

**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**

P. 2513

Submitted

by



**G.SAKTHI PRIYAH**

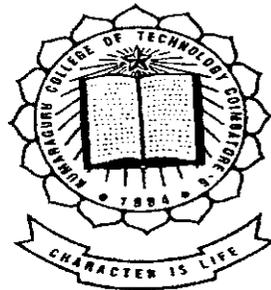
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in partial fulfillment of the requirements of

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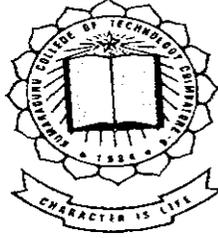
for the award of the degree of

**MASTER OF BUSINESS ADMINISTRATION**



**DEPARTMENT OF MANAGEMENT STUDIES  
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**JULY 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 **Ms.G.SAKTHI PRIYAH** who carried out this project under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form 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.

  
**Director**

  
**Faculty Guide**

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

  
**Examiner I**

  
**Examiner II**

## 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: 23-10-08

  
(G.SAKTHI PRIYAH)

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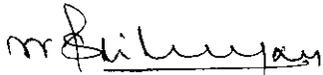
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**14.10.2008**

## **TO WHOMSOEVER IT MAY CONCERN**

This is to certify that Ms. G. Sakthi Priyah, (Reg No: 0720400034) 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 herself for Project Work in our organization from 16<sup>th</sup> June-08 to 15<sup>th</sup> July-08.

**For Sakthi Finance Ltd.,**



**Srirangan.V**  
**Officer - HRD**

# *ACKNOWLEDGEMENT*

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## *EXECUTIVE SUMMARY*

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## EXECUTIVE SUMMARY

Sakthi finance limited is a non banking financial company (NBFC) engaged in providing finance to commercial vehicles, trucks and construction equipments.

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 analyze 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. The CARE plan is a systematic approach to deal with the maintenance of customer database. These factors along with various additional factors is assessed and finally the suggestions are put forward.

The study is based on the primary data obtained from the marketing executives belonging to the branches of north and west zones of Tamilnadu. The study focuses on 12 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 weightage 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 after implementation of the care plan.

# *INTRODUCTION*

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## CHAPTER – I

### 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. The sector therefore plays a vital role in the investment process, which is a major determinant of Economic growth.

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. Among that financial sector is a major contributor of around 16%.

In the present scenario, the Non Banking Financial Companies (NBFCs) have a quiet significant role to play with. RBI has already placed substantial important to further development of the NBFC sector along with the prudent lines. Sakthi Finance Limited is one among the leading Non Banking Financial Companies

## 1.2 REVIEW OF LITERATURE

**Krishnan et al**<sup>1</sup> 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. Customer satisfaction can be managed not only from a defensive perspective of customer retention, but also to increase total customer revenues.

According to **Jeffrey streiter et al**<sup>2</sup>, 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, 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.

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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**

**Andrew Banasiewicz**<sup>3</sup>, states that A widely used mass acquisition approach, the open product trial offers, relies on temporary price discounts to pull consumers to the brand. 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.

**Steven reider**<sup>4</sup> 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. 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 market-potential-based goal is the most difficult to implement because it involves estimating market potential, but it is also she fairies approach because it treats all branches equally relative to the opportunity in their respective market areas.

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

**4. Steven Reider, Scoring Branch Performance, Aba BankMarketing, May 2008 17- 21**

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, or directly by measuring the proportion of accounts that defect in a given measurement period. 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 last 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 during 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, it is important for top salespeople to mentor those less experienced.

According to **Lawrence ang**<sup>5</sup>, 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.

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. Our exploratory study investigates a number of variables that are potentially associated with successful customer acquisition.

According to **Jaques rossat et al**<sup>6</sup> 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.

There would be no customer loyalty without loyal employees as there would be no loyal employees without long term investors. 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**<sup>7</sup> 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 development of customer-focused strategies based only on an analysis of existing customers imposes the assumption that the customer acquisition process does not influence the customer retention process. If this assumption does not hold, the results from the retention analysis will be biased. The basic premise of this research is that the customer acquisition process affects the customer retention process.

**Julian Villanueva et al**<sup>8</sup> 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. 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.

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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**

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

**Michael Lewis**<sup>9</sup> 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. 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**<sup>10</sup> 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. 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. The effect of negative word of mouth is twice as high as the effect of positive word of mouth for consumers influenced by word of mouth.

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

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

The implication from these results is that service quality is important for new customer acquisition in the sense that the heavy users tend to be acquired by word of mouth rather than advertising. In terms of profitability, we find that a 10% increase in service quality leads to a 7% increase in customer lifetime value.

**David A. Schweidel**<sup>11</sup> 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.

**R. Dale Wilson PhD**<sup>12</sup> 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). This suggests there are many factors that affect the decision of a customer to continue on a relationship with a firm. We review here the most important factors that previous literature has considered as determinants of customer retention: switching costs, satisfaction and future considerations.

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

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 OBJECTIVE**

1. To analyze the customer retention and acquisition system of Sakthi Finance Limited which is the tool used for customer relationship management.
2. To identify the impact of CARE plan on the performance of marketing executives in achieving their target.
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 analyse 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 is 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 RESEARCH METHODOLOGY**

### **1.6.1 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.

## **1.6.2 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 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 **North and West zone of Tamilnadu are taken as sample**. Hence area sampling is followed in this study.

## **1.6.3 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 6 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 12 marketing executives of Sakthi Finance working in north and east zone of Tamilnadu.

#### **1.6.4 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**

This chapter present in brief introduction to the study, statement of the problem, objective of the study, scope of the study, limitation of the study and methodology and tools used.

### **Chapter – II: ORGANIZATION PROFILE**

This chapter presents brief history, management, organization structure,

### **Chapter – III: OVERVIEW OF CARE PLAN**

This chapter presents tools used for acquisition and retention strategy, development of CARE plan, dimensions of sales platform, funnel technique and roles & responsibilities

### **Chapter – IV: DATA ANALYSIS AND INTERPRETATIONS**

This chapter presents the analysis and the interpretations relating to the data collected from the Sakthi Finance Limited.

### **Chapter – V: FINDINGS AND SUGGESTIONS**

This chapter presents the summary of findings and suggestion made on the basis of results of the study.

# *ORGANISATION PROFILE*

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## CHAPTER – II

### ORGANISATION PROFILE

#### 2.1.1 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 mobilising 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 mobilisation 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

## **2.1.2 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" as 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, Andra Pradesh and Maharastra 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
- ✚ CHARITABLE TRUST
- ✚ KUMARAGURU COLLEGE OF TECHNOLOGY

- ✚ SAKTHI INSTITUTE OF TECHNOLOGY
- ✚ VOLUNTARY HEALTH SERVICE
- ✚ RAMALINGAM MISSION
- ✚ SAKTHI FOUNDATIONS
- ✚ SAKTHI CO-OPERATIVE HOUSE BUILDING SOCIETY

### **BRANCHES OF SAKTHI FINANCE LIMITED:**

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

### **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 warrents 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 registars 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 carry on the business of underwriters, sub-underwriters, brokers, managers, advisors, consultants to issue of shares, debentures, bonds, fixed deposits and other securities and syndication of loans, project finance, working capital facilities and deferred payment facilities.

- ✓ To act as godown keepers, brokers, commission agents, representatives or salesman to manufacturers, dealers, exporters, 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 Marvari 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

## **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.

## **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. In regular income the hirer has to pay the annual rent and 3 years annual rent as initial security deposit amount which is refundable.

## 3) DEPOSIT LINKED

Under this scheme the hirer has to 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 customers 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.

So, the company has chosen to be only in refinance business, being selected geographical location of charge premium for bearing added risks.

## **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 encourage performance of Sakthi Finance Limited to earn more.

## **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 board of directors for five functional departments.

## **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

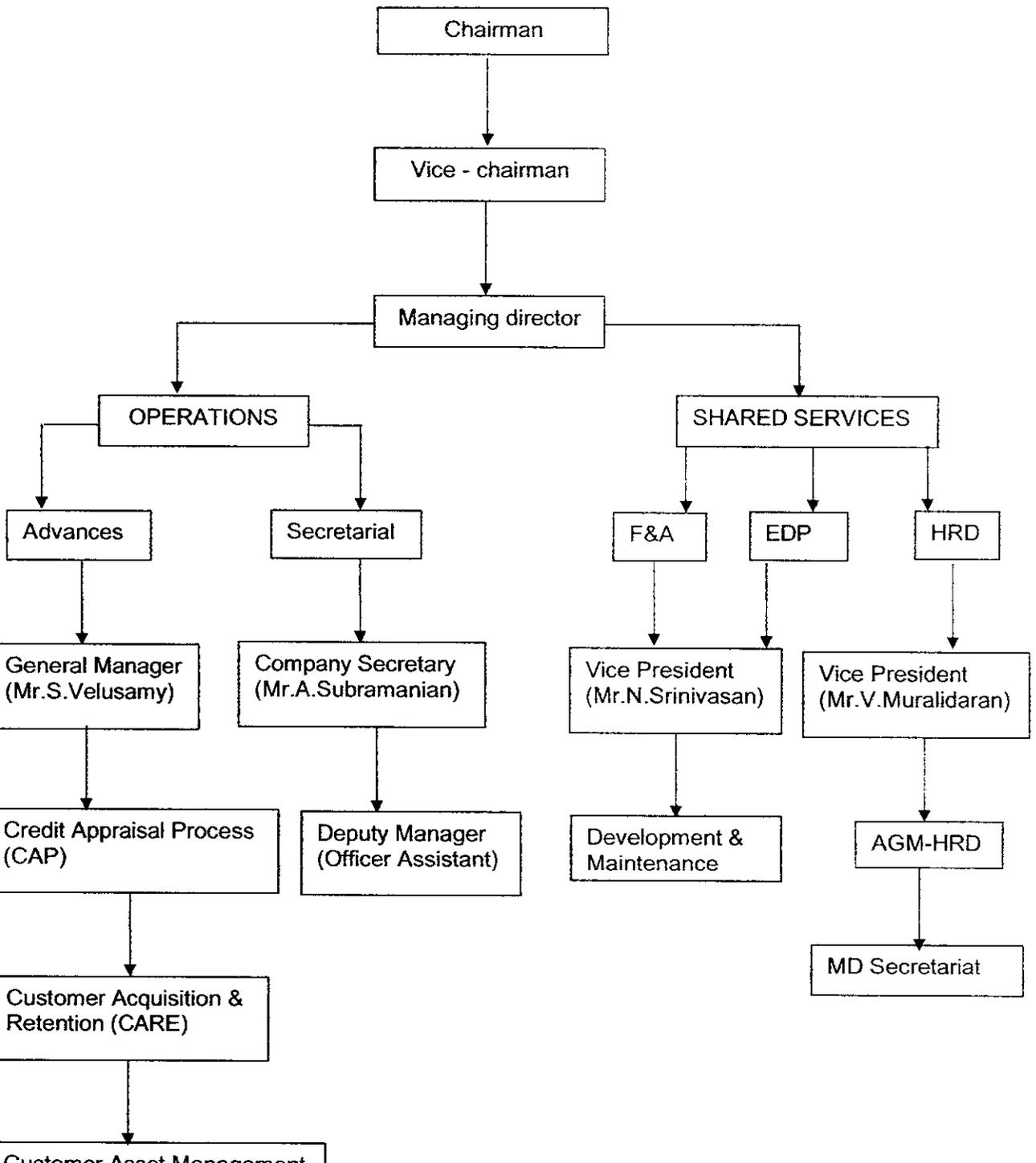
### **4. ELECTRONIC DATA PROCESSING DEPARTMENT**

- ✓ Take CARE of dematerialization of records

### **5. HUMAN RESOURCE DEPARTMENT**

- ✓ To maintain the personnel relationship
- ✓ To recruit new candidates on demand
- ✓ To coordinate relationship between various department

## ORGANISATIONAL STRUCTURE OF SAKTHI FINANCE LIMITED



# *AN OVERVIEW OF CARE PLAN*

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## **CHAPTER – III**

### **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 have 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<sub>0</sub>**: Prospecting the targeted customers

**T<sub>1</sub>**: Identifying the needs of customers and document collection

**T<sub>2</sub>**: Credit approval and documentation

**T<sub>3</sub>**: 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**

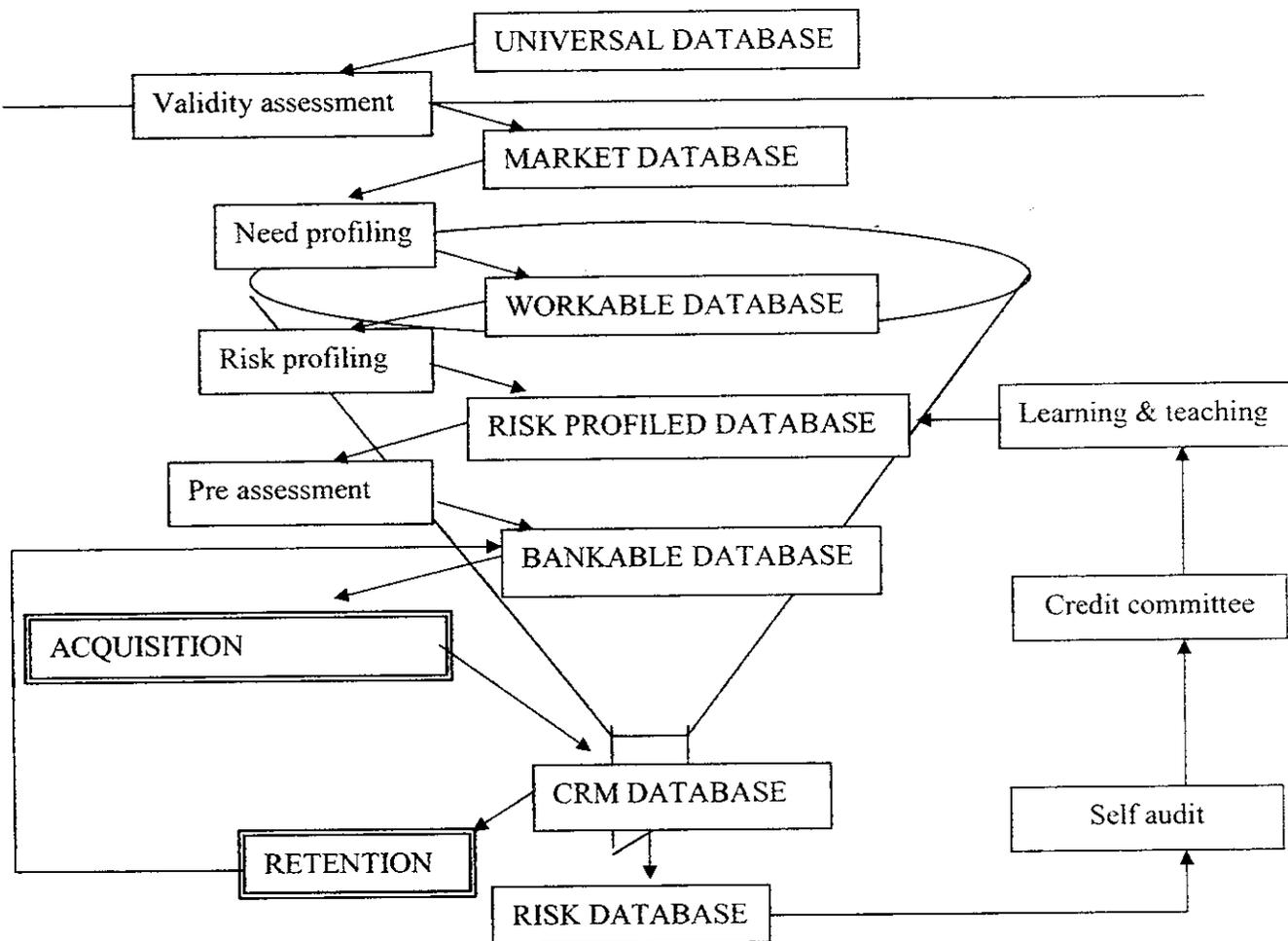
The sales platform is having various dimensions which is based on the filtering of the prospects and converting them into customers. They are,

- 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.

## THE FUNNEL TECHNIQUE

The funnel technique is schematically represented as follows



Thus from the universal database the CRM database is generated by filtering the marketable segment. After the generation of CRM database the acquisition and retention strategy helps in further maintenance and retention of the database. The further risk generated from the CRM database is eradicated using the self auditing and risk profiling programs. The major role in the funnel technique is played by the marketing executives, where they have to maintain proper relationship and proper follow up in each and every step of the customer database generation

## **SALES PLATFORM CRITERIA FOR SAKTHI FINANCE LIMITED**

### **PROSPECTS IN UNIVERSE (T<sub>0</sub>)**

The first step is the identification of the prospects. This can be done through various sources like existing customer links, direct visit, networking and through various associations. An appointment is fixed and the 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<sub>1</sub>)**

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<sub>2</sub>)**

In this 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.

*DATA ANALYSIS AND  
INTERPRETATION*

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## CHAPTER – IV

### DATA ANALYSIS AND INTERPRETATION

**Table 4.1.1**

**Table showing the age of the respondents**

S.No.	Age (years)	No. of respondents	Percentage (%)
1.	<25	0	0
2.	26-35	6	50
3.	36-45	4	33
4.	>45	2	17
	<b>Total</b>	12	100

Source : Primary Data

#### **INTERPRETATION**

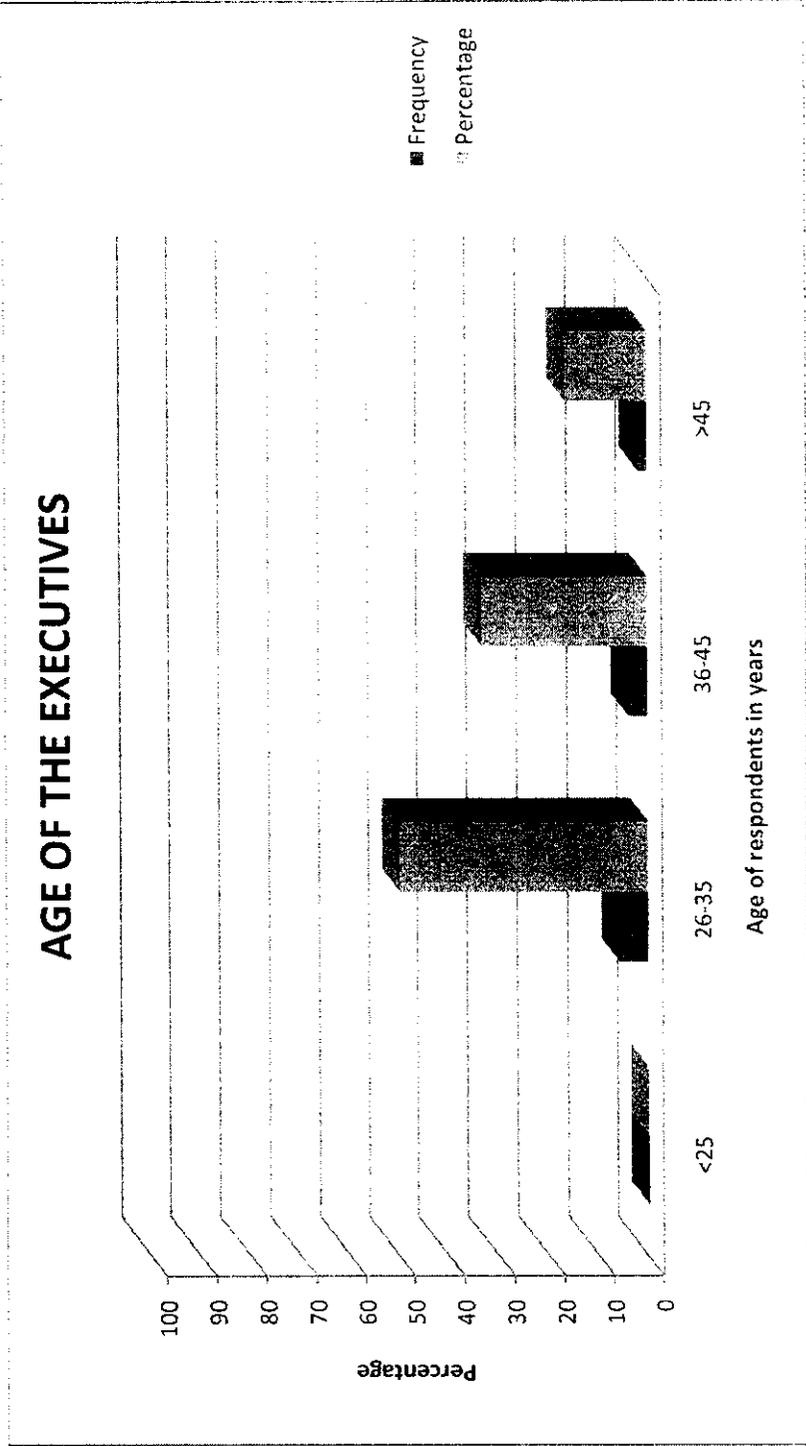
It is observed that 50% of the respondents belong to the age category 26-35 years, 33% belongs to the age group of 36 – 45 years and 17% of the respondents belongs to the age group of more than 45 years.

#### **INFERENCE**

Most (50%) of the respondents belongs to the age category 26 years. Hence age is also an important factor which influences the level of target attainment of the executives.

Chart 4.1.1

Chart showing the age of the respondents



**Table 4.1.2**

**Table showing the total experience of the executives in marketing**

<b>S.No</b>	<b>Experience (in years)</b>	<b>No. of respondents</b>	<b>Percentage (%)</b>
1	<1	0	0
2	1-3	1	8
3	3-5	4	33
4	5-10	5	42
5	>10	2	17
	<b>Total</b>	12	100

Source : Primary data

#### **INTERPRETATION:**

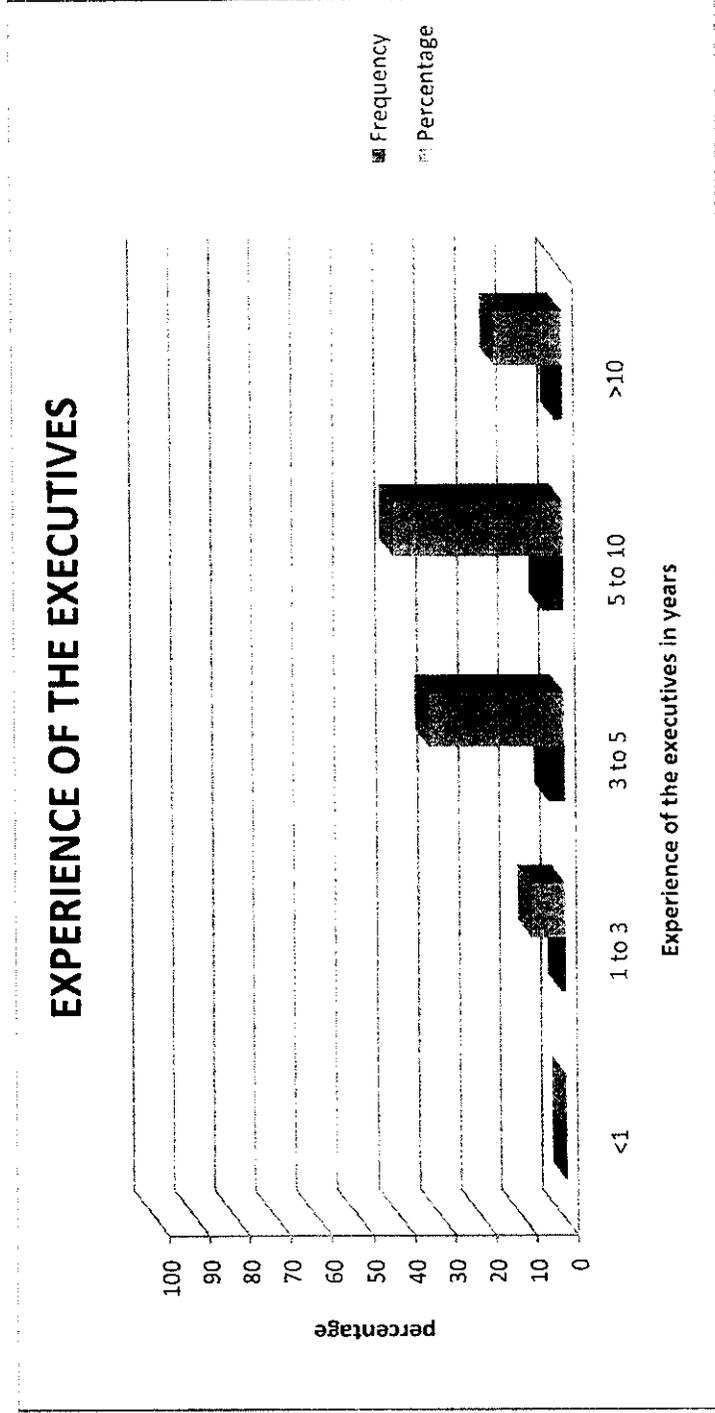
It is observed that the proportion of the executives who are experienced above 10 years are 17%, and 5 – 10 years are 42%, 1 – 3 years are 8% where as there is no executives are employed as fresher that is experienced less than a year.

#### **INFERENCE**

Most of the executives (42%) working in Sakthi Finance are experienced from 5 to 10 years.

Chart 4.1.2

Chart showing the total experience of the respondents in Marketing



**Table 4.1.3**

**Table showing the experience of the executives in Sakthi Finance**

<b>S.No</b>	<b>Experience in SFL (in years)</b>	<b>No of respondents</b>	<b>Percentage (%)</b>
1	<1	6	50
2	1 to 3	3	25
3	3 to 5	1	8
4	5 to 10	0	0
5	>10	2	17
	<b>Total</b>	12	100

Source: primary data

### **INTERPRETATION**

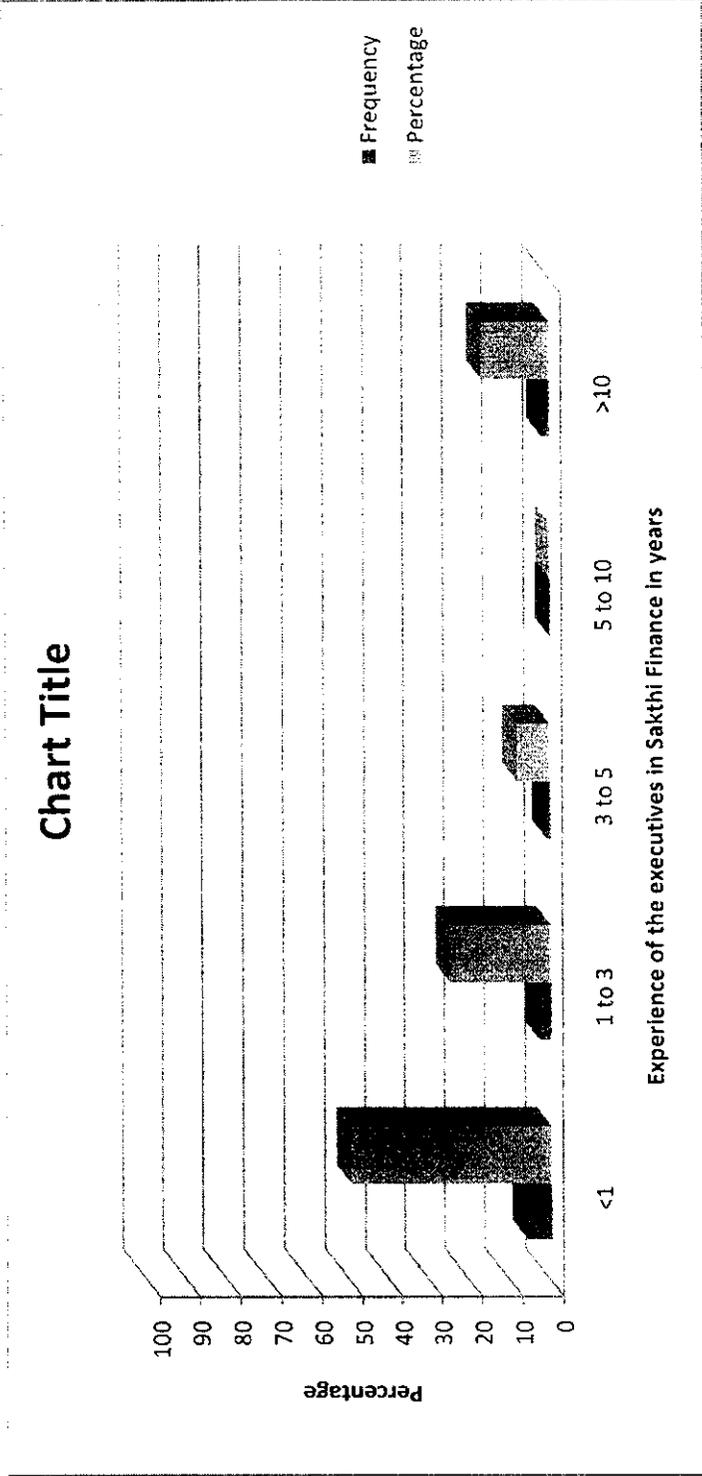
It is observed that the experience of executives in Sakthi Finance less than a year is 50% which is more where 1 -3 years is 25% and less than 10 years is 17%

### **INFERENCE**

Most of the executives (50%) are experienced less than a year. Hence the knowledge about the system which will come through experience wont be up to the expected level.

Chart 4.1.1.3

Chart showing the experience of the executives in Sakthi Finance



**Table 4.1.4**

**Table showing the average target fixed per month for the respondents**

<b>S.No</b>	<b>No of customers</b>	<b>No of respondents</b>	<b>Percentage (%)</b>
1	20-25	5	42
2	26-35	4	33
3	36-40	1	8
4	>40	2	17
	<b>Total</b>	12	100

Source: primary data

### **INTERPRETATION**

It is observed that the target fixed per month of about 20 – 25 customers is for 42% of the executives, 26- 35 is for 33% of the executives, 36 – 40 is fixed for 8.3% of the executives and above 40 customers is for 17% of the executives.

### **INFERENCE**

More (42%) of the respondents are fixed with the least target of 20 to 25 customers per month.

Chart 4.1.4

Table showing the average target fixed per month for the respondents

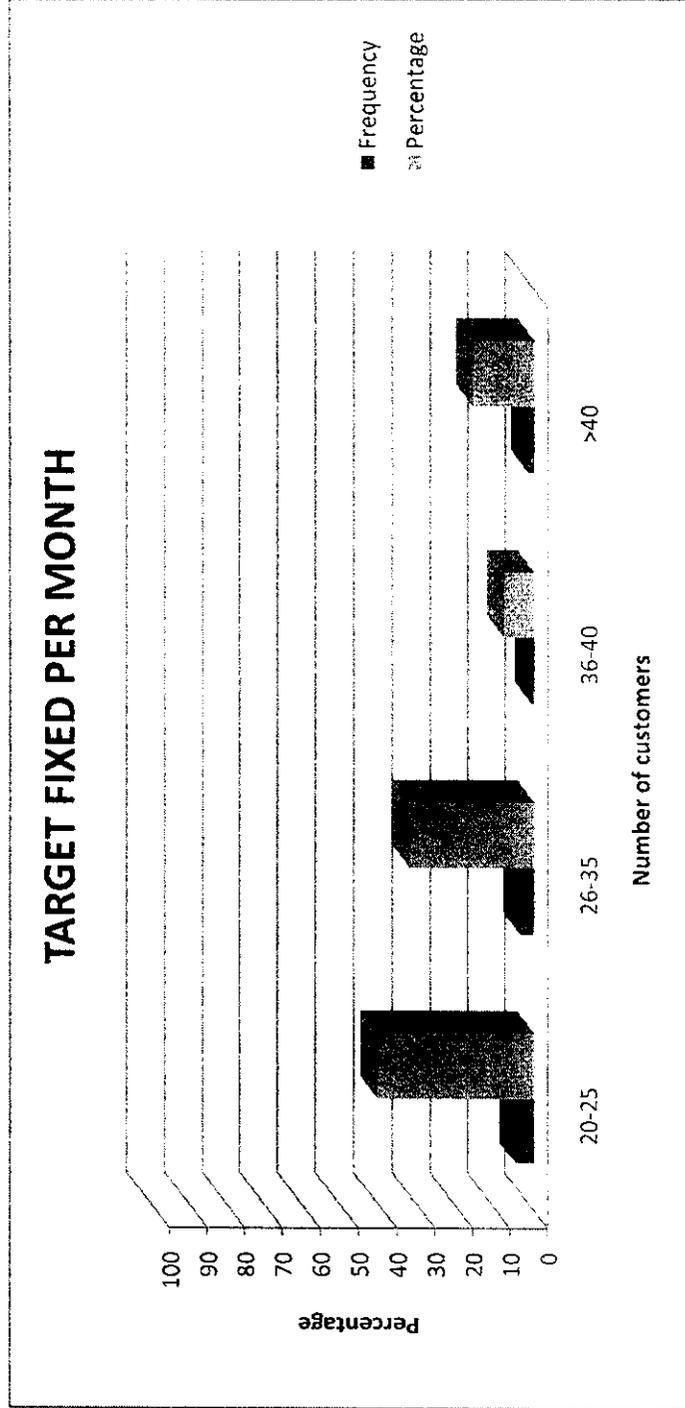
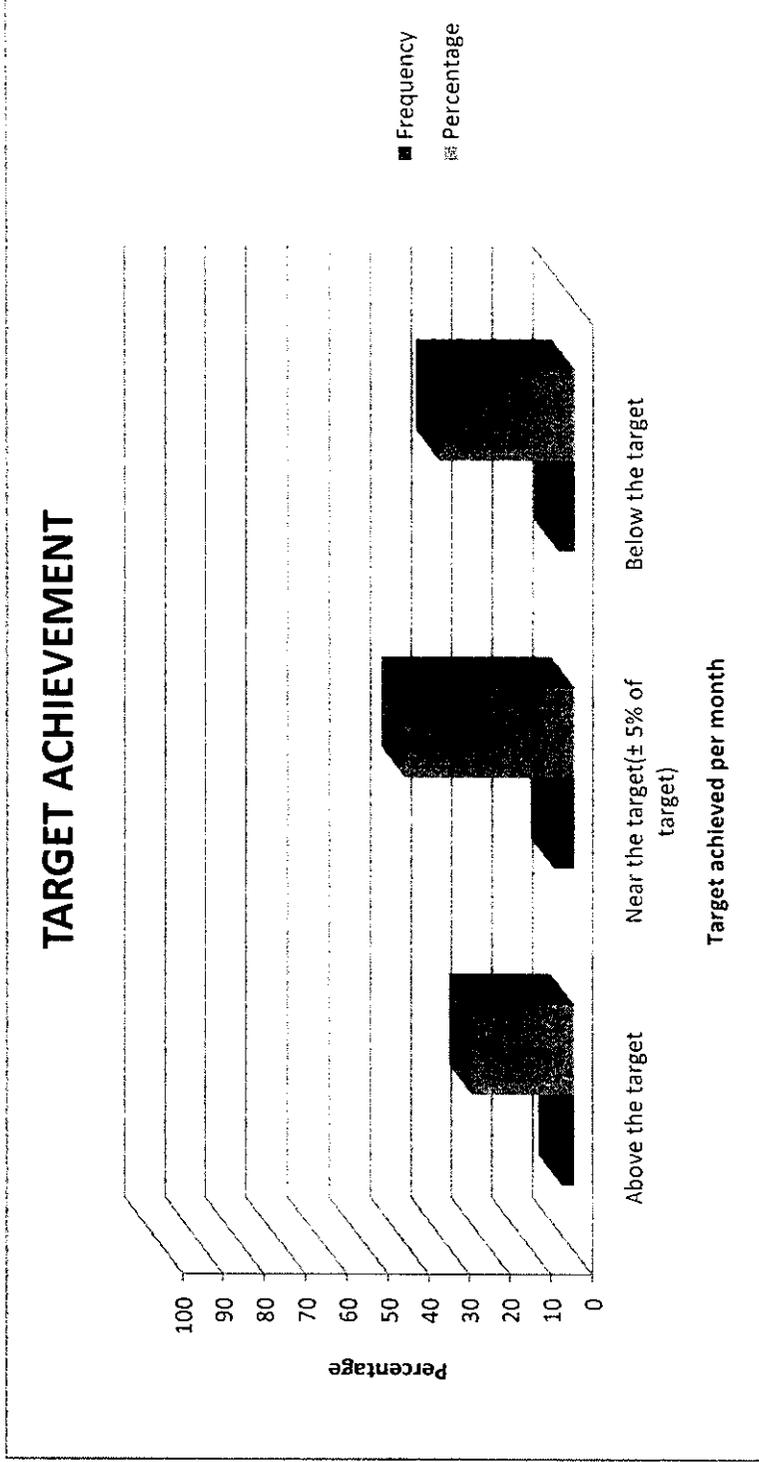


Chart 4.1.5

Chart showing target achievement per month for the respondents



**Table 4.1.6**

**Table showing the average number of customers per month**

<b>S.No</b>	<b>No. of customers</b>	<b>No. of respondents</b>	<b>Percentage (%)</b>
1	3	1	8
2	5	2	17
3	10	6	50
4	12	1	8
5	15	1	8
6	33	1	8
	<b>Total</b>	12	100

Source: primary data

### **INTERPRETATION**

It is observed that about 50% of the executives achieve 10 customers as their target per month, 5 customers by 17% of the executives and 3 customers, 12 customers, 15 customers, and 33 customers by 8% of the executives respectively.

### **INFERENCE**

Most (50%) of the respondents have achieved a target of about 10 customers in a month.

Chart 4.1.6

Chart showing the average number of customer per month

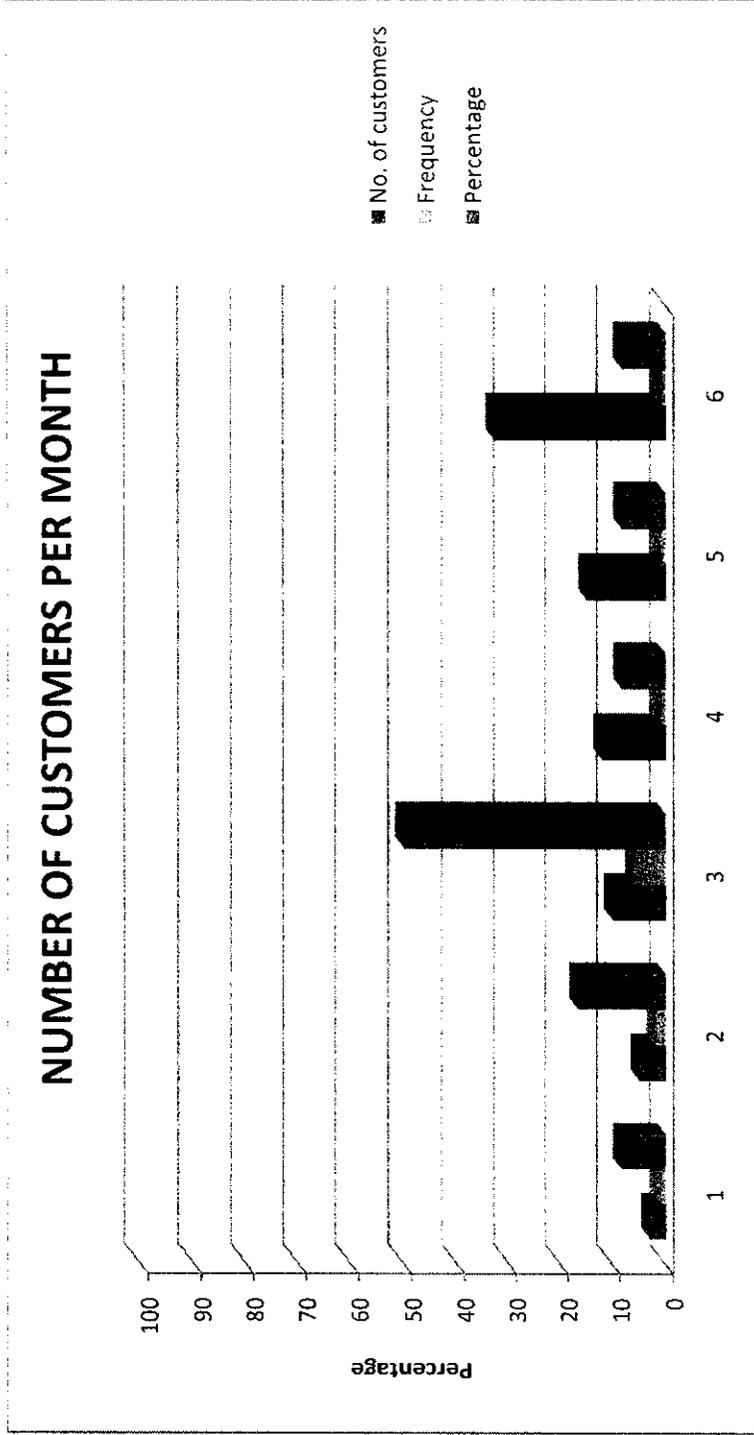


Table 4.1.7

Table showing the respondents' opinion about CARE plan

S.No	Opinion	No. of respondents	Percentage (%)
1	Excellent & useful	3	25
2	Very good & more success	5	42
3	Good	4	33
4	Not fitting into the system	0	0
	<b>Total</b>	12	100

Source: primary data

### INTERPRETATION

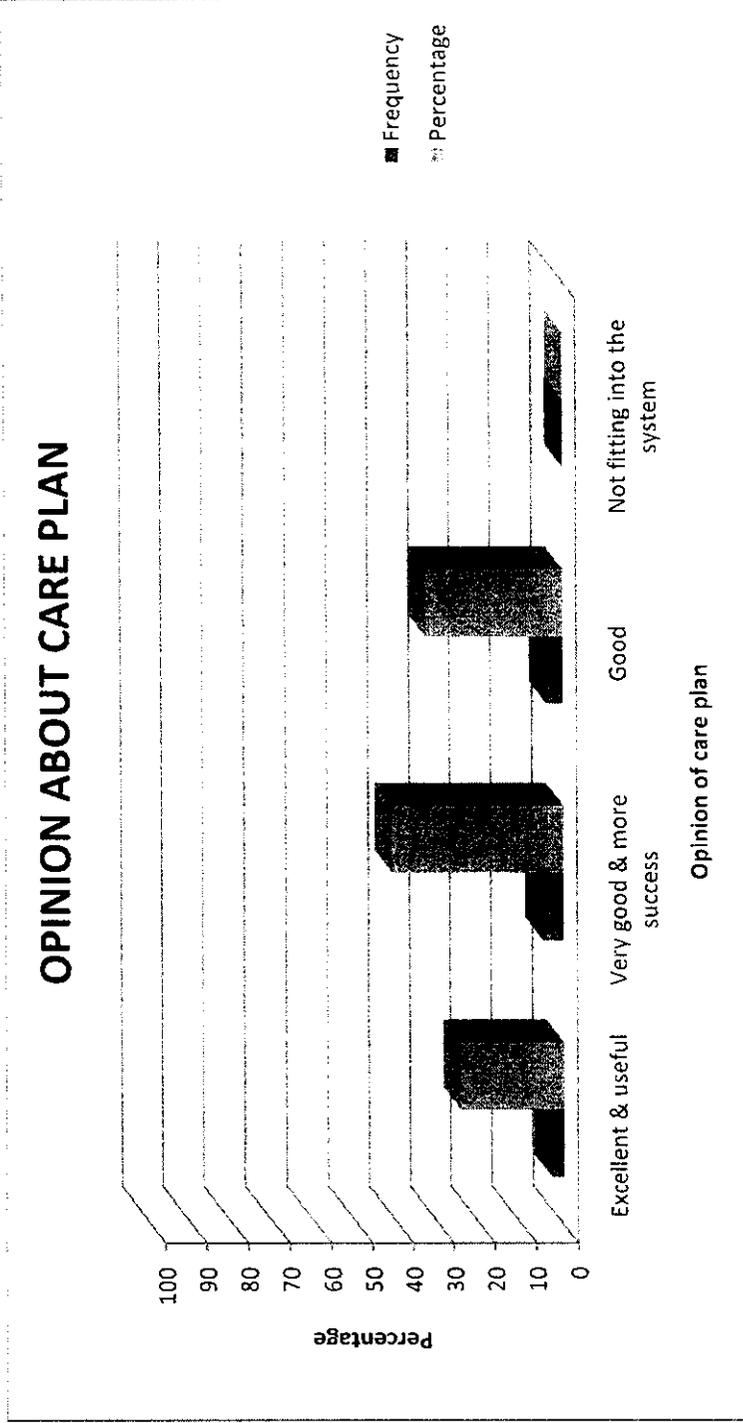
It is observed that about 42% of the executives says that the CARE plan is very good and giving more success where about 33% says it is good and 25% says that it is excellent and useful.

### INFERENCE

Most (42%) of the respondents said that the CARE plan is very good and more success but the percentage of complete satisfaction is less (25%) when compared to the other parameters

Chart 4.1.7

Table showing respondents opinion about CARE plan



**Table 4.1.8****Table showing the respondents' awareness about CARE plan**

<b>S.No</b>	<b>Awareness</b>	<b>No of respondents</b>	<b>Percentage (%)</b>
1	Yes	12	100
2	No	0	0
	<b>Total</b>	12	100

Source: primary data

**INTERPRETATION**

It is observed that all respondents are completely observed about the CARE plan

**Table 4.1.9**

**Table showing the extent of implementation of CARE plan by the respondents**

<b>S.No</b>	<b>Implementation</b>	<b>No of respondents</b>	<b>Percentage (%)</b>
1	Completely implemented	5	42
2	It is in progress	7	58
3	Not yet implemented	0	0
	<b>Total</b>	12	100

Source: primary data

### **INTERPRETATION**

It is observed that about 58% of the executives say that the implementation process is in progress and about 42% of the executives say that they have completely implemented the CARE plan in their operations.

### **INFERENCE**

It can be inferred that 58% of the respondents find that there will be some obstacles experienced by them in completely implementing the CARE plan in their system.

Chart 4.1.9

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

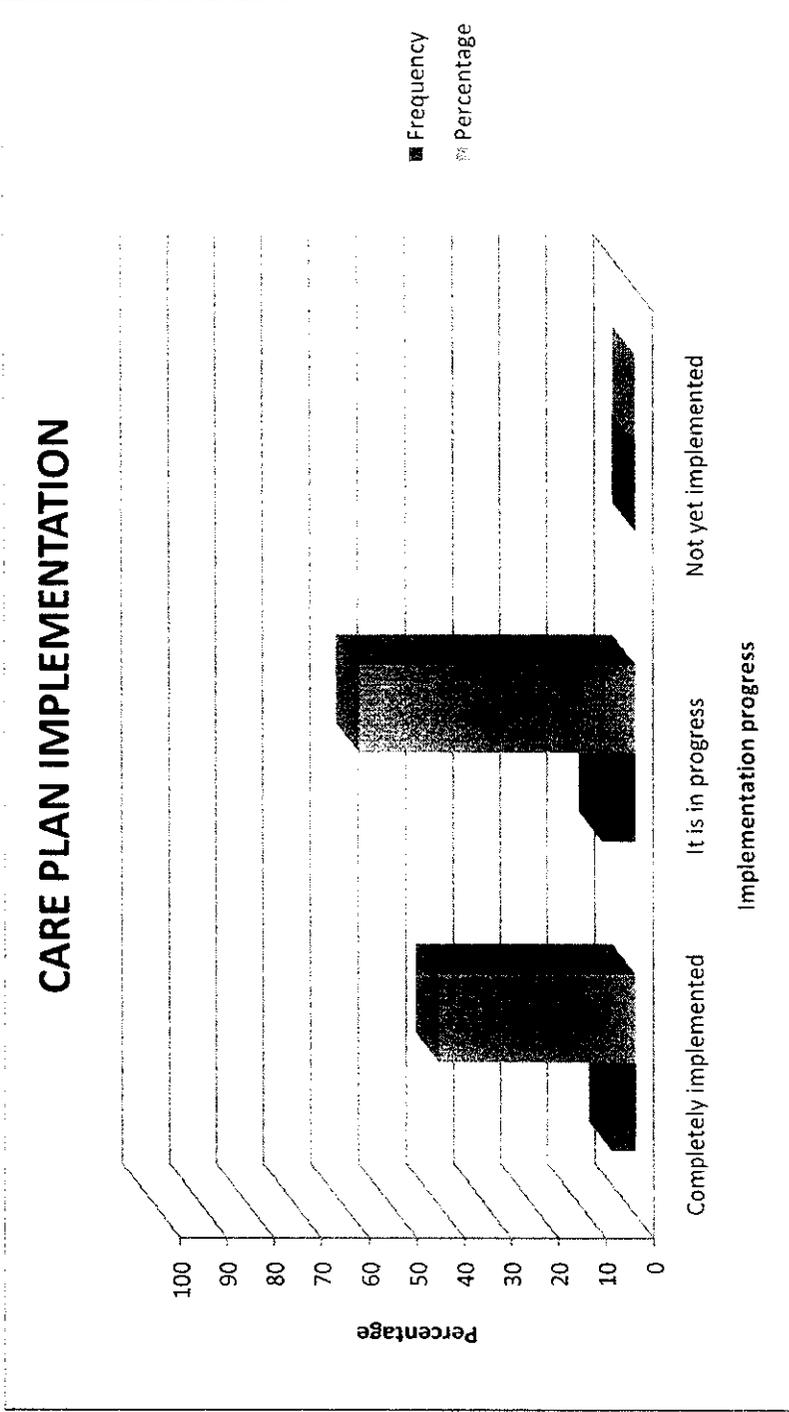


Table 4.1.10

**Table showing the reasons for non implementation of CARE plan by the respondents**

<b>S.No</b>	<b>Non implementation</b>	<b>No of respondents</b>	<b>Percentage (%)</b>
1	Time constraints	3	25
2	Difficult to adopt	0	0
3	No proper guidance about the plan	0	0
	<b>Missing</b>	9	75
	<b>Total</b>	12	100

Source: Primary data

### **INTERPRETATION**

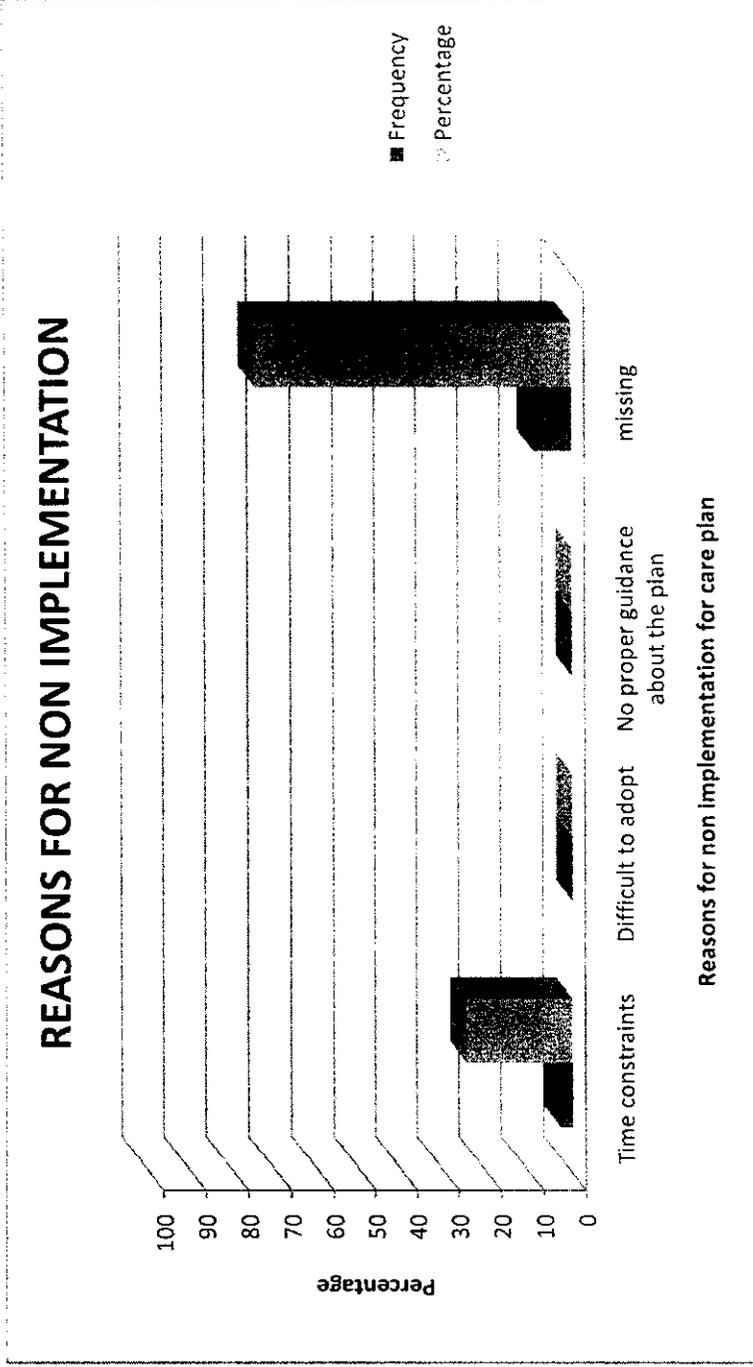
It is observed that about 25% of the executives responded for this question. They said time constraint as the major reason for their system which is under the implementation progress for CARE plan.

### **INFERENCE**

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

Chart 4.1.10

Table showing the reasons for non implementation of CARE plan by the respondents



**Table 4.1.11**

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

<b>S.No</b>	<b>Description</b>	<b>No of respondents</b>	<b>Percentage (%)</b>
1	Correct	8	67
2	Incorrect	4	33
	<b>Total</b>	12	100

Source: primary data

### **INTERPRETATION**

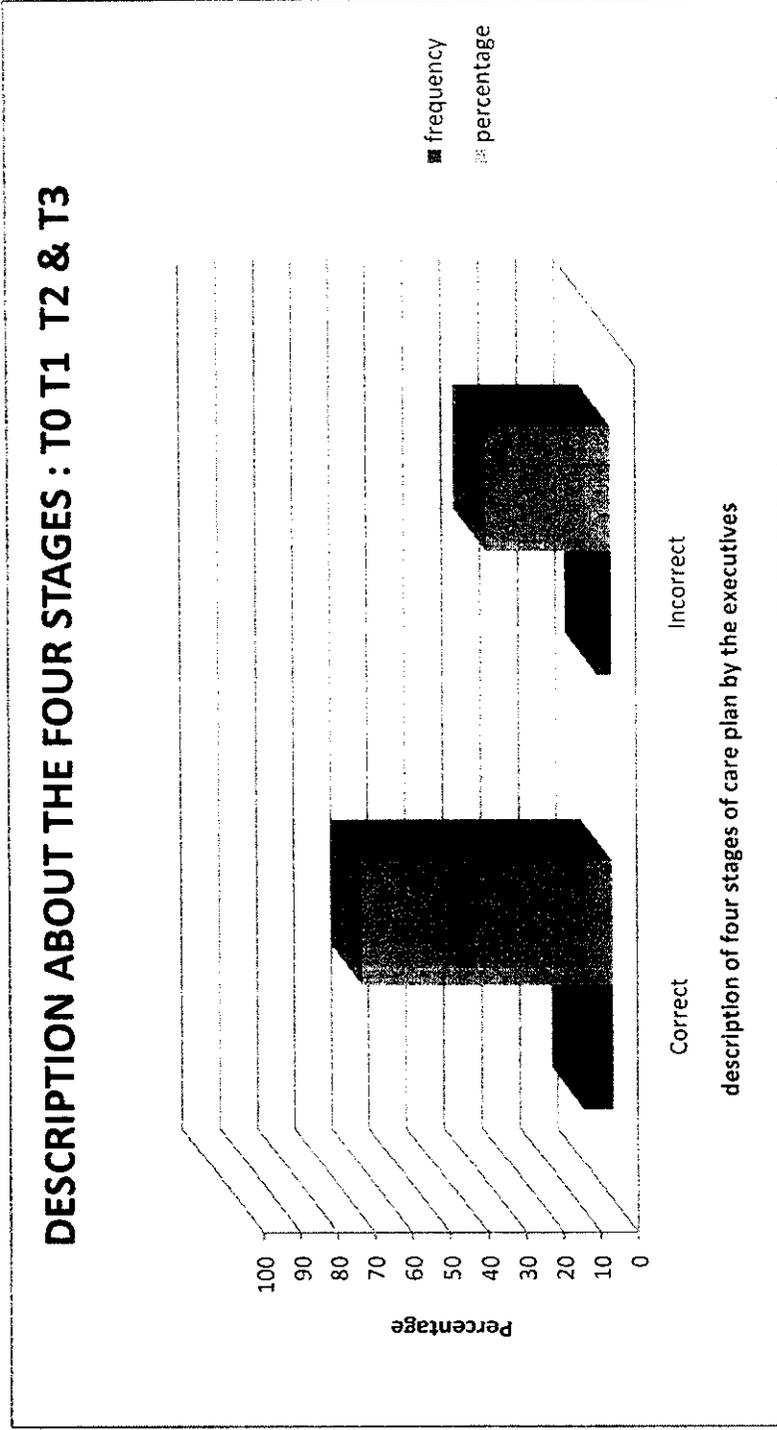
It is observed that about 33% of the executives gave incorrect information about the functions in the four stages of the CARE plan other than the remaining 67% of the executives.

### **INFERENCE**

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.

Chart 4.1.1.11

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



**Table 4.1.12**

**Table showing the factors identified by the respondents which remains as drawbacks for non implementation**

<b>S.No</b>	<b>Drawbacks</b>	<b>No. of respondents</b>	<b>Percentage (%)</b>
1	Time factor	10	83
2	Difficult to adopt	2	17
3	Confusing the previous system	0	0
	<b>Total</b>	12	100

Source: primary data

### **INTERPRETATION**

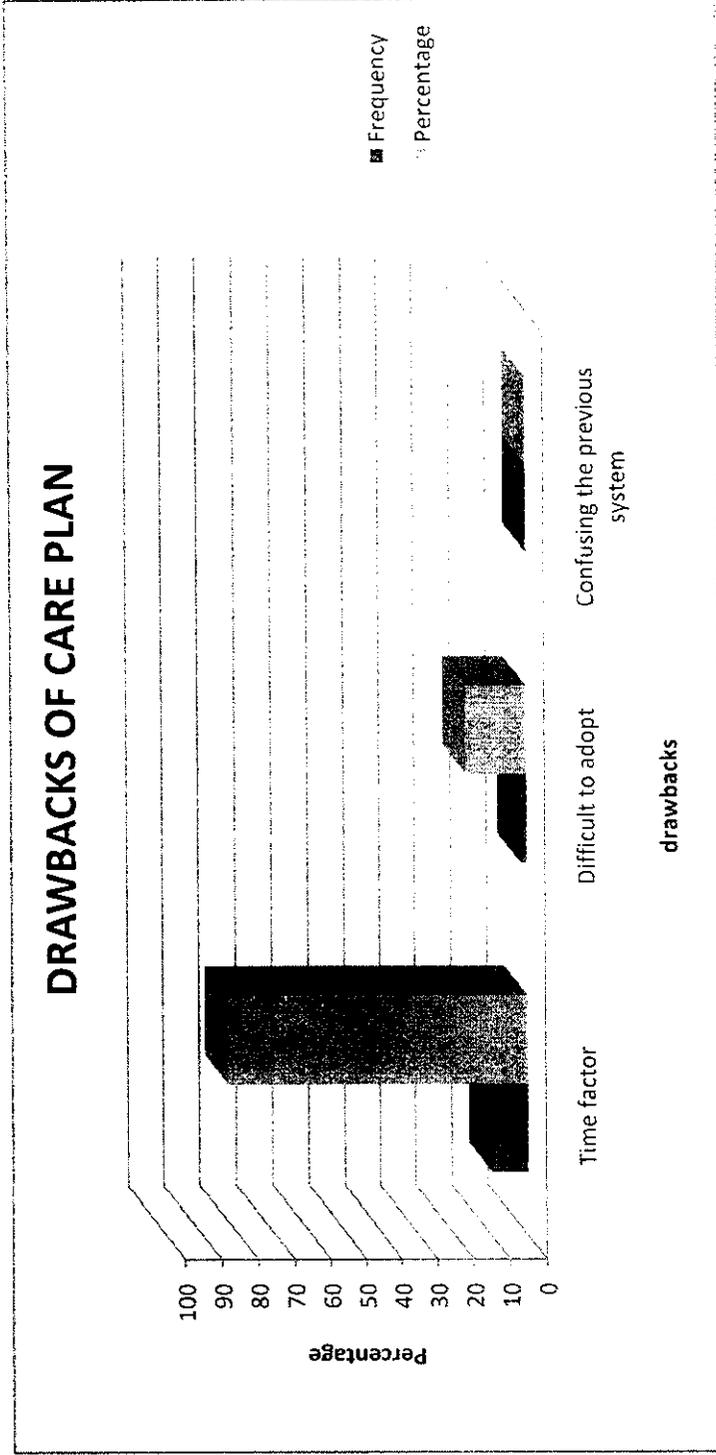
It is observed about 83% of the executives highlighted time factor as the major drawback in adopting CARE plan and about 17% of the executives said that CARE plan is difficult to adopt.

### **INFERENCE**

Most (83%) of respondents find time factor as the main drawback for non implementation of care plan.

Chart 4.1.1.12

Chart showing the factors identified by the respondents which remains as drawback for non implementation



**Table 4.1.13**

**Table showing the source of customers for the respondents**

<b>S.No</b>	<b>Means of source</b>	<b>No of respondents</b>	<b>Percentage (%)</b>
1	Lorry owners association	3	25
2	Builders association	0	0
3	Existing customers link	9	75
	<b>Total</b>	12	100

Source: Primary data

### **INTERPRETATION**

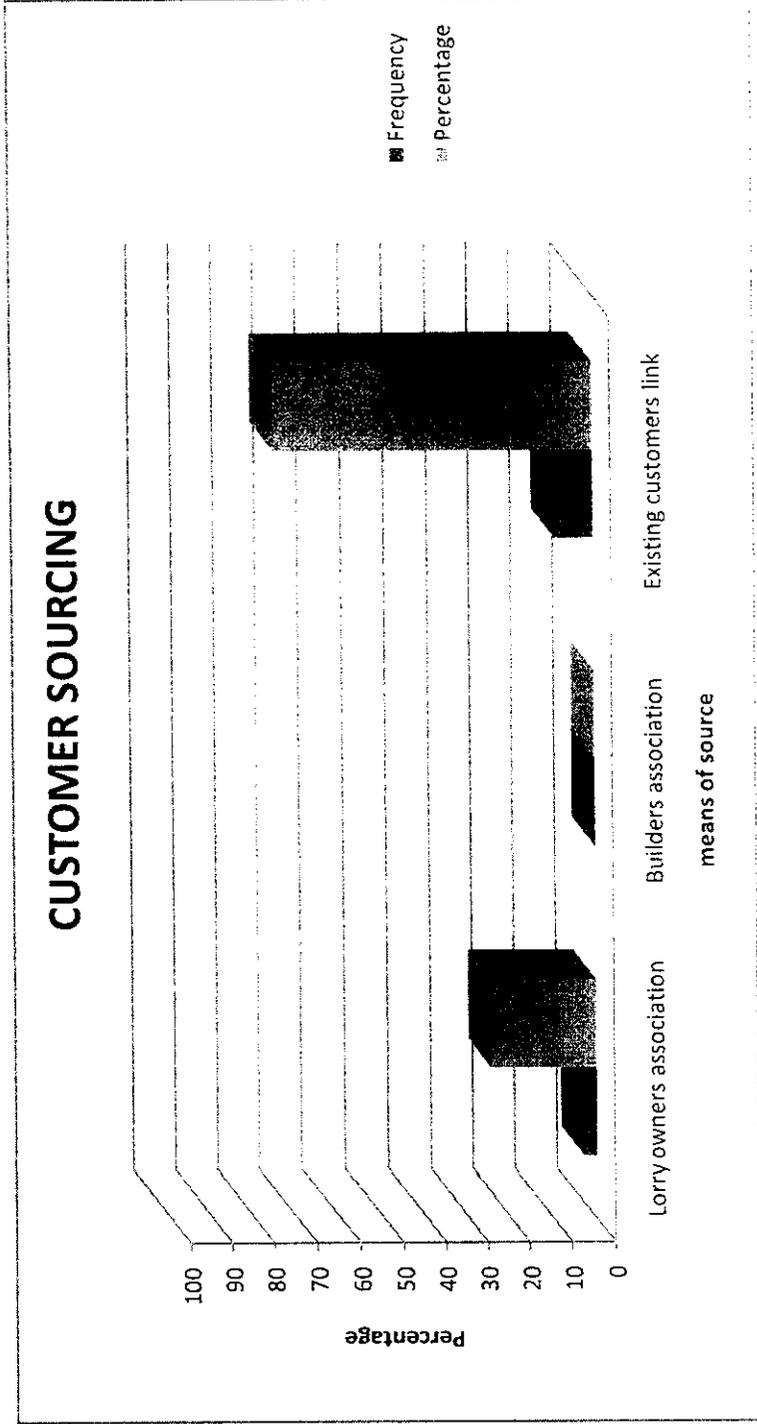
It is observed that 75% of the executives said existing customer link give more new customers. 25% of the executives said lorry owners association as their means of customers sourcing.

### **INFERENCE**

Most of the executives (75%) said that existing customer links give more customers hence follow up of the existing customers is necessary for good networking and increasing the target.

Chart 4.1.13

Table showing the source of customers for the respondents



**Table 4.1.14**

**Table showing the other sources of customers in the sales platform  
of the respondents**

<b>S.No</b>	<b>Means of source</b>	<b>No. of respondents</b>	<b>Percentage (%)</b>
1	Good customer relation	5	42
2	Direct visit	1	8
3	Friends reference	2	17
4	Other associations	1	8
	<b>Missing</b>	3	25
	<b>Total</b>	12	100

Source: primary data

### **INTERPRETATION**

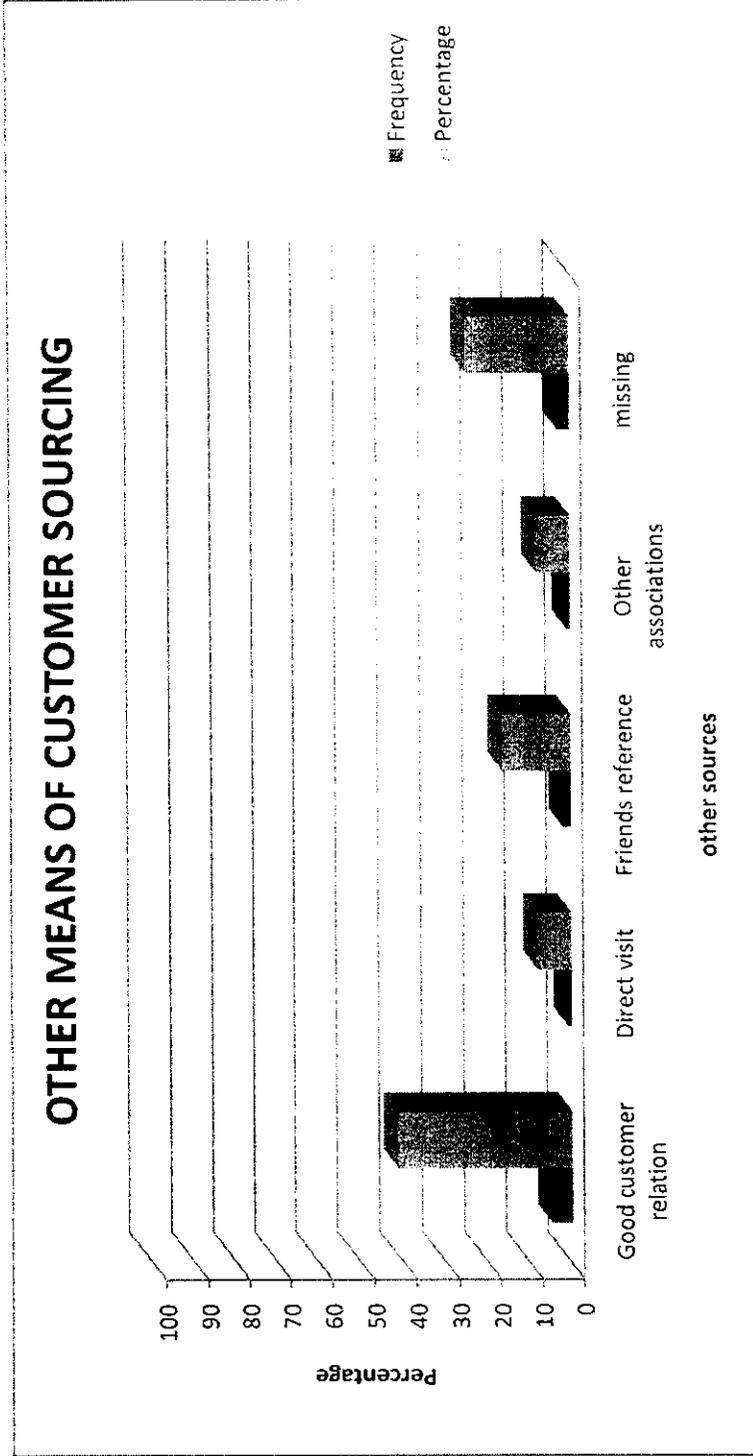
It is observed that about 42% of the executives said good customer relation as the other means of customer sourcing, 17% of them said as friends reference, 8% of the executives said direct visit and other associations respectively as other means of customer sourcing.

### **INFERENCE**

Most of the executives (42%) said that good customer rapport is the main means of sourcing for customers.

Chart 4.1.14

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



**Table 4.1.15**

**Table showing the repayment culture of customers observed by the respondents**

<b>S.No</b>	<b>Repayment culture</b>	<b>No. of respondents</b>	<b>Percentage (%)</b>
1	Timely	5	42
2	With less arrears	7	58
3	With more arrears	0	0
	<b>Total</b>	12	100

Source: primary data

### **INTERPRETATION**

It is observed that about 58% of the executives are dealing with customers who are having less delay in repayment culture and 42% of the executives are having customers who are repaying the loan at the due date.

### **INFERENCE**

Customers paying at the due date (42%) are less than the customers who are paying with arrears (58%). It is found that the no. of prompt payers are comparatively lesser.

Chart 4.1.1.15

Chart showing the repayment culture of customers observed by the respondents

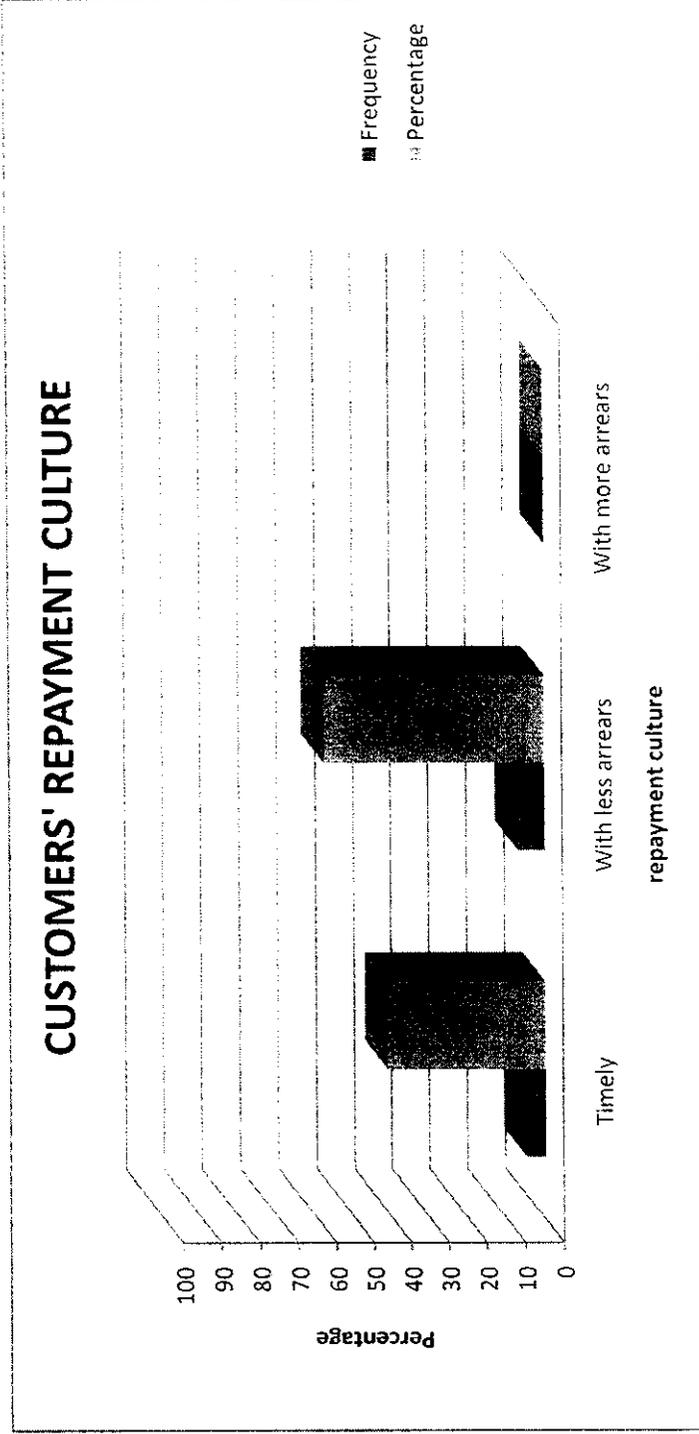


Table 4.1.16

**Table showing the expected alterations in the CARE plan for its effective implementation by the respondents**

<b>S.No</b>	<b>Alterations</b>	<b>No. of respondents</b>	<b>Percentage (%)</b>
1	Day to day basis	1	8
2	Personal CARE plan diary	3	25
3	Make it simpler	3	25
4	No changes	5	42
	<b>Total</b>	12	100

Source: primary data

### **INTERPRETATION**

About 25% of the executives said that the CARE plan can be made simpler and another 25% said that a personal CARE plan diary can be given. 8.3% of the executives said that the CARE plan can be as a day to day model and 42% of the executives said that no changes are required.

### **INFERENCE**

It can be inferred that most of the executives (42%) are not expecting any changes in the CARE plan.

Chart 4.1.16

Chart showing the expected alterations in the CARE plan for its effective implementation by the executives

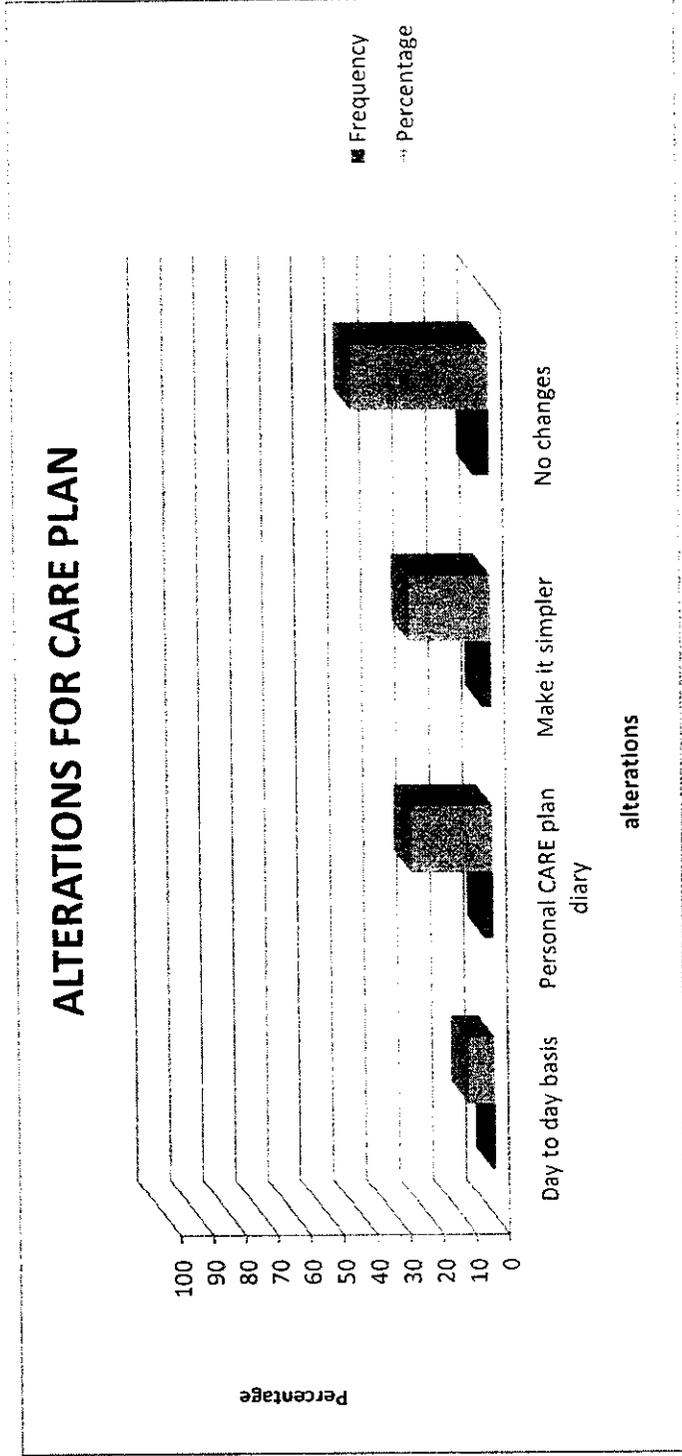


Table 4.1.17

Table showing the performance of executives before and after implementation of the CARE plan

S.No	Factors	Before		After	
		No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
1	More time consumption	7	58	5	42
2	Increased new customer	2	17	10	83
3	Systematic approach	3	25	9	75
4	Proper record	2	17	10	83
5	Better target achievement	5	42	7	58

Source: primary data

### INTERPRETATION

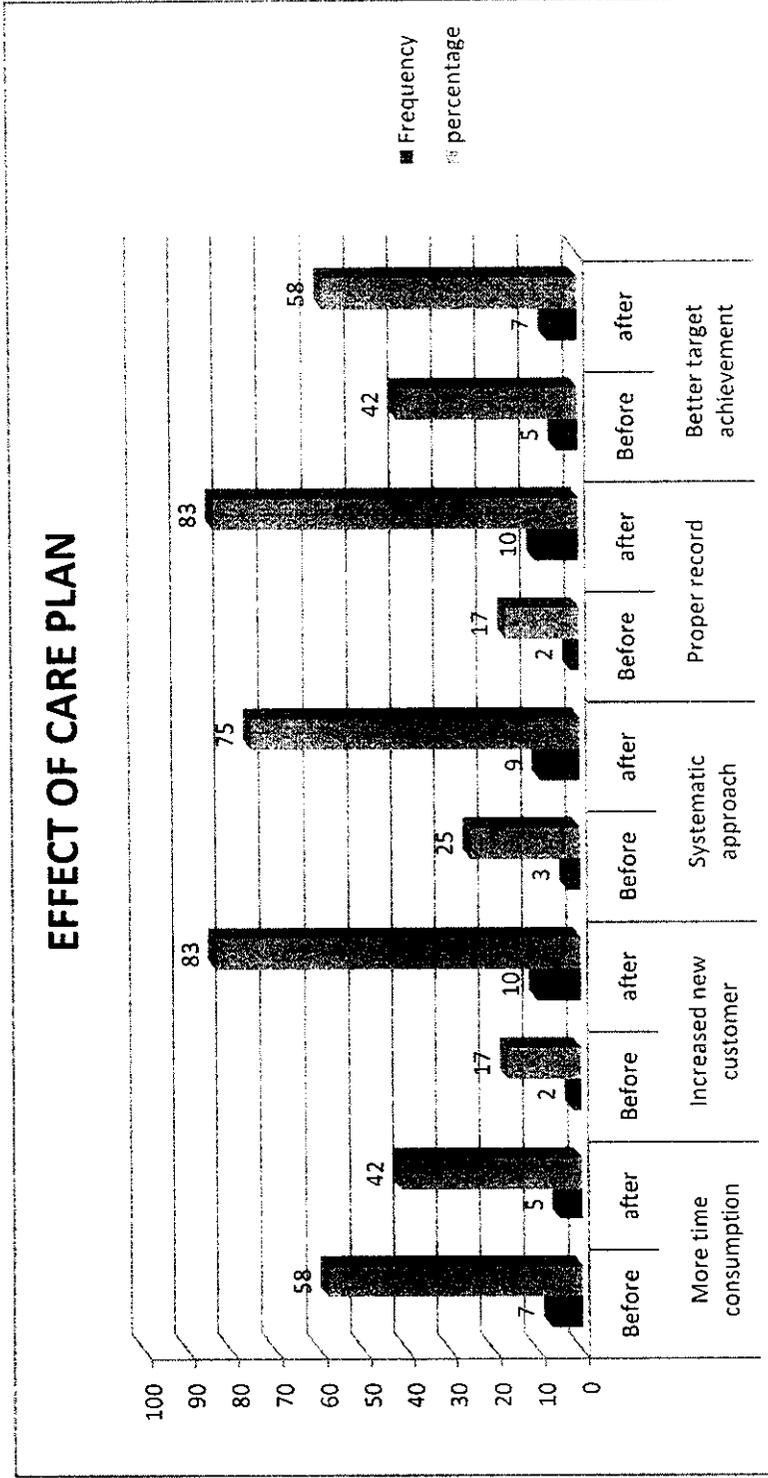
The time consumption is reduced after implementation of CARE plan from 58.3% to 41.6%. the new customers are increased from 16.7% to 83.3%.The systematic approach in the system is also increased from 25% to 75%. The maintenance of the proper record is also increased from 16.7% to 83.3%. better target achievement is also there which is from 41.6 to 58.3%.Hence the success rate of CARE plan is satisfactory in the system.

### INFERENCE

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

Chart 4.1.17

Chart showing the performance of executives before and after implementation of the CARE plan



**Table 4.1.18**  
**Table showing the market segments concentrated by**  
**the respondents**

S .No	Factors	Rural		Urban	
		No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
1	More competition of local finances	11	92	1	8
2	High customer source	4	33	8	67
3	More aware about interest rates	4	33	8	67
4	More competition of other NBFCs and banks	4	33	8	67

Source: primary data

### INTERPRETATION

More competition of local finances is more in the rural area than in the urban but the competition of NBFCs and other banks is less in rural than in the urban. The customer source is more in rural than in urban whereas the interest rate awareness is also more in the urban area than rural.

### INFERENCE

As Sakthi Finance is doing niche marketing in the segment it has to concentrate more on the rural segment as like the urban segment

Chart 4.1.18

Chart showing the market segments concentrated by the respondents

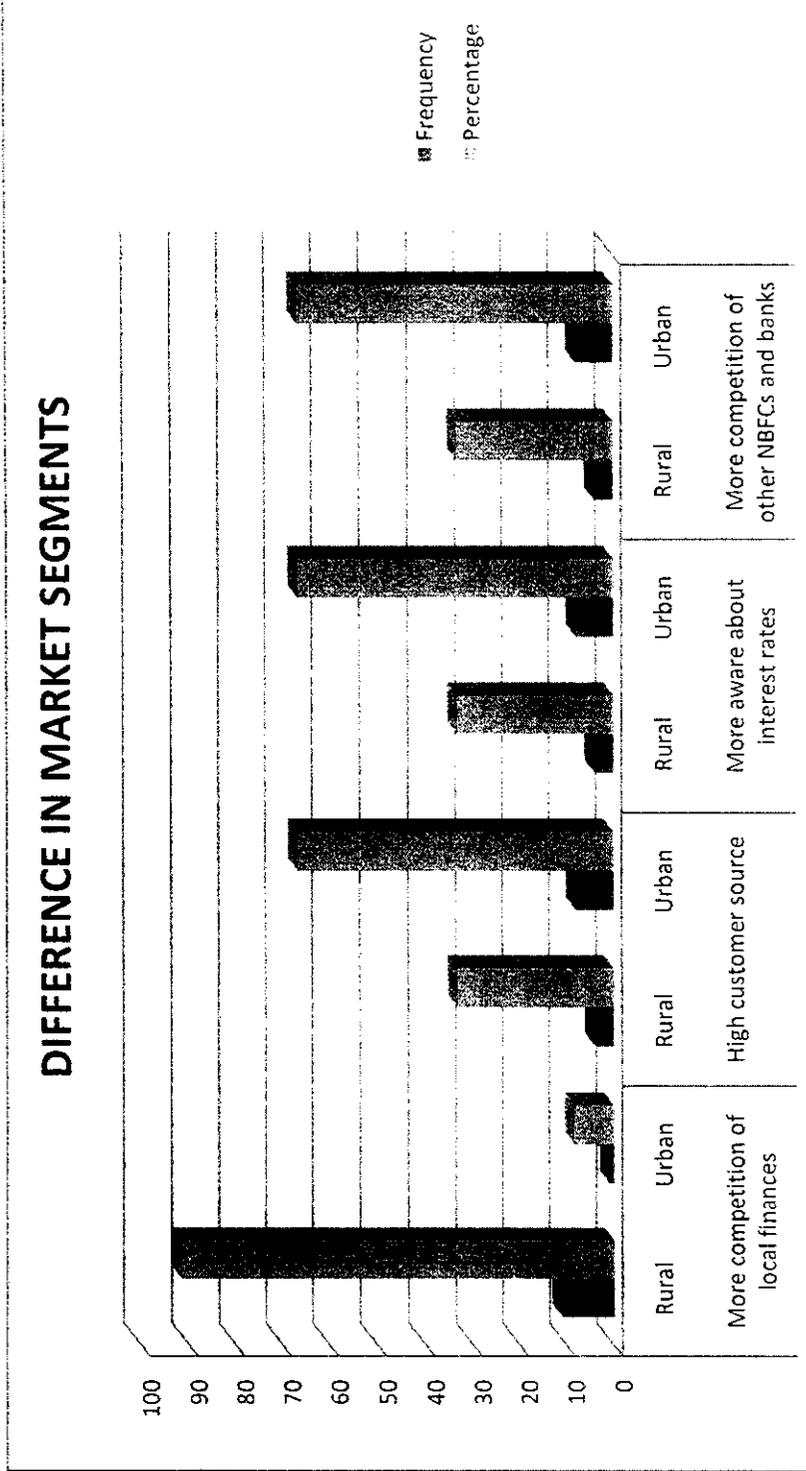


Table 4.2.1

Table showing the important factors affecting CARE plan

S.No	Factors	Weightage					Total score	Rank
		5	4	3	2	1		
1	Personal involvement	5	2	2	1	2	43	2
2	Knowledge about CARE plan	1	5	1	3	2	36	3
3	Training	0	1	2	3	6	28	5
4	Follow up	6	0	5	1	0	53	1
5	Experience in the system	0	4	2	4	2	32	4

Source: primary data

### INTERPRETATION

It is observed that follow up was ranked first by the executives as the success factor, which was followed by personal involvement, knowledge about CARE plan, experience in the system and training respectively.

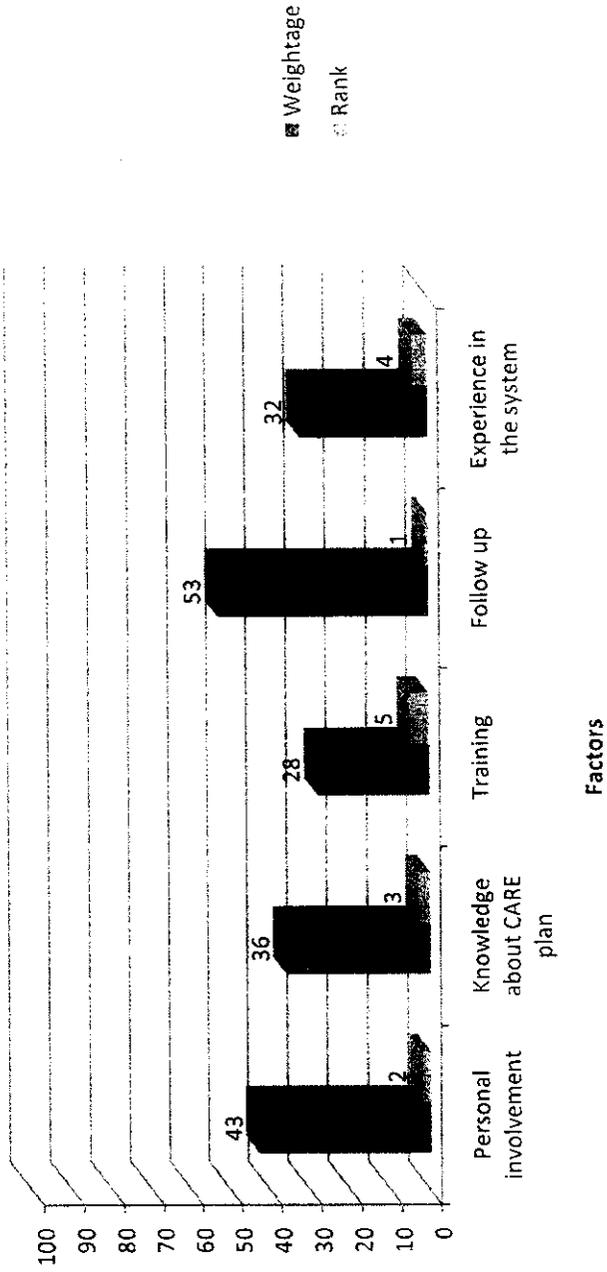
### INFERENCE

The critical success factor for the respondents are follow up of the clients by respondents and their personal involvement.

Chart 4.2.1

Important factors affecting the CARE plan

### FACTORS FOR THE SUCCESS OF CARE PLAN



**Table 4.2.2**

**Table showing acquisition strategy of customers at T<sub>0</sub> stage  
adopted by respondents**

S.No	Strategies adopted by respondents	Weightage			Total score	Rank
		3	2	1		
1	Existing customers	7	2	3	28	1
2	Cold cells	2	5	5	21	3
3	Other sources	3	5	4	23	2

Source: primary data

### **INTERPRETATION**

It is observed that the existing customers are providing more new customers at the first stage of CARE plan when compared to the other sources which is ranked second and cold cells which got the third weightage

Chart 4.2.2

Chart showing the acquisition strategy of customers at T<sub>0</sub> stage adopted by the respondents



.Table 4.2.3

**Table showing the acquisition strategy of customers followed by respondents at T<sub>1</sub> stage**

S.No	Strategies adopted by respondents	weightage			Total score	Rank
		3	2	1		
1	Based on track record	6	3	3	27	1
2	Based on average delay	0	8	4	20	3
3	Customer background	6	1	5	25	2

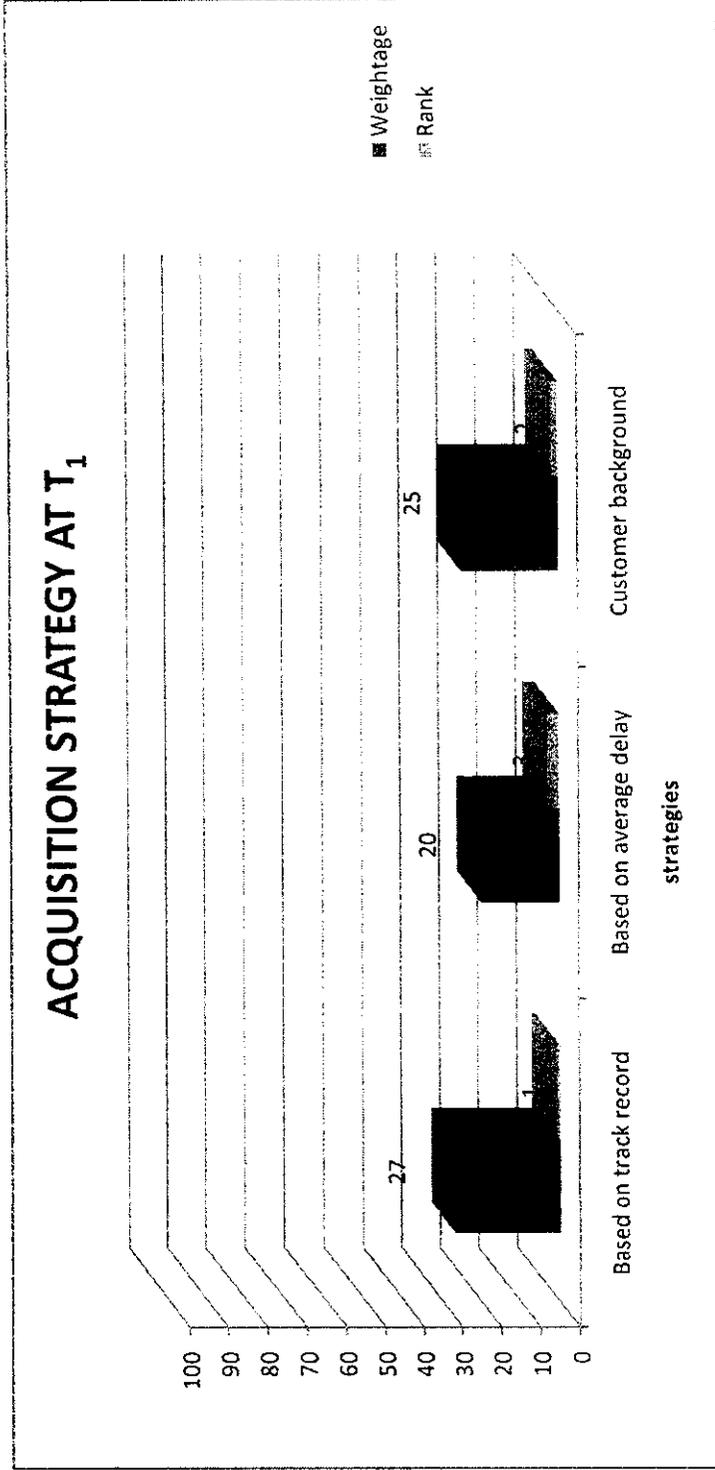
Source: primary data

### INTERPRETATION

It is observed that the customers are acquired mainly based on their track record than their background and their average delay at the second stage of the CARE plan process.

Chart 4.2.3

Acquisition strategy of customers at T<sub>0</sub> stage adopted by the respondents



**Table 4.2.4**

**Table showing the Strategies adopted by respondents to attract customers**

S.No	Strategies adopted by respondents	Weightage						total score	Rank
		6	5	4	3	2	1		
1	Direct visit	5	2	3	1	0	1	61	1
2	Telephonic contact	1	0	2	6	3	0	38	4
3	Customer meet	0	2	1	2	7	0	34	5
4	Existing customer links	2	6	2	2	0	0	56	2
5	Customer attraction schemes	0	0	1	0	1	10	16	6
6	Maintaining good relationship	4	2	3	1	1	1	52	3

Source: primary data

### INTERPRETATION

It is observed that the most influencing factor for customer attraction is the direct visit and frequent contact which derives more weightage. Again existing customer links got the second weightage. Maintaining good relationship was third, telephonic contact was fourth, customer meet was fifth, and customer attraction scheme got the least weightage.

Chart 4.2.4

Chart showing the strategies adopted by respondents to attract customers

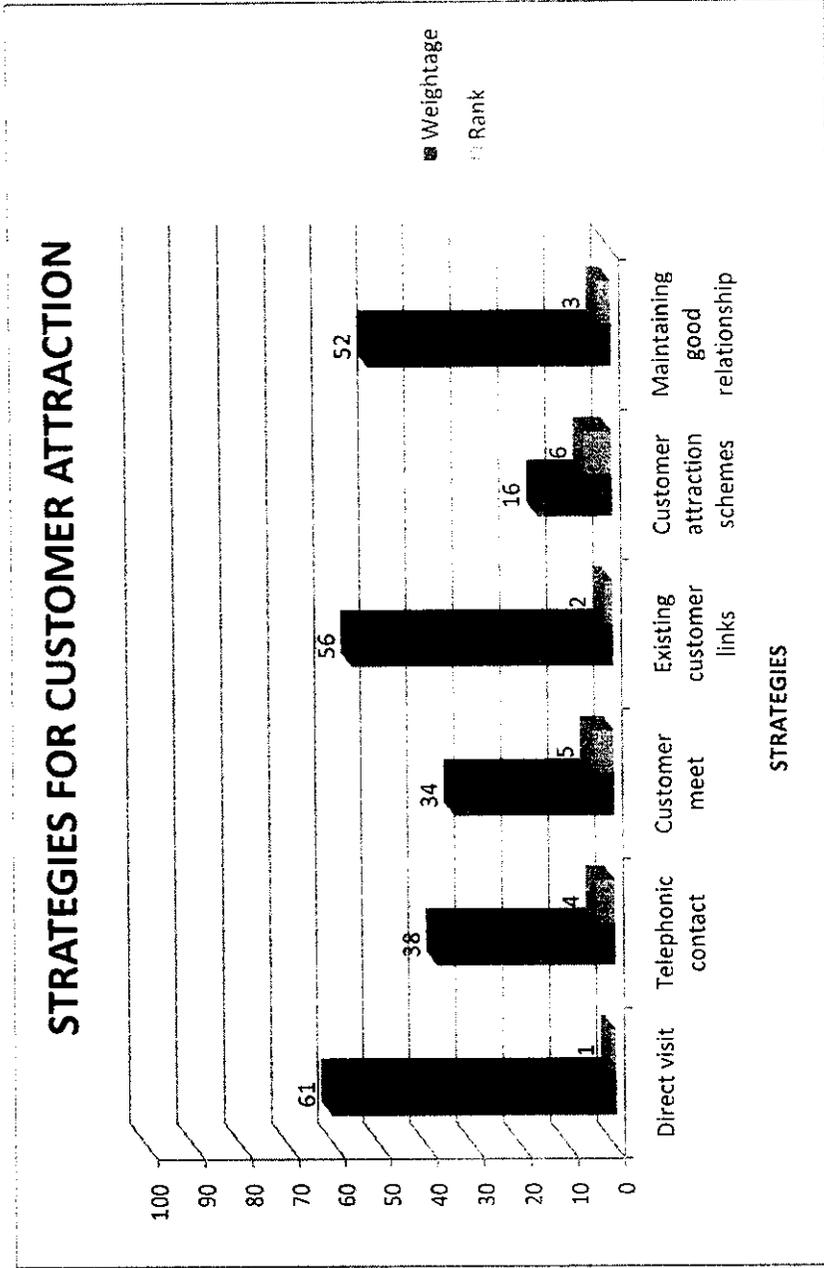


Table 4.2.5

Table showing the factors leading to attrition of the customers

S.No	Strategies	Weightage							Total score	Rank
		7	6	5	4	3	2	1		
1	Documentation	1	2	1	3	1	0	4	43	4
2	High internal rate of return	0	4	3	1	3	1	0	54	2
3	Increased competitors	6	1	4	0	0	1	0	70	1
4	Securities and formalities	1	1	0	3	5	5	1	43	4
5	Safety Norms	2	2	1	0	0	1	2	43	4
6	Interest rate differences	2	2	3	0	3	1	1	51	3
7	More trust towards government banks	1	1	0	3	0	3	4	35	7

Source: primary data

## INTERPRETATION

The increased competitors in the field is the main factor which got more weightage is the main reason for customer attrition. The high IRR and high interest rate differences got the subsequent ranks next to competitors. Similarly documentation, safety norms and securities and formalities got the next weightage. More trust towards the government banks got the least weightage.

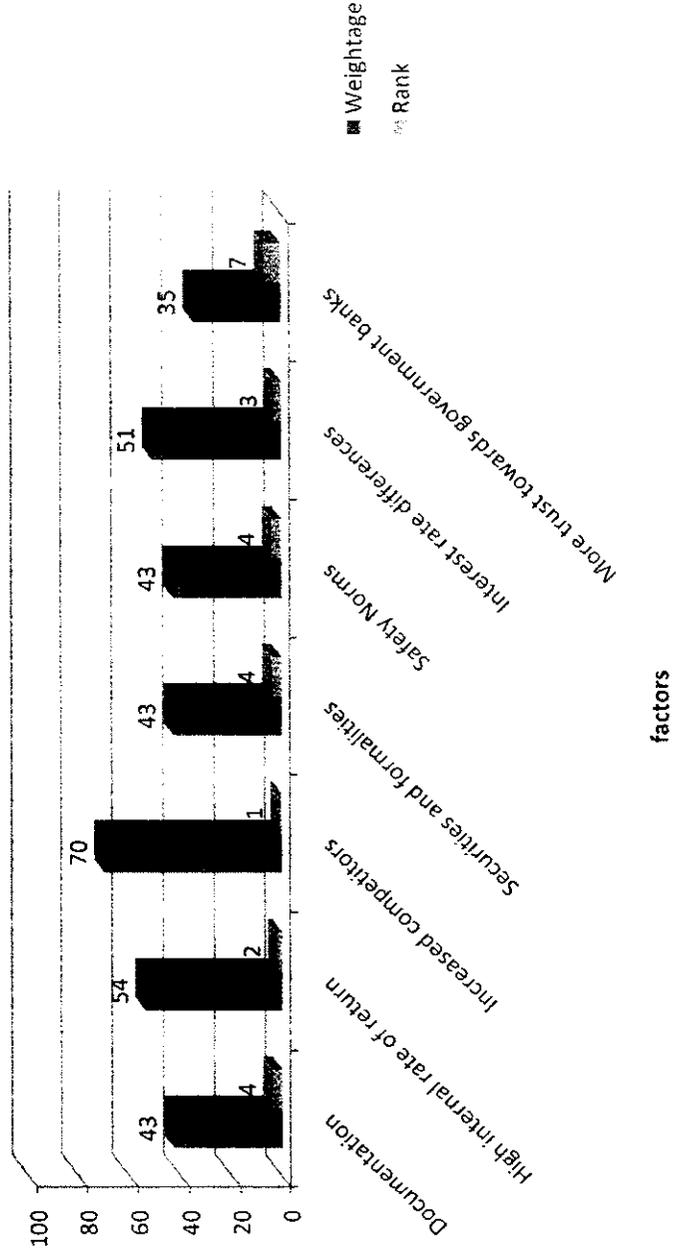
## INFERENCE

The main reason for customer attrition is the competitors. Hence competitors analysis can be done to find out the strategies for competitive advantage.

Chart 4.2.5

Chart showing the factors leading to attrition of the customers

### FACTORS LEADING TO CUSTOMER ATTRITION



**Table 4.2.6**

**Table showing the type of customers targeted by the respondents**

S.No	Customer type	Weightage							Total score	Rank
		7	6	5	4	3	2	1		
1	Single vehicle operators	3	1	2	1	0	4	1	50	4
2	Medium fleet operators	0	3	6	1	2	0	0	58	2
3	Large fleet operators	0	4	1	1	0	3	3	42	5
4	Captive owners	5	1	0	3	1	1	1	59	1
5	Strategic owners	1	0	0	5	3	3	0	42	5
6	Existing customers	2	2	3	0	4	1	0	55	3
7	New customers	1	1	0	1	2	0	7	24	7

Source: primary data

## INTERPRETATION

The captive owners are ranked first, the medium fleet operators are second, the existing customers are third, the SVOs are fourth, the large fleet operators and strategic owners are fifth and new customers got the least weightage.

## INFERENCE

Concentration on new customers have to be made more to increase the networking circle and to gain more loyal existing customers.

Chart 4.2.6

Chart showing the type of customers targeted by the respondents

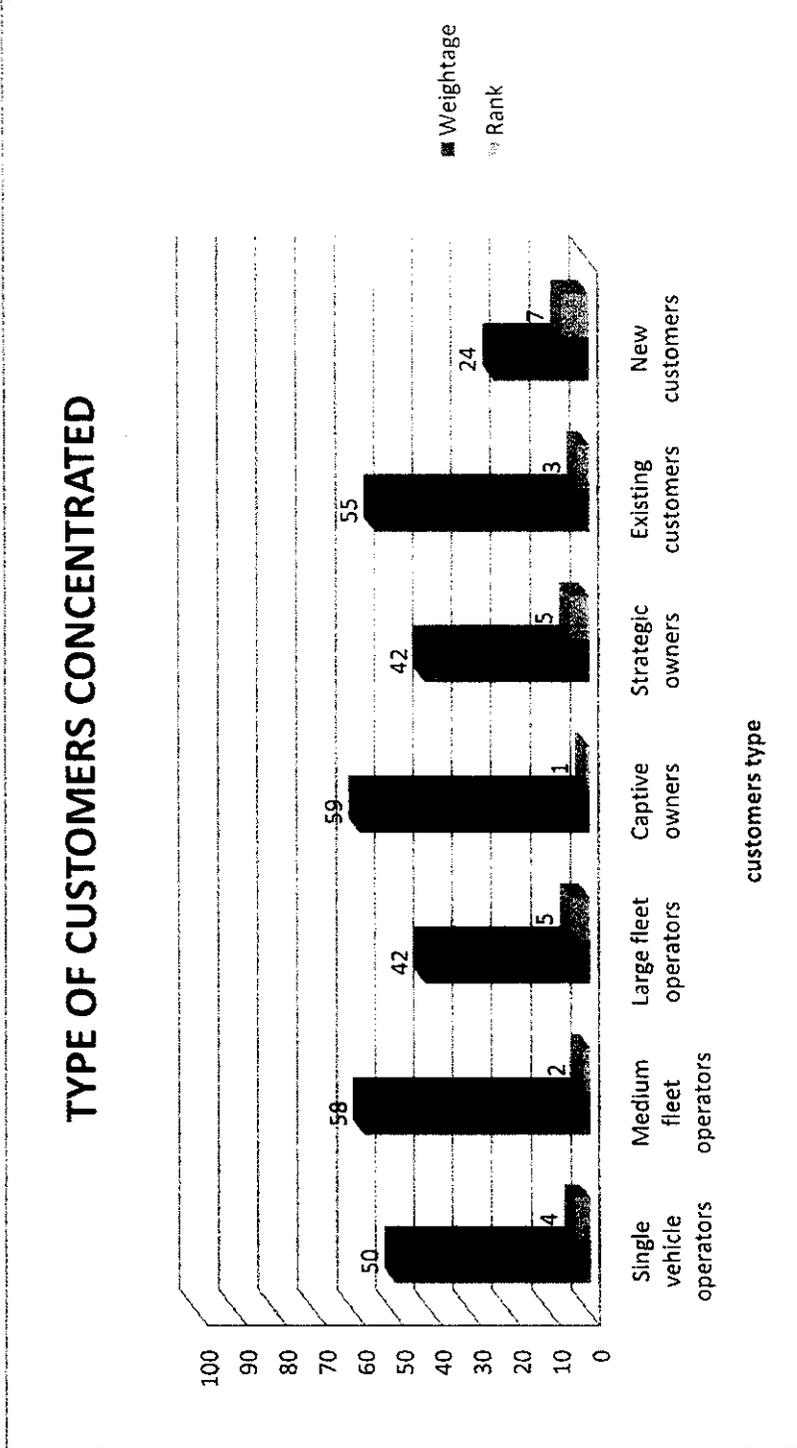


Table 4.2.7

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

S.No	Competitors	Weightage				Total score	Rank
		4	3	2	1		
1	Local financiers	3	5	3	1	34	2
2	Private banks	0	0	2	10	29	3
3	Government banks	1	4	6	1	14	4
4	NBFCs	8	3	1	0	43	1

Source: primary data

### INTERPRETATION

It is observed that the other NBFCs are the most influencing competitors for the company. Local financiers other than the NBFCs are ranked next. The private banks got the next rank while the government banks got the least ranking.

Chart 4.2.7

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

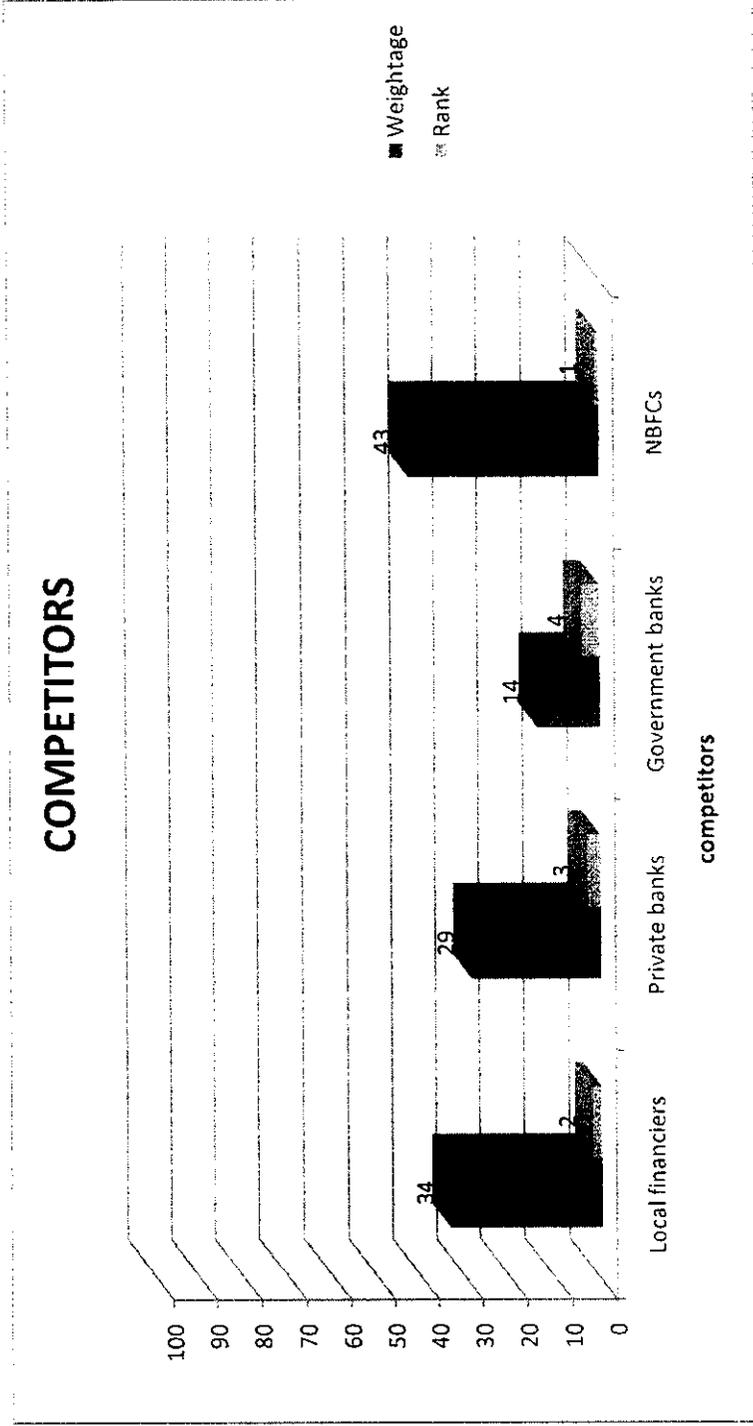


Table 4.2.8

Table showing the factors influencing the achievement of the respondents

S.No	factors	weightage									Total score	Rank
		9	8	7	6	5	4	3	2	1		
1	Area of operation	1	1	6	3	1	0	0	0	0	82	3
2	Positive word of mouth	0	2	1	2	1	5	1	0	0	63	4
3	Existing customers	4	6	0	1	1	0	0	0	0	95	1
4	Experience	5	2	3	0	0	1	1	0	0	89	2
5	Incentives	0	1	1	0	2	0	4	2	2	43	7
6	Time	2	0	1	1	0	1	1	4	1	49	6
7	Financial soundness of customers	0	0	0	4	1	3	4	0	0	53	5
8	Awareness of customers	0	0	0	1	3	0	1	1	6	32	9
9	Literacy of customers	0	0	0	0	3	2	0	4	3	34	8

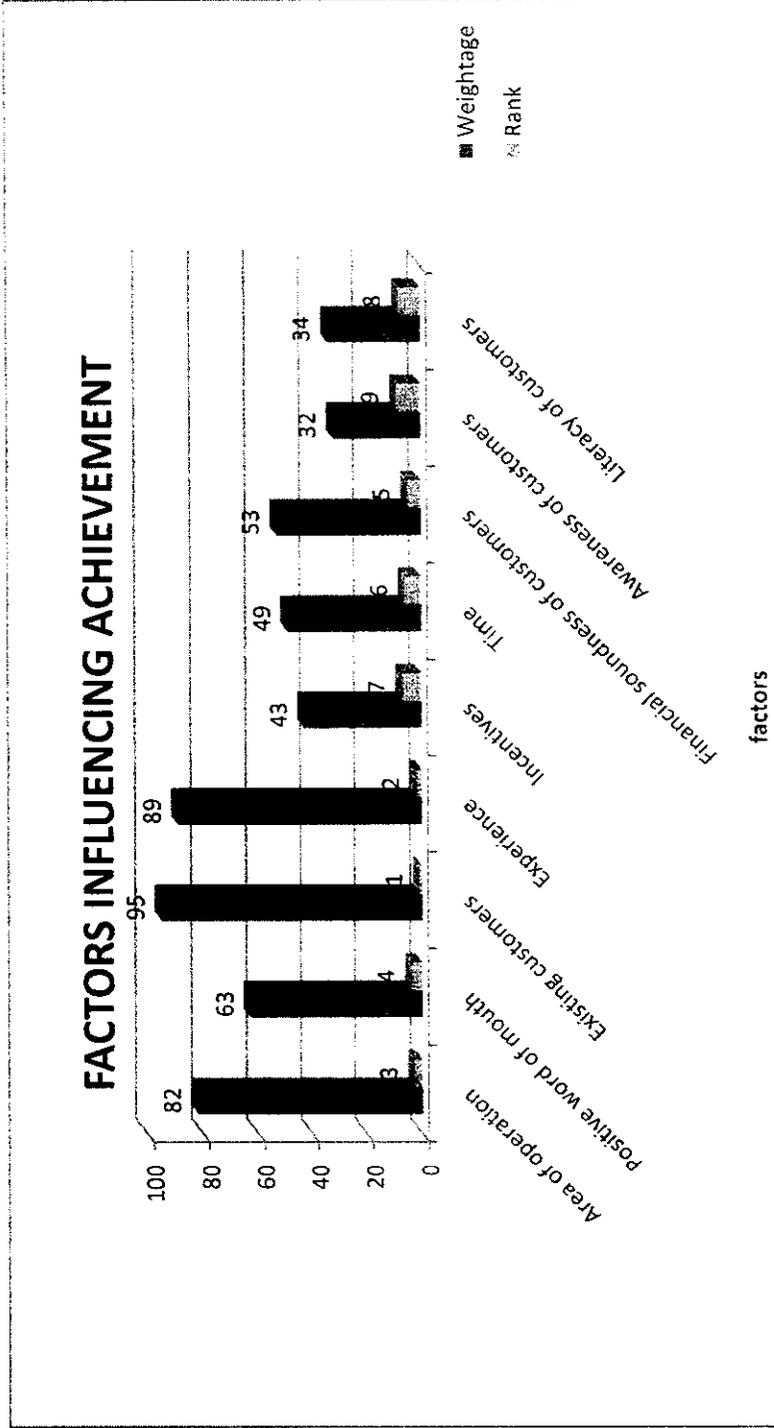
Source: primary data

**INTERPRETATION**

The existing customers of the marketing executives are the main factor in achieving the target turnover. The experience in the system got the next weightage which is followed by the area of operation. The positive word of mouth created by the existing customers got the next rank which is followed by financial soundness of customers, time, incentives, literacy of customers and awareness of customers.

Chart 4.2.8

Table showing the factors influencing the achievement of the respondents



**Table 4.3.1**

**Table showing the respondents' experience in Sakthi Finance & their opinion about CARE plan**

S.No	Experience In Sakthi Finance	Opinion about CARE				Total
		Excellent & useful	Very good and more success	good	Not fitting into the system	
1	<1	2	1	3	0	6
2	1 to 3	0	3	0	0	3
3	3 to 5	1	0	0	0	1
4	>10	0	1	1	0	2
	<b>Total</b>	3	5	4	0	12

Source: primary data

### **INTERPRETATION**

The executives who are having experience less than 1 year have stated that CARE plan is excellent and useful in more proportion when compared to the other experienced executives while at the same time executives who are more experienced have not comment the CARE plan as excellent. They stated it as very good and good about the CARE plan at different proportions.

### **INFERENCE**

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

Chart 4.3.1

Table showing the respondents' experience in Sakthi Finance & their opinion about CARE plan

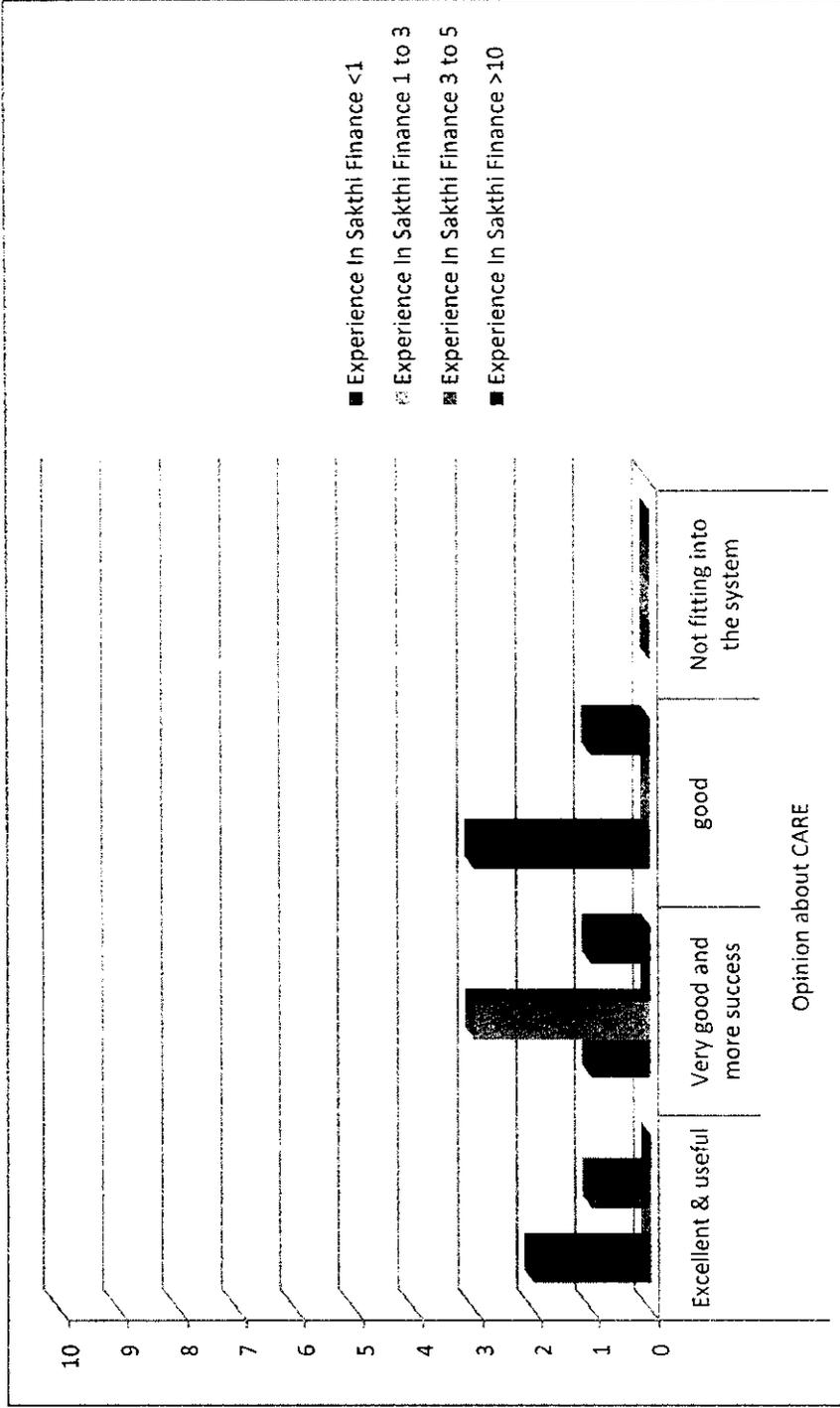


Table 4.3.2

**Table showing the age of the respondents & extent of target achieved by them per month**

S. No	Target achievement per month	Age of the executives				Total
		<25	26 to 35	36 to 45	>45	
1	Above the target	0	2	0	1	3
2	Near the target ( $\pm 5\%$ )	0	0	4	1	4
3	Below the target	0	4	0	0	5
	<b>Total</b>	0	6	4	2	12

Source: primary data

### INTERPRETATION

The executives belonging to only the age group of 26 – 35 years are achieving below the target in a larger proportion while all executives of 36- 45 years are achieving near to the target. Executives more than 45 years are achieving above the target and near to the target at equal proportion.

### INFERENCE

Executives of high age group are achieving more when compared to the others.

Chart 4.3.2

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

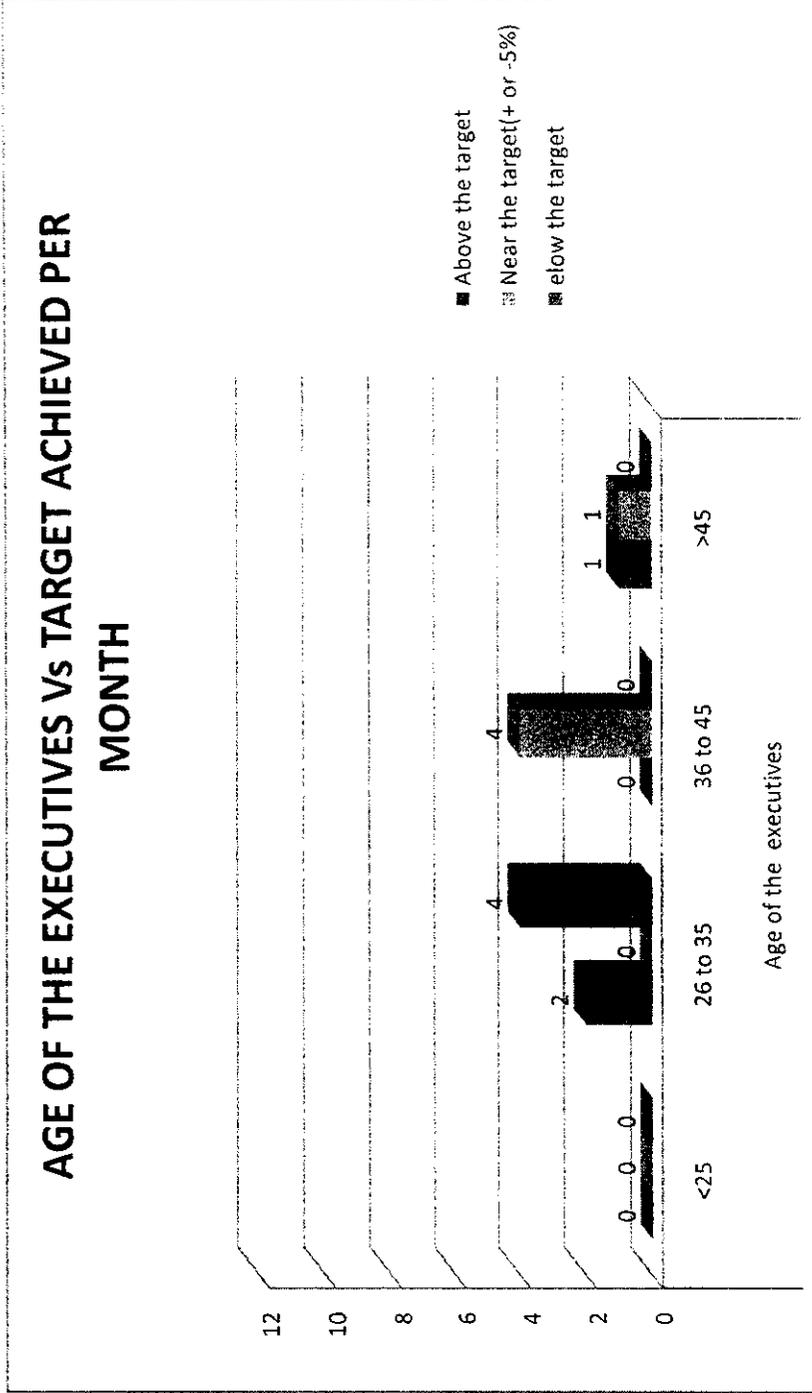


Table 4.3.3

**Table showing the implementation of CARE plan by the respondents  
& the drawbacks observed by the respondents**

S.No	Drawbacks of CARE plan	Implementation of CARE plan			Total
		Completely implemented	It is in Progress	Not yet implemented	
1	Time factor	3	7	0	10
2	Difficult to adopt	2	0	0	2
3	Confusing the previous system	0	0	0	0
	<b>Total</b>	5	7	0	12

Source: primary data

### INTERPRETATION

The executives who said the CARE plan implementation is in progress entirely stated that the main drawback of CARE plan is the time factor. Executives who stated that CARE plan is completely implemented in the system stated that the drawbacks are time factor and adoption difficulty.

### INFERENCE

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

Chart 4.3.3

Table showing the implementation of CARE plan by the respondents & the drawbacks observed by the respondents

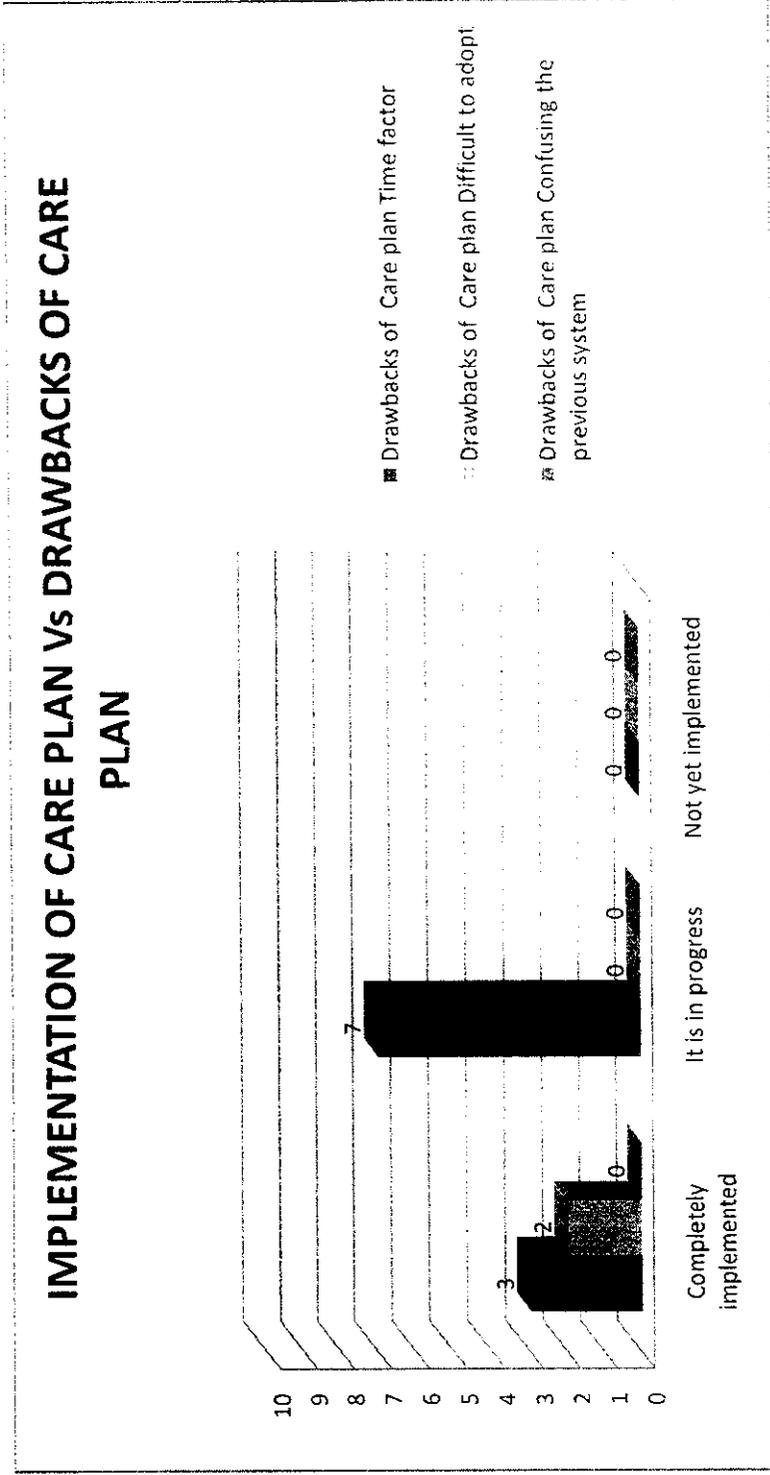


Table 4.3.4

Table showing the respondents opinion about CARE plan & drawbacks of CARE plan observed by them

S.No	Drawbacks of CARE plan	Opinion about CARE plan				Total
		Excellent and useful	Very good and more success	Good	Not fitting into the system	
1	Time factor	3	4	0	0	
2	Difficult to adopt	0	1	0	0	
3	Confusing the previous system	0	0	0	0	
	<b>Total</b>	3	5	0	0	12

Source: primary data

## INTERPRETATION

Though the executives are facing time factor as the drawback they are saying the CARE plan is excellent and useful and very good in larger proportions. Similarly executives who are facing the difficulty in adoption are saying that CARE plan is very good and more successful.

Chart 4.3.4

Table showing the respondents opinion about CARE plan & drawbacks of CARE plan observed by them

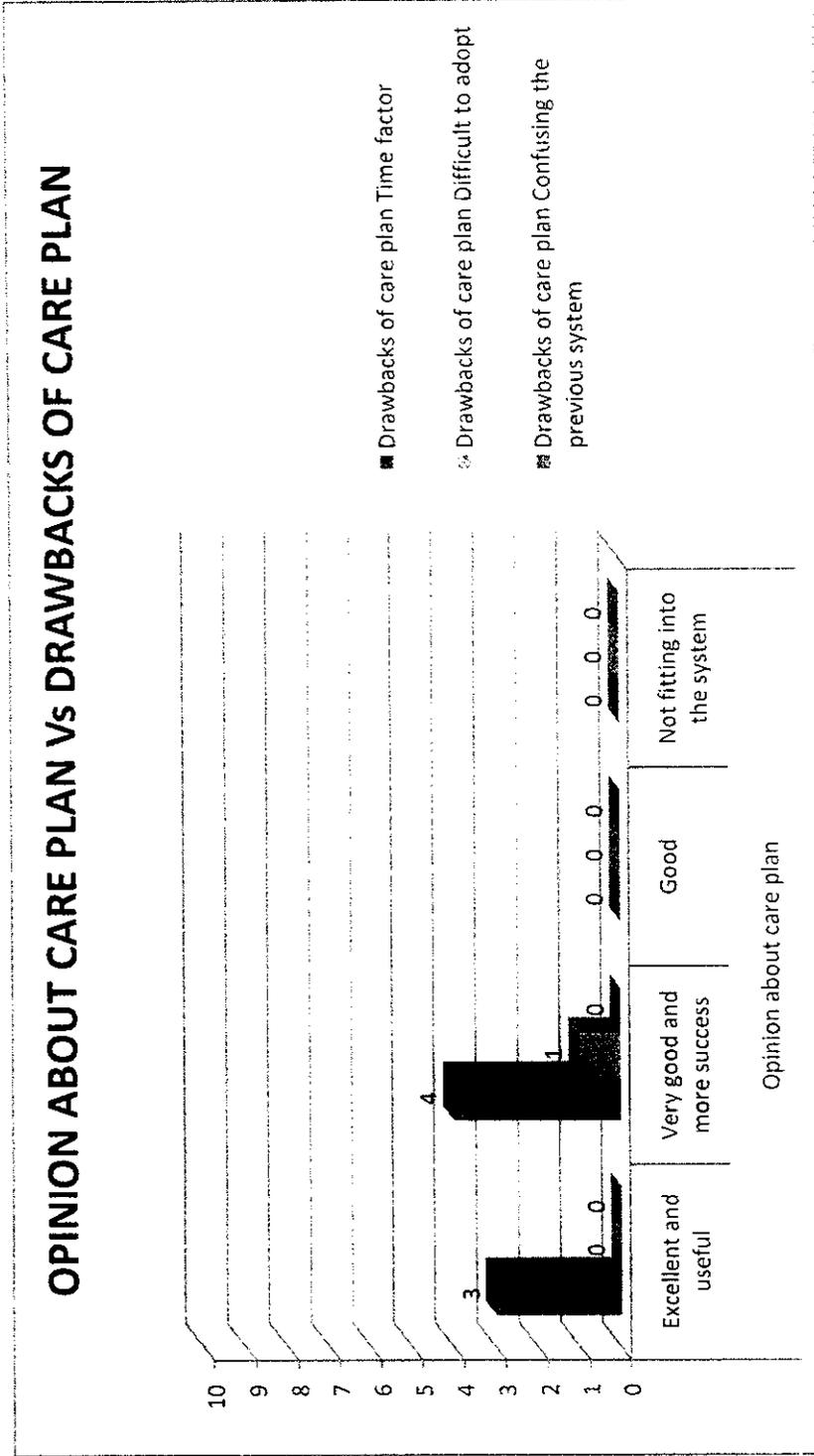


Table 4.3.5

**Level of achievement made by the respondents towards the set target**

S.No	Target achievement per month	Fixed target per month				Total
		20 to 25	26 to 35	36 to 40	>40	
1	Above the target	0	1	0	2	3
2	Near the target ( $\pm 5\%$ )	1	3	1	0	5
3	Below the target	4	0	0	0	4
	<b>Total</b>	5	4	1	2	12

Source: primary data

### INTERPRETATION

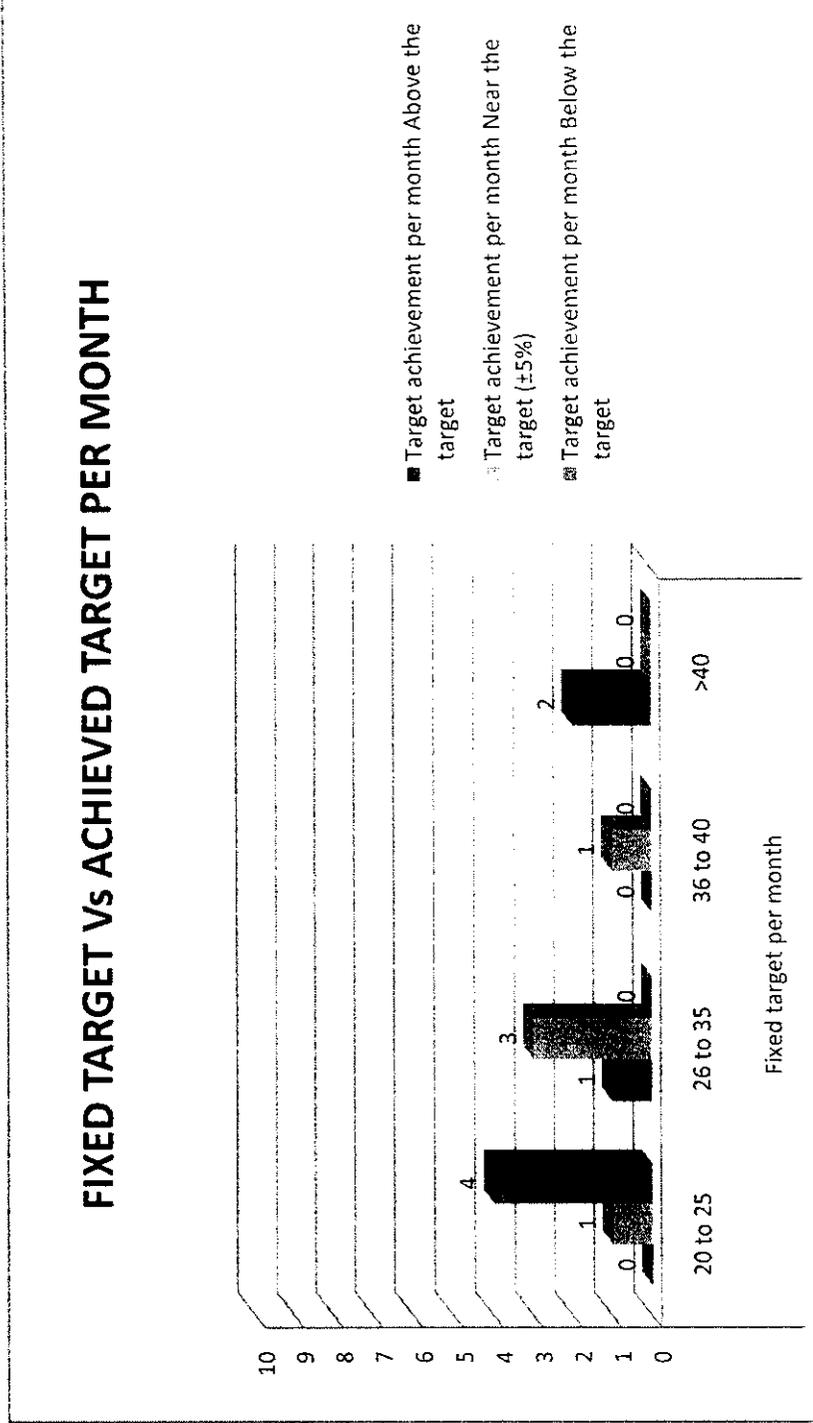
The executives who are achieving above the target per month is fixed with the highest target of up to 40 customers per month. At the same time executives who are fixed with the least target of 20 – 25 customers per month are achieving below the target level.

### INFERENCE

The executives who are doing well in their progress are fixed with highest target and the executives with less experience and comparatively performing at a low level are fixed with the least target.

Chart 4.3.5

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



## *FINDINGS AND SUGGESTIONS*

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## CHAPTER – 5

### FINDINGS AND SUGESSTIONS

#### 5.1 FINDINGS FROM PERCENTAGE (%) ANALYSIS

- It is observed that the proportion of the executives who are experienced above 10 years are 17%, and 5 – 10 years are 42%, 1 – 3 years are 8% where as there is no executives are employed as fresher that is experienced less than a year. Most of the executives (42%) working in Sakthi Finance are experienced from 5 to 10 years.
- It is observed that the target fixed per month of about 20 – 25 customers is for 42% of the executives, 26- 35 is for 33% of the executives, 36 – 40 is fixed for 8.3% of the executives and above 40 customers is for 17% of the executives. More executives, about 42% are fixed with the least target of 20 to 25 customers per month.
- It is observed that the executives achieving above the target is 25%, near to the target is 42%, and below the target is 33%. A significant amount of executives (33%) are achieving below the target level than above the target (25%) where most of them fall under near to the target level (42%). 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.

- It is observed that about 50% of the executives achieve 10 customers as their target per month, 5 customers by 17% of the executives and 3 customers, 12 customers, 15 customers, and 33 customers by 8% of the executives respectively. About 10 customers are the target achieved by 50% of the executives per month.
- It is observed that about 42% of the executives says that the CARE plan is very good and giving more success where about 33% says it is good and 25% says that it is excellent and useful. Most of the respondents said that the CARE plan is very good and more success but the percentage of complete satisfaction is less (25%) when compared to the other parameters
- It is observed that the experience of executives in Sakthi Finance less than a year is 50% which is more where 1 -3 years is 25% and less than 10 years is 17%. Most of the executives (50%) are experienced less than a year. Hence the knowledge about the system which will come through experience wont be up to the expected level.
- It is observed that 50% of the respondents belong to the age category 26-35 years, 33% belongs to the age group of 36 – 45 years and 17% of the respondents belongs to the age group of >45 years. Most (50%) of the respondents belongs to the age category 26 years. Hence age is also an important factor which influences the level of target attainment of the executives.

- It is observed that about 58% of the executives say that the implementation process is in progress and about 42% of the executives say that they have completely implemented the CARE plan in their operations. It can be inferred that there will be some obstacles experienced by them in completely implementing the CARE plan in their system.
- It is observed that about 25% of the executives responded for this question. They said time constraint as the major reason for their system which is under the implementation progress for CARE plan. Hence it can be inferred that time factor will be a drawback for the CARE plan implementation.
- It is observed that about 33% of the executives gave incorrect information about the functions in the four stages of the CARE plan other than the remaining 67% of the executive. 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 observed about 83% of the executives highlighted time factor as the major drawback in adopting CARE plan and about 17% of the executives said that CARE plan is difficult to adopt. As time factor got more percentage (83%) steps have to be taken to rectify this by applying the alternative measures.

- It is observed that 75% of the executives said existing customer link give more new customers. 25% of the executives said lorry owners association as their means of customers sourcing. More executives (75%) said that existing customer links give more customers hence follow up of the existing customers is necessary for good networking and increasing the target.
- It is observed that about 42% of the executives said good customer relation as the other means of customer sourcing, 17% of them said as friends reference, 8% of the executives said direct visit and other associations respectively as other means of customer sourcing. Most of the executives (42%) said that good customer relation is the main means of sourcing for customers.
- It is observed that about 58% of the executives are dealing with customers who are having less delay in repayment culture and 42% of the executives are having customers who are repaying the loan at the due date. Customers paying at the due date (42%) are less than the customers who are paying with arrears (58%)
- About 25% of the executives said that the CARE plan can be made simpler and another 25% said that a personal CARE plan diary can be given. 8.3% of the executives said that the CARE plan can be as a day to day model and 42% of the executives said that no changes are required. It can be inferred that most of the executives (42%) are not expecting any changes in the CARE plan.

- The time consumption is reduced after implementation of CARE plan from 58.3% to 41.6%. the new customers are increased from 16.7% to 83.3%.The systematic approach in the system is also increased from 25% to 75%. The maintenance of the proper record is also increased from 16.7% to 83.3%. better target achievement is also there which is from 41.6 to 58.3%.Hence the success rate of CARE plan is satisfactory in the system. It is inferred that the success rate of CARE plan is satisfactory in the system.
- More competition of local finances is more in the rural area than in the urban but the competition of NBFCs and other banks is less in rural than in the urban. The customer source is more in rural than in urban whereas the interest rate awareness is also more in the urban area than rural. As Sakthi Finance is doing niche marketing in the segment it has to concentrate more on the rural segment as like the urban segment

## 5.1 FINDINGS THROUGH WEIGHTAGE ANALYSIS

- It is observed that follow up was ranked first by the executives as the success factor, which was followed by personal involvement, knowledge about CARE plan, experience in the system and training respectively.
- It is observed that the existing customers are providing more new customers at the first stage of CARE plan when compared to the other sources which is ranked second and cold cells which got the third weightage. Hence it is clear that follow up and personal involvement serves as the key success factor for the respondents
- It is observed that the customers are acquired mainly based on their track record than their background and their average delay at the second stage of the CARE plan process.
- It is observed that the most influencing factor for customer attraction is the direct visit and frequent contact which had got more weightage. Again existing customer links got the second weightage. Maintaining good relationship was third, telephonic contact was fourth, customer meet was fifth, and customer attraction scheme got the least weightage.
- The increased competitors in the field is the main factor which got more weightage is the main reason for customer attrition. The high IRR and high interest rate differences got the subsequent ranks next to competitors. Similarly documentation, safety norms and securities and

formalities got the next weightage. More trust towards the government banks got the least weightage. The main reason for customer attrition is the competitors. Hence competitors analysis can be done to find out the strategies for competitive advantage.

- The captive owners are ranked first, the medium fleet operators are second, the existing customers are third, the SVOs are fourth, the large fleet operators and strategic owners are fifth and new customers got the least weightage. Concentration on new customers have to be made more to increase the networking circle and to gain more loyal existing customers.
- It is observed that the other NBFCs are the most influencing competitors for the company. Local financiers other than the NBFCs are ranked next. The private banks got the next rank while the government banks got the least ranking.
- The existing customers of the marketing executives are the main factor in achieving the target turnover. The experience in the system got the next weightage which is followed by the area of operation. The positive word of mouth created by the existing customers got the next rank which is followed by financial soundness of customers, time, incentives, literacy of customers and awareness of customers.

### 5.3 FINDINGS THROUGH CROSS TABULATION

- The executives who are having experience < 1 year are saying that CARE plan is excellent and useful in more proportion when compared to the other experienced executives while at the same time executives who are more experienced did not said that CARE plan is excellent. They said only very good and good about the CARE plan at different proportions. Experienced executives are facing difficulty in adopting CARE plan in the system than the less experienced executives.
- The executives belonging to only the age group of 26 – 35 are achieving below the target in a larger proportion while all executives of 36- 45 years are achieving near to the target. Executives more than 45 years are achieving above the target and near to the target at equal proportion. Executives of high age group are achieving more when compared to the others.
- The executives who said the CARE plan implementation is in progress entirely stated that the main drawback of CARE plan is the time factor. Executives who stated that CARE plan is completely implemented in the system stated that the drawbacks are time factor and the CARE plan is difficult to adopt in the system. Though CARE plan is completely implemented it is having some difficulty in going along with the system.



- Though the executives are facing time factor as the drawback they are saying the CARE plan is excellent and useful and very good in larger proportions. Similarly executives who are facing the difficulty in adaptation are saying that CARE plan is very good and more successful.
- The executives who are achieving above the target per month are fixed with the highest target of up to 40 customers per month. At the same time executives who are fixed with the least target of 20 – 25 customers per month are achieving below the target level. The executives who are doing well in their progress are fixed with highest target and the executives with less experience and comparatively performing at a low level are fixed with the least target.

## **SUGESSTIONS**

- 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 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. Less experienced executives are convenient in following the CARE plan system. Hence motivational 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 adopt within the CARE plan system.

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*ANNEXTURE*

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## QUESTIONNAIRE

Dear Sir,

Sub: Regarding the data collection for summer project

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

G. Sakthi Priyah

PM. Ashraf Ali

Name \_\_\_\_\_

Branch \_\_\_\_\_

Age (years)

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

Total Experience (in years)

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

Work Experience in sakthi finance (in years)

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

Marketing area (CSP) \_\_\_\_\_

1) Average target fixed per month

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

2) Level of target achievement per month

a) Above the target       b) Near the target ( $\pm 5\%$  of target)       c) Below the target

3) Average number of customer per month \_\_\_\_\_

4) Your opinion about the CARE plan

a) Excellent & Useful       c) Good

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

5) Are you completely aware of care plan system

a) Yes

b) No

6) Are you following CARE plan in your day to day operations

a) Completely implemented

b) It is in progress

c) Not yet implemented

5. a) If not what is the reason for your non implementation

a) Time constraints

b) difficult to adopt

c) no proper guidance about the plan

7) **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	

8) Please write down what is meant by the following stages

T<sub>0</sub> \_\_\_\_\_

T<sub>1</sub> \_\_\_\_\_

T<sub>2</sub> \_\_\_\_\_

T<sub>3</sub> \_\_\_\_\_

9) **Rank accordingly** your acquisition strategy of customers at T<sub>0</sub> and T<sub>1</sub> stage

Strategies(T <sub>0</sub> )	rank	Strategies(T <sub>1</sub> )	rank
Existing customers		Based on track record	
Cold calls		Based on average delay	
Other sources		Customer background	

10) 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		

11) Tick accordingly the drawbacks of care plan

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

12) 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	

13) 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) \_\_\_\_\_

14) 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	

15) Customers repayment culture in your marketing area

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

16) 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	

17) 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		

18) Rank the Competitors in your marketing area

- a) Local financiers       c) Government banks   
 b) Private Banks       d) NBFC's

19) 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	

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

Successful

- a) Day to day basis       c) Make it simpler   
 b) Personal CARE plan diary       d) No changes   
 e) If others please specify \_\_\_\_\_

Thank you