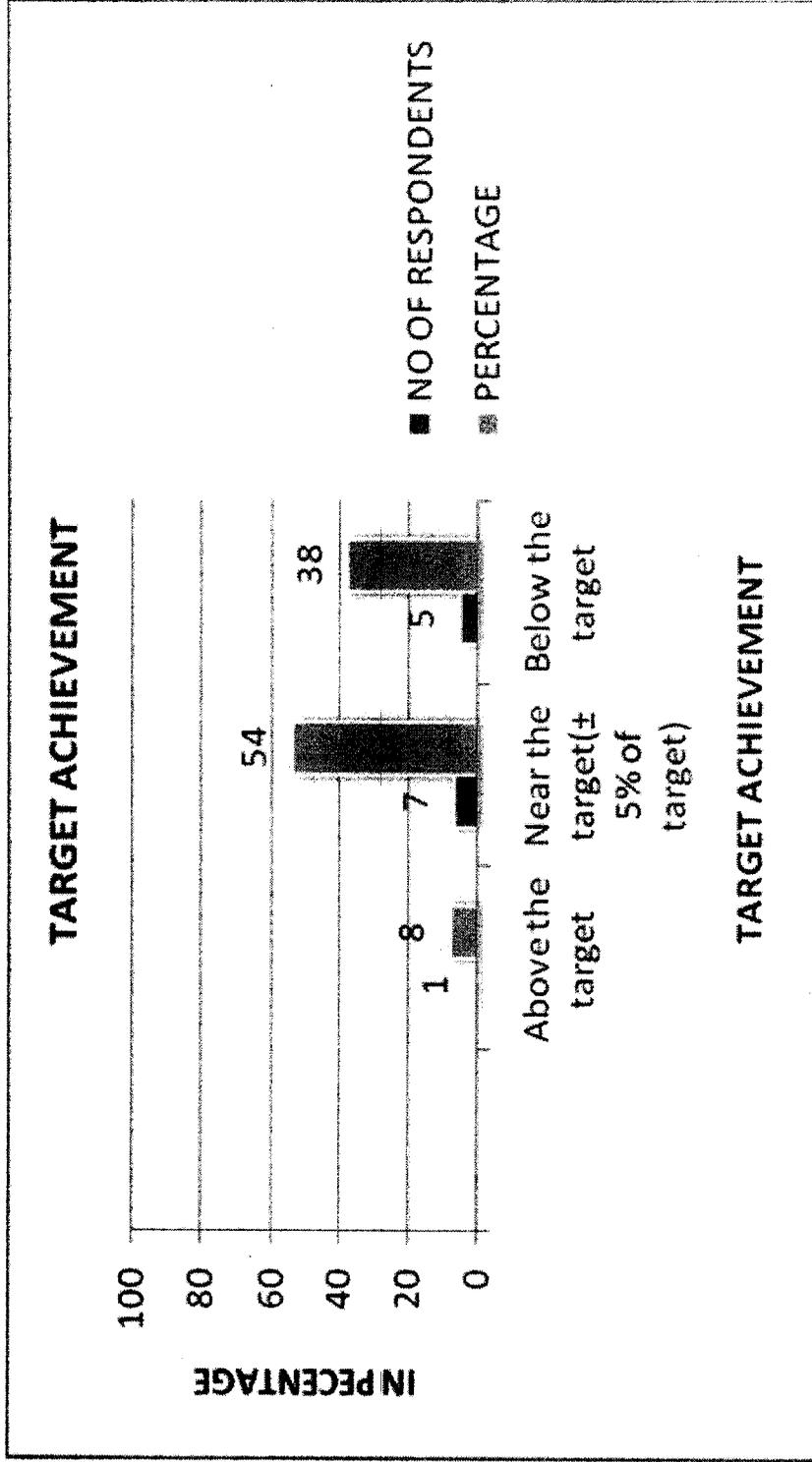
showing respondent' opinion about care plan

S No	Opinion About Care Plan	No. Of Respondents	Percentage (%)
1	Excellent & useful	2	15
2	Very good & more success	3	23
3	Good	8	62
4	Not fitting into system	0	0
	Total	13	100

RCE: Primary Data.

RPRETATION

It is observed that about 62% of respondents say that the CARE plan is good and 23%

bondents says care plan is very good and more success.

RENCE

Most (62%) of respondents said that the care plan is good. and 15% of the

ndents said the CARE plan is excellent and useful.

CHART NO: 4.6

Chart showing respondent' opinion about care plan

OPINION ABOUT CARE PLAN
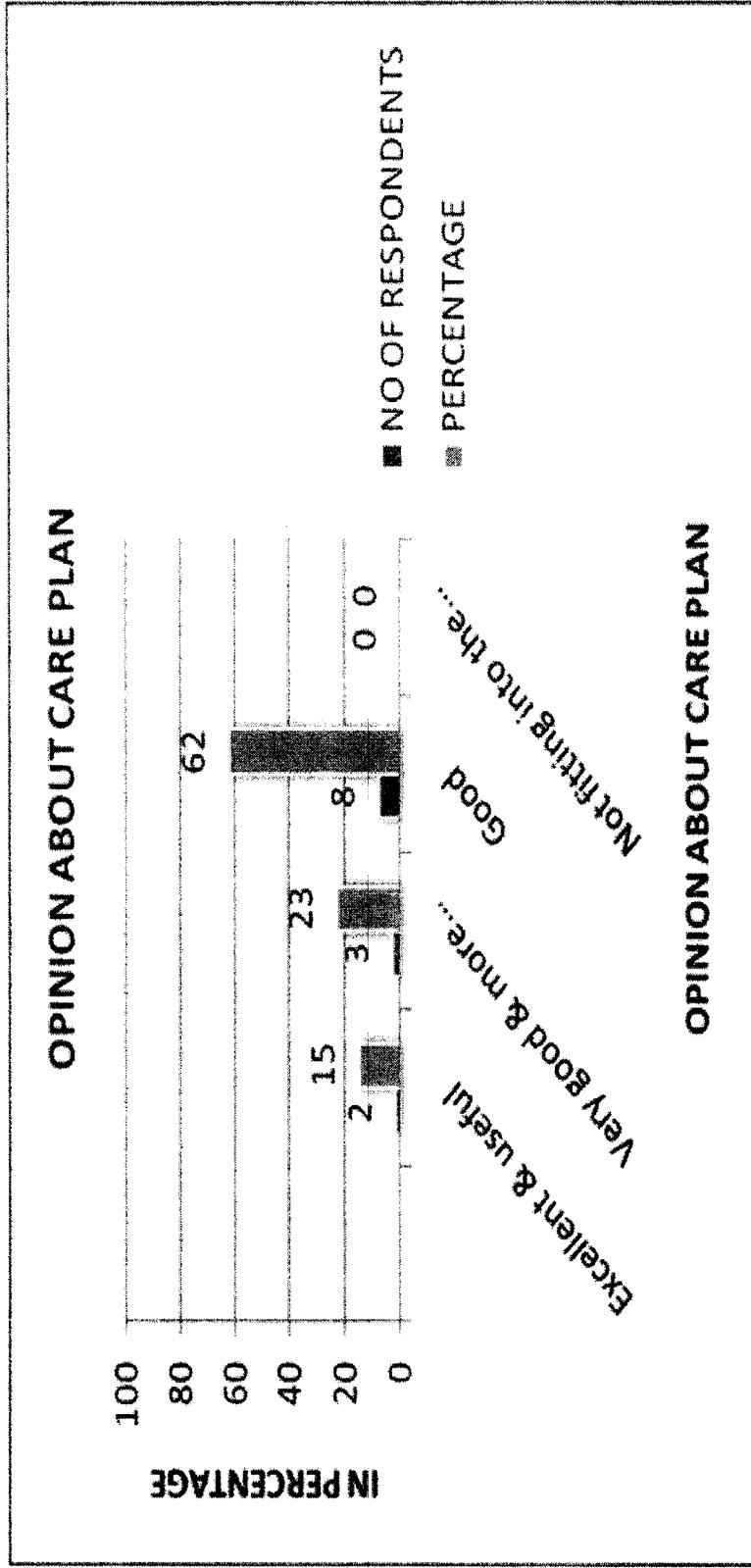
Table No: 4.7

showing the respondents' awareness about the CARE plan system

S. No	Aware	No. Of Respondents	Percentage (%)
1	Yes	12	92
2	No	1	8
	Total	13	100

RCE: Primary Data.

RPRETATION

Most (92%) of the respondents are aware of the CARE plan system.

RENCE

8% of the respondents are not aware of the CARE plan system.

CHART NO: 4.7

Chart showing the respondents' awareness about the CARE plan system

AWARENESS ABOUT CARE PLAN

53
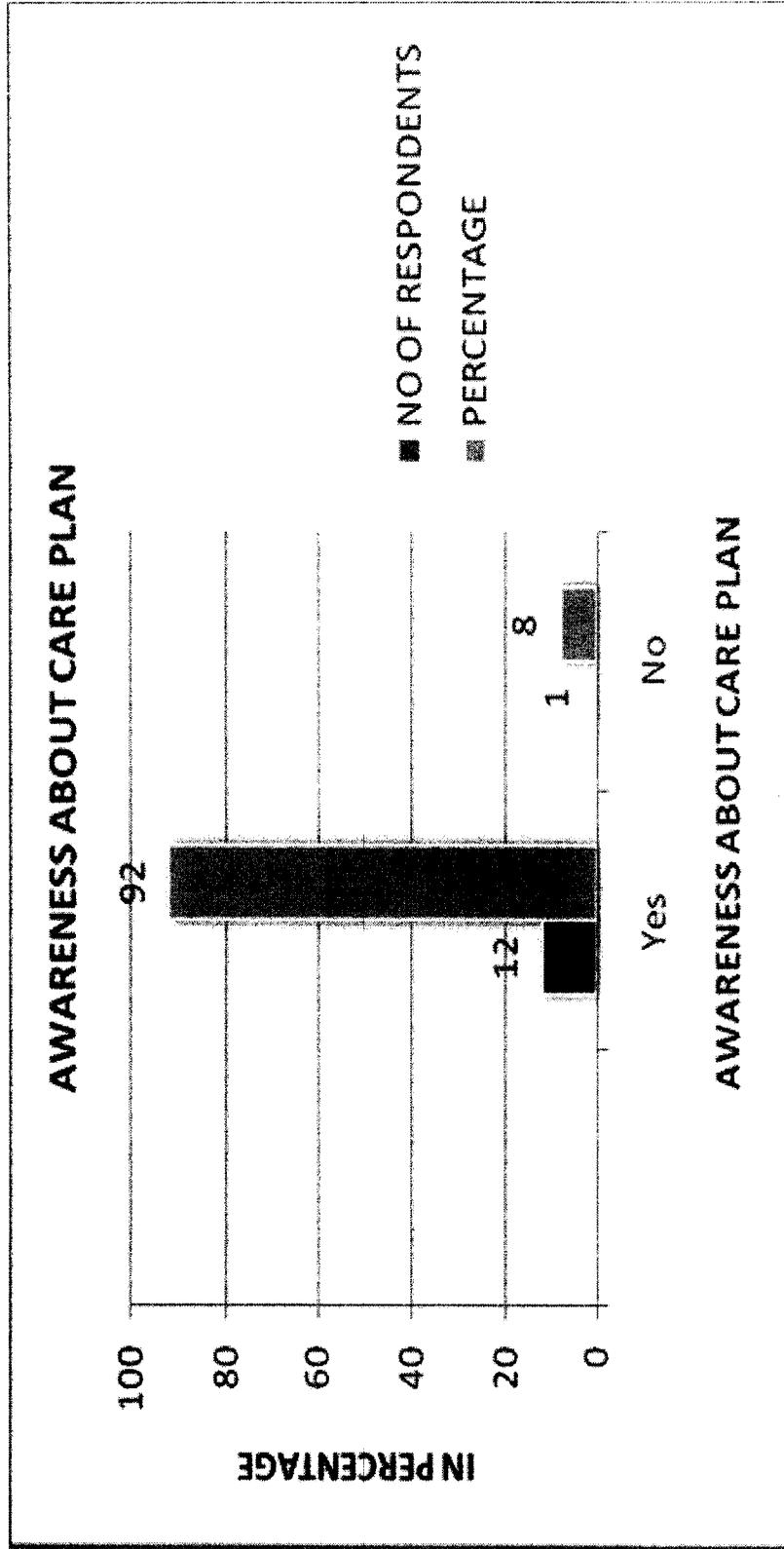
Table No: 4.8

showing the extent of implementation of CARE plan by the respondents

No	Implementation	No. Of Respondents	Percentage (%)
1	Completely implemented	8	62
2	It is in progress	5	38
3	Not yet implemented	0	0
	Total	**13**	**100**

CE: Primary Data.

PRETATION

Most (62%) of the respondents says that the implementation process is in completely

ented and 38% of the respondents say that it is in progress.

RENCE

It can be inferred that there will be 62% of the respondents find some obstacles

enced by them in completely implementing the CARE plan in their system.

CHART NO: 4.8

Chart showing the extent of implementation of CARE plan by the respondents

CARE PLAN FOLLOW UP

CARE PLAN FOLLOW UP

- NO OF RESPONDENTS
- PERCENTAGE

IN PERCENTAGE

Completely... 8 62
It is in progress 5 38
Not yet implemented 0 0

showing the reasons for the non implementation of CARE plan system by the

ndents

o	Non Implementations	No. Of Respondents	Percentage (%)
	Time constraints	7	54
	Difficult to adopt	5	38
	No proper guidance about care plan	1	8
	Total	13	100

RCE: Primary Data.

RPRETATION

Most (54%) of the respondents feels time constraints is the main reason for non

nentations.

RENCE

Hence it can be inferred that time factor will be a drawback for the CARE plan

nentation.

CHART NO: 4.9

Chart showing the reasons for the non implementation of CARE plan system by the respondents

57
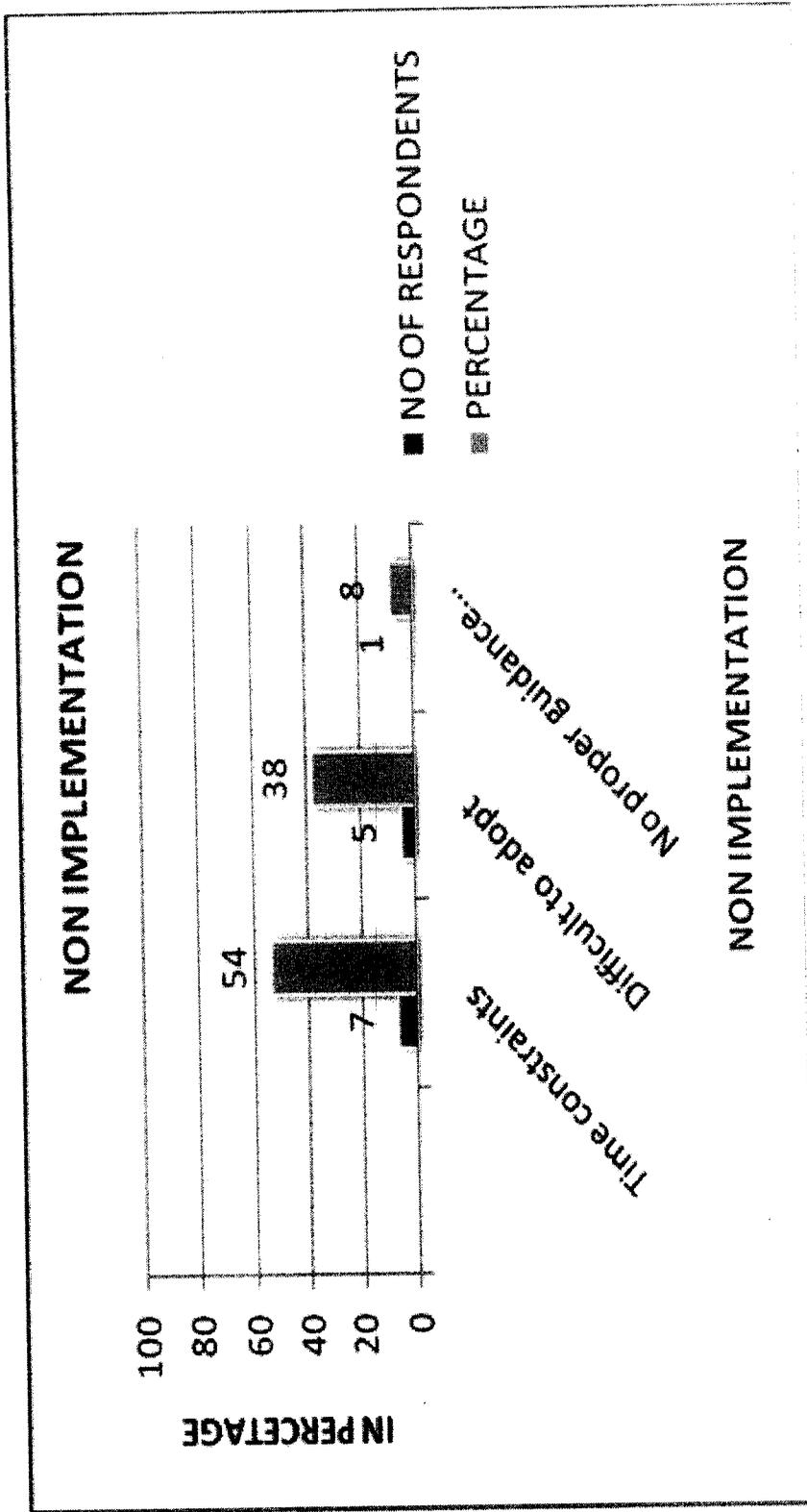
Table No: 4.10

showing the factors, identified by the respondents which remain as a drawback for

plementations

o	Drawbacks	No. Of Respondents	Percentage (%)
	Time factor	10	77
	Difficult to adopt	3	23
	Confusing the previous system	0	0
	Total	**13**	**100**

CE: Primary Data.

PRETATION

It is observed that 77% of the respondents find time factor is the main reason for

ck of non implementations.

ENCE

Most (77%) of the respondents find time factor as the main drawback for implementing

E plan.

Chart showing the factors, identified by the respondents which remain as a drawback for non implementations

DRAWBACK OF CARE PLAN

DRAWBACK OF CARE PLAN

- ■ NO OF RESPONDENTS
- ▓ PERCENTAGE
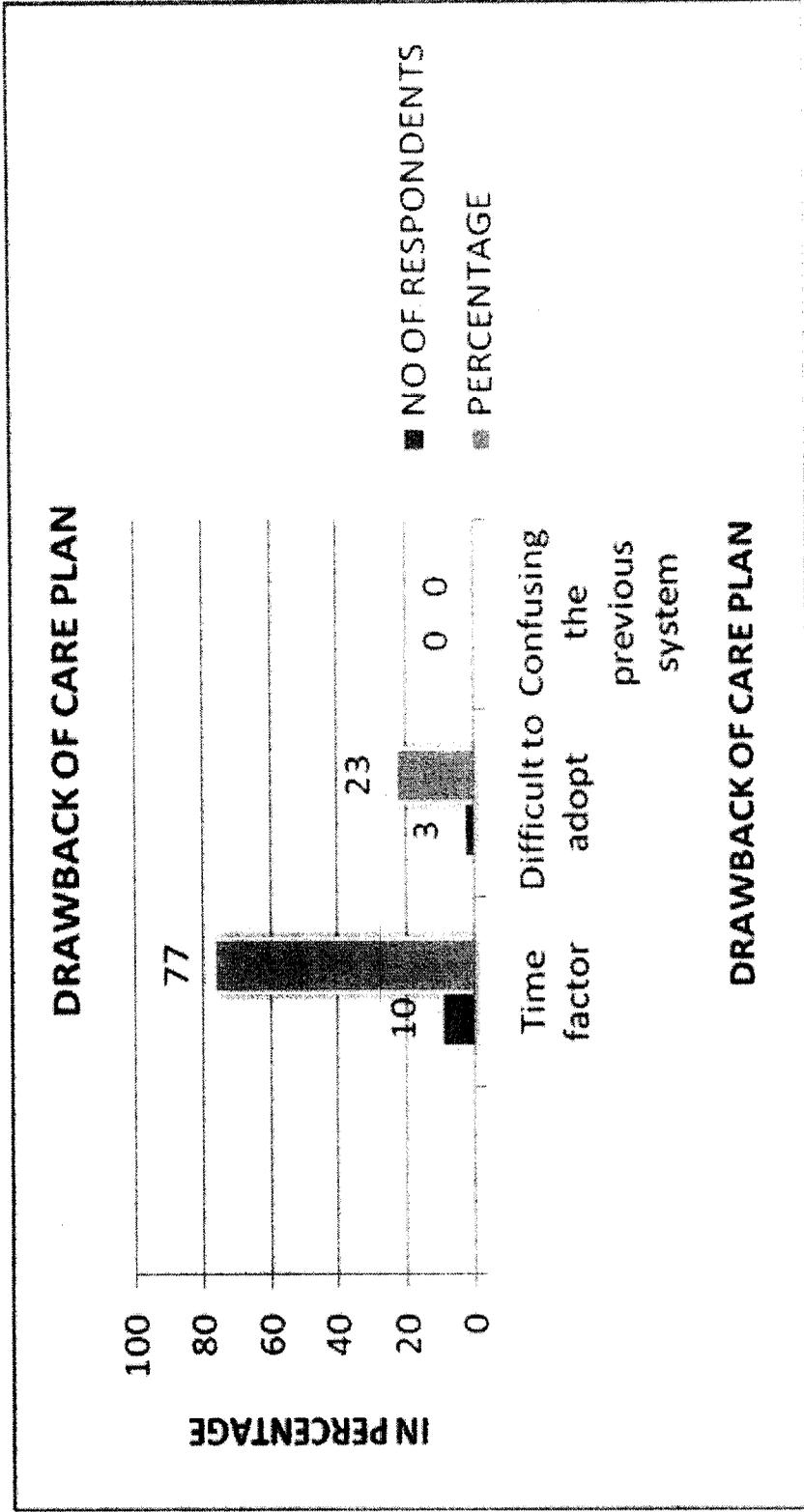
Table No: 4.11

showing the source of customer for the respondents

Customer Source	No. Of Respondents	Percentage (%)
Lorry owner's association	5	38
Builders association	1	8
Existing customer's link	7	54
Total	13	100

RCE: Primary Data.

RPRETATION

It is observed that 54% of the respondents said existing customer's link give more new

mers. 38% of the respondents said lorry owners association as their means of customers

ing.

RENCE

Most (54%) of the respondents said that existing customer links give more customers

e follow up of the existing customers is necessary for good networking and increasing the

t.

CHART NO: 4.11

Chart showing the source of customer for the respondents

CHART NO: 4.11

Chart showing the source of customer for the respondents

SOURCE OF CUSTOMER

IN PERCENTAGE

100 80 60 40 20 0

Lorry owner's... 5 38

Builders association 1 8

Existing customer's link 7 54

■ NO OF RESPONDENTS
▨ PERCENTAGE

SOURCE OF CUSTOMER

61
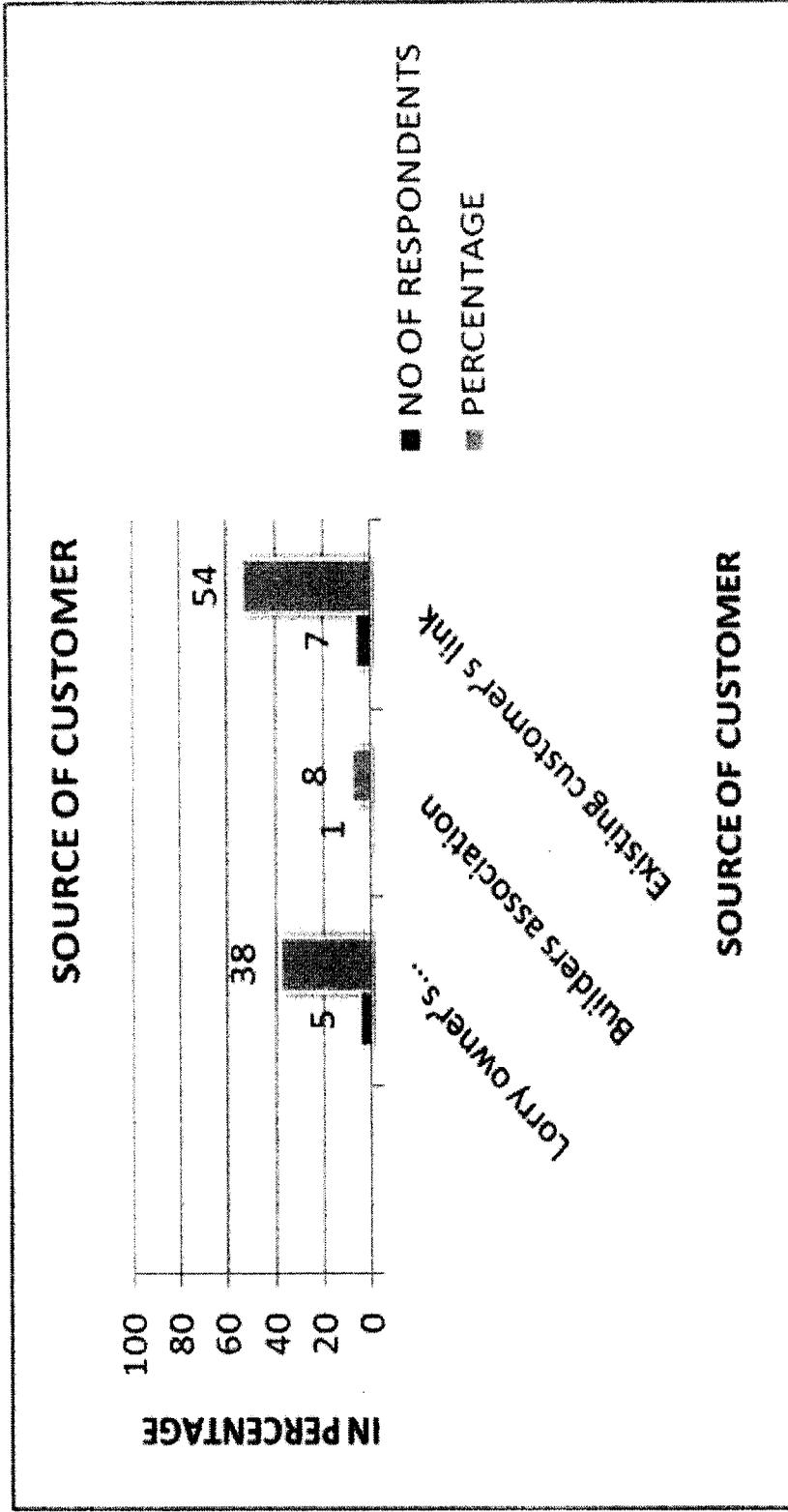
Table No: 4.12

showing other sources of customers in the sales platform for the respondents

. No	Means Of Source	No. Of Respondents	Percentage (%)
	Brokers	1	8
	Direct visit	2	15
	Contractors	1	8
	Other associations	1	7
	Missing	**8**	**62**
	Total	**13**	**100**

RCE: Primary Data.

RPRETATION

It is observed that 15% of the respondents feel direct visit is the other form of customer

.

RENCE

15% of the respondents said that direct visit rapport is the main means of sourcing for

ners.

Chart showing other sources of customers in the sales platform for the respondents
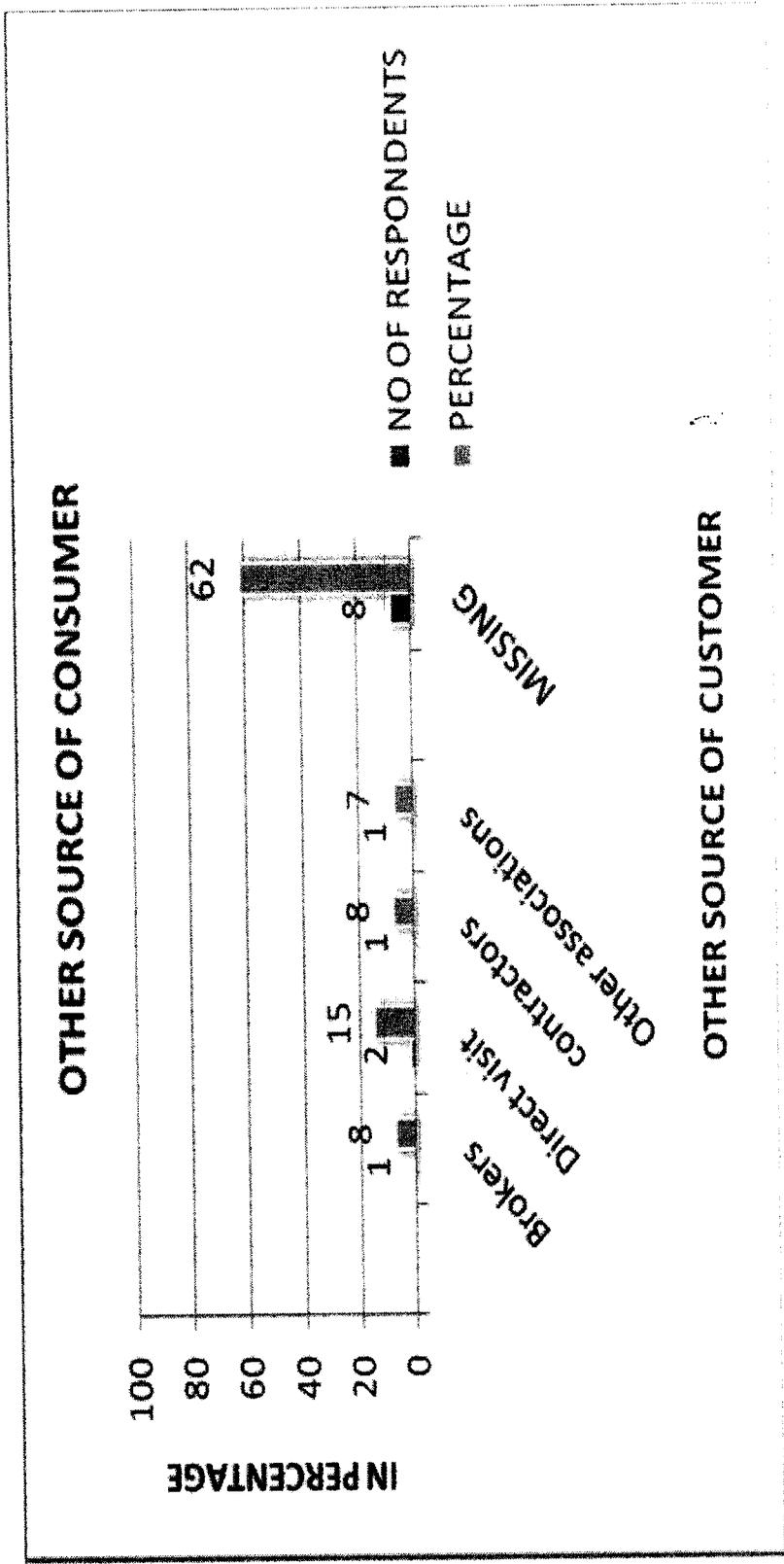
OTHER SOURCE OF CONSUMER

IN PERCENTAGE

100
80
60
40
20
0

Brokers
Direct visit
contractors
Other associations
MISSING

1 8
2 15
1 8
1 7
8
62

■ NO OF RESPONDENTS
■ PERCENTAGE

OTHER SOURCE OF CUSTOMER

Table No: 4.13

howing the repayment culture of the customers observed by the respondents

	Repayment Culture	No. Of Respondents	Percentage (%)
	Timely	3	23
	With less arrears	9	69
	With more arrears	1	8
	Total	**13**	**100**

CE: Primary Data.

PRETATION

It is observed that 69% of the respondents are dealing with customers who are having

lay in repayment culture and 23% of the respondents are having customers who are

g the loan at the due date.

RENCE

It is found that the numbers of prompt payers are comparatively lesser.

CHART NO: 4.13

Chart showing the repayment culture of the customers observed by the respondents

REPAYMENT CULTURE

IN PERCENTAGE

100
80
60
40
20
0

Timely | With less arrears | With more arrears

3 | 23 | 9 | 69 | 1 | 8

■ NO OF RESPONDENTS
▦ PERCENTAGE

REPAYMENT CULTURE
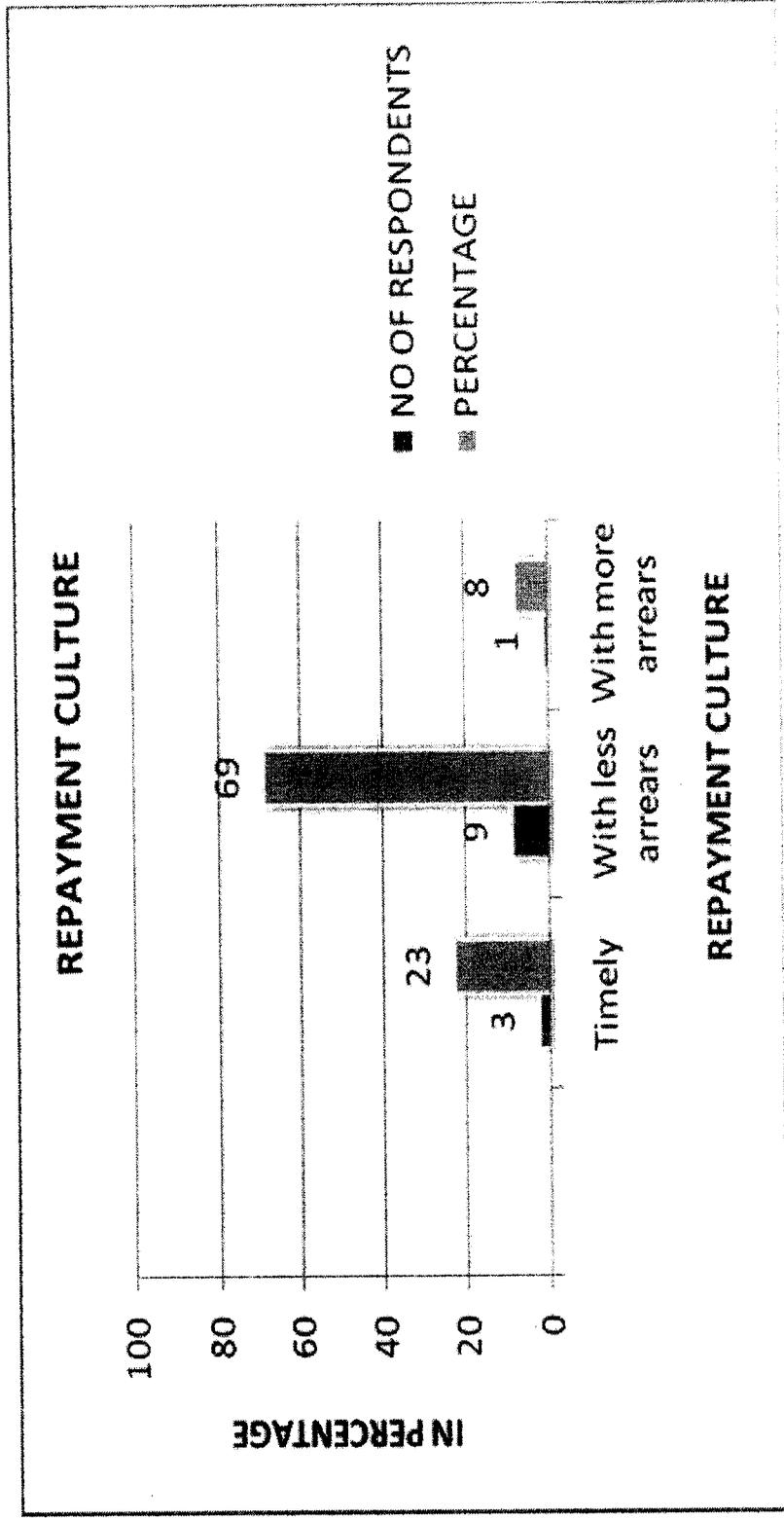
Table No: 4.14

showing the expected alterations in the CARE plan for its effective implementation

respondents

	Alterations	No. Of Respondents	Percentage (%)
	Day to day basis	7	54
	Personal CARE plan dairy	2	15
	Make it simpler	3	23
	No changes	1	8
	Total	13	100

RCE: Primary Data.

RPRETATION

Most (54%) of the respondents feels day to day basis is expected alterations in the

plan.

RENCE

8% of the respondents feel there is no need to any changes in CARE plan.

Chart showing the expected alterations in the CARE plan for its effective implementation by the respondents
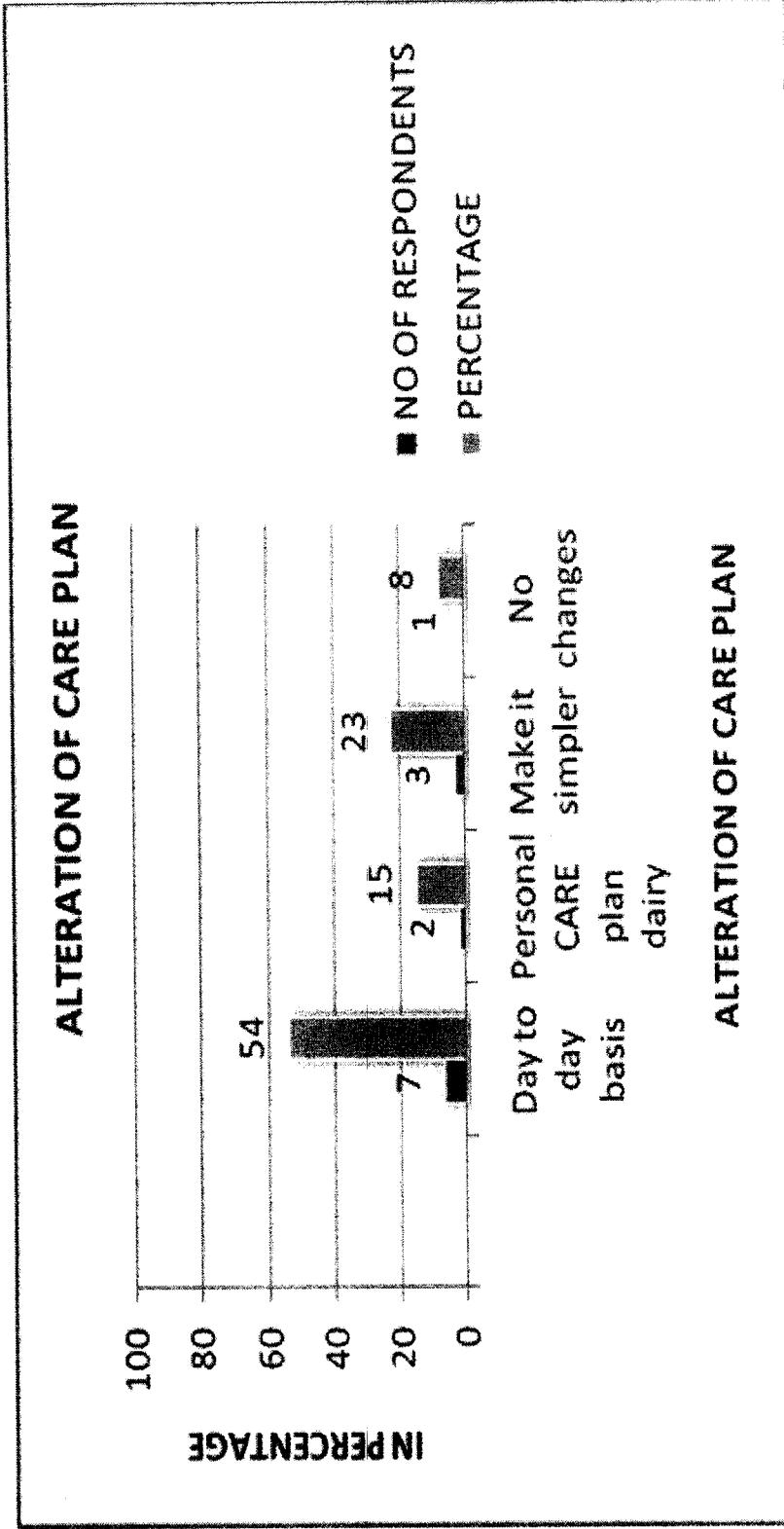
ALTERATION OF CARE PLAN

ALTERATION OF CARE PLAN

IN PERCENTAGE

■ NO OF RESPONDENTS

■ PERCENTAGE

showing the awareness of different stages of CARE plan by the respondents

. No	Description	No. Of Respondents	Percentage (%)
1	Correct	12	92
2	Incorrect	1	8
	Total	13	100

RCE: Primary Data.

RPRETATION

It is observed that 92% of the respondents are aware of the CARE plan system and

the respondents gave incorrect information about the function in the four stage of

ARE plan.

RENCE

Hence it can be inferred that though all the executives were completely aware of the

plan still they need further training to get clear knowledge about the system.

CHART NO: 4.15

Chart showing the awareness of different stages of CARE plan by the respondents

AWARENESS OF DIFFERENT STAGES

69
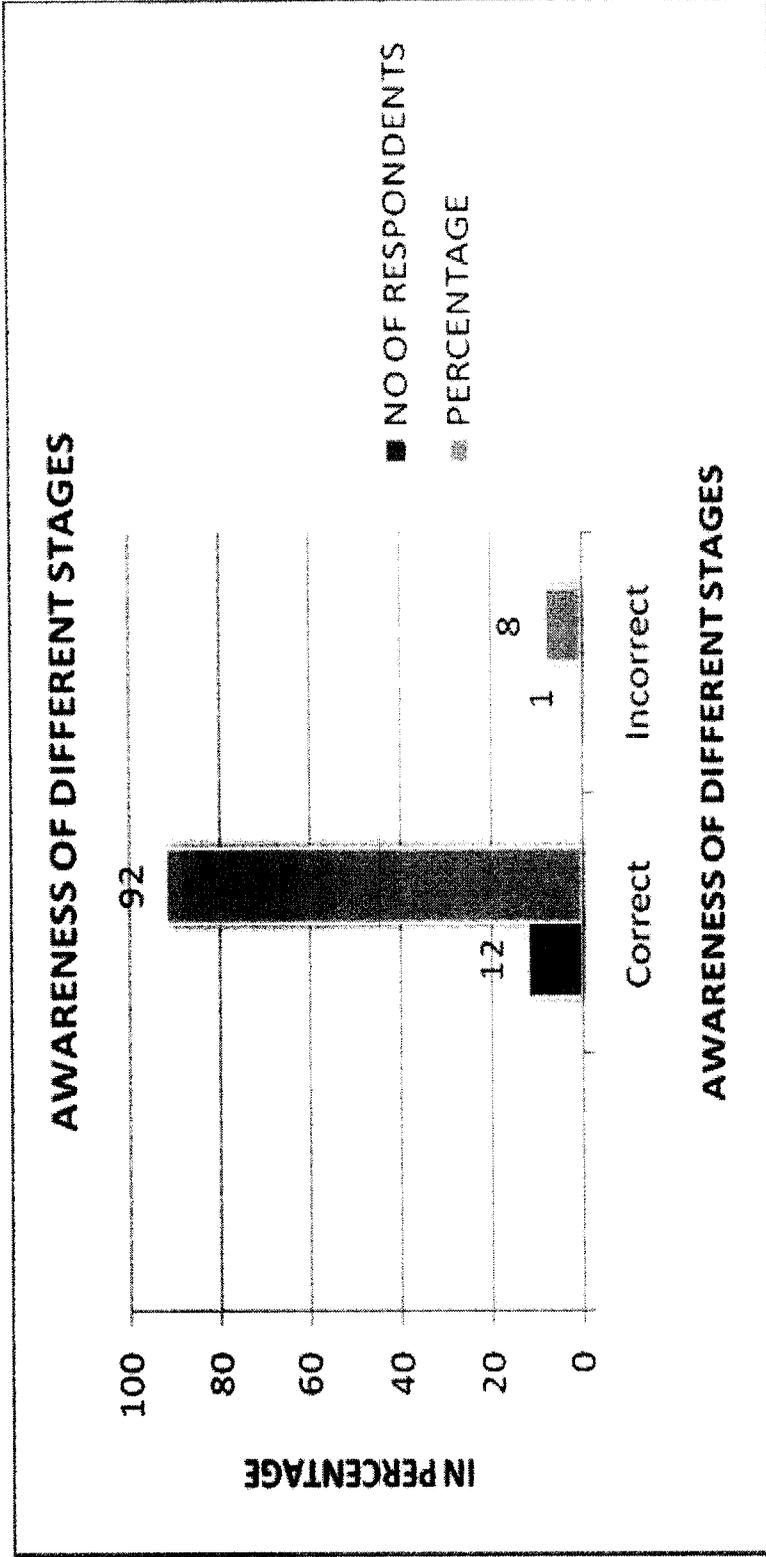
Table No: 4.16

showing the performance of the experience before and after the implementation of

plan by the respondents

FACTORS	BEFORE		AFTER	
	NO. OF RESPONDENTS	PERCEN TAGE	NO. OF RESPONDENTS	PERCEN TAGE
re time consumption	4	31	9	69
eased new customer	5	39	8	61
/stematic approach	10	77	3	23
Proper record	10	77	3	23
er target achievement	2	15	11	85

RCE: Primary Data.

RPRETATION

It is observed that 85% of the respondents feel after implementing the CARE plan

arget achievement has been increased.

RENCE

It is inferred that the success rate of care plan is satisfactory in the system

CHART NO: 4.16

Chart showing the performance of the experience before and after the implementation of CARE plan by the respondents

BEFORE AND AFTER IMPLEMENTING CARE PLAN

IN PERCENTAGE

- BEFORE NO OF RESPONDENTS
- BEFORE PERCENTAGE
- AFTER NO OF RESPONDENTS
- AFTER PERCENTAGE

IMPLEMENTING CARE PLAN
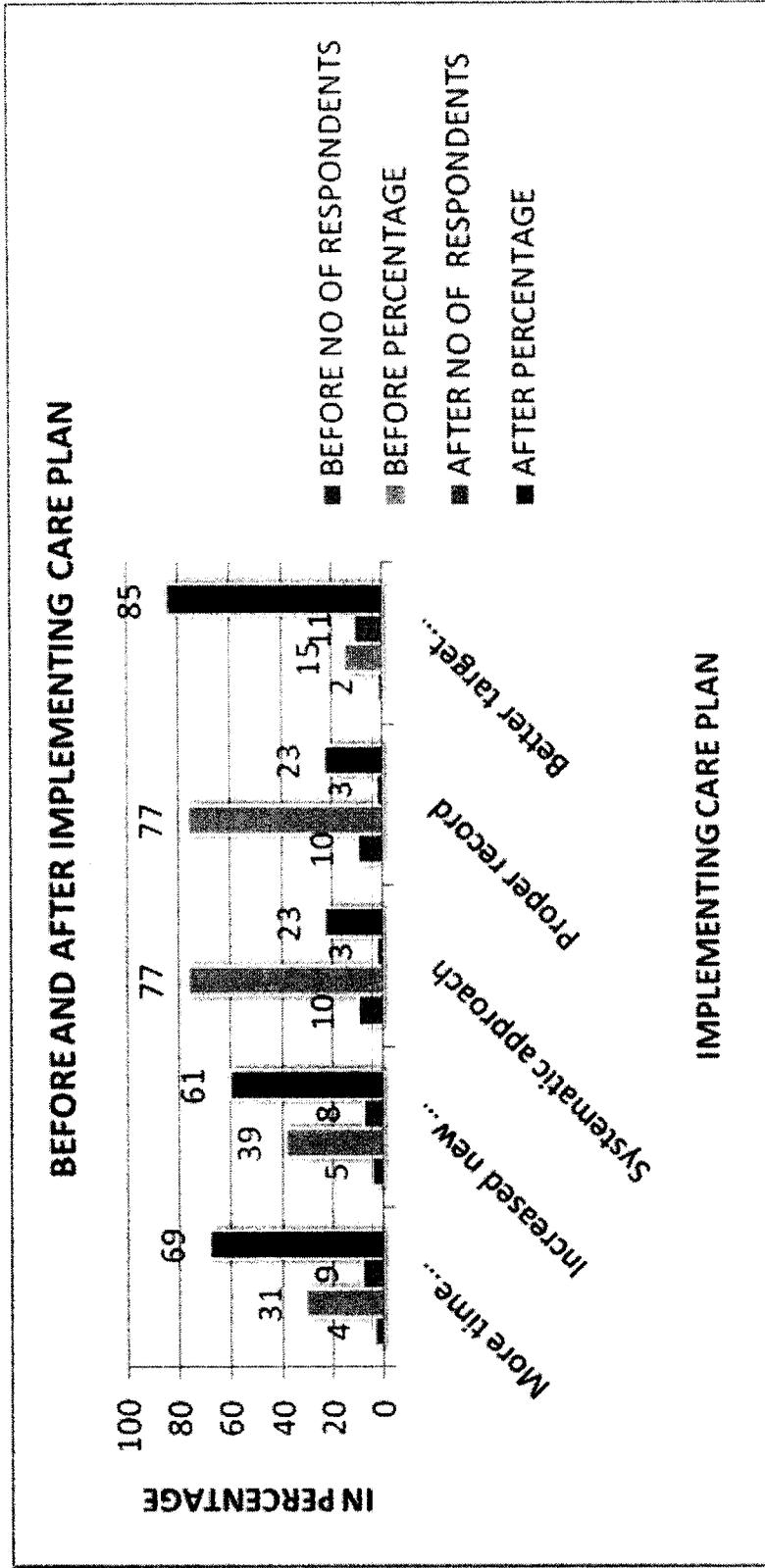
Table No: 4.17

showing the market segment and concentrated by the respondents

FACTORS	RURAL		URBAN	
	NO. OF RESPONDENTS	PERCENT AGE	NO. OF RESPONDENTS	PERCENT AGE
e competition of local finances	6	46	7	54
gh customer source	6	46	7	54
More aware about interest rates	5	38	8	62
lore competition of er NBFCs and banks	5	37	8	63

RCE: Primary Data.

RPRETATION

)served that 63% of the respondents feel more competition of other NBFCs and banks in
)an area.

RENCE

)ndents doing niche marketing in the segment it has to concentrate more on the rural
)nt as like the urban segment.

CHART NO: 4.17

Chart showing the market segment and concentrated by the respondents

MARKET SEGMENT

Legend:
- More competition of local finances
- High customer source
- More aware about interest rates
- More competition of other NBFCs and banks

73
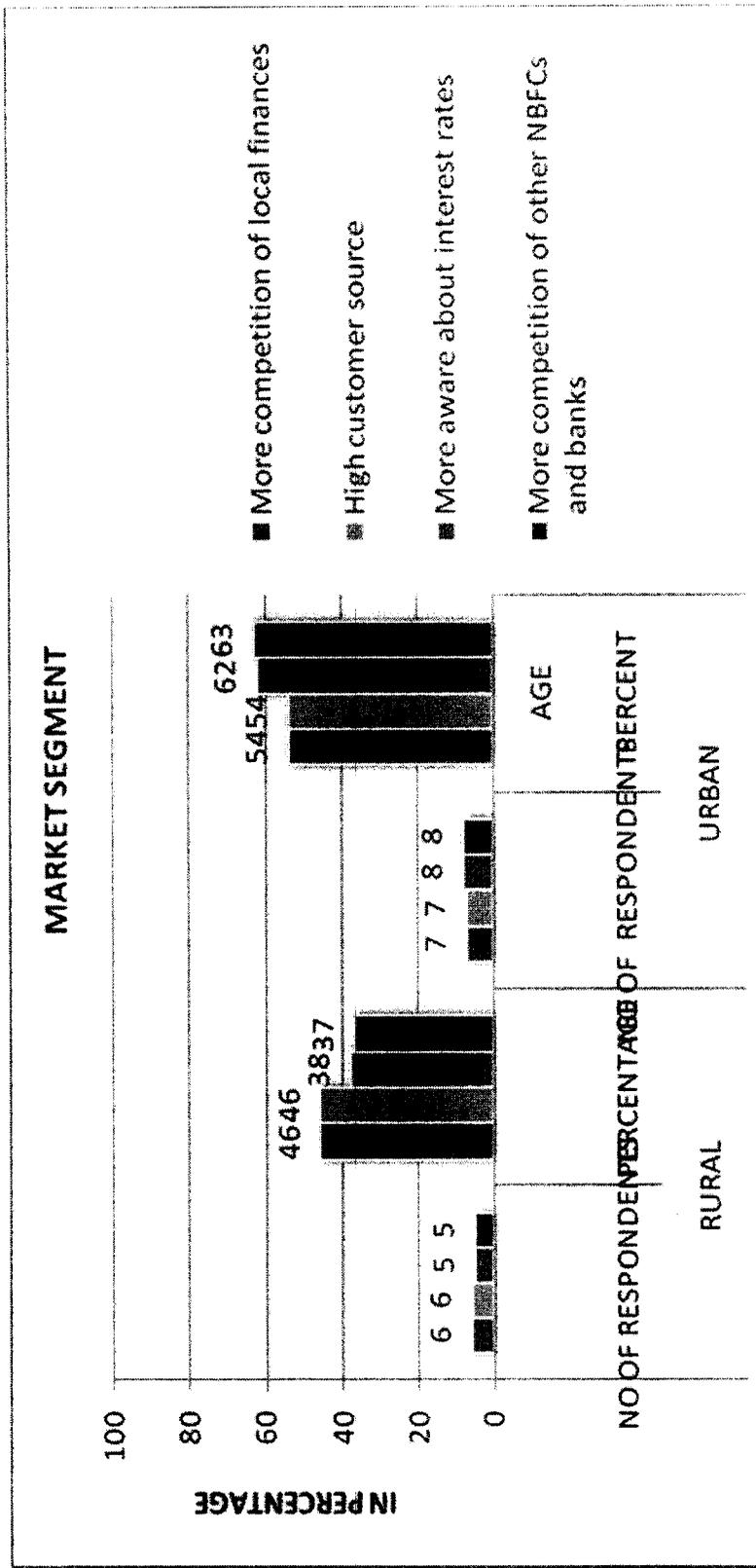
showing the average number of customers per month

No	No Of Customers	No. Of Respondents	Percentage (%)
1	3	1	8
2	5	4	31
3	6	3	23
4	7	1	8
5	8	1	7
6	10	3	23
	Total	13	100

RCE: Primary Data.

RPRETATION

It is observed that 23% of the respondents achieve 10 customers as their target per

1, 8 customers by 7% of the respondents and 6 customers by 23% of the respondents

ctively.

RENCE

Most (23%) of the respondents have achieved a target of about 10 customers in

nth

CHART NO: 4.18

Chart showing the average number of customers per month

NUMBER OF CUSTOMER PER MONTH

Legend
■ NO. OF CUSTOMERS
■ NO OF RESPONDENTS
■ PERCENTAGE

IN PERCENTAGE

NUMBER OF CUSTOMER PER MONTH
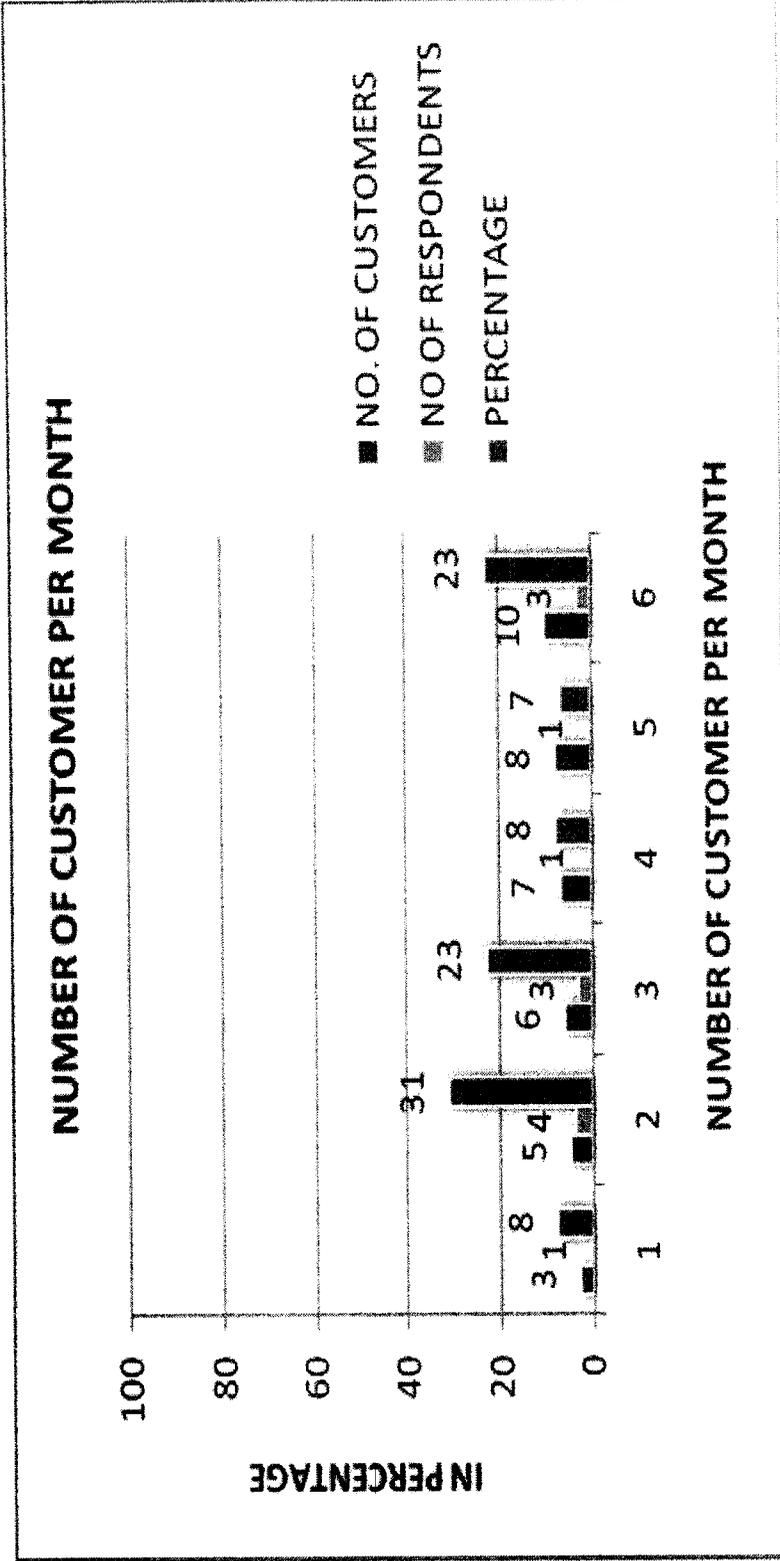
showing important factor affecting the CARE plan

Factors	Weightage					Total Score	Rank
	5	4	3	2	1		
Personal involvement	7	2	2	1	1	52	1
Knowledge about CARE plan	1	4	4	4	0	41	2
Training	2	2	4	1	4	36	3
Follow up	0	5	2	3	3	35	4
Experience in the system	3	0	1	4	5	31	5

RCE: Primary Data

RPRETATION

The table shows that among all the factors, personal involvement of the respondents

main factor affecting the implementation of the CARE plan, followed by knowledge about

lan affecting the implementation of the CARE plan

RENCE

The critical success factors for the respondents are personal involvement of the

by respondents.

CHART NO: 4.19

Chart showing important factor affecting the CARE plan

IMPORTANCE OF CARE PLAN
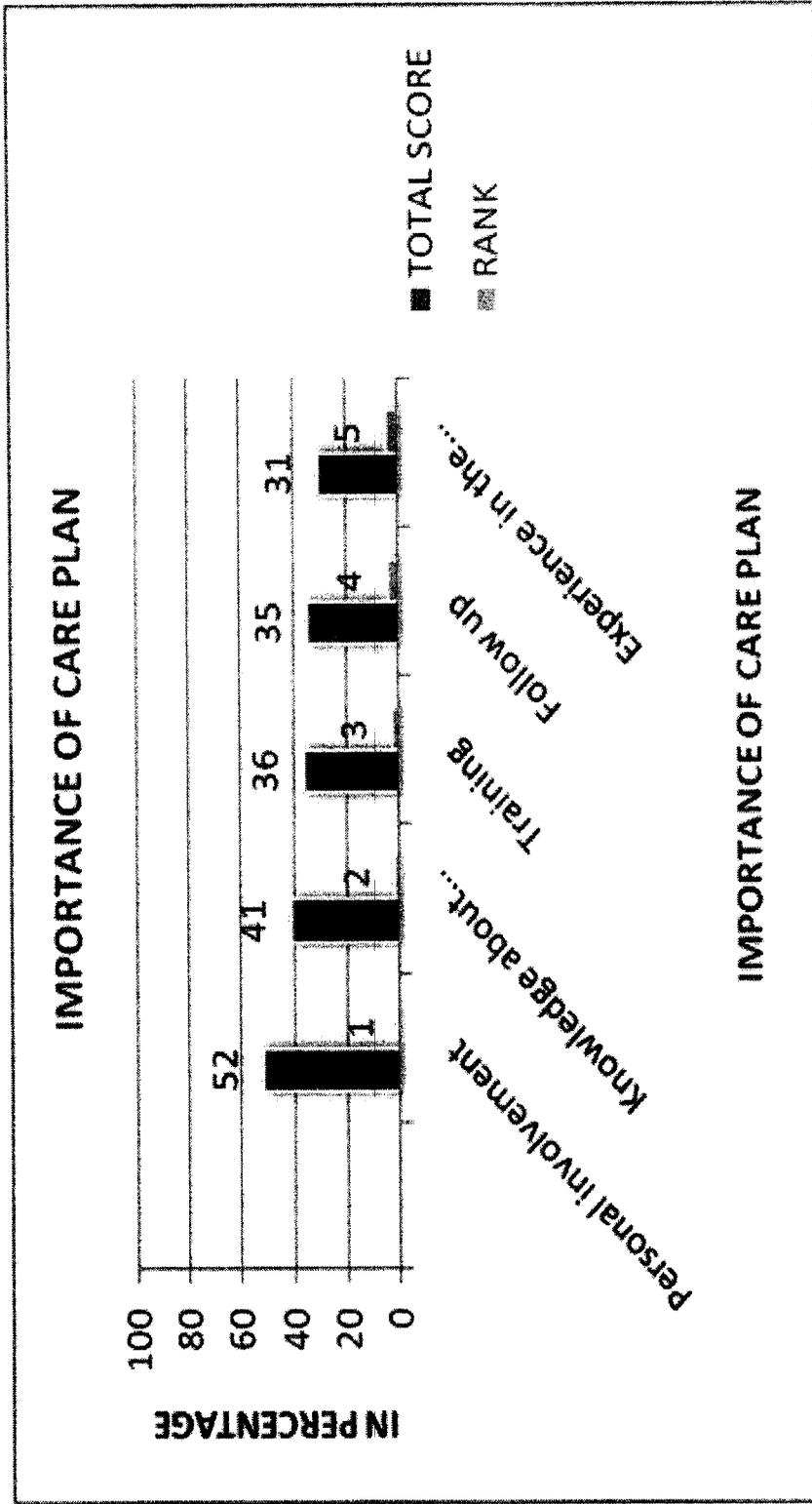
Table No: 4.20

showing the acquisition strategy of customers at T_0 stage adopted by respondents

Strategies Adopted	Weightage			Total Score	Rank
By Respondents	3	2	1		
Existing customers	7	6	0	33	1
Cold cells	3	5	5	24	2
Other sources	3	2	8	21	3

CE: Primary Data.

PRETATION

The table shows that in the T_0 stage existing customers is the main strategies to

by the respondents and cold cell is the second strategies adopted by the respondents.

RENCE

Existing customers is the main strategies adopted by the respondents in the T_0

Chart showing the acquisition strategy of customers at T_0 stage adopted by respondents

ACQUISTION STRATEGY AT T_0

79

Table No: 4.21

showing the acquisition strategy of customers at T_1 stage adopted by respondents

No	Strategies Adopted By Respondents	Weightage			Total Score	Rank
		3	2	1		
1	Based on track record	6	3	4	28	1
2	Based on average delay	5	2	6	25	2
3	Customer background	2	8	3	25	2

CE: Primary Data.

PRETATION

The table shows that in the T_1 stage based on track record is the main strategy to

by the respondents and based on average delay and customer background is the second

ies adopted by the respondents.

RENCE

Based on track record is the main strategies adopted by the respondents in the T_1

Chart showing the acquisition strategy of customers at T_1 stage adopted by respondents
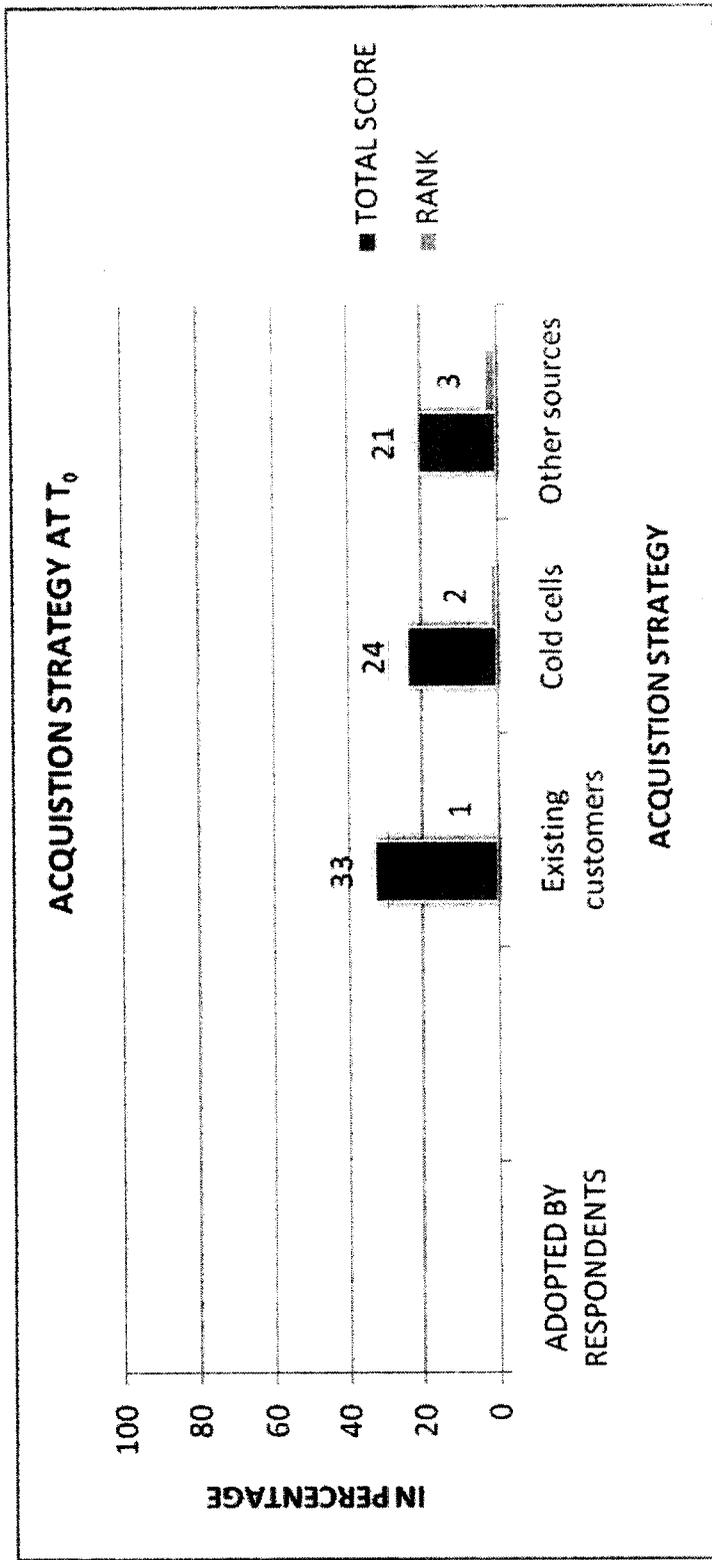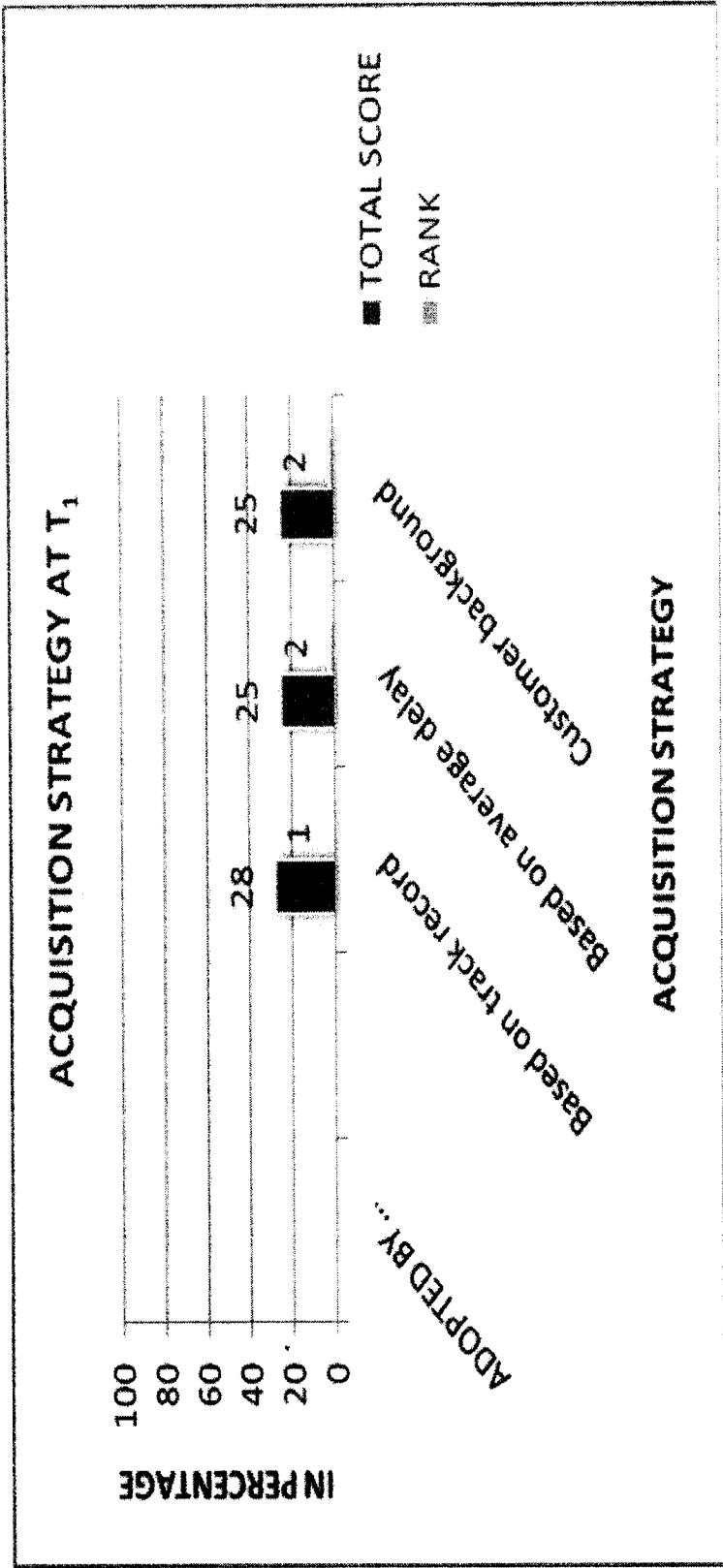
Table No: 4.22

showing strategies adopted by respondents to attract customers

Strategies Adopted By Respondents	Weightage						Total Score	Rank
	6	5	4	3	2	1		
Direct visit	7	6	0	0	0	0	72	1
Telephonic contact	0	2	4	2	4	1	41	3
Customer meet	3	0	0	3	3	4	37	6
Existing customer links	2	3	4	2	2	0	53	2
Customer attraction scheme	0	2	2	5	1	3	38	4
Maintaining good relationship	1	2	3	1	1	5	38	4

RCE: Primary Data.

RPRETATION

The table shows that among all the strategies, direct visit of the respondents is the

gy to attract the more customers, followed by knowledge existing customer links,

onic contact and maintain good relationship.

RENCE

Direct visit of the respondents is the strategy to attract the more number of customers.

Chart showing strategies adopted by respondents to attract customers

STRATEGIES FOR CUSTOMER ATTRACTION

83
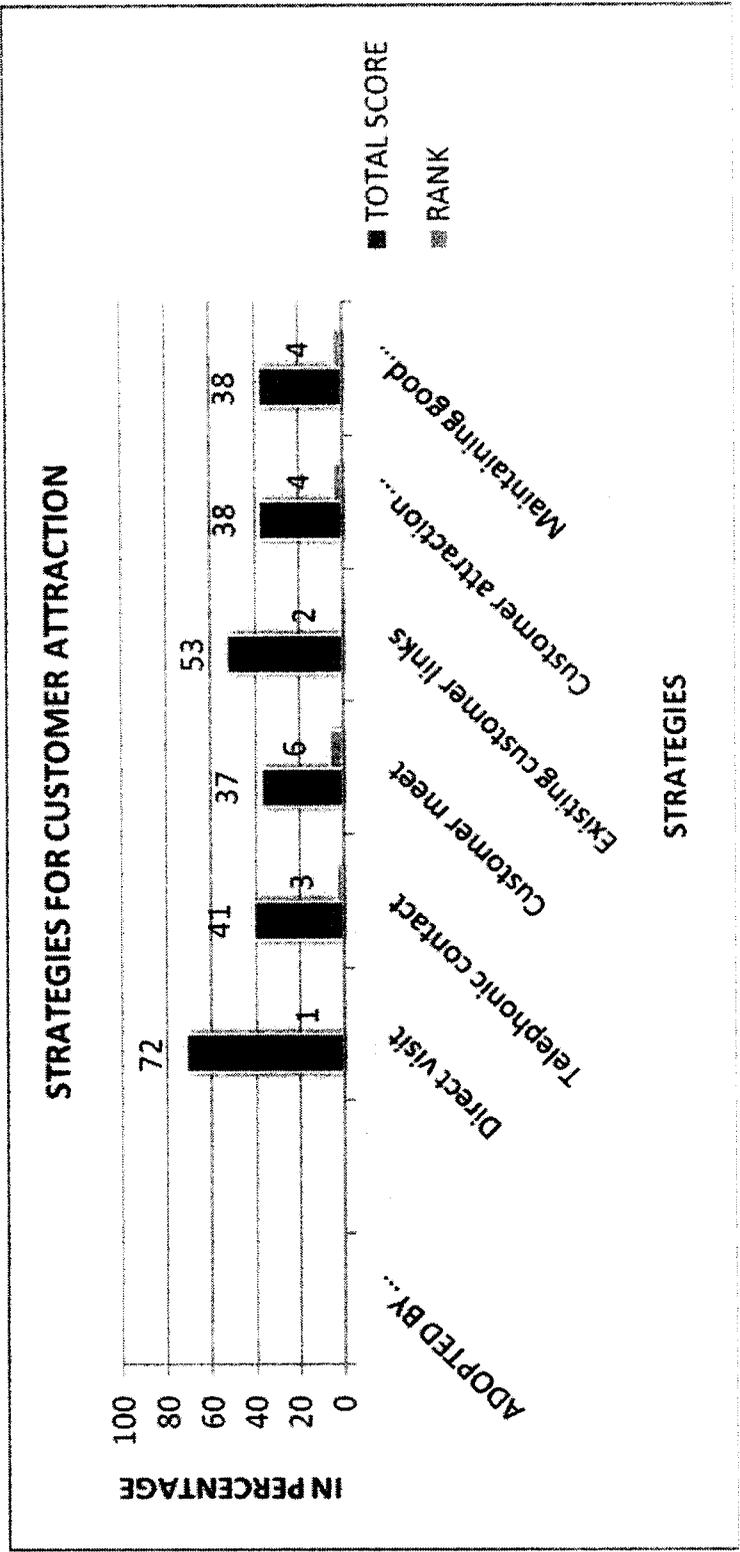
Table No: 4.23

showing factors leading to attrition of the customers

Strategies Adopted By Respondents	Weightage							Total Score	Rank
	7	6	5	4	3	2	1		
Documentation	3	4	1	0	1	3	1	60	2
High internal rate of return	2	3	3	1	0	1	3	56	3
Increased competitors	1	0	2	5	4	1	0	51	4
Securities and formalities	3	0	2	1	4	1	2	51	4
Safety norms	4	2	1	2	3	0	1	63	1
Interest rate differences	0	2	3	2	1	2	3	45	6
More trust towards banks	0	2	1	2	0	5	3	38	7

CE: Primary Data.

RPRETATION

The table show that safety norms is lead to customers attrition, followed by

entation, high internal rate of return, and increased competitors and securities and

ties.

RENCE

Safety norms is a factor is lead to the customer attrition.

CHART NO: 4.23

Chart showing factors leading to attrition of the customers

FACTORS LEADING TO CUSTOMER ATTRITION

CUSTOMER ATTRITION
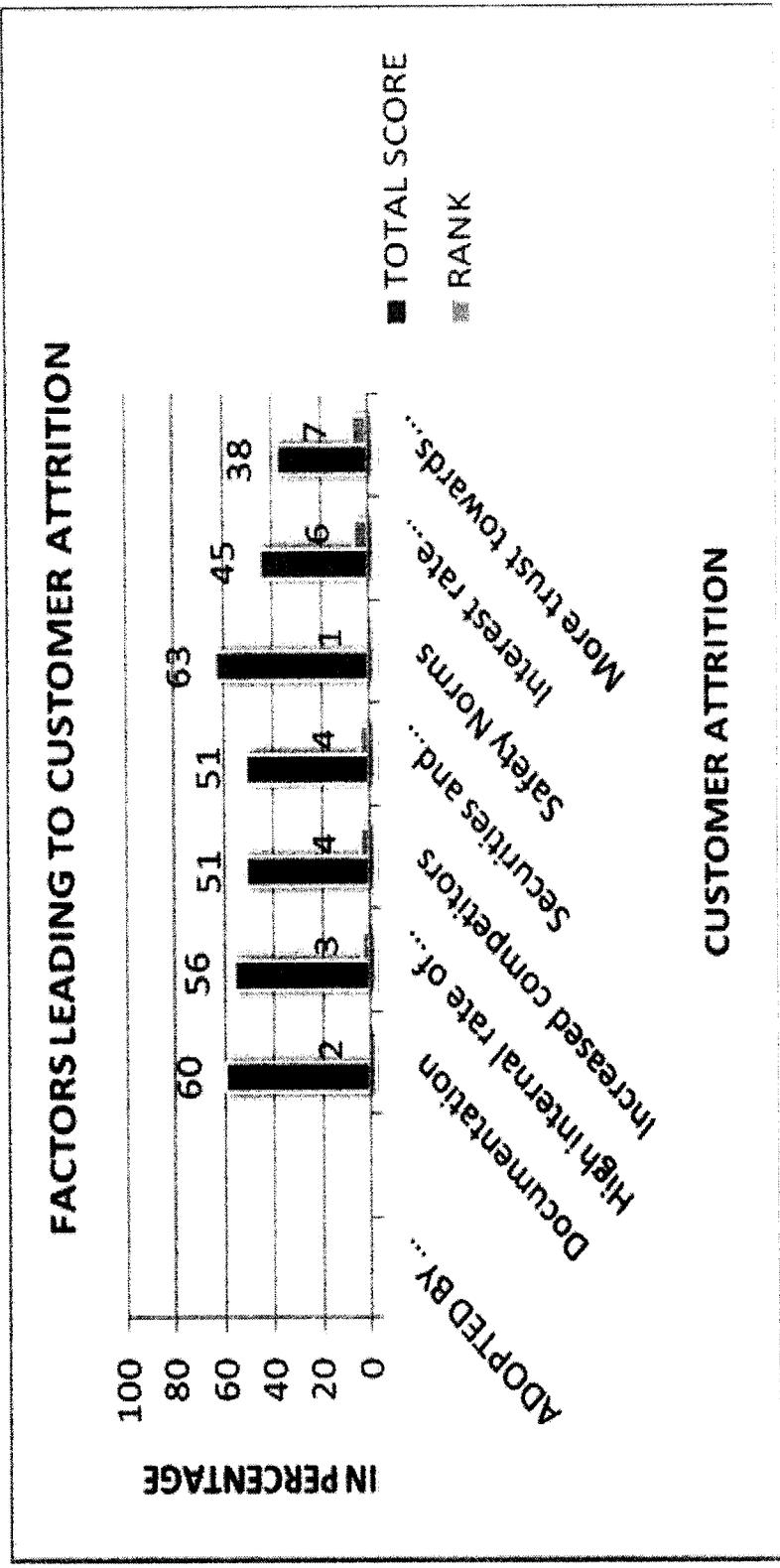
- ■ TOTAL SCORE
- ▓ RANK

Table No: 4.24

...howing the type of customers targeted by the respondents

Customer Type	Weightage							Total Score	Rank
	7	6	5	4	3	2	1		
Single vehicle operators	4	6	0	0	1	2	0	71	1
Medium fleet operators	1	2	1	4	3	1	1	52	4
Large fleet operators	1	2	0	4	3	2	1	49	5
Captive owners	2	0	3	1	1	3	3	45	6
Strategic owners	0	1	0	2	4	1	5	33	7
Existing customers	4	0	3	2	0	3	1	55	3
New customers	1	2	6	0	1	1	2	56	2

...CE: Primary Data

...RPRETATION

The table show that the respondents are targeted single vehicle operators and

...d by new customers, existing customers, medium fleet operators, large fleet operators,

...owners and strategic owners.

...RENCE

Respondents targeted more number of customers as Single vehicle operators.

Chart showing the type of customers targeted by the respondents

TARGETED CUSTOMERS

	TOTAL SCORE	RANK

TARGETED CUSTOMERS
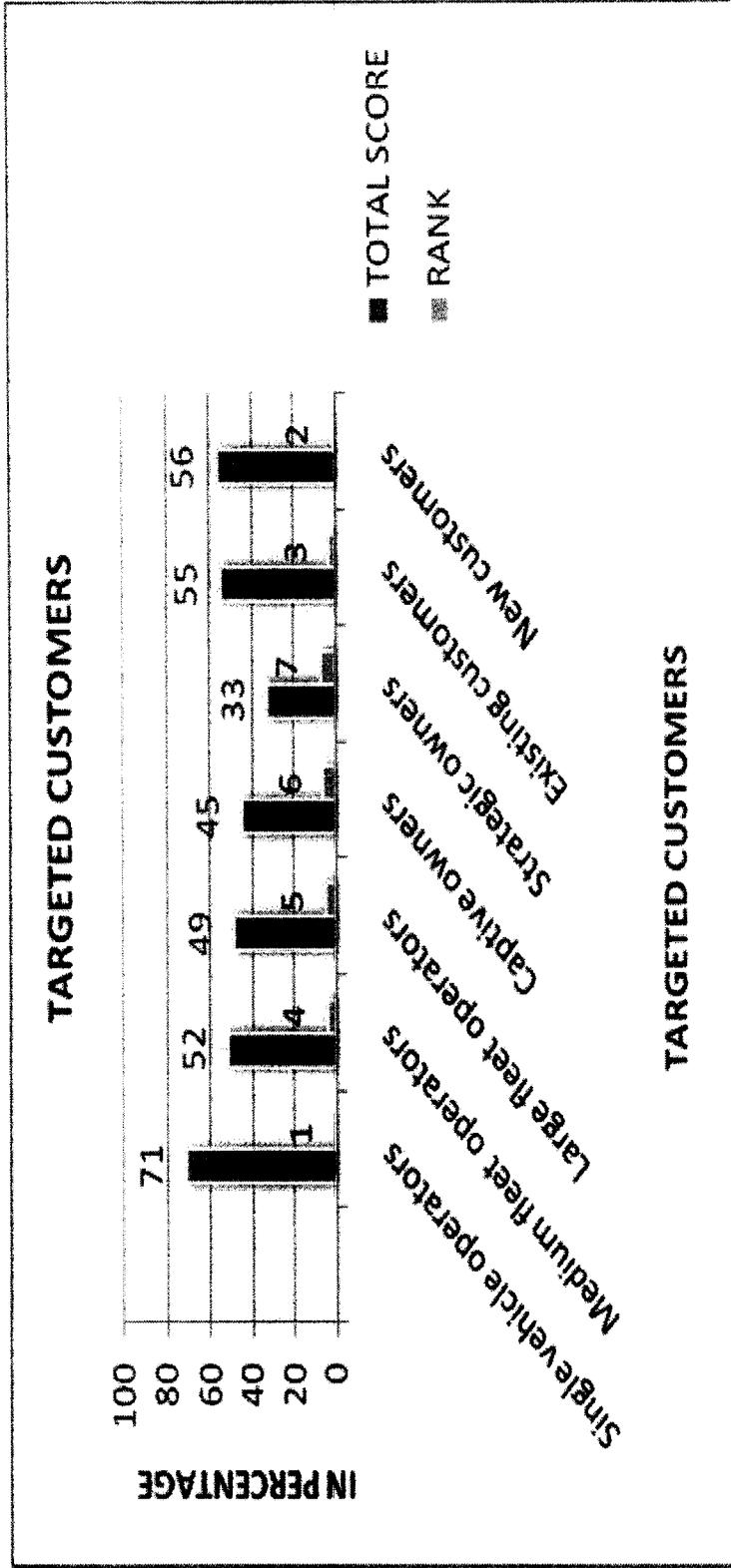
Table No: 4.25

showing the existing competitors in the area of operation of the respondents

Competitors	Weightage				Total Score	Rank
	4	3	2	1		
Local financiers	5	4	2	2	38	1
Private banks	0	2	6	5	23	4
Government banks	3	3	3	4	31	3
NBFCs	5	4	2	2	38	1

RCE: Primary Data.

RPRETATION

The table shows that local financiers and NBFCs are the main existing competitors

_ followed by government banks and private banks.

RENCE

Local financiers and NBFCs are existing competitors in the area of operations.

CHART NO: 4.25

Chart showing the existing competitors in the area of operation of the respondents
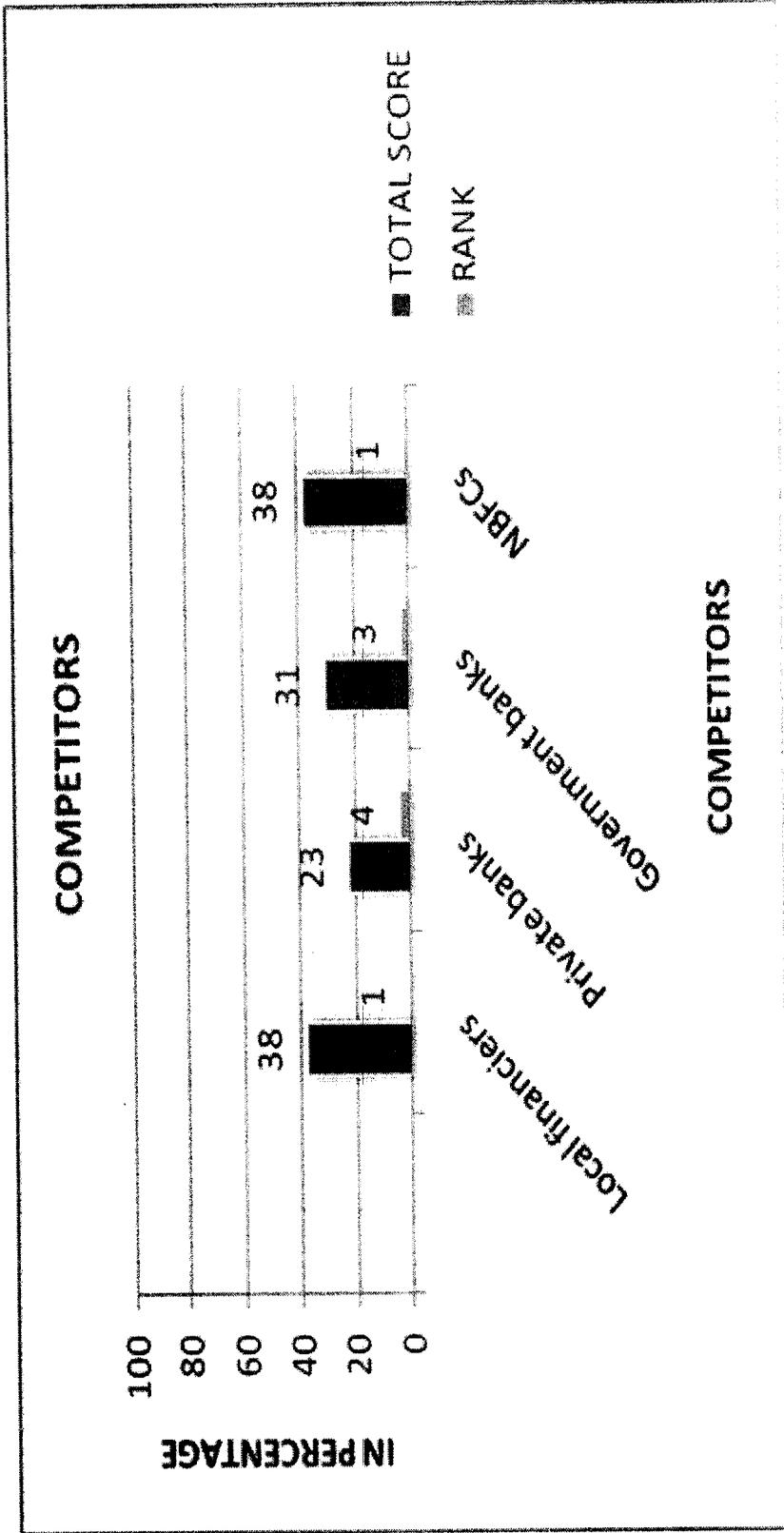
Table No: 4.26

showing the factors influencing achievement

Factors	Weightage									Total Score	Rank
	9	8	7	6	4	1	3	2	1		
Area of operations	1	4	4	1	0	0	0	0	3	78	3
Positive word of mouth	5	2	2	2	0	0	0	1	1	90	1
Existing customers	2	4	2	0	3	1	1	0	0	86	2
Experience	1	1	2	3	0	3	0	1	2	65	5
Incentives	0	1	0	1	4	3	1	1	2	53	7
Time	4	0	1	2	1	0	4	1	0	74	4
Financial soundness	0	1	1	1	3	3	2	2	0	58	6
Awareness of customers	0	0	0	3	1	2	2	2	3	44	8
Literacy of customers	0	0	1	0	1	1	3	5	2	37	9

RCE: Primary Data.

RPRETATION

It is observed that the respondents feel positive word of mouth of customers is the

factor for influencing their achievement and followed by existing customers, area of

tions, time factor, experience, financial soundness and literacy of customers.

RENCE

Positive word of mouth of customers is the main factor for influencing their achievement

CHART NO: 4.26

Chart showing the factors influencing achievement

FACTORS INFLUENCING THE ACHIEVEMENT

91
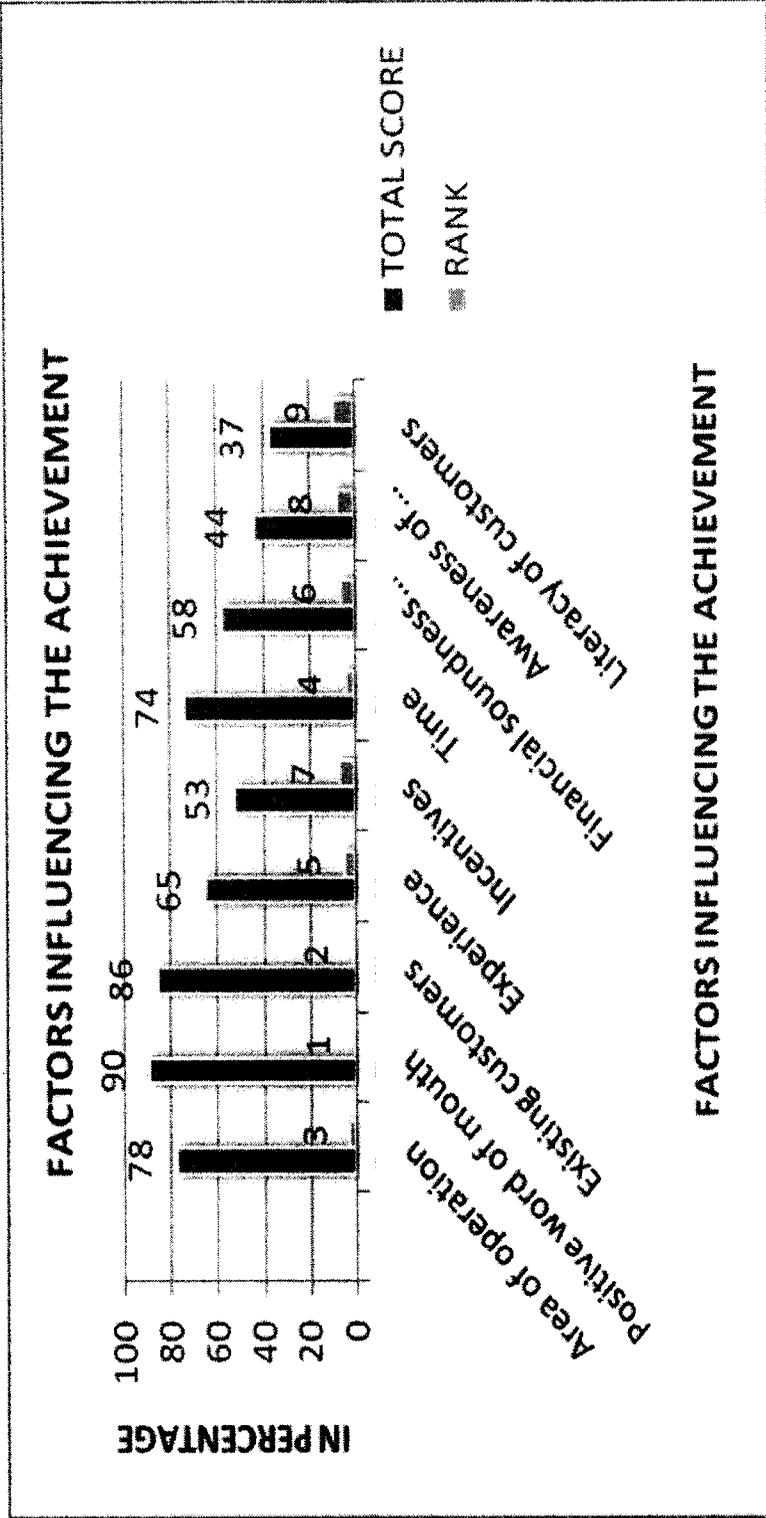
showing the respondents experience in SFL & their opinion about CARE plan

Experience In Sakthi Finance	Opinion About Care Plan				Total
	Excellent & Useful	Very Good And More Success	Good	Not Fitting Into The System	
<1	0	0	2	0	2
1-3	2	1	3	0	6
3-5	0	1	1	0	2
>10	0	1	2	0	3
Total	2	3	8	0	13

RCE: Primary Data.

RPRETATION

It is observed that opinion about their care plan is good in the experience of the

ndents.

RENCE

Experienced executives are facing difficulty in adopting care plan in the system than the

xperienced executives.

CHART NO: 4.27

Chart showing the respondents experience in SFL & their opinion about CARE plan
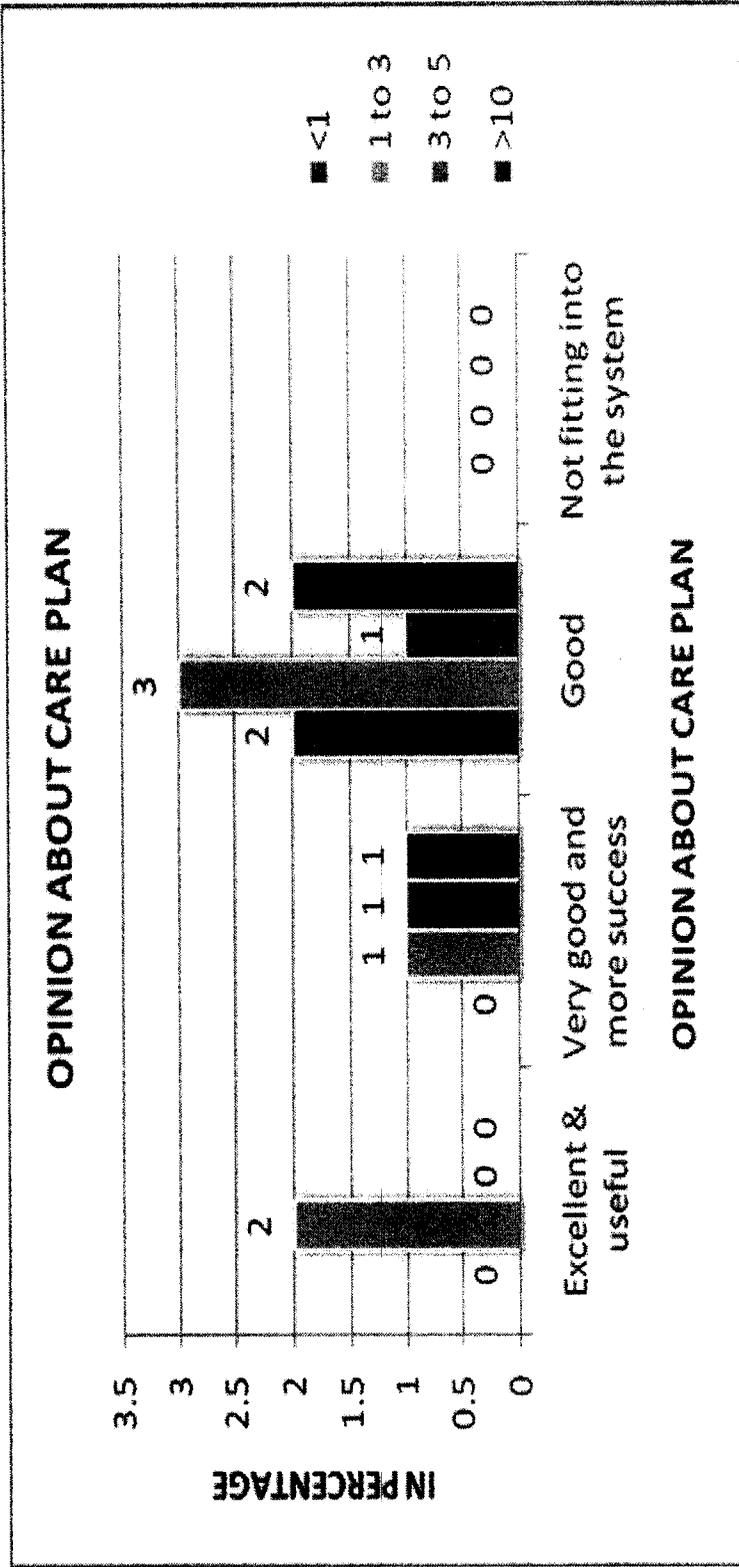
Table No: 4.28

showing age of the respondents & extend of target achieved by them per month

| Target Achievement | Age Of The Respondents | | | | Total |
Per Month	<25	26-35	36-45	>45	
Above the target near	0	1	0	0	1
Near the target (±5%)	1	2	3	1	7
Below the target	0	3	1	1	5
Total	1	6	4	2	13

CE: Primary Data.

PRETATION

It is observed that most age group (26-35) of the respondents finds that their target

ement is below the target.

RENCE

Respondents of age group (26-35) are achieving more when compared to others.

CHART NO: 4.28

Chart showing age of the respondents & extend of target achieved by them per month

AGE OF EXECUTIVES & TARGET ACHIEVED

- Above the target
- Near the target (±5%)
- Below the target

howing implementation of CARE plan by the respondents & drawbacks observed

n
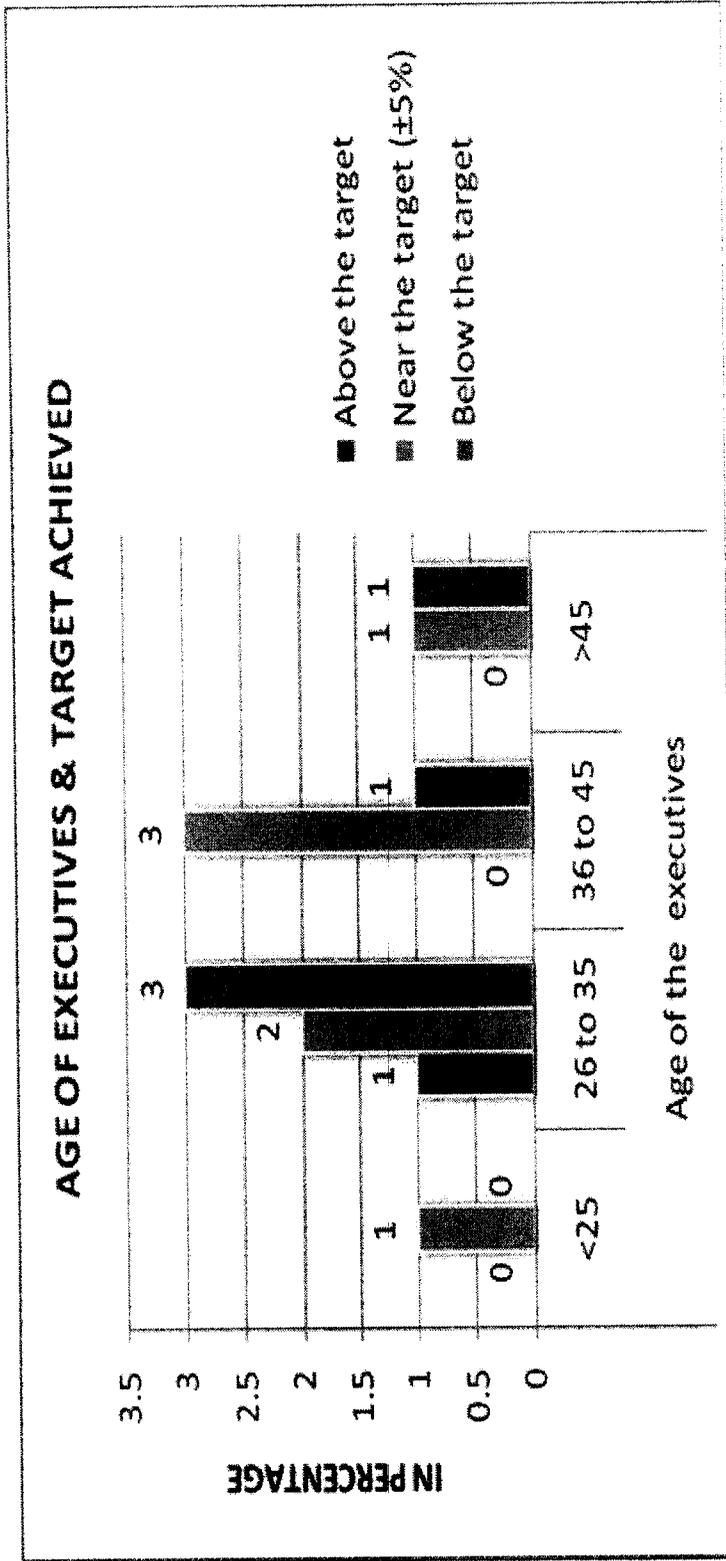
Drawbacks Of Care Plan	Implementation Of Care Plan			Total
	Completely Implemented	It Is In Progress	Not Yet Implemented	
Time factor	7	3	0	10
Difficult to adopt	1	2	0	3
Confusing previous system	0	0	0	0
Total	8	5	0	13

CE: Primary Data.

RPRETATION

It is observed that most of the respondents feel the time factor is the main drawback of

plan which is to be completely implemented.

RENCE

Though care plan is completely implemented it is having some difficulty in going along

e system.

CHART NO: 4.29

Chart showing implementation of CARE plan by the respondents & drawbacks observed by them

IMPLEMENENATION & DRAWBACK OF CARE PLAN

97
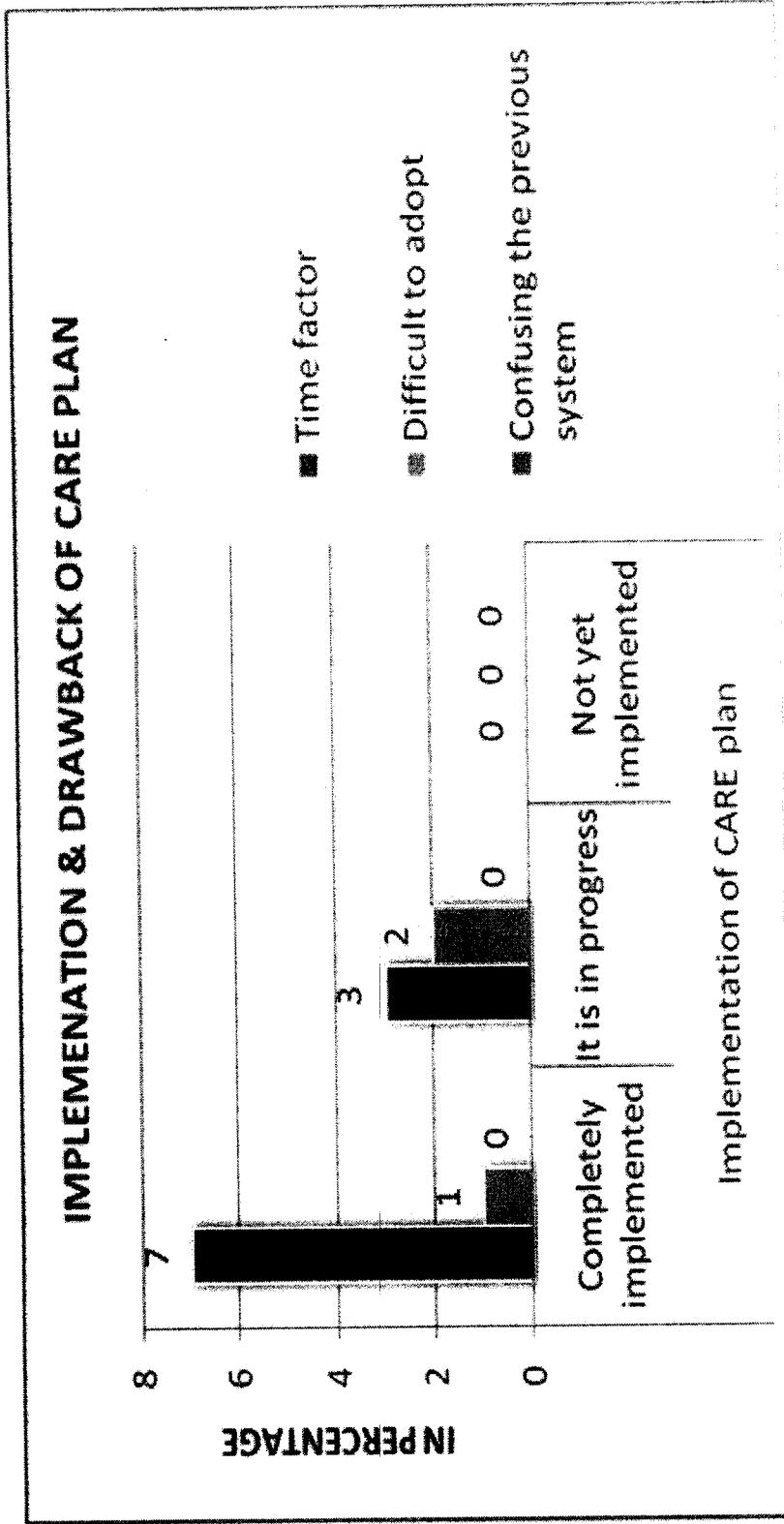
showing respondents about CARE plan & drawbacks observed by them

Drawbacks Of Care Plan	Opinion About Care Plan				Total
	Excellent & Useful	Very Good & More Success	Good	Not Fitting Into System	
Time factor	2	2	6	0	0
Difficult to adopt	0	1	2	0	3
Confusing previous system	0	0	0	0	0
Total	2	3	8	0	13

RCE: Primary Data.

RPRETATION

It is observed that most of the respondents feel time factor as the main drawback they

aying the CARE plan is good and very good and more success in larger proportions.

arly respondents who are facing the difficulty in adaptation are saying that CARE plan in

good and more success.

Chart showing respondents about CARE plan & drawbacks observed by them
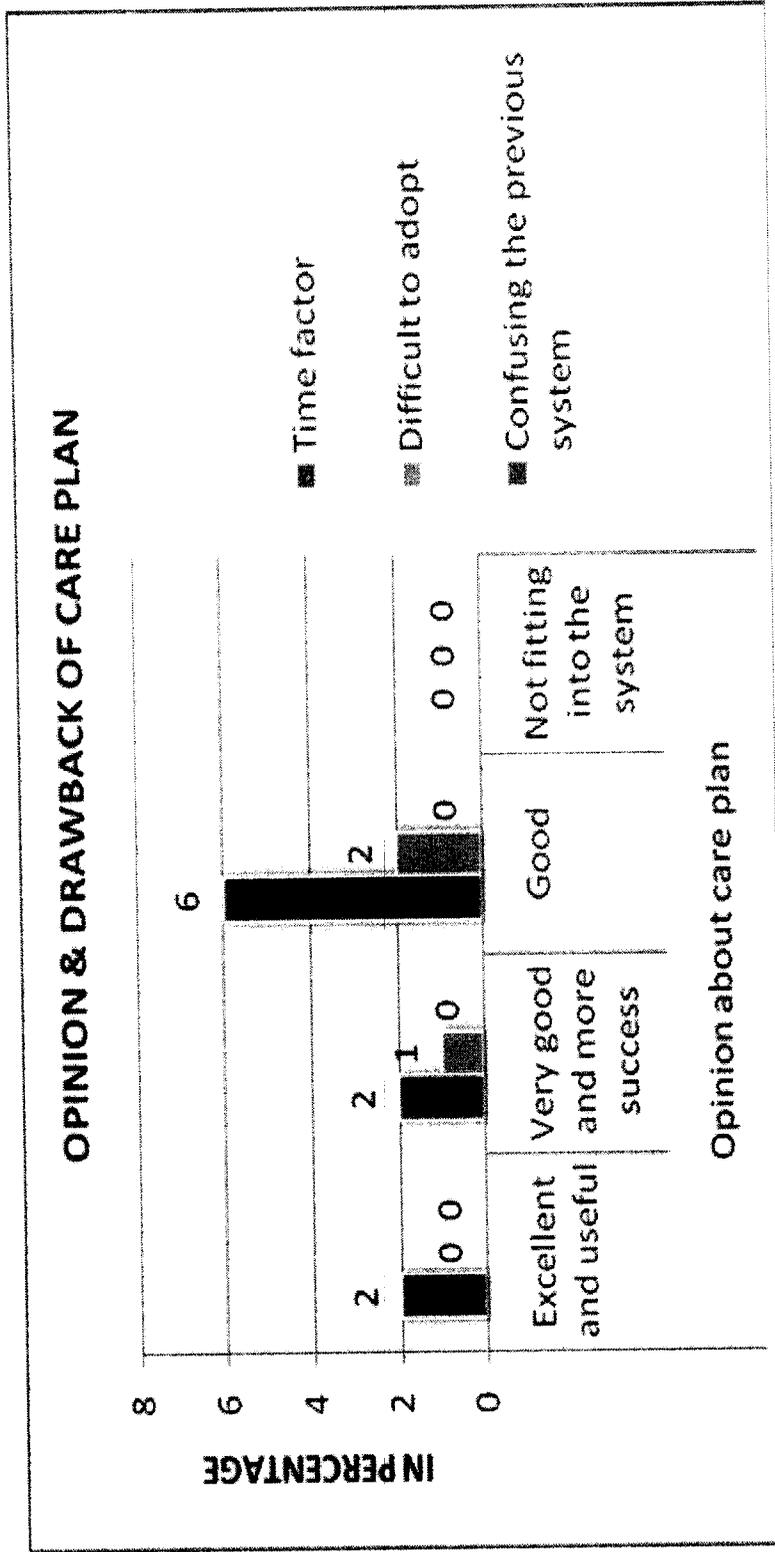
OPINION & DRAWBACK OF CARE PLAN

99

Table No: 4.31

e showing level of achieved made by the respondents towards the set target

. No	Target Achievement Per Month	Fixed Achievement Per Month (clients)				Total
		20-25	26-35	36-40	>40	
1	Above the target	1	0	0	0	1
2	Near the target (±5%)	5	2	0	0	7
3	Below the target	2	0	2	1	5
	Total	8	2	2	1	13

URCE: Primary Data.

TERPRETATION

The respondents who are achieving above the target per month is fixed with the highest

get of up to 40 customers per month. At the same time respondents who are fixed with the

ast target of 26-35 customers per month are achieving below the target level.

FERENCE

The respondents who are doing well in their progress are fixed with highest target and

e executives with less experience and comparatively performing at a low level are fixed with

e least target.

Chart showing level of achieved made by the respondents towards the set target

FIXED TARGET & ACHIEVED TARGET PER MONTH

- Above the target
- Near the target (±5%)
- Below the target

P-2488

FINDINGS AND SUGGESTIONS

CHAPTER – 5

FINDINGS AND SUGESSTIONS

- Most (46%) of the respondent belong to the age category 26-35 years.

- Most (46%) of the respondents working in Sakthi Finance are experienced from more than 10 years.

- Most (46%) of the respondents have 1-3 years of experience in sakthi finance. Hence the knowledge about the system which will come through experience won't be up to the expected level.

- Most (62%) of the respondents are fixed with the least target of 20-25 customer per month.

- A significant amount of respondents (38%) are achieving below the target level. Hence this will influence greatly for the necessary of a proper systematic procedure for follow up in performance which can be done through CARE plan.

- Most (62%) of respondents said that the care plan is good. and 15% of the respondents said the CARE plan is excellent and useful.

- The 8% of the respondents are not aware of the CARE plan system.

- It can be inferred that there will be 62% of the respondents find some obstacles experienced by them in completely implementing the CARE plan in their system.

- Hence it can be inferred that time factor will be a drawback for the CARE plan implementation.

- Most (77%) of the respondents find time factor as the main drawback for implementing of CARE plan.

- Most (54%) of the respondents said that existing customer links give more customers hence follow up of the existing customers is necessary for good networking and increasing the target.

- 15% of the respondents said that direct visit rapport is the main means of sourcing for customers.

- It is found that the numbers of prompt payers are comparatively lesser.

- The 8% of the respondents feel there is no need to any changes in CARE plan.

- Hence it can be inferred that though all the executives were completely aware of the CARE plan still they need further training to get clear knowledge about the system.

- It is inferred that the success rate of care plan is satisfactory in the system.

- Respondents doing niche marketing in the segment it has to concentrate more on the rural segment as like the urban segment.

- Most (23%) of the respondents have achieved a target of about 10 customers in a month.

- The critical success factors for the respondents are personal involvement of the clients by respondents.

- Existing customers is the main strategies adopted by the respondents in the T_0 stage.

- Based on track record is the main strategies adopted by the respondents in the T_1 stage.

- Direct visit of the respondents is the strategy to attract the more number of customers.

- Safety norms is a factor is lead to the customer attrition.

- Respondents targeted more number of customers as Single vehicle operators.

- Local financiers and NBFCs are existing competitors in the area of operations.

- Positive word of mouth of customers is the main factor for influencing their achievement.

- Experienced executives are facing difficulty in adopting care plan in the system than the less experienced executives.

- Respondents of age group (26-35) are achieving more when compared.

- Though care plan is completely implemented it is having some difficulty in going along with the system.

CONCLUSION

CHAPTER – 6

CONCLUSION

All executives believe that they are completely aware of care plan but some of them still need in depth knowledge about care plan functions as they gave some incorrect information while asked to describe about the care plan. Hence a training program can be conducted to educate and counsel the executives to make proper implementation. Highly experienced executives are feeling difficulty in adopting the care plan in their system as they were already following separate practices to achieve their target. Least experienced executives are convenient in following the care plan system. Hence motivational and counseling programs can be conducted to make the executives more convenient in the systematic functioning through care plan.

Existing customers are the greatest asset of the company as they are fetching new customers to the company and they are influencing more in the promotion of the company through positive word of mouth. Hence retaining the customer can be made by having special offers and periodical un-official programs to gain loyalty. Though time factor is a major drawback of care plan, most of the executives are satisfied with the system of care plan. Hence in spite of making alterations in the care plan motivation, education and training of the employees are the most needed programs to make them to adopt within the care plan system.

ANNEXTURE

QUESTIONNAIRE

Sir,

Sub: Regarding the data collection for summer project

WE are doing MBA in Kumaraguru College of Technology, Coimbatore. We are doing a mer project for our academic purpose on the title "Study on effectiveness of CARE plan and yzing Marketing Executives performance in Sakthi Finance Pvt. Ltd., in Tamilnadu" under guidance of General Manager (Operations). We are collecting data from the marketing cutives at the respective branches. Hence please send the dully filled questionnaire and it back to the HR Department as early as possible.

G. Sakthi Priyah   PM. Ashraf Ali

Branch_____

me_____

(years)

a) <25 ☐   b)26-35 ☐   c) 36-45 ☐   d) > 45 ☐

al Experience (in years)

a) <1 ☐   b)1-3 ☐   c) 3-5 ☐   d)5-10 ☐   e)>10 ☐

rk Experience in sakthi finance (in years)

a) <1 ☐   b)1-3 ☐   c) 3-5 ☐   d)5-10 ☐   e)>10 ☐

arketing area (CSP)_____

Average target fixed per month

a) 20-25 ☐   b) 26-35 ☐   c) 36-40 ☐   d) >40 ☐

Level of target achievement per month

a) Above the target ☐   b) Near the target (±5% of target) ☐   c) Below the target ☐

Average number of customer per month_____

Your opinion about the CARE plan

a) Excellent & Useful   ☐   c) Good   ☐

b) Very good & more success ☐   d) Not fitting into the system ☐

re you completely aware of care plan system

a) Yes ☐   b) No ☐

re you following CARE plan in your day to day operations

a) Completely implemented ☐   b) It is in progress ☐   c) Not yet implemented ☐

) If not what is the reason for your non implementation

ime constraints ☐   b) difficult to adopt ☐   c) no proper guidance about the plan ☐

Rank accordingly the factors you will consider as important while following the CARE plan

Factors	Rank
Personal involvement	
Knowledge about the CARE plan	
Training	
Follow up	
Experience in the system	

Please write down what is meant by the following stages

T_0 _____

T_1 _____

T_2 _____

T_3 _____

Rank accordingly your acquisition strategy of customers at T_0 and T_1 stage

Strategies(T_0)	rank	Strategies(T_1)	rank
xisting customers		Based on track record	
ld cells		Based on average delay	
ther sources		Customer background	

0) Tick accordingly the differences before and after implementing CARE plan

Factors	Before	After
More time consumption		
Increased new customer		
Systematic approach		
Proper record		
Better target achievement		

Tick accordingly the drawbacks of care plan

Time factor ☐   b) Difficult to adopt ☐   c) confusing the previous system ☐

Rank the following strategies that attract the customers more

Strategies	rank
Direct visit	
Telephonic contact	
Customer meet	
Existing customer links	
Customer attraction schemes(free gifts)	
Maintaining good relationship	

Tick the means of customer sourcing according to you

a) Lorry owner's association ☐   b) Builders association ☐   c) Existing customer's link ☐

d) Others (Specify) _____

Rank accordingly the factors for customer attrition

Documentation	
High Internal Rate of Return	
Increased competitors	
Securities and formalities	
Safety norms	
Interest rate differences	
More trust towards government banks	

5) Customers repayment culture in your marketing area

a) Timely ☐   b) With less arrears ☐   c) With more arrears ☐

6) **Rank accordingly** the type of customer you are concentrating more

Type of customers	Rank
Single Vehicle Operators	
Medium fleet operators	
Large fleet operators	
Captive owners	
Strategic owners	
Existing customers	
New customers	

Tick accordingly the difference in rural and urban marketing segment

FACTORS	RURAL	URBAN
More competition of local finances		
High customer source		
More aware about interest rates		
More competition of other NBFCs and banks		

Rank the Competitors in your marketing area

Local financiers [ ]   c) Government banks [ ]

Private Banks [ ]   d) NBFC's [ ]

Rank accordingly the factors influencing your achievement

Factors	Rank
Area of operation	
Positive word of mouth	
Existing customers	
Experience	
Incentives	
Time	
Financial soundness of customers	
Awareness of customers	
Literacy of customers	
Awareness of customers	

) According to you what are the alterations will be helpful in making the care plan more

uccessful

a) Day to day basis [ ]   c) Make it simpler [ ]

b) Personal CARE plan diary [ ]   d) No changes [ ]

e) If others please specify_____

Thank you

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