

Report On

**Measuring Effectiveness of Marketing Communications of Corporate Social
Responsibility of IDLC Finance Limited**

By: Nusrat Khan

ID: 18204016

An internship report submitted to the BRAC Business School in partial fulfillment of the
requirements for the degree of Bachelor of Business Administration

BRAC Business School

BRAC University

January 2023

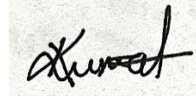
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Declaration

It is hereby declared that

1. The internship report submitted in my/our original work while completing my degree at Brac University.
2. The document doesn't include anything previously published or authored by a third party, except when appropriately credited and referenced.
3. The report does not contain material that has been accepted or submitted for any other degree or diploma at a university or other institution.
4. I have expressed gratitude to all significant sources of assistance.

Student's Full Name & Signature:



Nusrat Khan

Student ID: 18204016

Supervisor's Full Name & Signature:

Ummul Wara Adrita

Senior Lecturer, BRAC Business School

Program Coordinator, উদ্যমী আমম - Venture Maestras

BRAC University

Letter of Transmittal:

Date:

To,

Ummul Wara adrita

Senior Lecturer,

Brac Business School, BRAC University,

66, Mohakhali, Dhaka-1212.

Subject: Report on Internship submission.

Dear Ma'am,

It brings me great honor to be able to present my internship report, "A study on Measuring Effectiveness of Marketing Communications of Corporate Social Responsibility of IDLC Finance Limited", which I have created based on my experience of working as an intern at IDLC Finance Limited under the CSR & Marketing Department. I have worked at the organization for a time period of three months from the 2nd of October till the 2nd of January 2023.

It was a wonderful experience and I did my best to follow my supervisor's instructions and fulfill the requirements. I have the chance to gain knowledge through experience due to the course BUS400/ internship program. It will benefit me in my future career to be able to intertwine my theoretical knowledge with the experience I have acquired while working here.

I want to convey my gratitude for your assistance and support in answering all of my concerns about this report. To conclude the report in the most meaningful, compact, and thorough way possible, I have done my best to include the pertinent information and suggested recommendations. I believe the report satisfies the necessary requirements. Any advice you may have for me regarding my report would be greatly acknowledged.

Sincerely yours,

Nusrat khan

ID: 18204016

BRAC Business School

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Non-Disclosure Agreement

This agreement is made and entered into by and between IDLC Finance Limited and understand signed students at BRAC University. As a former intern of IDLC Finance Limited, I am mindful about the fact that at the time I had access to a lot of confidential information which can be very crucial for the firm's overall strategies. I am aware that I must always maintain the confidentiality of this information and not be permitted to discuss, talk, divulge or share any of this information to anyone.

Acknowledgment

My acknowledgment begins by thanking Allah Almighty for his blessing upon me. Regardless of the difficult circumstances, I was able to maintain my well-being and this report could not have been accomplished without his protection and direction.

Secondly, my parents who have been tremendously supportive of me during my whole undergraduate and internship period, deserve my sincerest gratefulness. None of this would be possible without their love and compassion.

Furthermore, I would like to show my warm-hearted gratitude to my academic internship supervisor, “Ummul Wara Adrita,” Ma’am, for her constant guidance, support, counseling and feedback throughout the entire process of the report writing. I am incredibly appreciative of her willingness to share her insightful opinions whenever I was in need for regarding my report. She was accessible at all time and times her assistance and encouragement; it was possible to complete this report on time.

Moreover, I would like to express my profound gratitude to the head of CSR & Manager and my organization’s supervisor Ms. Farhana Sharmin. She was incredibly inspiring and supportive of me. With her help, my entire journey was an effective learning opportunity as her valuable instructions, insights, and inputs, gave the report a proper shape. Also, I am thankful to the Head of Marketing, Mr. Ahamed Najeeb Rahman, for being very cordial, encouraging, and accommodating. As well as to the entire marketing team Mr. Saad Ahsan, Md. Ferdousul Islam and the head of digital assets Mr. Khandker Nagib Anwar. They all were very eager to respond to any of my concerns and gave me every information possible to aid in the completion of my report. I am genuinely very grateful to have the opportunity to be able to work for such a terrific organization where I felt like I was a vital team member working alongside experienced co- workers.

At last, I would like to extend my apologies to everyone else who helped me with the completion of this report but whom I was unable to mention in the paper.

Executive Summary

IDLC Finance Limited is one of the leading non-banking financing institutes in Bangladesh, running a successful business for over 37 years now. They stand by their tagline “Financing Happiness” as IDLC has helped thousands of people with their small and medium enterprises by offering them financial services. In the NBFIs sector IDLC holds the position of being at the top because the organization sincerely maintains and emphasizes on sustainable financing, adding value to its stakeholders and to its consumer’s life by generating revenue, they also work for women's empowerment where they help women to be independent etc. Furthermore, IDLC Finance has its dedicated CSR department to handle all their CSR activities. Through CSR activities, IDLC's main goal is to provide aid to the people who are underprivileged or people who live far away from modernized areas. Considering all this situation the CSR sector of IDLC Finance Limited works for society’s betterment, and gives education to the deprived one hence they are constantly working towards their goals.

This report has been prepared and compiled according to the given instructions by Brac Business School. In order to make this report more sorted and make it easy to understand, it has three divisions or chapters. The first chapter – “Overview of the internship”, contains all the information related to the internship period. The second chapter – “Organization Part” contains all the details regarding the company such as their financial statement, annual reports, financial and non-financial analysis etc. The final chapter of the report - “Project Part” which is the most vital one, contains the questionnaire and the survey results which have been done to find out (Which tool or channel of CSR is creating effective marketing communication for IDLC) / the effectiveness of marketing communication of CSR of IDLC Finance Limited.

Keywords: IDLC Finance limited, Corporate Social Responsibility, Non-Banking Financing Institute, Marketing communication, Consumer & Survey.

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List of Acronyms

- CSR : Corporate Social Responsibility
IDLC : Industrial Development Leasing Company
NBFI : Non-Banking Financial Institute
SME : Small Medium Enterprise
BD : Bangladesh
BDT : Bangladeshi Taka
LEIC : Local Enterprise Investment Centre
CIDA : Canadian International development agency
GDP : Gross Domestic Products
CEO : Chief Executive Officer
HRM : Human Resource Management
SWOT : Strength Weakness Opportunity and Threat
LTS : Loan to cost
IAS : International Accounting Standard

Glossary

Corporate Social Responsibility - This section of any organization works with the idea of how a firm should play a positive role in the environment, community, and the social impacts of business decisions.

Marketing Communications - Through this medium, any firm can convey its messages to its targeted audiences and can form a branding to the consumer's mind. Some examples can be – advertisements, newspapers, billboards, social media, etc.

Chapter 1

“Overview of the Internship”



financing happiness

1.1 Student Information

Name : Nusrat Khan

ID :18204016

Program: Bachelor of Business Administration

Major : Marketing

Minor : E-Business

1.2 Internship Information

Period, Company Name, Department, Address:

Period : 3 months. October 2nd – January 2nd, 2023.

Company Name: IDLC Finance Limited

Department : CSR & Marketing

Address : Bay's Galleris (1st Floor), 57 Gulshan Avenue, Dhaka 1212.

1.2.1 Internship Company Supervisor's Information:

Name : Farhana Sharmin

Position: Manager & Head of CSR

1.2.2 Job Description/Responsibilities:

As I was a CSR & Marketing intern at IDLC Finance Ltd. I worked closely under the marketing team and every person of the team gave me task to perform so that I could have a variety of work exposure. They all treated me like a team member and make me feel like an important team contributor. My line manager, the head of CSR Ms.Farhana Sharmin and head of Marketing Mr. Ahamed Najeeb Rahman made my whole internship journey every informative, knowledgeable and beneficial. I deeply enjoyed working with them and the overall work atmosphere was very much co-operative as I was intertwined with the entire team therefore, I was always aware which part is handled by who and by every one's working style I could adapt a lot of things from them which will help me in my future corporate life. Furthermore, the IDLC's marketing team is mainly responsible for the all kind of promotional activities

the organization undergo with alongside, their CSR sector is always very much attentive with their work, they always try to make remarks of how to make the organization sustainable in the long run and about fulfilling its social responsibilities. Hence, they work with many other brands, departments and firms. They share good relationship among them as a result whenever IDLC comes up with any campaign or program, they can easily engage with other organizations as well and can take sort of aid if needed. The main tasks that I responsible for at IDLC are mentioned below:

- Prepared quarterly reports for IDLC's sustainability roadmap.
- Write press releases for various events and subjects such as for Chattogram Maa-O-Shishu Cancer Hospital MOU signing with IDLC.
- With the team, conduct research on potential future marketing strategies.
- Coming up with fresher design concepts and templates for the annual sustainability report 2023.
- Examining the market to gain an understanding of consumer preferences so that the business may develop the best strategy to meet their needs.
- Collecting concepts for the inventive advertising.
- Research and generate ideas in order to execute IDLC's innovation lab.
- Comparing and contrasting various brands to discover the marketing performance tactics that either led the brand to success or failure.
- Compiling information for all forms of promotional materials, including press releases, posters, banners, and adverts.

In addition to all of these tasks, I helped my superiors with any kind of work support they needed.

1.3 Internship Outcomes:

1.3.1 Student's contribution to the company

As a CSR & marketing intern at IDLC Finance ltd. I got the opportunity to get the idea of corporate settings and gained the knowledge of how a team works together to make any particular campaign a successful one. My role mainly was to being a support to the entire team to help them in any work. Moreover, IDLC is one of the most renowned and successful NBFi in our country. The CSR & Marketing department of the company is responsible for developing long-term values for their

stakeholders, environment and the community. Their every step or decision impacts the organization greatly as it sets an image of the company in the consumer's mind. As a result, it was hard for me as an intern to make impactful decision for the firm because maintaining the positive image, company's formal structure and core value was very crucial.

Despite of all the facts I worked closely with the CSR & Marketing team in order to support any ongoing campaign or marketing event. I worked under the supervision of my superiors as they guided me in any of my task and corrected me where needed. In this process I could actually contributed my academic knowledge in any given work and could connect the theories with real life work.

Moreover, in the background of any promotional activity or campaign I could incorporate my ideas to my seniors, discuss the prospects and reach to a final decision. If any of my ideas were liked by my senior, they appraised the idea and took it into consideration. Also, to aid my supervisor I assisted in doing research and survey to collect the necessary data.

1.3.2 Benefits to the student

Being a part IDLC Finance Ltd., which is one the most renowned NBFIs in Bangladesh has given me a lot of benefits such as –

- i. IDLC provided me the idea of how a non-banking sector works so proficiently in this competitive market of business.
 - i. As an intern I got the opportunity to work with the one of the most prominent CSR & Marketing department's team members. So, I could learn a lot things from the people who holds vast knowledge and expertise in this particular sector. My seniors were willing to listen and teach me things that I didn't knew before. Their mentorship gave a broad perspective regarding work life.
 - ii. IDLC gave the chance to work in a co-operating & flexible work environment where, I could learn the work by doing it and got every help in the process wherever needed.
 - iii. The positive & friendly atmosphere of the organization has taught me how be a good team player who thinks about the overall benefit of the organization. This lesson made me more empathetic and cordial towards my work and to others. My ideas were valued and I really could give some input to the organization.

- iv. Apart from all the academic knowledge I got the opportunity to connect my bookish knowledge into the practical world and learned how to assess a market, conduct a survey, sort ideas and set a target to achieve.
- v. Some organization does not provide honorarium to their interns or they give a little incentive to the interns as their transportation cost. But IDLC provided their interns with a decent remuneration for their time and contribution, which makes the interns even more motivated and dedicated towards their work. As such big financial organization, they really go one step further to think about all their employee's betterment.
- vi. Every knowledge that I gathered from IDLC Finance will definitely help me in my near future to flourish and be successful in my field as through my internship's work period I made progress in my soft skills for example, my ability of multitasking, communication skills, managing & organizing skills, time management skills etc.

1.3.3 Limitations/Difficulties faced during the Internship timeline

Although during my internship period which was 3 months timespan at IDLC Finance, I learned and gained many valuable insights about dynamic work environment, I also had to face some limitation as well those are-

There were several restrictions about who may access to the company's information as IDLC upholds rigorous secrecy to its significant information. As a result, it was difficult for me to get all the required information for my report formation, therefore some crucial material was omitted from the report.

- The first few days were really hard for me as the corporate environment was a completely new setting for me. Spending 7-8 hours a day at office was challenging which get easier by time.
- Personally, I like my freedom to cloths by my preference but IDLC has a policy regarding their dress code for the employees at the office. That is why wearing formal cloths (salwar kameez) was difficult for me.
- During 2nd month of my internship, I didn't have access to my organization's computer for few days as my desk was appointed to another IDLC's permanent employee. So, I had to share desk with other interns which hampered both of our works as none of us was able to work properly.

- At times there was no task given to me as I joined IDLC towards the end the year so many campaigns were already ongoing therefore, my superiors couldn't give me any task to perform as they had to maintain a flow of work at a certain way which was hard for me to understand being an intern.
- As I mostly involved with the CSR's activity, I wanted to focus solely on it but on this particular sector there is not much information available for all due to confidentiality reasons hence, I couldn't find the most appropriate impacts and effectiveness of CSR activities.
- Conducting a broad survey or research to find out the measures of marketing communication of CSR activities was difficult as the time limit was very compact and as an intern, I had to maintain the office timing at the same time finishing the report on time was also important.

1.3.4 Recommendations for IDLC Finance Ltd.

IDLC Finance Ltd is one of the largest NBFIs in Bangladesh. Many people dream to work there as they want to be a part of such a big organization. The dynamic and diverse work environment of IDLC is very lucrative to all existing and prospective employees. I believe, work culture matters a lot because it determines one's learning and success. That is why I consider myself fortunate enough to get a chance to work at IDLC. However, there is always room for improvements hence my suggestions to IDLC will be;

IDLC can make their company information more accessible to the interns as this will help us to get more in-depth knowledge about the organization and make our report more informative with the data. Furthermore, IDLC can recruit more female employees at their organization as many deserving female candidates can also work proficiently in the finance sector along with the male employees. Any sector of work can be handled by women if they get the chance. IDLC is not negligent about the issue but they definitely can increase their number of female employees.

Also, in my perspective field work alongside with the regular office setting work can be very meaningful for the interns. As a marketing student we are taught to be aware of the market we are working for so that we could make an impactful strategy to target them. But at IDLC most of the visiting was done by my seniors and we interns were not allowed to do that. Hence, interns of IDLC should also be given the chance to go to a physical market place to visit and to witness the progress of the work, or learn about the market to enlarge their understanding of it.

Chapter 2
“Organization Part”



2.1 Introduction

IDLC Finance Limited is one of the prominent and largest NBF Company in Bangladesh. NBF usually provides financial services to the areas where banks are unable to provide which makes it an evolving industry of our country as NBFs. The financial sector is typically very competitive and bringing innovation and variety to financial product is tough since meeting people unique requirements is not easy. Moreover, the NBF sector offers benefits like the ability to diversify funding sources, the ability to contact clients directly by doing away with middlemen, and the ability to provide liquidity for the financial system, among others.

NBF organizations has wide range of products for their clients starting from long term industrial loans, deposits, personal loans, car loans, home loans, strategic investment, corporate finance etc. Generally, BFs is not very sufficient in our country for lending activities as they deal with enormous volume loans that they have already given to the country. This insufficiency might harm the country's economy if the credit gap is not fulfilled by NBFs. According to Farah and Rahman (2012), "operating with efficiency, liquidity conditions, return on loans, fixed charge etc. can have a positive effect the net revenue if the considered variable is profitability". Therefore, in order to strengthen long-term saving and investment and to provide services for the capital market, the non- bank financial sector is very vital.

2.2 Overview of the Company

IDLC Finance Limited started their journey in the year of 1985 and it was lunched by the IFC of the World Bank as the first ever leasing company of Bangladesh and ever since it has been achieving many milestones till present time. IDLC issued as a public company in 1993. The former name of this company was Industrial Development Leasing Company of Bangladesh Limited. IDLC recently celebrated their 36 years of legacy in the industry. The corporate head office address of IDLC is situated at Bay's Galleria (1st & 4th floor), 57 Gulshan Avenue, Dhaka 1212. The company is listed in both the Stock Exchanges in Bangladesh – Dhaka & Chittagong. The external shareholders of IDLC are the development companies such as – Aga Khan Fund for Economic Development (AKFED) and German Investment and development Company (DEG). Also, they have Korean Development Leasing Corporation (KDLC) as their technical assistant.



IDLC now holds a strong position in the corporate division as this was the first business wing of IDLC and for the last 36 years it has been growing. In the year 2006 IDLC started a new journey by introducing another division - SME. Also, the consumer division of IDLC has been incorporating to the business even since 1997. Moreover, currently the company has over 40 branches across the whole country in 24 cities with over 1500 employees to serve the clients. They offer various kinds of financial products to the consumers to meet with their divers need such as- Corporate finance, Supplier and distributor finance, Deposits and many more.

Even though the company was initially a leasing organization but with the emerging time it has become the largest multi-product and multi- segment NBFI of Bangladesh. Moreover, providing long-term finance services to the consumers is the core business of the company but in 1997, opened wings for offering Short-Term Finance and Real Estate Finance after that other product offerings such as Term Deposit Schemes, Syndicate Finance, Green Banking, Merchant Banking, Corporate Advisory Services etc. has been incorporated to the company. They also initiated services to the consumers' personal loan in 2004 and car loan in the year of 2007. The fully owned subsidiaries of IDLC are 1) IDLC Investment Limited for coordinating their merchant banking operation, 2) IDLC Asset Management Limited incorporated to deal with corporate asset management and 3) IDLC Securities Limited which is one of top brokerages in Bangladesh.

Company Mission:

A company's mission defines its short-term goals for the future in order to achieve the ultimate objective. It helps to capture the target group more accurately with the services and run the organization's operation according to the needs of the TG. IDLC Finance Limited has a very focused, concise, and specific mission to follow to make consumers satisfied and make the business sustainable. IDLC Finance Limited's mission statement is –



Company's Vision:

A vision statement aids in communicating an organization's long-term objectives. It functions as a road plan for the business, outlining how each employee and stakeholders should operate together to align with the company's goals and philosophy. Additionally, it helps the business communicate and impact the society. A company can inspire its staff to work more inspirationally and productively by arming them with a vision statement that will help in gaining the customer satisfaction. IDLC's vision statement is very straight forward and visionary with the intention of become the market leader which is –



Core value of the company:

IDLC wants to conduct their business operations with utmost integrity and simplicity. They always put efforts on gaining the trust and respect of their consumers. They are very much aware of giving equal opportunities to everyone and they appreciate this a lot. IDLC is fully a customer-oriented organization where they handle and provide the solution to every customer need with their services through passion.

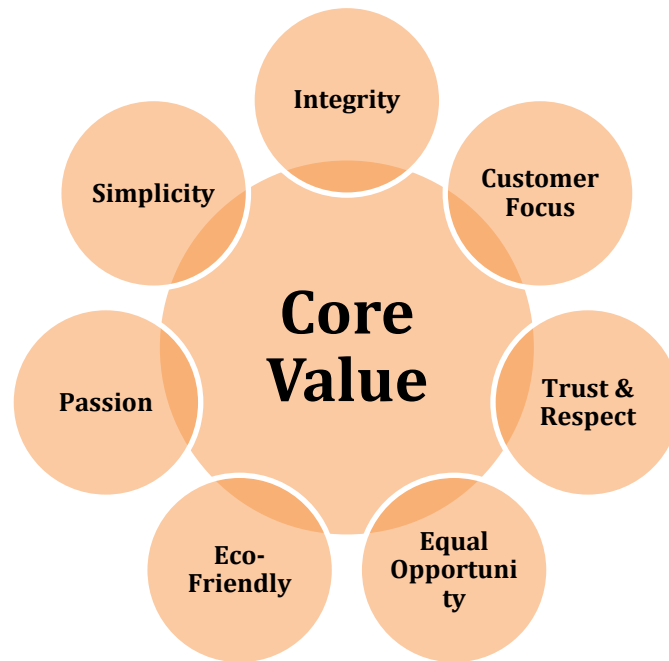


Figure 2.2: Core values of IDLC Finance Ltd.

2.2.1 Company Objectives:

IDLC Finance Limited has two types of objectives that they want to achieve.

Financial Objective – Due to high level of confidentiality IDLC is unable to divulge the information to third parties.

Strategic Objective – As a one of the leading financing companies IDLC want to continue their business journey for the betterment of the people as making the consumers satisfied is the main priority of IDLC they want to build an effective customer engagement as well as they want to keep a robust banking, financing and brand functionalities, advancement in all corporate operation and effective functionalities in the Marketing & Human Resource department because IDLC believes in equality for

both men and women employees. Furthermore, IDLC desire to strengthen their capital market tasks and their SME portfolio. Furthermore, in the customer division they want to increase their numbers of deal and administration capabilities.

2.2.2 Shareholders Structure of IDLC

Picture Source: IDLC's Annual Sustainability Report 2021.

IDLC SHAREHOLDING STRUCTURE				
As of 31st December 2021				
SL. NO	NAME OF SHAREHOLDERS	NO. OF SHARES	AS A % OF TOTAL	
1	Sponsors/Directors:			
	The City Bank Limited and its subsidiaries:	91,886,102	23.21	
	The City Bank Limited	35,632,095	9.00	
	City Bank Capital Resources Limited	39,194,429	9.90	
	City Brokerage Limited	17,059,578	4.31	
	Transcom Group:	52,786,821	13.33	
	Eskayef Pharmaceuticals Limited	31,672,265	8.00	
	Transcraft Limited	15,888,634	4.01	
	Bangladesh Lamps Limited	5,225,922	1.32	
	Sadharan Bima Corporation	30,163,868	7.62	
	Reliance Insurance Limited	27,713,230	7.00	
	Mercantile Bank Limited and its subsidiary:	21,774,680	5.50	
	Mercantile Bank Limited	13,856,614	3.50	
	Mercantile Bank Securities Limited	7,918,066	2.00	
	Sub-Total	224,324,701	56.66	
	2	GENERAL		
		Institutions:		
Investment Corporation of Bangladesh (ICB)		30,349,154	7.67	
Bangladesh Fund		4,900,000	1.24	
Delta Life Insurance Co. Ltd.		5,116,758	1.29	
Marina Apparels Limited		3,959,031	1.00	
Other Institutions		49,451,305	12.49	
Sub-Total		93,776,248	23.69	
Individuals:				
General Public (Individuals)		56,115,268	14.17	
Sub-Total		56,118,418	14.17	
Foreign:				
Institutions & Individuals	21,687,102	5.48		
Sub-Total	21,683,952	5.48		
Total	395,903,319	100.00		

Figure-1: IDLC's Shareholding Structure

2.2.3 Company Organogram

To work towards the company's Mission, Vision, Values, Goals and Objectives it is vital to have an organization Structure under which from the top management to every employee of each department will work accordingly to ensure the company's overall growth and sustainability. IDLC also has an organogram for their company which is given below as –

Picture Source: IDLC's Annual Sustainability Report 2021.

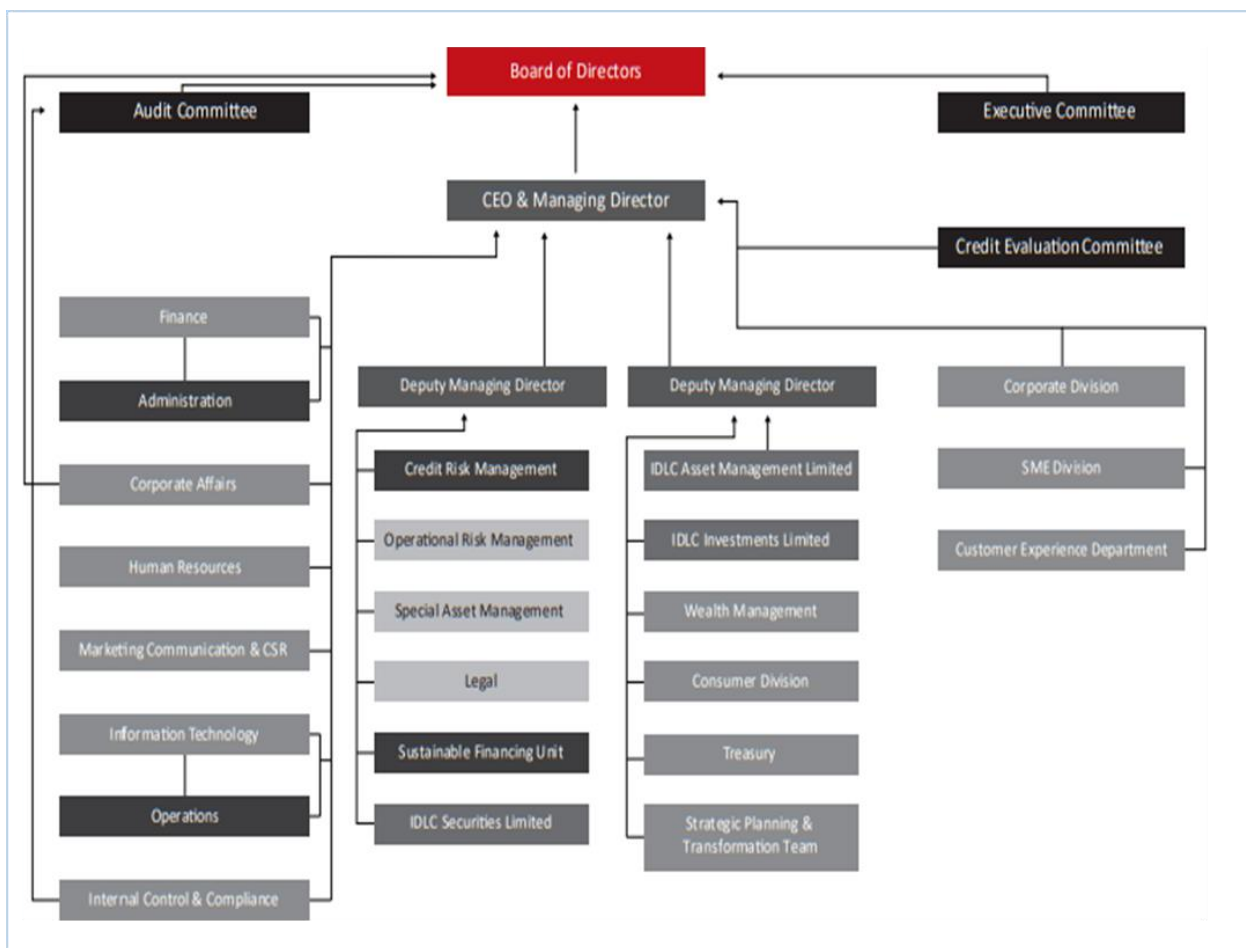


Figure-2: Organogram of IDLC 2021

2.2.4 Details of the IDLC's product lines or services:

- **SME** – IDLC’s one of the most profitable product segments is SME loans. Where they help new business comers with necessary funding for their business growth by providing them loans. Under this division IDLC wants to come up with innovative and up to date products for the SME market. It also encourages women entrepreneurs to start a business from scratch without worrying about the source of capital investment.

This segment of IDLC prioritize the SME’s growth and sustainability. And make the SME’s business status robust to help them in increase the profit margin and implement an effective business operation. SME is the kind of businesses that is the most capable to make a loyal customer base for its products therefore, customer segmentations is significant for IDLC. Some of the SME services are - SME term loan/lease, Seasonal loan, IDLC Purnota, IDLC Udbhabon, Start-up loan, SME deposit etc.

- **Consumer** – Through this division, IDLC fulfil people’s dreams of having a car, live in their own home, or land for set up a farm or factory etc. by offering them loans. Also, personal loans are given to the consumers for their any kind of valid purpose, it can be deposits for their future study, wedding, treatment etc. This service helps the group of lower and medium income people the most.
- **Corporate** – IDLC also provides Corporate Finance for companies to expand their businesses and Structured Finance Solutions where a firm can management their financing in a more structured manner. This section of the IDLC helps the organization expand its geographic reach and establish relationships with both MNCs and other local businesses. The corporate division has a variety of functions, including finding and advising on the best loan plan for an organization, meeting with the annual budget, creating documents with all the required paperwork to sign an agreement for a loan, seeking out the ideal prospective clients, and evaluating the likelihood of risk and uncertainty of approving a loan proposal etc.

2.2.5 Business overview of IDLC’s Capital Market:

- **IDLC Asset Management Limited** – This is an IDLC subsidiary that was founded on November 19, 2015 and is wholly-owned by IDLC. And within a year in 2016 the company

was awarded as a licensed asset management company with a BDT 100, 000, 00 initial paid-up capital. In order to serve a wide range of investors IDLC Asset Management Limited concentrates on the business's asset management capabilities through managing and launching mutual funds to serve a diverse group of investors. Additionally, they offer corporate advisory services and venture capital funds.

- **IDLC Investments Limited** – This is also a wholly-owned subsidiary of IDLC established 2011 after it got separated from merchant banking which was the parent company. This company is focused on serving the clients and the NRB market with the most individualized and professional investment banking and portfolio management services.

- **IDLC Securities Limited** – is one of the top brokerage companies of the country. Which uphold corporate ethics and a high standard customer service throughout all their operations. Through the secure retail platforms of the Dhaka and Chittagong stock exchange, it serves nearly 4500 clients as a panel broker and more than 16,000 local, local, retail and foreign institutional investors. Furthermore, they offer services to High Net Worth (HNWs), foreign investors and corporates.

2.2.6 CSR Initiatives of IDLC Finance Limited

IDLC's CSR initiatives are considered as their philanthropic activities by which they can do good for the society by donating money for a worthy cause or to create a project under which underprivileged can seek benefits for them. Some of the CSR initiatives of IDLC Finance Ltd. are-

1. **Khushir Kheya:** One of the IDLC's CSR program Khushir Kheya works for education, health, environment and community projects where anyone can join and play a part by contributing to it. Volunteers, consumers and company employees all can join this program by doing a cost-free sign-up.



Most of the CSR activities IDLC done through using this platform. Some of the programs are - Cataract surgery eye camp, Boat ambulance launching event, Mir Mostak Ahmed School for the physically challenged, IDLC Alokito Shishu School Inauguration, Apon Nibash Old Home, Mir Mostak Ahmed School for the physically challenged etc.

2. **Orther Ortho:** This CSR project of IDLC was establish for increase awareness about financial literacy among people. The prime goal of Orther Ortho is to teach young people the meaning of basic financing and to show how it can curve their life so that they get inspired.



In 2018 under this campaign IDLC introduced the first ever Financial Olympiad in the country where almost 20000 students of 14 to 24 years participated online to compete. In 2019, IDLC relaunched their Financial Olympiad and named it “IDLC Financial Olympiad 2.0”.

3. **Oditiya:** IDLC in partnering up with Prothom Alo Trust introduced Oditiya scholarship program for the female students who comes from a low-income family and often get neglected when it comes to their right of getting higher education because of the cost. IDLC believes

without empowering the female students there can be no sustainable development in the society as a majority part of the population is women. Hence, in 2017 CSR of IDLC initiated this program.



Where with the help of Asian university for Women (AUW), an international institution which provides higher education to women regardless of their background started giving scholarship to 10 selected female candidates every year for their higher bachelor degrees.

4. **Purnota:** This is a comprehensive financial and non-financial solution for women-owned enterprises. IDLC was one of the first financial institute who identified the gap that women entrepreneurs often don't get the necessary funding for their businesses along with they face lacking in financial literacy and financial planning therefore, to remove the gap Purnota was established in 2015.



Purnota now is not only provides loan for women entrepreneur also is offers insurance facilitation service, a dedicated helpline, training facilities, digital marketing assistance and helps the female business owners to build linkage with marketplaces both virtually and physically. IDLC Finance ltd. also arranges Purnota Fairs for the women entrepreneurs where they can showcase their product to the consumers to increase their sell, promote the business

and build a network in the market place. Purnota also gives awards to the women entrepreneurs to boost their morale and inspire the new female entrepreneurs.

2.3 Management Practice

IDLC Finance Limited maintain a management practice which includes a progressive and interactive leadership style. All employees of the organization have the exposure of the firm's vision, mission, objectives and goals to follow and carry on. IDLC believe in keeping the employees and board members who has the adequate skills, knowledge and experience according to their job requirements.

2.3.1 IDLC's Leadership Style

IDLC Finance Limited implies democratic leadership style into their organization. Which is considered as the most effective style of leadership between Kurt Lewin's three major leadership styles: autocratic, democratic and laissez-faire. With the democratic leadership style everyone in the organization is given to equal opportunity of participation, contributing ideas and discuss strategies freely. People can talk, engage and exchange feedbacks among their groups or departments in this way democratic leadership helps to build trust, good communication structure, collaborative nature, mutual respect, inclusivity and helps to promote creativity so that every employee feels important and motivated in order to fulfill the company's goals.

2.3.1.1 Human Resource planning, policies and procedures

All of IDLC Finance Limited's hiring procedures are managed by the HR division of the company. They plan ahead and prepare the HR budget for the following year, along with managing all costs associated with selecting potential hires, conducting interviews, providing training and development, and other aspects of the hiring process. Additionally, IDLC's HR department carefully monitors the job availability, job description, and responsibility to ensure that the correct person is hired for the open position. Additionally, in accordance with the organizational structure of the company, all of this department's functions are reported to the HR head, who together with other HR department employees efficiently manages the department.

2.3.1.2 Recruitment and selection process

The hiring process at IDLC Finance Limited always prioritizes finding the best candidate for the role. And in order to do that, they only consider a candidate's qualifications, regardless of their gender, age, religion, race, or any other relevant factors. IDLC uses both internal and external recruitment processes for the hiring process.

- **Internal Recruitment:** Existing IDLC employees sometimes might desire to switch or transfer departments. In such a circumstance, they inform the HR department and proceed with the other hiring-related activities. Internal recruitment happens only when a candidate can meet with the all required standards.
- **External Recruitment:** The HR team posts information about the job opening on websites like BDjobs, LinkedIn, and others whenever a vacancy for a position arises at IDLC. This procedure typically takes a long time because finding the right candidate for the job is both difficult and important for the organization. The HR department keeps track of every employment situation, whether a post opens up or another department needs more staff with a certain set of abilities, expertise, and experience. The department that needs a new hire provides HR with all the information they need on potential candidates.

Accordingly, the candidate's resumes are sorted by the respective department and the human resources department. Even for one single post, the number of applications is often very high, which is why it takes time to sort and filter resumes based on the necessary criteria. The HR department will contact the shortlisted candidates for their next round of the hiring process, which may involve a writing evaluation, a preliminary interview, or the final interview. In some circumstances, they might also be requested to give a presentation to demonstrate their competence for the position.

2.3.1.3 Compensation and Benefits

IDLC cares for its company employees and strives to preserve their motivation and drive at all times. Therefore, under their employee compensation and benefits criteria they offer below mentioned packages to their employees –

- Salary (Basic pay, Transportation expenses, Holiday bonus, House rent etc.)
- Allowances – Mobile, Medical, Overtime, Washing Conveyance, House maintenance etc.
- Maternity & Paternity leave
- Provident fund
- Gratuity
- Welfare fund
- Performance bonus
- Annual bonus
- Bonuses on Eid-UI-Fitr and Eid-UI-Adha

2.3.1.4 Training and Development program

The IDLC makes a significant effort to train its personnel. To increase productivity, it is beneficial to teach new skills to employees as well as to keep them up to date on their existing knowledge or abilities. In 2021, IDLC trained a total of 9,108 employees, of whom 8,559 were males and 549 were women, and they were divided into 185 groups for the training program. The IDLC's training program is divided into the following categories.

- | | |
|---------------------|-----------------------|
| ▪ Foreign Training | ▪ Customized Training |
| ▪ Public Training | ▪ E-Learning Training |
| ▪ In-House Training | ▪ Excel Training |

2.3.1.5 Performance appraisal

Performance appraisal is also known as performance review of an employee. It helps to determine one individual's work performance in against to the established set of the job requirements. IDLC evaluates their employee's Key Performance Index (KPI) 3 months before the firm's new fiscal year begins. Every employee goes through an evaluation in every 6 months and based on the result they receive feedbacks – positive or negative according to which they can improve their future performance. The final appraisal which determines which employees receive pay raises, promotions and rewards for their overall performance is conducted once a year.

2.4 Marketing Strategy of IDLC:

Businesses that sell intangible goods or services to their customers find it challenging to establish a positive first impression because doing so requires them to earn the audience's trust. B2B and B2C are both clients of IDLC, so they keep their products in a spectrum from high to low depending on the needs of the consumer. In order to draw customers, cultivate a robust relationship with clients, and project a positive image of the company IDLC understands their customers' perspectives and bases their marketing strategies on those. The diversification of IDLC's marketing strategies consists of the following –

2.4.1 Target Customer: IDLC's target consumers are the following –

- Business enterprises
- Entrepreneurs
- People who need loans for various purpose

2.4.2 Product and Price:

In this segment IDLC has two services for the consumers and those are-

- 1) **IDLC Retail Loans/ Finance:** In order to help clients, manage their money more effectively, it offers flexibility, affordability, and a sense of confidence when it comes to taking out a loan. The retail financing division of IDLC provides services such as -
 - **Home Loan:** This is the most selling products offering of IDLC Finance Limited. IDLC's home loans offer the consumers loans for Apartment/Home purchase, Land purchase, Building construction, Commercial space, Home equity, Home renovation, along with Registrar loan, Semi paka loan and Home loan shield.
 - **Car Loan:** This product of IDLC provides customers the necessary loan for owing their dream car. The vehicle can be either brand-new or refurbished, however reconditioned vehicles should not be older than five years.

- **Personal Loan:** IDLC personal loan is also one of the favourite products of the consumers as through this loan people who need immediate financial assistance for medical emergency, marriage purpose, education purpose etc. can get the help they need.
- 2) **Business Loan:** IDLC's business loan sector consists of services such as – SME loan, Purnota loan, Abashan loan, Seasinal loan, Working capital finance, Commercial vehicle financing, Supply chain Financing, Working capital finance, Structured finance and corporate finance.

2.4.3 Promotional strategy of IDLC:

(I) Direct Marketing promotion

When an organization does its promotional activities without the help of any middleman rather directly to their target audience, it's called direct marketing. In IDLC's direct marketing tactics they have 4 tools:

1. Social Media Marketing – Now a days social media platforms have become one of the prime tools for the companies to promote themselves to the mass. In addition to their dedicated website, IDLC also uses social media channels like YouTube, LinkedIn, and Facebook to publicize their brand and interact with their target audience. These platforms allow IDLC to readily communicate with both their corporate and consumers.

2. Relationship Marketing – This type of marketing strategy helps organizations to build a strong bond with their consumers and encourage them to become a repeat customer. That is why IDLC constantly monitor their quality of service to ensure that their consumers pleased and satisfied. In order to accomplish this, IDLC offers additional presents to its consumers such as gifting dairies, calendars, greeting cards, send cakes to other corporate clients on occasions, organizing events etc.

3. Personal Selling – It helps to offer the service face to face to the consumers. In IDLC they have a dedicated sector to provide customer service both through physical meeting or through phone calls. So that customers can seek help or advice at any time and IDLC can communicate with their clients.

4. Trade Shows Selling – This is another way to persuade people and make them potential customers. A fare or trade show allows the company the ability to interact with the public, respond to their inquiries and demonstrate the services that the company has to offer. Therefore, IDLC takes part of the trade

shows to be physically present in a venue, draw customer's attention and develop relationships with them.

(II) Indirect marketing promotion

Indirect marketing is more value driven technique of promoting a business. It helps to increase brand awareness, educating potential customers and build consumer relationship. This is a cost- effective and long-term marketing strategy. Some of the indirect marketing tactics followed by IDLC Finance are given below:

1. TVC – IDLC promote their brand through TV commercials. It helps to connect with the consumers emotionally and shows them a positive impact of the company's service and how they can also be beneficial if they become a purchaser.



IDLC Car Loan TVC - Ads of Bangladesh



IDLC Deposit Scheme | Son's Education | TVC 2020 - YouTube



Build your own home with IDLC Home Loan | Home Loan TVC 2018 - YouTube



IDLC Corporate Loan TVC 2017 Cut Version - YouTube

2. Bill Board – This is a large-scale print advertisement to promote a brand indirectly to the consumers. IDLC regularly comes up with newer bill board poster's ideas in order to attract the potential customers and setup the bill boards in such areas where it can be mostly seen by the audiences and draw their attention.

3. Print Media – IDLC’s print media enables them to give information to their clients through Newspaper, Magazines. It also helps to spread any news to a large amount to audience at once.

4. Public Relation (PR) - The aim of PR is to maintain a positive image of the brand to the media and also with the mass. As a part of its PR efforts, IDLC informs consumers about events, initiatives, or any other significant company actions in order to foster communication with them.

5. Social Responsibilities – This is another way of indirect marketing. IDLC promote sustainable business practices that create long-term value for the environment, their shareholders and for the community because they are keenly conscious of their responsibilities towards the society. CSR department of IDLC oversees all of these operations.

2.4.4 Channel of distribution

IDLC Finance Ltd. has in total 39 branches geographically scattered to all over the country. All the branches are set on a location according to their target customers. All the employees are given a sales target to fulfil to draw more customers for the company and convert them to loyal consumers who will re-purchase from IDLC through providing top-notch service. Mostly they use direct marketing here to build strong connection with the customers therefore, there is no need of any intermediaries in the distribution channel

2.5 Financial Performance Analysis

2.5.1 Ratio Analysis:

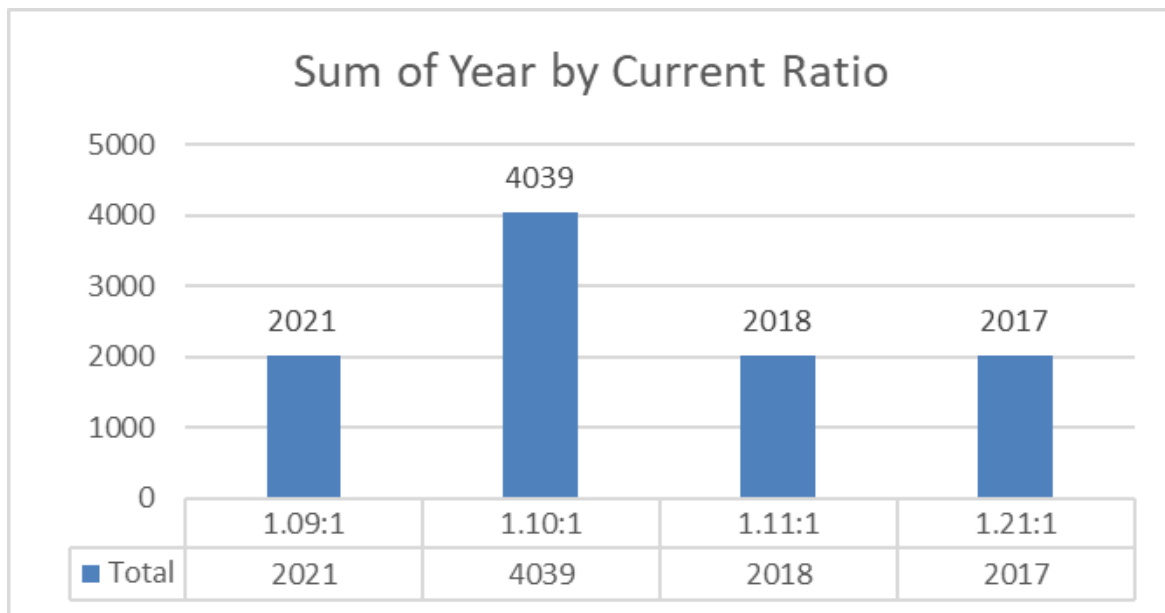
2.5.1.1 Current Ratio - also known as liquidity ration. It helps in measuring a company's ability to pay their short-term (usually within a year) obligation.

Formula of calculating current ratio = Current Assets / Current Liability.

Table-1: Current ration of IDLC Finance Limited

Year	2017	2018	2019	2020	2021
Current Ratio	1.21:1	1.11:1	1.10:1	1.10:1	1.09:1

Interpretation



Here from the table, it is visible that IDLC has been maintain their current ratio above 1:1 for the last five consecutive years, which means the company is capable of meeting its immediate financial requirements as 1:1 is considered as an ideal liquidity ratio.

2.5.1.2 Profitability Ratio - it helps to provide an insight of the financial well-being or performance status of the organization.

Formula of calculating profitability ratio:

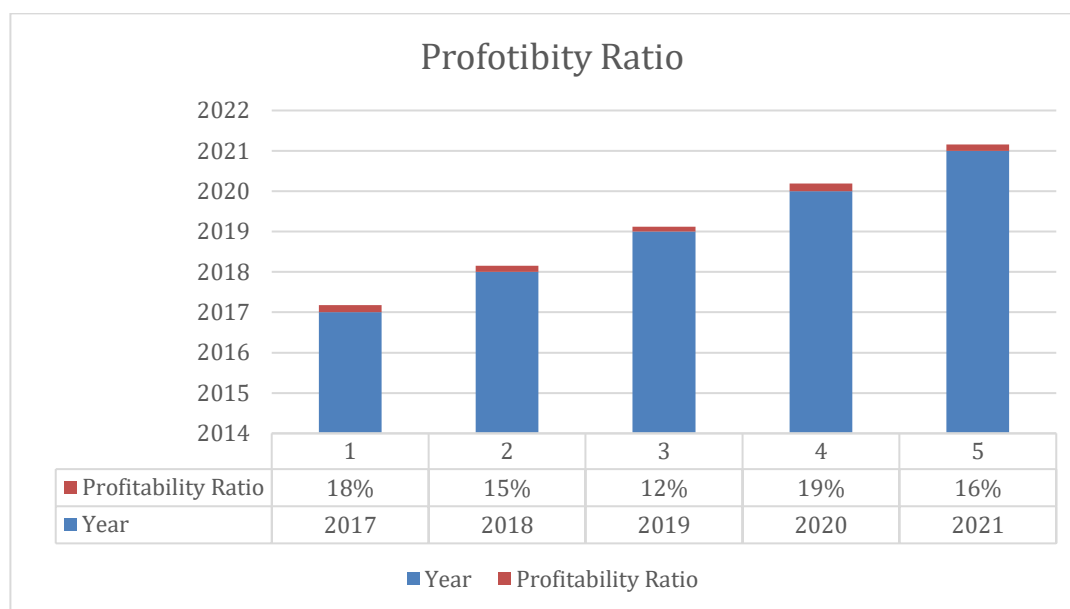
1. Gross Profit Ratio = Net Profit Before Tax / Revenue

2. Net Profit Ratio = Net Profit After Tax / Revenue

Table-2: Profitability ratio of IDLC Finance Limited

Year	2017	2018	2019	2020	2021
Profitability Ratio	18%	15%	12%	19%	16%

Interpretation



During the period of 2017 to 2021 IDLC did most of the profit in the year of 2020 which is 19%. Their profitability ratio fluctuates every year sometimes it increases or decreases. Last year IDLC has 16% prolificity which is better than the ratio of 2019 but still IDLC must work on their business efficiency and increase their percentage.

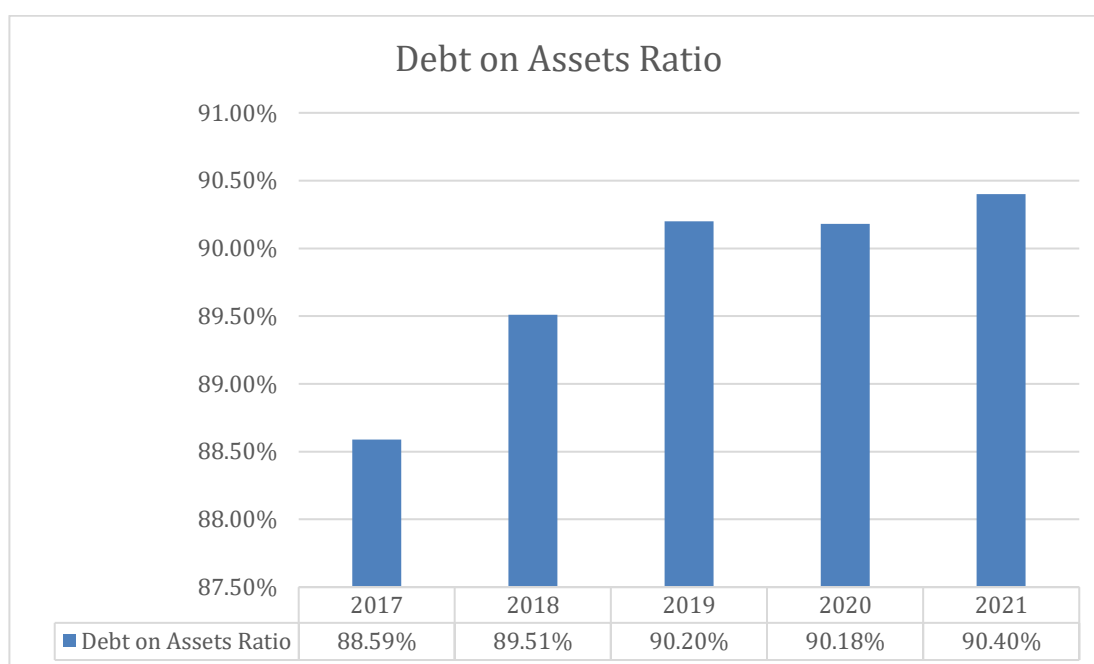
2.5.1.3 Debt to Assets Ratio - use to measure a business's financial leverage or solvency.

Formula of calculating Debt on Assets Ratio = Total Liabilities / Total Assets

Table-3: Debt on Assets Ratio of IDLC Finance Limited:

Year	2017	2018	2019	2020	2021
Debt on Assets Ratio	88.59%	89.51%	90.20%	90.18%	90.40%

Interpretation



IDLC's Debt on Assets Ratio is good which is about 90%. As a leading NBFIs the company is successfully manage to keep their debt at 90% of their total assets. Because financial Company's operation evolves around buying and selling of debt.

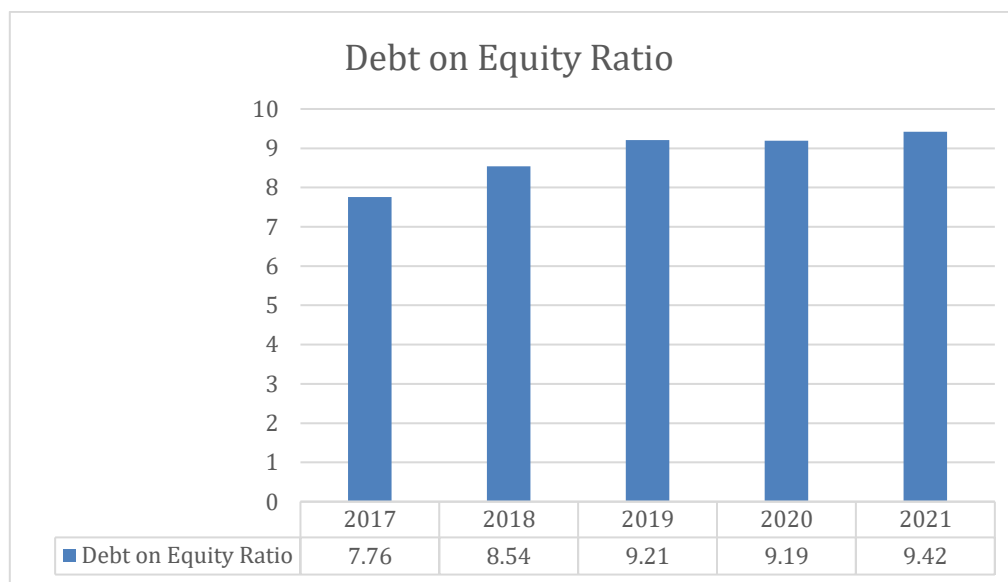
2.5.1.4 Debt on Equity Ratio - is a long-term solvency ratio which helps to measure the effectiveness of long-term financial policies of an organization.

Formula of calculating Debt on Equity Ratio = Debt / Equity = (debentures+ long term liabilities+ short term liabilities) / (shareholder's equity+ reserves and surplus+ retained profits – fictitious assets – accumulated losses)

Table-4: Debt on Equity Ratio of IDLC Finance Limited

Year	2017	2018	2019	2020	2021
Debt on Equity Ratio	7.76	8.54	9.21	9.19	9.42

Interpretation



Whenever an investor wants to make an investment decision to a company, they look into its Debt on Equity Ratio to get an overall idea about how well its managing their shareholders equity or money. From the table it is noticeable that from the year 2017 (7.76) to 2021 (9.42) IDLC has gained better capacity on handling their total debt.

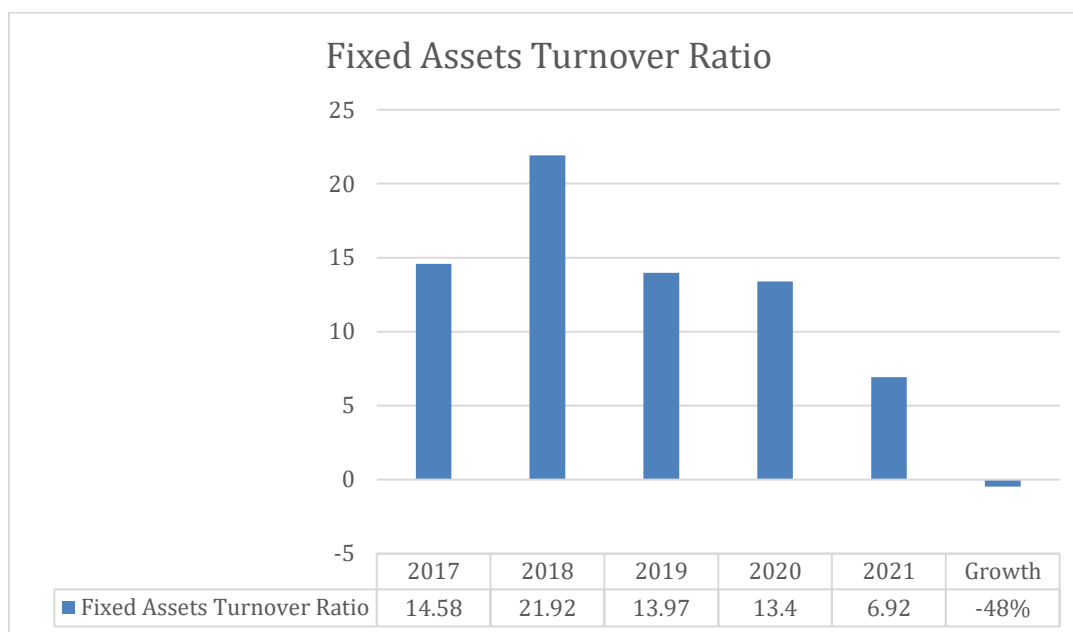
2.5.1.5 Fixed Assts Turnover Ratio - helps to measures an organization's return on their assets such as investment in product, property, equipment etc.

Formula of calculating Fixed Assts Turnover Ratio = Net sales / Average net fixed assets.

Table-5: Fixed Assts Turnover Ratio of IDLC Finance Limited

Year	2017	2018	2019	2020	2021	Growth
Fixed Assets Turnover Ratio	14.58	21.92	13.97	13.40	6.92	-48%

Interpretation



IDLC's growth on their fixed assets turnover is tremendous for the year of 2021 which about 48%. Which means the company reached to 7 units of revenue by utilizing just 1 unit of their fixed assets. Even just before that year in 2020 IDLC was at 13 units of revenue in contrary of 1 unit of fixed assets which amazing they were able reduce in 2021.

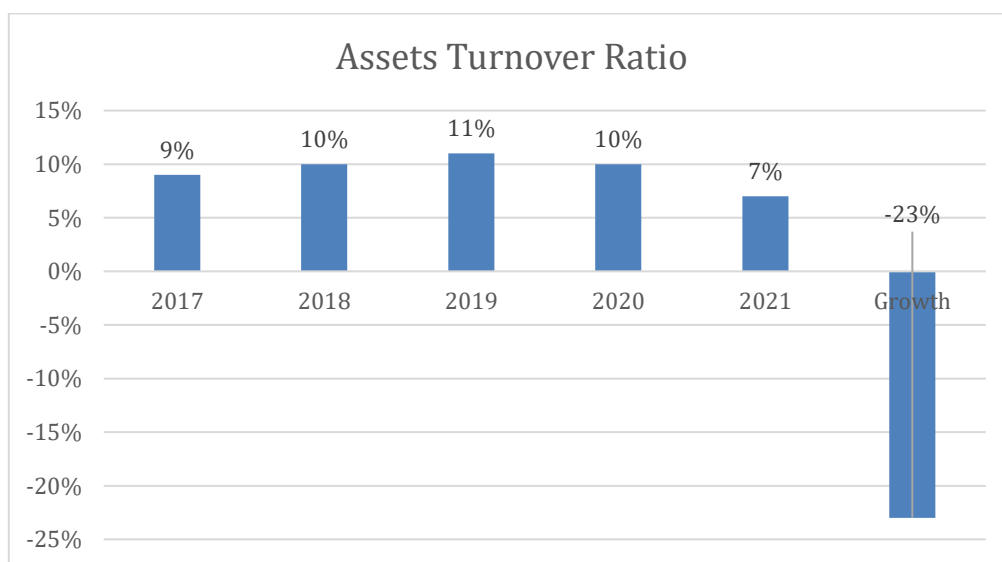
2.5.1.6 Asset Turnover Ratio - this helps to measure the value of sales or revenues compared to the value of the organization assets.

Formula of calculating Asset Turnover Ratio = Revenue / Average total assets.

Table-6: Assts Turnover Ratio of IDLC Finance Limited

Year	2017	2018	2019	2020	2021	Growth
Assets Turnover Ratio	9%	10%	11%	10%	7%	-23%

Interpretation



According to the above-mentioned statistics, from the year 2017 to 2020 IDLC's asset turnover ratio was 9%,10%,11% and 10% respectively which can be considered as a positive ratio as over the time it rose but there is a little decreased between the year 2019 and 2020 which is 1%. But from the FY 2020 to 2021 the ratio dropped by 3% which indicated negative growth of 23%. As every year IDLC used 100 units of assets to generate 10 unit of revenue but in 2021 the ratio was 7% which is less than 10%.

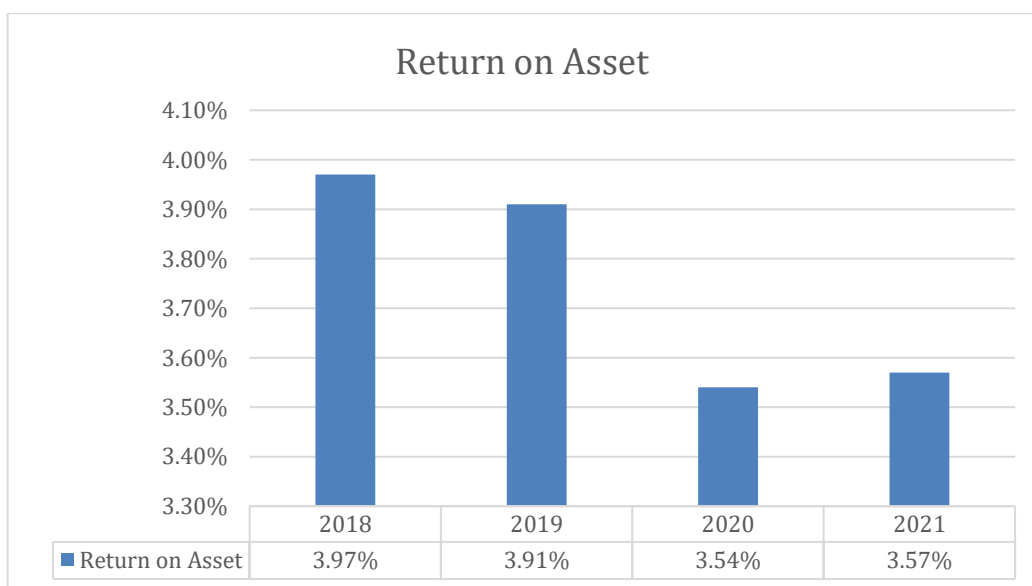
2.5.1.7 Return on Asset (ROA) - helps to have an insight about how profitable is a company in comparison to its total assets.

Formula of calculating Return on Asset = Net income / Total assets.

Table-7: Return on Asset of IDLC Finance Limited

Year	2018	2019	2020	2021
Return on Asset	3.97%	3.91%	3.54%	3.57%

Interpretation



From the given table the analysis describes that IDLC maintain their ROA around 4% for the last 4 years. After deducting tax from the net profit in comparison to its assets 4% ROA ratio can be considered as a positive percentage.

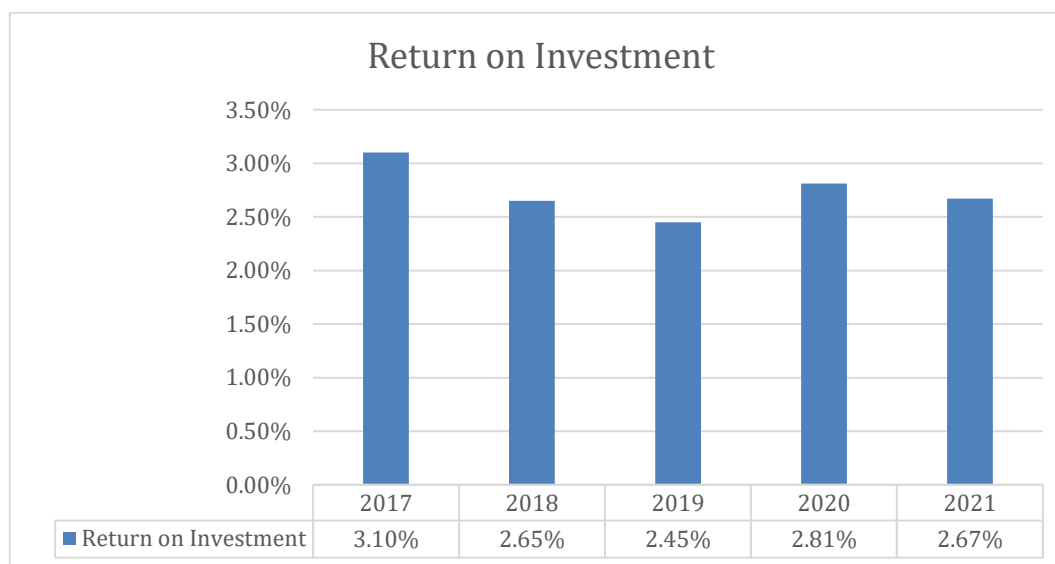
2.5.1.8 Return on Investment (ROI) - it helps to calculate the profitability of an investment that a company does for its business. Along with it aids to measure the efficiency of the management of the business.

Formula of calculating Return on Investment = $(\text{Current value} - \text{Beginning value}) / \text{Beginning Value}$.

Table-8: Return on Investment of IDLC Finance Limited

Year	2017	2018	2019	2020	2021
Return on Investment	3.10%	2.65%	2.45%	2.81%	2.67%

Interpretation



The given table above depicts that in the year 2017 the ROI of IDLC was 3.10% then for the next 2 year it reduced to 2.65% and 2.45%. Then again it rose to 2.81% in 2020 and once again in 2021 it came down to 2.67%.

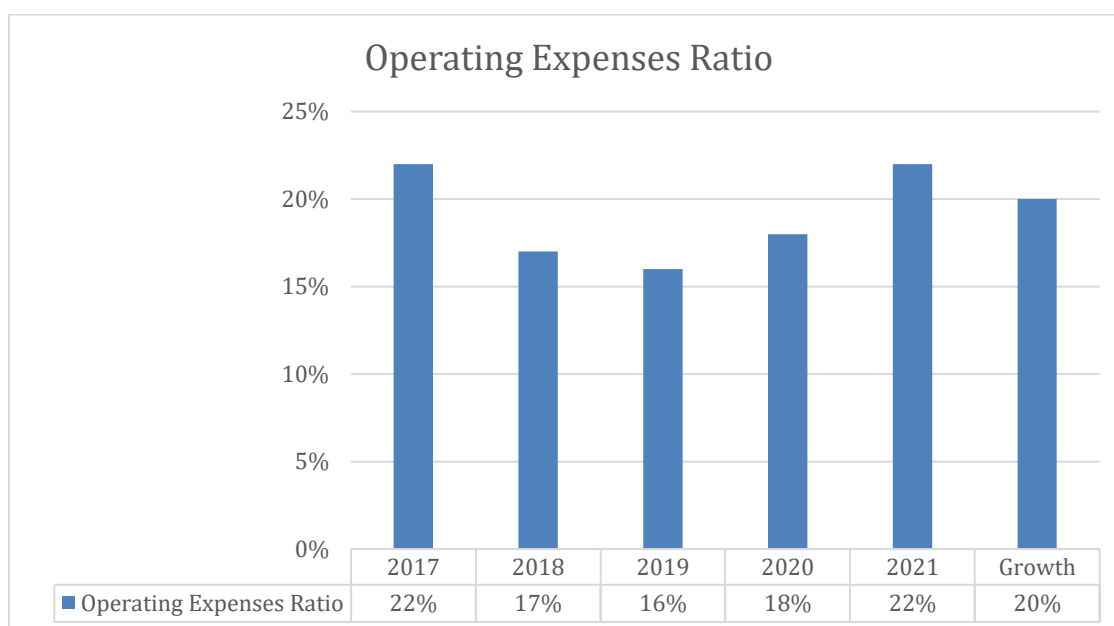
2.5.1.9 Operating Expenses Ratio (OER) - another way of measure KPI or efficiency of the management activities. Investors always desire to face lower OER ratio as that means the operating expenses are less in comparison to revenue.

Formula of calculating Operating Expenses Ratio = Operating expenses / Revenue * 100

Table-9: Operating Expenses Ratio of IDLC Finance Limited

Year	2017	2018	2019	2020	2021	Growth
Operating Expenses Ratio	22%	17%	16%	18%	22%	20%

Interpretation



It can be seen from the analysis that IDLC has an increment in their OER ratio by 20%. Although it's not much still IDLC should take measures to reduce the number even more.

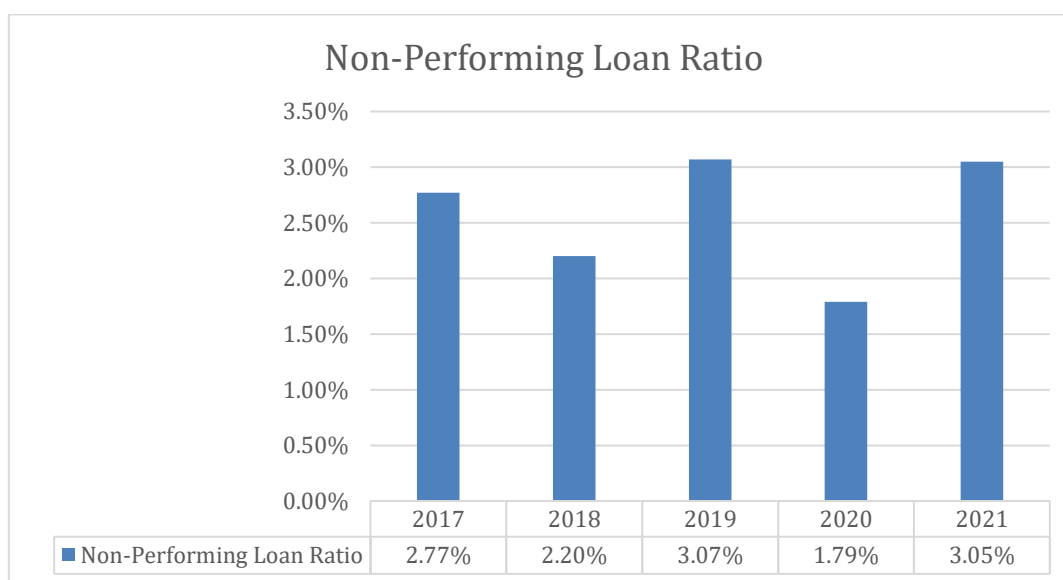
2.5.1.10 Non-Performing Loan Ratio - when any financial institutes don't receive their loan payments from the borrowers in time it considered as NPL. Higher NPL ratio can damage the business and make it suffer by loss. Therefore, maintaining lower rate of NPL is ideal for a financial organization.

Formula of calculating Non-Performing Loan Ratio = adding late loans of 90+ day to nonaccrual loans / Total amount of loans in the portfolio.

Table-10: Non-Performing Loan Ratio of IDLC Finance Limited

Year	2017	2018	2019	2020	2021
Non-Performing Loan Ratio	2.77%	2.20%	3.07%	1.79%	3.05%

Interpretation



Above comparative analysis describes that between the 5 years in 2020 the Non-Performing Loan Ratio of IDLC was lowest which is about 1.79%. But it dramatically changed to 3.05% in 2021 which can alarm for the organization.

2.6 Accounting Practices

As a NBF company IDLC complies with fundamental accounting policies and pays taxes on time. IDLC's annual accounting period begins on January 1 and finishes on December 31. Additionally, they constantly uphold its regulatory and accounting principal every year. According to statutory requirements for its shareholder and others, the company released its financial statements on its website and in national newspapers, where they disclose all of the financial performances that IDLC experienced during that particular year. Moreover, the financial statements are developed in BDT to get better understanding. IDLC follows IAS regulatory for their cash flow making but rest of the financial report is prepared by chartered accountants of BD who follows International Financial Report Standard.

2.7 Operations Management and Information System Practices Finance and Accounting:

IDLC provides all its financial performance's details available for everyone in their annual financial report. They have been awarded many times with the ICAB (The Institute of Chartered Accountants of Bangladesh) National Awards for having the best annual report as a public NBF. As they routinely provide on their company's website the periodic financial reports, annual reports and price-sensitive information that may have an impact on the stock price.

Sales and Marketing: IDLC believes in sustainable growth where they want to forge enduring relationship with their consumers. They regularly put efforts in order to introduce newer services or products for their customers. Therefore, using their IT infrastructure recently they introduced services such as - Mobile Finance Service (MFS), Digital term deposit products etc.

Human Resources: According to IDLC's Annual Report of 2021, the company currently has in total of 1516 employees working for them. The IT Infrastructure has become a crucial part of IDLC's business operations in order to track, encourage the employees and to increase efficiency for the business.

2.8 Industry and Competitive Analysis:

2.8.1 SWOT Analysis – Is a frame work which describes a business’s strengths, weaknesses, potential opportunities and threats.

Figure-3: SWOT Analysis of IDLC

Strength	Weakness
<ul style="list-style-type: none">● Brand Reputation & identity● Strong CRM● Empowered Work force● Product Portfolio● Operational efficiency● Strict on Regulations● Modern Infrastructure etc.	<ul style="list-style-type: none">● Too much diversification● Liability Marketing● Less scope of innovative services● Lack of Islamic banking services● NPL
Opportunity	Threats
<ul style="list-style-type: none">● Introduction of innovative products● Introduction of foreign investment● Countrywide networking● Increase SME accounts● Market growth	<ul style="list-style-type: none">● Increase competition● Threat of banks● Strick regulatory control● Industrial downward

Strengths

Brand Reputation & identity – IDLC is one of the prominent and largest NBFIs in Bangladesh. Ever since 1985 it has been successfully conducting its business and over the period of time has gained a reputable brand image. Customers rely and trust on the brand as long-term record with their shareholders and consumers is positive. Their commitment, transparency and strong public relation helped them to win the ICAB awards several times.

Strong CRM – IDLC's Customer relation management is another strongest part of the company. Their prime focus is to make the customer satisfied with the services offering. Therefore, they focus on creating long-term value for their shareholders and customers so that in the long run the business will be sustainable and beneficial.

Empowered Work force – Motivated and dedicated employees can be a greatest asset that a company can have. Therefore, IDLC for their human assets implies equal opportunities for everyone to express their opinion and creativity. IDLC provides fair chance to their every employee so that they can also feel a part of the organization who helps the company to achieve its goals. It also creates an effective communication between the co-workers as well.

Product Portfolio – IDLC's product portfolio is very vast. For every financial help that a can customers require IDLC can offer to them with flexibility and in an attractive manner.

Operational efficiency – Every service that IDLC offers to the consumers can be customizable according to the preferences and needs of the customers also the process is quick, hassle less and cost effective.

Strict on Regulations – IDLC is very much strict on following the company's rules and regulations. All the employees work under the rules they have been instructed on to provide the customers top-notch service quality and maintain the company's commitment towards them.

Modern Infrastructure – Adapting with the changing time for a business is inevitable. Hence, IDLC uses modern equipment and IT technology to make their business operation smooth and fast. Through their IT infrastructure uses modern data innovation which enable them to have better understanding of their customer's need and provide them the service which can fulfil their expectation.

Weakness

Too much diversification – IDLC has vast product diversification which can shift the focus from the company's core product and functionalities.

Liability Marketing – In here the company very less effort to make the liability market segment more aggressive in comparison to banks.

Less scope of innovative services – For a financial organization there is a limitation to introduce innovation services or offering for the consumers. IDLC should put more importance to bring innovation into their services which will make them enable to attract more customers.

Lack of Islamic banking services – Now a days many banks are offering financial service according to the Islamic rules and regulation. IDLC does not have Islamic banking services to offer therefore a majority part of the potential Muslim customers still reluctant about taking financial services from them.

Non-performing Loan rate – When loan takers does not return the loan amount or does not make scheduled loan payments it considered as NPL, which is one of the biggest weaking for any financial company as it can weaken their business and profitability ratio.

Opportunities

Introduction of innovative products – IDLC has the scope of adding innovative products to their offerings by conducting a thorough market research which will help them to stand out from their competitors. Such as they can introduce IDLC's mobile app which will also be increase their presence in the digital platforms.

Introduction of foreign investment – As a NBFII IDLC does have the segment of foreign investment but if the NBFII regulations changes then entering in such booming sector can prove very beneficial for the company.

Countrywide networking – If IDLC increases their number of branches all over the country then it will be able to garb more customers along with building a strong network in the industry.

Increase SME accounts – This segment of IDLC is one of the most profit drawing sectors of the company. Hence, increasing sustainable SME accounts bring more business and diversifications for the organization.

Market growth – non-banking financial sector is rapidly growing in our country. The ease of taking financial services in a short period of time with long-term benefits has made this sector

lucrative to the customers. IDLC has the opportunity to have a market growth if they keep on maintain their quality standards.

Threats

Increase competition - Many NBFIs and banks are now offer similar kinds of services to the customers, which makes the audience confused and make it hard for them to take the final purchase decision. Offering exact same products, reducing the price etc. can become threats for IDLC if they do not act fast in bringing innovations to their services because the threat of existing competitions and new comers will rise day by day.

Threat of banks – Now a days not only the non-banking financial institutes but also the banks are start offering the similar services such as leasing services.

Strick regulatory control – Any changes in the regulatory system impose by the government can create barriers for the company.

Industrial downward – If the economy of the country goes downwards then the organization can also face difficulties in conducting their business operations. Bangladesh has relatively unstable economy statues which makes it a big threat for any financial organizations.

2.8.2 Porter's 5 Forces Model

Bargaining power of Buyers – As buyers can get almost the similar kinds of services from other financial institutes therefore, the level of bargaining power of the consumers is **MODERATE**. Buyers have the power to choose from multiple alternatives from where they can avail a service rather than only choosing IDLC finance limited. Therefore, IDLC maintains a strong customer relationship to make the customer loyal to them by providing satisfactory services at all time.

Supplier Bargaining power – Supplier power is also **MODERATE**. Sometimes, IDLC outsource services in order to provide the best quality service to their clients, for that they have to prolong a good deed with other companies. Also, the commercial banks of our country are the money

suppliers to the financial institutes therefore, firm like IDLC has not much impact on deciding the interest rate of the loans.

Threat of Substitute – The threat of substitution from IDLC is **MODERATE**. There are no alternatives available for the kind of loans that IDLC offers, but customers may readily access EMI plans from any other banking institutions, which presents a risk to IDLC. IDLC needs to create a distinct identity in the consumer's mind in order to lessen the threat of substitutes.

Threat of New Entrants – The process of creating and launching a financial Institute is very challenging. Along with other extra laws and restrictions, it calls for a sizable capital expenditure starting at BDT 1 billion. The threat of new entrants for IDLC is **LOW** because it is regarded difficult to overcome such significant hurdles.

Competitive Rivalry – is very **HIGH** for IDLC Finance limited. There are more than 90 existing banks and NBFIs currently present in our country. Organizations such as – IPDC, Lanka Bangla, DBH, Midas financing limited etc. aggressively competes with each other with almost same kinds of products. Commercial banks also start entered in this competition moderating some of their product features which makes the overall scenario more tough for NBFIs like IDLC.

2.9 Summary and Conclusion

For the past 36 years IDLC has been successfully conducting their business and gained a brand image of the number one NBF in Bangladesh. They believe in sustainable business and build a strong customer relationship over the period of time. They embrace sustainable business practices and, over time, develop a solid rapport with their consumers. Their business practices, social responsibility, transparency, and founding principles have greatly aided them in building a strong brand. The policies for their human resources and strategies for effective marketing activities has set an example for other organizations. In this competitive era IDLC managed to maintain a positive work environment for their employees and consistently provides the best quality services to their customers. Through their business they not only grew in the financial industry but also contribute a lot to this country's economy and development.

2.10 Recommendations

- IDLC should show their brand and make themselves more active in digital platforms. Such platforms can help them to target a large group young audience.
- For the employees different USPs IDLC should customize their training programs. So that every employee can get training according their expertise and make it more polished.
- They should bring and hire more experienced employees in their CSR department.
- IDLC should put more emphasize on reducing the rate of nonperforming loan.
- Should offer special rewards such as – study scholarship, health insurance for their family members etc. for the most productive employees which will bring a sense of motivation among all others.
- IDLC should open up more branches and competitive price their product to give a tough competition to their rivals.
- IDLC's shareholders incentives, engagement and their contribution strategy may be reevaluated to enhance their market value added.

Chapter 3
“Project Part”



3.1 Introduction

The business market is always changing in today's fast-paced world due to the constantly evolving technology and information. And all the businesses must adapt by growing, introducing and developing innovative items for the public. However, this is not a simple task rather it's very challenging for the firms even more when the product is intangible such as financial product.

Financial products are always more difficult to sell out to the consumers as they can't instantly see what can the product do for them, therefore the product has to be very convincing to persuade customers to influence their buying behavior. There are number for factors that can affect the business in this regard and they are – Macro & Micro environment. In Marco environment the business can't do anything to take the control as the components of this environment are – demographic, economic, natural, technological, political & cultural environment. On the other hand, any business can have better hurdle of their micro environment as its components are more internal than external such as- the consumers, company, suppliers, competitors, intermediaries & the market.

3.1.1 Literature Review

The main concern of this research is to evaluate and find out which CSR activity is the most effective to draw the attention of the consumers. Marketing strategies always gives us an insight of consumer's preferences so that the company can act accordingly. Financial institutes can impact the economy of the country greatly. "Financial institutions bank and NBFIs help the consumers to create financial assets, offers investment advice also maintain a user portfolio, not only for the consumers have they also helped the organization to trade financial assets" (Fabozzi et.al.2002). Usually, NBFIs touch and goes those economical places where bank doesn't incorporate. Through this report NBFIs sector will be able to determine which aspects of CSR as a marketing communication tool is the most effective and can add value to the organization in along with attract and influence consumer's perceptions.

According to Lamb et al (2007:7), "Marketing is all about predicting and satisfying the consumers with goods and services by which both the party – the organization and the consumers get mutually

benefitted, because the firm can earn profit and can get more preferential advantage from its competitors by implementing effective managerial strategies”. This is why marketing always consider as an action of exchanges, innovations and conversations of improved quality goods which contains benefits for the firm and satisfaction for the consumers.

Furthermore, one important aspect of and a tool of active communication of marketing. (Jefkins,1992), “A persuasive message about the product or service can be presented in an advertisement, as can the right prospects for the product in the most cost-effective manner”. (Biel, 1993) stated, “Advertisement can also shape a brand’s image, perception and preservation through their information delivered in the ads”. Moreover, effective marketing communication through advertisement can live or dies in a consumer’s mind based on innovative and creative communication and its effectiveness should not be counted separately as it compliments one another (Priya and Vishal, 2007).

According to Domazet et al (2019), “The advancement of technology can be quite important for financial institutions since it allows them to analyze the market and supply consumers with a large selection of high-quality full-priced goods”. Therefore, marketing promotion or advertisement through digital media such as social media is getting popular nowadays.

This paper is concentrated on the effectiveness of CSR as a tool of marketing communication. Corporate social responsibility is a rising concept in Bangladesh that is incorporated in various firms’ norms of going business. CSR is focused on the relationship between the organization, its stakeholders and the society in which the firm operates (Crowther, & Aras, 2008). CSR initiatives by NBFIs and banks helps to improve their service standards along with make them socially responsible about how they conduct the business (Habib et al. 2007). CSR activities performed by companies helps them to increase profit, brand awareness, consumer loyalty, positive image and socially aware (Brown and Dacin 1997; Sen and Bhattacharya 2001).

Additionally, (Webster 1975), in a key marketplace, CSR initiatives provide the consumer a sense that their purchase will be more socially responsible, that it will socially responsible, that it will support a responsible firm, and also it will result in beneficial societal change. Further, Corporate social responsibility has the ability to impact the consumer purchase decision in a positive manner

as it can be very persuasive, also it creates awareness among them and can thoroughly examined the market (e.g., Auher et al. 2003; Brown and Dacin 1997; Creyer and Rose 1997; Sen and Bhattacharya 2001).

The core aim of this paper is to fill the gaps in knowledge that CSR activities can also be a marketing tool that can impose positive impacts on the consumer's mind which can lead them to make a buying decision. Berens (2005) stated, "Consumers' attitudes toward CSR programs influence both their motivation and ability to make a purchase. In the banking and non-banking sector where financial services get provided to the consumers, they heavily rely on the relationship or the bond the firm creates with the consumers". This interpersonal relationship can shape a consumer's perception of the product or services they are paying for and gives them a sense of satisfaction. Hence, according to So et al. (2016), consumers usually feel satisfied and pleased when they could connect with the firm's product and build a relationship with them emotionally, and starts communication with it". This relationship marketing can be very crucial for any organization when they try to make a connection with the mass. Therefore, as stated by Bergeron et al. (2018), "for a financial service provider organization implementing relationship marketing can help them in decreasing the external expense of marketing activities, ensure better customer satisfaction and through making the consumer loyal to their firm they can also reduce customer retention". Also, according to Hapsari et al., (2017), "building consumer engagement is very beneficial for an organization as it builds a long-term relationship between the firm and its consumers as well as creates loyal consumers who will stick with the firm and avoid switching to some other brands". Through all this study it can be projected that there is a correlation between CSR and marketing that contributes to the development of a favorable brand perception among the loyal consumer base of the company.

3.1.2 Objectives of this study

Broad Objective:

The broad objective of this study is to investigate and determine the efficacy of numerous types of marketing communication tools used by IDLC's CSR sector and to learn about the CSR marketing tactics that make them an effective channel of customer communication.

Specific Objective:

- To analyze the CSR initiatives which makes IDLC more sustainable.
- To find the marketing communication strategies used by IDLC's CSR department.
- To discover the reasons which influence the consumer's buying intentions.
- To find out the ways used IDLC's CSR activities to increase awareness.
- To analyze the customer engagement tactics of CSR.
- To identifying the CSR activities which boost the sales.
- To gain the knowledge of Corporate Social Responsibility and how it can aid an organization by making it more responsible of their way of conducting a business for a longer period of time.

3.1.3 Significance

Bank and non-banking finance institutes are the providers of financial services to the consumers. Unlike any other businesses for a NBFIs knowing about their targeted audience is very essential. Since this type of firm offers an intangible service to their clients hence, what exactly the customer wants are crucial in order to serve them with the right service. Because a business cannot succeed if its customers are not satisfied.

As a result, a company needs to understand its target market, including their inclinations and the state of the market, as well as how to persuade them to make a purchase decision. Furthermore, the organizations might want to find out which marketing communication tool is the most effective in order to achieve the desired goal. Therefore, this paper will investigate the viewpoints of the consumers along with discover the most impactful CSR marketing communication channels.

3.2 Methodology

This report is mainly concentrated on analyzing and finding out the effectiveness of CSR as a marketing communication tool of IDLC Finance Ltd. The scope of the research is established from the consumer's perspectives. Therefore, for that both qualitative and quantitative research methods have been employed.

Since there is a concern related to the confidentiality of the organization's data that is why the whole research design its sampling size and data collection methods are created to support the study. The Corporate Social Responsibility department of IDLC Finance works with the aim of making their customer satisfied by their services. Hence, to extract the right information about what makes the consumers happy with the overall CSR's initiatives and influence their purchase decision a systematic sampling method has been applied. A questioner was emailed to the consumers other than that the technique of processing and collecting necessary data and information are described below –

3.2.1 Sources of Data & Information

In order to collect all the required data for the study both primary and secondary sources were explored;

Primary Sources: Online based – Google form questionnaire survey, Annual Sustainability Report, Financial Statements of the company.

Secondary Sources: Literature Review, Public Newspaper, Available Public Documents, Related Journals & Articles etc.

3.2.2 Questionnaire Design

- **Research Design:** A questionnaire created on google form was the prime source of collecting the primary data for the research. There are 14 questions in total on the survey. This contained both open-ended and close-ended questions. The customers were informed of the purpose of the research before the questionnaire was sent to them, so they were fully aware of the information they are contributing to us. Each participant was urged to express their genuine opinion on the subject and to respond with what they truly believe. I conduct the online survey from 5 December, 2022 to 18 December, 2022 in order to gather the required data from the consumers who are influence by the CSR marketing initiatives of IDLC Finance Ltd. Some of the variables that I have used to create the questionnaire are –

- Consumers knowledge regarding CSR activities
- Consumers perception about IDLC's CSR initiatives
- CSR marketing communication variables
- Buying decision based on CSR

- **Research question's agenda:** The objective of the questionnaire's open-ended and close-ended questions was to elicit people's ideas or perspectives regarding the CSR practices carried out by IDLC. For this reason, it's critical to comprehend how individuals are influenced and how they react when they encountered CSR activities. The form's questions reveal a group of respondent's point of view on the subject, which adds logic to the study.

- **Interpretation and Analysis:** Responses collected from the questionnaire was process and analyzed on the Microsoft Excel and Word by making suitable table, charts etc. to illustrate the data in a more visually comprehensible way.

3.2.3 Sampling Method

- **Population selection:** The population for this study was the people of urban area, as reaching out to such people was more convenient to conduct an online survey. But it has its own disadvantage of not having a diverse perspective of people of all other areas.
- **Sample size:** Since an online survey was conducted through a google form questionnaire hence, it made the sample size very saturated as people who don't have internet access are also a huge part of the consumers who take services from IDLC. Therefore, in this study perspectives of people who live in the semi-urban or rural area were not added. But those people are really important for the organization as well because people of low income or who belong to middle class, they get really fascinated by CSR initiatives such as - Oditiya which provides scholarships to the students, Khushir Kheya which works for education, health etc. and when they see good initiatives taken by the company its sets a good impression which makes them an ultimate buyer of the company of any other services.

- **Process of sampling:** For the sampling process I used convenience sampling method. Which is basically taking responses or samples from the people who are easier to reach, or locate in internet service. Through this method it was easier for me to reach to my sample size and collect the data as the questionnaire was given out to them by online.

3.2.4 Limitation of the study

i. Lack of divers' opinion: For sampling convenience sampling technique was implied. which is a non-probability sampling method which means the result of such sampling is not a representative data of a population.

ii. Poor participation: Many of my sample size did not respond to the questionnaire. Some people were not successfully reachable, or they showed little to no interest to contribute to my study. Also, some respondent might not get the essence of the study hence they provided inaccurate data.

iii. Not enough information: A Key limitation of the study was the smaller sample size caused by the inaccessible of several participants. There is also a dearth of secondary data related to the topic. Furthermore, due to confidentiality reason, many information was not provided to me. All these short comings make it difficult to done this research paper with proper conviction.

iv. Time constrains: This report was created in a short period of time. It was challenging to explore a new topic, conduct a survey by developing a questionnaire with the relevant questions that may supply the study with the necessary data and produce a report based on that in the allotted time. Due to the topic's limitless potential, it was difficult and tough to complete the paper compelling in due time.

3.3 Finding and Analysis:

3.3.1 Hypothesis:

From the study I came up with the below mentioned hypothesis:

H1 - Corporate Social Responsibility as a marketing communication tool can influence consumer's purchase intention.

And the null hypothesis would be;

H0 - Corporate Social Responsibility as a marketing communication tool cannot influence consumer's purchase intention.

3.3.2 Data analysis of the feedback

The entire study was conducted to find out the effectiveness of Marketing Communication of CSR of IDLC. To make the paper more concrete through providing evidence and to get consumer's perspective a survey was done using some questionnaire.

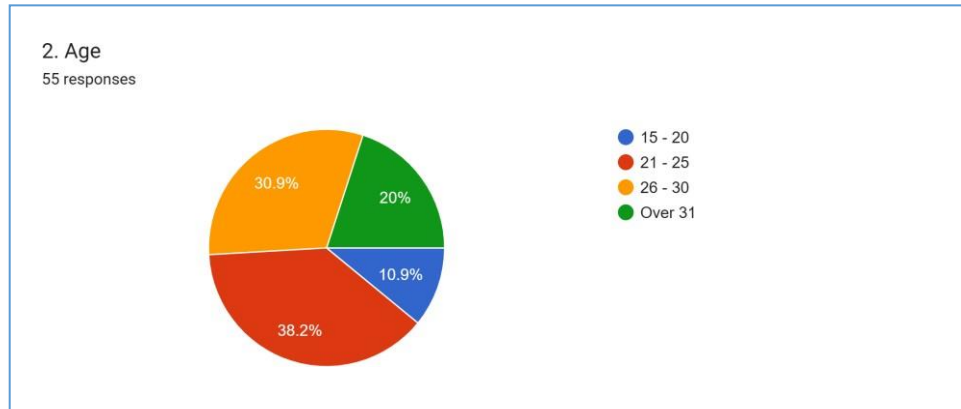
The independent variables of the questionnaire are given below:

- Brand knowledge.
- CSR as communication channel.
- Influence consumer's purchase intention
- Increase consumer's knowledge and awareness
- Customer engagement.

The questionnaire was made on Google form and distributed to the participants through Facebook (Messenger), Email and WhatsApp. I gathered in total 55 responses. The first 3 questions on that questionnaire were demographic in nature such as respondents had to provide their names, age and occupation.

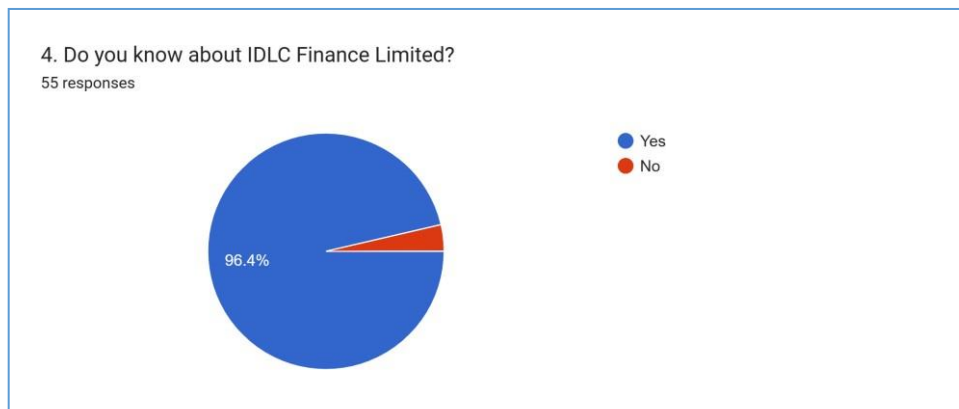
- **Age** – 38.2% of the total responses, or the majority of participants, were between the ages of 21 and 25. The second greatest age range is represented by participants aged 26 to 30, who make up 30.9% of the total participants. After that, the age range above 31 holds 20%. The lowest percentage, 10.9%, was exclusively from the age group of 15 to 20.

Figure-4: Age of the respondent



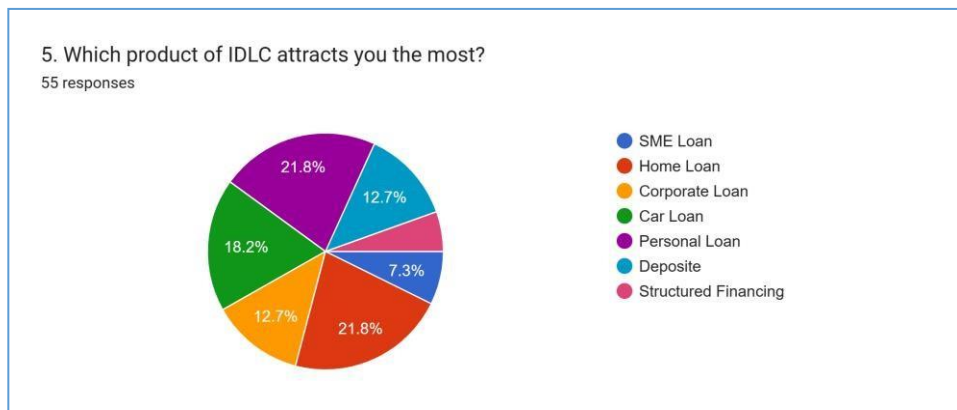
- **Occupation** – The maximum number of responders were students, businessman and job holders. Other than that, people of other professions such as – doctors, engineers, homemakers etc. gave their responses as well.
- **Consumer knowledge or awareness of the company** – The froth question of the survey was to find out do people know the organization named IDLC Finance Limited or not, which was also one of the independent variables of the survey. The question was a dichotomous question (Yes/No). Here, about 96.4% of the total respondents said ‘Yes’, they can recognize the company and only 3.6% people choose ‘No’. Which means the brand is well known to the audience.

Figure-5: Identification of the Company



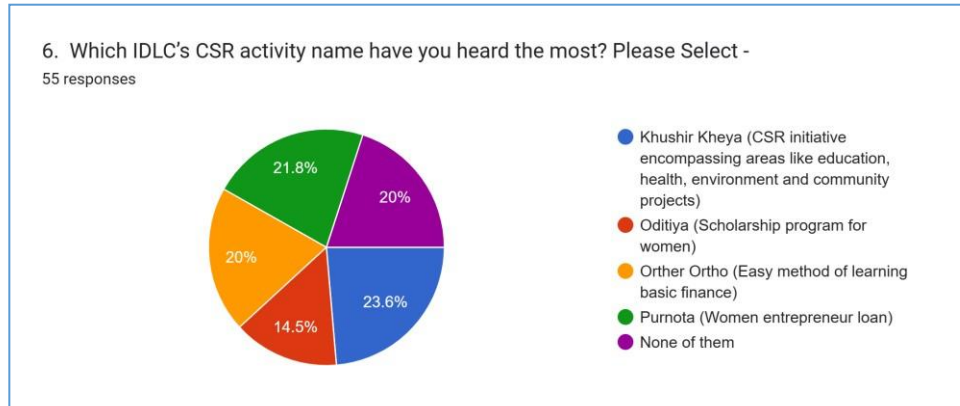
- **Most attractive product of IDLC** – Here, respondents were asked to select the product that, in their opinion, stands out the most. Based on the statistics, it is clear that both personal loans and home loans, each receiving 21.8% of the vote, are the most alluring to customers as IDLC does heavy advertisement about these products on different platforms. After that, Car Loan, and SME Loan holds 18.2%, 12.7% and 12.7% respectively. However, both Deposits and structured Loan with 7.3% votes each are the least favorite product of the IDLC in the consumer’s eyes.

Figure-6: Most attractive product of IDLC



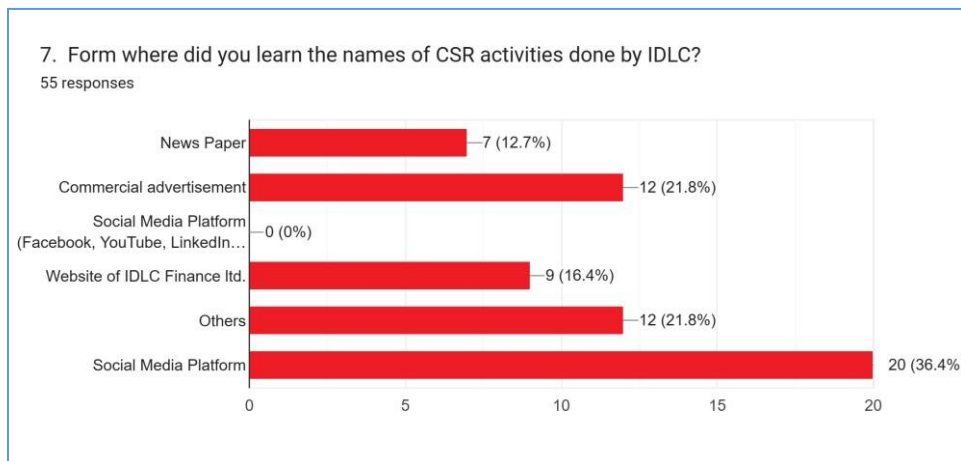
- **Most popular CSR initiative of IDLC** – The survey indicates that the IDLC's CSR activity, "Khushir Kheya," is the most well-known among other CSR activities with 23.6% of respondents aware about it. Then, 21.8% of voters choose to support the "Purnota" CSR project for female entrepreneurs. CSR programs - Orther Ortho and Oditiya received 20% and 14.5% of the vote, correspondingly.

Figure-7: Most popular CSR initiative of IDLC



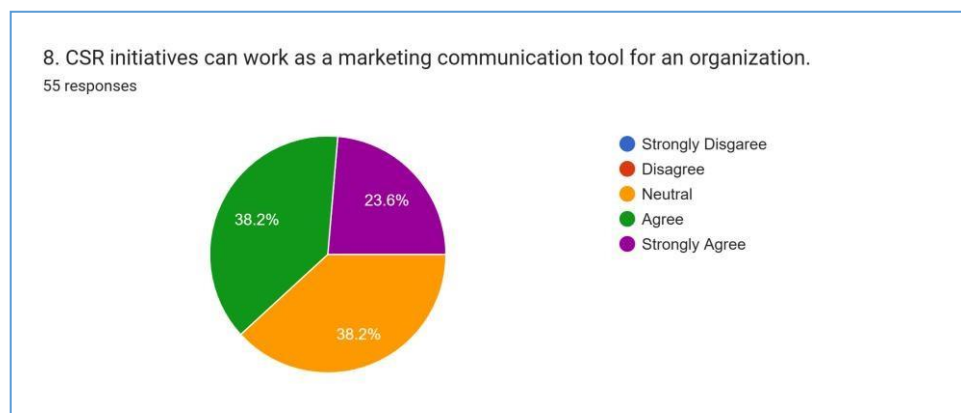
➤ **Form where did you learn the names of CSR activities done by IDLC?** - The participants were given a variety of media names as options for this question. And the responses demonstrate that 36.4% of respondents choose social media platforms because IDLC uses Facebook sites dedicated to each CSR activity, along with LinkedIn and YouTube promotions, to publicize their CSR practices. The marketing and CSR team at IDLC work very hard to routinely promote their CSR practices so that people may know more about them. Additionally, the data shows that commercial advertising and others receive 21.8% votes, respectively. About 16.4% of people are aware of IDLC's CSR initiatives thanks to their own website, while 12.7% of voters cited newspapers as having a positive impact on consumer awareness.

Figure-8: Source of channels



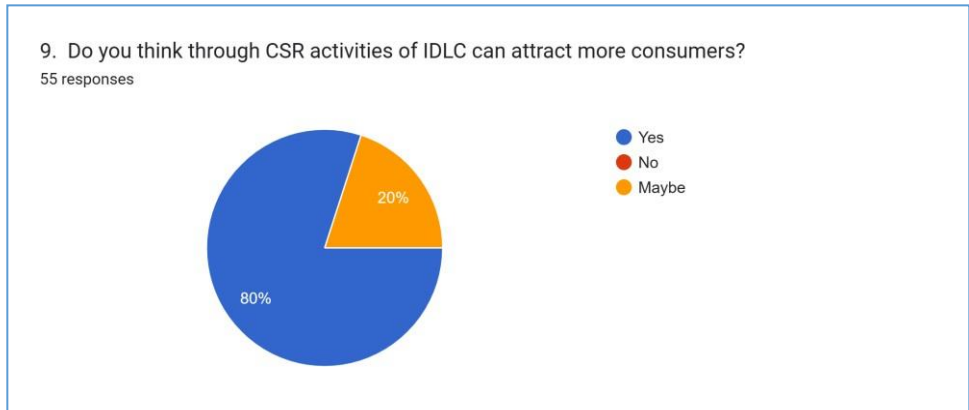
- **CSR as a marketing communication tool** – The result indicates that 38.2% of participants agreed with the claim that CSR activities can also works as a marketing communication tool. Similarly, 38.2% voters felt neutral with the statement whereas 23.6% respondents strongly agree with the statement. However, no respondent disagrees with the claim, showing a favorable attitude that individuals have toward CSR initiatives.

Figure-9: CSR as a marketing communication tool



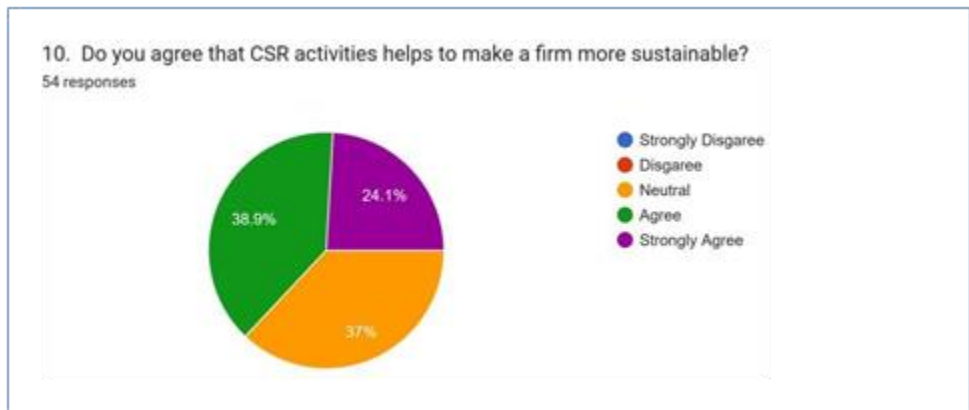
- **CSR activities of IDLC can attract more consumers** – As per the survey, 80% of respondents, or a significant portion of the participants, agree that IDLC's CSR initiatives can attract more customers towards them. 20% of respondents had mixed feelings about the question, but no one completely disapproved to it.

Figure-10: IDLC’s CSR activities can attract consumers



- **CSR activities can make the firm more sustainable** – As per the analysis results, 38.9% people agree with the claim that CSR activities of a firm can make it more sustainable as it can generate great value for its employees, shareholders, consumers and for the community. Further, 24.1% participants said they strongly agree with the question whereas, 37% respondents felt neutral about it.

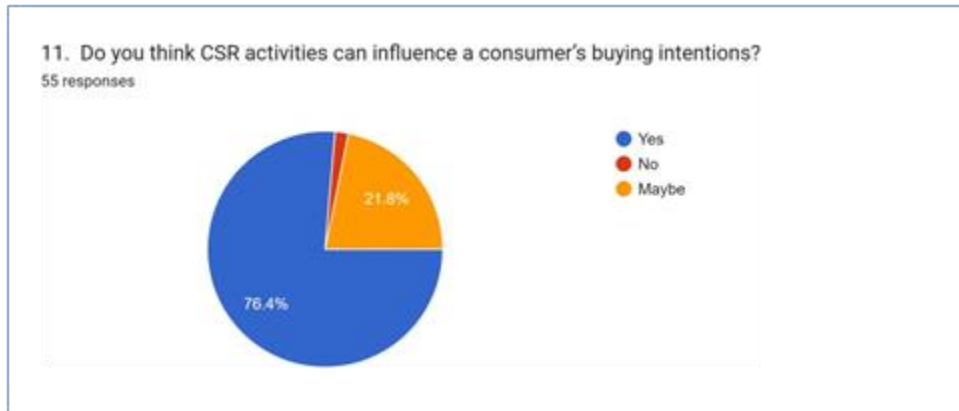
Figure-11: CSR activities helps the firm more sustainable



- **CSR initiatives influences consumer's buying intentions** – CSR activities can contribute to the society a lot by helping the underprivileged, work for the betterment of the community and environment. Hence, according to the respondents, 76.4% people said 'Yes', they think that CSR initiatives can positively influence consumer's purchase intention as they can see the positive impact of it which makes them more motivated to

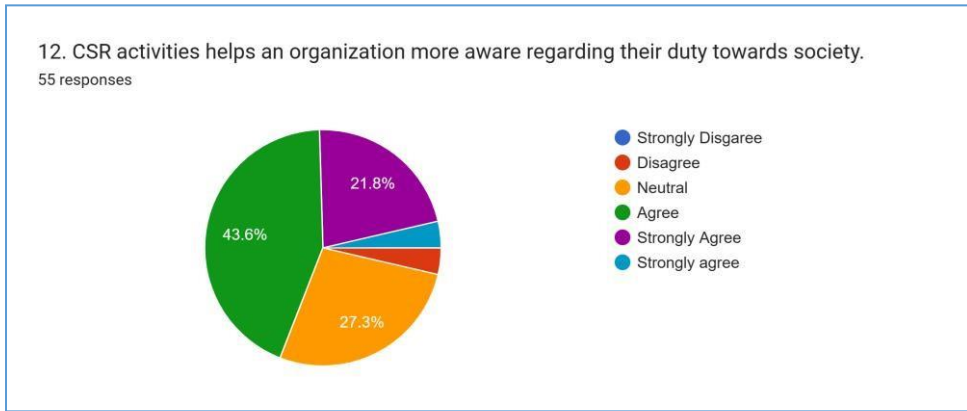
take a final decision of buying a service. Moreover, 21.8% people voted maybe and only 1.8% participants said no.

Figure-12: CSR initiatives influences consumer’s buying intentions



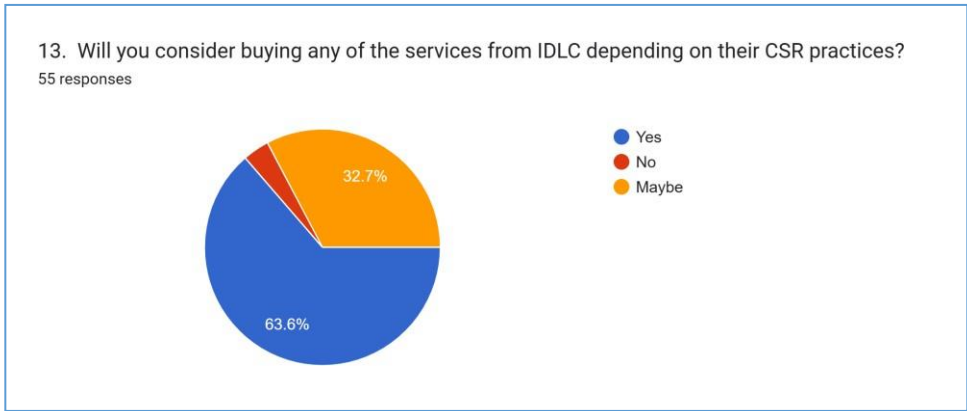
- **CSR activities helps an organization more aware regarding their duty towards society-** The results show that 43.6% of all participants agree with the statement that CSR activities help an organization to be more aware of their responsibility to society because they give businesses the chance to improve society by helping the underprivileged, creating job opportunities, improving the environment, etc. 27.3% people were neutral and 21.8% people strongly agree with the claim. On the contrary, just a small minority of respondents—roughly 3.6% of the total participants—voted strongly disagree and disagree.

Figure-13: Organization’s responsibilities towards the society



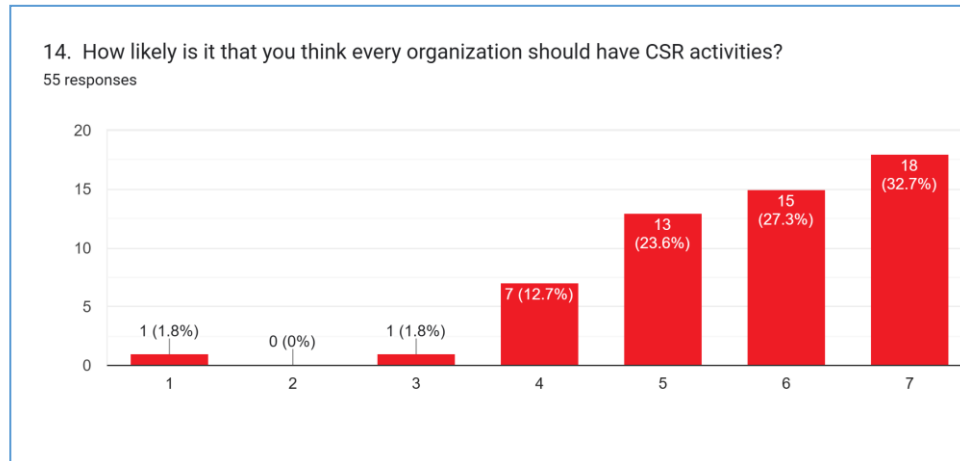
➤ **Will you consider buying any of the services from IDLC depending on their CSR practices?** - To this question, 63.6% respondents agreed that they will buy services from IDLC Finance Limited after knowing about their CSR practices. A whopping 32.7% of those polled seem to be unsure and 3.6% people said no. Therefore, to increase the number positively IDLC should keep on progressing into their CSR initiatives sector and make people motivated to buy from them.

Figure-14: Purchasing decision based of CSR initiatives



➤ **How likely is it that you think every organization should have CSR activities?** - A rating scale of 1 to 7 was used for this question, with 1 denoting "not at all" and 7 denoting "very likely." According to the study's results and statistics, the majority of participants (32.7%) believe that every firm should have a CSR sector. The majority of the respondents gave answers between 4 and 7, which is a favorable result for the question.

Figure-15: Organization's should have CSR division



3.4 Finding from the Data analysis

- Maximum number of respondents were from age group of 21 to 25 years.
- Majority of the respondents were students, job holders and business people.
- 96.4% people known the company IDLC Finance Limited.
- Both Home Loan and Personal Loan are the most attractive product offering of IDLC Finance Limited according to the participants.
- Respondents mostly heard about the CSR activity - 'Khushir Kheya'. Then comes Purnota with 21.8%, Orther Ortho with 20% and Oditiya with 14.5%.
- Through social media platforms such as Facebook, YouTube, LinkedIn etc. Majority of the respondents (36.4%) learned the names of the IDLC's CSR activities. Then other commercial ads, company's website etc. has helped in promoting the CSR practices done by the firm.
- 38.2% of the people agree that CSR initiatives can work as a marketing communication tool for an organization. Exact same percentage thinks neutral about the statement.
- 80% respondents voted 'Yes' as they think IDLC's CSR initiatives can attract more consumers.
- 38.9% participants said in order to make a firm more sustainable CSR activities can aid them in achieving that goal.

→ 76.4% of survey respondents agree that CSR activities can positively influenced the consumer's buying intentions.

→ 43.6% of respondents said CSR activities make an organization more responsible and aware about their duty towards the society in which they are operating the business.

→ 63.6% of participants voted Yes, that they will consider buying services from IDLC judging by their CSR practices.

→ 32.7% thinks that every organization should have a CSR division to conduct variety of CSR activities.

3.5 Summary and Conclusions

The main purpose of this study was to find out the effectiveness of Corporate Social Responsibility as a marketing communication tool and can it influence people's interest to buy from the company or not. CSR activities done by any organization can make them for socially aware and responsible. It ensures that underprivileged people also should get benefits with their minimum efforts. Additionally, CSR initiatives aid businesses in building sustainability among its stockholders, employees, and clients.

Furthermore, now-a-days CSR is no longer a new sector for the firms. Organizations initiate many charitable practices through their CSR division. Moreover, to build an engagement with the consumers CSR can help greatly not only that it can also create job opportunities for many people.

The CSR division of IDLC serves as a marketing communication tool by demonstrating the company's accountability for how it conducts business and by creating value for all parties that are pertinent to IDLC. Although, IDLC Finance limited has certain limitation regarding their CSR activities, they are constantly working to resolve those and move forward.

However, the survey results show that IDLC's CSR programs is a successful marketing communication tool to reach their target audience. They increase customer confidence and trust, which makes individuals more likely to use the company's services, especially who are less privileged than rest. It assisted in establishing a favorable brand image in the minds of consumers,

leading to consideration of purchases and repeat purchases from IDLC. Hence the given hypothesis H1 proven correct. Although the results of the survey cannot be generalized to the whole population of the country as the chosen sample size was very limited in number.

3.6 Recommendation

- As a one of the leading NBFI, IDLC should increase more awareness about their corporate social responsibility initiatives.
- They should promote their CSR practices more on digital platforms, social media platforms etc.
- Other than khushir Kheya, Purnota etc. IDLC should also put more efforts on their other CSR activities such as on Orther Ortho to make it more prominent to the target consumers.
- Should showcase the evidence of people getting beneficial through their CSR initiatives to interest other people.
- IDLC should enlarge their CSR department with more experienced employees.
- They should run campaigns for their each and every CSR practices.
- Also, they should increase the number of their CSR activities which will fit for every person's unique requirement.
- In IDLC's annual report they can insert the progress reports of their CSR practices, which will tell the people by which activity a person, community or a region progressed.
- For future initiatives IDLC can take prospective consumer's suggestion by conducting market research.

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