



CUSTOMER RELATIONSHIP MANAGEMENT

(CRM)

IDLC Finance Limited



Internship Report

On

AN OVERVIEW OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

OF

IDLC FINANCE LIMITED

By

Noureen Sharif

ID: 12164043

Dated:

19th October, 2015

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Letter of Transmittal

19th October, 2015

To

Mohammed Tareque Aziz, PhD

Associate Professor

Relationship Marketing & Retailing

BRAC University, Bangladesh.

Sub: Submission of Internship Working Report.

Dear Sir,

Here is my internship working report on **“AN OVERVIEW OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM) OF IDLC FINANCE LIMITED”**. I am submitting this report as the part of my internship (MBA) in “IDLC Finance Limited (IDLC). While preparing this report, I tried my level best to follow your instructions and the instructions that have given to me by my organization supervisor.

The entire report is based on my practical experience in the IDLC’s Dhanmondi Branch. I have tried my level best to provide what I have learned during the internship program at IDLC Finance and IDLC Securities Ltd Dhanmondi Branch, Dhaka.

I shall be highly encouraged if you are kind enough to receive this report. If you have any further enquiry concerning any additional information I would be very pleased to clarify that.

Thanking you.

Sincerely yours,

Noureen Sharif

ID: 12164043

Acknowledgement

At the very beginning, I would like to express my gratitude to Almighty Allah for whose kindness I am enough sound mentally and physically to prepare this report. Then I must express my deep gratitude to my University supervisor, Dr. Mohammad Tareque Aziz, Associate Professor Relationship Marketing & Retailing, BRAC University, Bangladesh, for his guidance and instructions in conducting the internship program successfully. I would like to place my gratitude to the IDLC Securities Limited to enable me to complete my internship in their esteemed organization.

I express my grateful appreciation to my Supervisor Mr. Rashedul Huq, AGM and Head of Products & Marketing and Mr. Towhidur Rahman Chowdhury, Assistant Manager, Products & Marketing Department, Consumer Division of IDLC Finance Limited. Special thanks to both of them for providing all the information and suggestion to complete my internship. I would also like to thank Mr. Nafius Noor Khan, Head of Dhanmondi Branch, IDLC Finance Ltd. In completing this internship report I have been helped at different stages by different people in Sales and Marketing Department and my colleagues in consumer division. I would like to thank them all.

During the preparation of the project work I have come to the very supportive touch of different individuals (respondents & seniors from IDLC) and friends, who lend their ideas, time and caring guidance to amplify the report's contents. To be true to myself I must say that without their help it would be very hard for me to prepare such report. I am thankful to them with all of my feelings.

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Executive Summary

Financial institutions, banks, insurance companies, and other service providers focus on customer relationship management for better quality customer services so they can attract more customers, retain existing ones and maximize their lifetime value. This report analyses on the activities of Customer Relationship Management in IDLC Finance Limited and to increase customer value by using some analytical methods in CRM applications. IDLC Finance Limited seems to have acceptable level of satisfaction with its customers. Communications, interpersonal relationship, and efficiency of financial institutions seem important since all this have moderate relationship with service quality. To improve all these CRM factors, financial institutions should arrange employee training so that they can improve themselves in those three factors. This report is mainly divided into introduction, Learning part, CRM Maintained and improvement, Improvement part of IDLC Finance Limited. In introduction, the knowhow of the company Is explained, the primary and secondary objective is shown, and the sources of data is indicated. The second part is focused on the background of the company which tells the partial history of the origin of the company, the sponsors, the capital structure, the shareholding structures, guiding principles, etc. is explained in brief. Mainly the third part is based on the present CRM Condition of IDLC, and what can be done to improve this part of the company. It can be said that, this report can be useful for IDLC for the betterment of practices used in this financial institution.



CHAPTER #1

1.1 Introduction

Industrial Development Leasing Company (IDLC) Limited is one of the renowned names in Bangladesh. Operation of IDLC started in the year 1985 as the pioneer leasing company as to facilitate lease- financing and capital investment in industrial sector, with the view of “Become the best performing and most innovative financial solutions provider in the country”. For introducing new multitude of diverse financial products and services in 2007 the company changed its name to IDLC Finance Ltd. Over the last two decades IDLC has contributed relentlessly in the country’s transition into a developing country and has emerged as Bangladesh’s leading multi-product financial institution. The company now offers financial and technological solutions to both institutional and individual clients to cater for their unique requirement.


1.2 Origin of the report

Since practical orientation is an integral part of the MBA degree requirement, I was deputed by BRAC University, Bangladesh to IDLC Finance Limited to take real life exposure of the activities of the organization as a financial institution.

This report has been originated as the course requirement of the MBA program. I hope the report will give a clear idea about the activities and role of IDLC’s Customer Relationship Management process. This report will also give the real picture of IDLC Finance Limited. I commenced internship on May 24; 2015 and completed the twelve week attachment. My organizational supervisor was Mr. RashedulHuq, AGM and Head of Products & Marketing, Gulshan Branch, IDLC.

1.3 Objectives of the report

Primary Objective

 To gain practical experience and observe the application of theoretical knowledge in the real corporate world.

Secondary Objective

- ✚ To present an overview of IDLC.
- ✚ To analyze the products and services provided by IDLC.
- ✚ To know the overall activities of the Brokerage house and Merchant Bank.
- ✚ To know the decision making process of the organization.
- ✚ To know how Margin account is maintained and trade took place.

1.4 Significance of the Study

Customer Relationship management is the strongest and the most efficient approach in maintaining and creating relationships with customers. Customer relationship management is not only pure business but also create strong personal bonding within people. Development of this type of bonding drives the business to new levels of success.

The idea of CRM is that it helps businesses use technology and human resources gain insight into the behavior of customers and the value of those customers. If it works as hoped, a business can provide better customer service, cross sell products more effectively, help sales staff close deals faster, simplify marketing and sales processes, discover new customers, and increase customer revenues. It doesn't happen by simply buying software and installing it. For CRM to be truly effective an organization must first decide what kind of customer information it is looking for and it must decide what it intends to do with that information. For example, many financial institutions keep track of customers' life stages in order to market appropriate banking products like mortgages or IRAs to them at the right time to fit their needs. Next, the organization must look into all of the different ways information about customers comes into a business, where and how this data is stored and how it is currently used.

1.5 Expected findings/ hypothesis

Research Questions

- Do the staffs / employees of IDLC effectively communicate with the clients?
- Does interpersonal relationship among staffs affect service quality in IDLC?
- Do the staffs of IDLC are efficient enough to provide you the required services?

Hypothesis

- The Communication affects Service Quality in context of IDLC.
- The Interpersonal Relationship affects Service Quality in context of IDLC.
- The Efficiency affects Service Quality in context of IDLC.

1.6 Scope

The report will attempt to present IDLC of Bangladesh Ltd. since its inception with a brief introduction of its sponsors. Apart from the internal practice and company philosophy, a brief introduction will be provided on the industry as a whole and the macro and micro economic variables shaping the industry.

1.7 Methodology

In this report I have used both primary and secondary data.

i) The primary sources of data include the followings:

- Face to face conversation with the IDLC officers and staffs
- Direct conversation with the clients
- Practical Deskwork.

ii) The secondary sources of data include as under:

- Annual report of IDLC
- Different manuals and publications of IDLC

- Unpublished data received from the Branch
- Different text books.
- Previous analysis of reports on different perspectives.

1.8 Limitation

Like any other study, the limitations of this study are not out of questions. The following factors seem to me the main points of weakness of this study, despite all out co-ordination from the bank officials:

- ✓ Due to time limitations many of the aspects could not be discussed in the report.
- ✓ The main constraint of the study is inadequate access to information, which has hampered the scope of analysis required for the study
- ✓ Since the Bank personnel's were very busy, they could provide me very little time.
- ✓ I carried out such a study for the first time, so inexperience is one of the main constraints of the study.
- ✓ Entrance to every nock and corner of the bank was not possible for me.



CHAPTER #2

2.1 Background of the Company

IDLC was initially established in Bangladesh in 1985 through the collaboration of International Finance Corporation (IFC) of the World Bank, German Investment and Development Company (DEG), Kookmin Bank and Korean Development Leasing Corporation of South Korea, the Aga Khan Fund for Economic Development, the City Bank Limited, IPDC of Bangladesh Limited, and SadharanBima Corporation. As the company evolved, initial foreign shareholding of 49% was gradually withdrawn and the last foreign shareholding was bought out by local sponsors in 2009.

Although they initially started with Lease Financing as their core product, IDLC has grown to become the largest multi-product Non-Bank Financial Institution of Bangladesh, with almost equal focus in Corporate, Retail and SME sectors. Moreover, IDLC has a significant presence in the Capital Markets. Their merchant banking arm, IDLC Investments Limited, a wholly-owned subsidiary of IDLC is a premier brand for investment banking in the country. Stock brokerage arm, IDLC Securities Limited, another wholly-owned subsidiary of IDLC is also amongst the top five brokers in the country.

Over the years, IDLC has attained a significant presence in the corporate sector of Bangladesh. IDLC is highly respected by their clients, peers, employees and regulators for their strong corporate governance, statutory compliance, high ethical standards, a progressive and enabling working environment, and strong commitment to environmental and social development.

IDLC continues to play a pioneering role in introducing and popularizing a variety of financial instruments suiting ever-changing requirements of its fast-growing clients. They are continuously expanding their presence to ensure the best quality of service to their clients at all times.

2.2 Subsidiaries

2.2.1 IDLC Securities Limited IDLC Securities Limited, a fully owned subsidiary of IDLC, offers full-fledged international standard brokerage service for retail and institutional clients. It has seats on both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. It is also a Depository Participant (DP) of Central Depository Bangladesh Limited (CDBL).

2.2.2 IDLC Investments Limited As advised by the Securities & Exchange Commission (SEC), the Company formed a separate subsidiary on May 19, 2010 in the name and style

“IDLCInvestments Limited” to transfer its existing merchant banking activities. The Company has applied to the SEC to transfer the existing merchant banking license of IDLC Finance Limited in the name of IDLC Investments limited.

After getting approval from SEC, the company’s existing merchant banking services will be provided by its wholly owned subsidiary, IDLC Investments limited.

2.3 Sponsors

Sl.No.	Name Of Shareholders	No.Of Shares	%
Sponsors/Directors			
01.	The City Bank Limited	50,283,246	25.00
02.	SadharanBima Corporation	15,321,331	7.62
03.	Transcom Group	26,812,355	13.33
	Eskayef Bangladesh Limited	16,087,500	8.00
	Transcraft Limited	8,070,418	4.01
	Bangladesh Lamps Limited	2,654,437	1.32
04.	Mercantile Bank Limited	15,082,031	7.50
05.	Reliance Insurance Co. Limited	14,076,562	7.00
Sub-Total		121,575,525	60.46

General

03.	Institutions other than Sponsors/Directors		
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	Bangladesh Fund	6,432,600	3.20
04.	Individuals		
	General Public(Individuals)	47,253,146	23.50
Sub-Total		47,253,146	100.00

Total Holdings **201,093,750** **100.00**

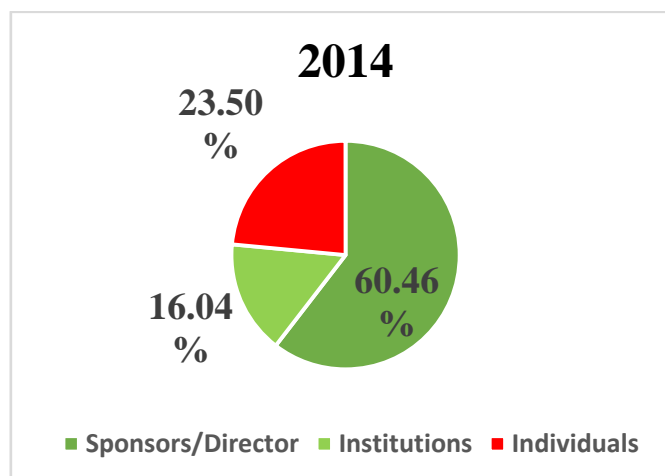
2.4 Capital Structure

The company has authorized capital of Taka 4,000,000,000 (400,000,000 shares of Taka 10 each) and paid up capital of Taka 990,000,000 (99,000,000 ordinary shares of Taka 10 each).

Authorized Capital	BDT 4,000.00 Million
Paid-up Capital (including share premium)	BDT 990 Million

2.5 Shareholding Structure

IDLC was incorporated in the year 1985 as a joint venture public limited company among five foreign and three local financial institutions. In 2009 the foreign sponsors sold their shareholdings to City Bank Limited. Company's current shareholding structure is shown in a pie chart below.



2.6 Company Chronicle

■ September 18, 2006	IDLC Securities Limited, a wholly-owned subsidiary of IDLC, commences operations
■ March 14, 2007	Discretionary Portfolio Management Services "Managed Cap Invest" is launched
■ August 05, 2007	Company name is changed to IDLC Finance Limited from the previous Industrial Development Leasing Company of Bangladesh Limited
■ December 03, 2007	Chittagong Branch of IDLC Securities Limited commences operations
■ December 18, 2007	IDLC Securities Limited DOHS Dhaka Branch is opened
■ August 18, 2008	Dilkusha Branch is relocated at Eunoos Trade Centre, Level 13, 52-53 Dilkusha Commercial Area, Dhaka-1000
■ November 23, 2008	Dhanmondi Branch is relocated at House No. 39 A, Road No. 14 A, Dhanmondi, Dhaka 1209
■ January 6, 2009	IDLC Finance Limited and IDLC Securities Limited open branches in Sylhet
■ August 26, 2009	Gazipur SME Booth is opened
■ September 09, 2009	Imamgonj SME Booth is opened
■ February 03, 2010	Narayangonj Branch is opened
■ February 24, 2010	Savar Branch is opened
■ July 08, 2010	Merchant banking Division is relocated at Eunoos Trade Centre, Level 21, 52-53 Dilkusha Commercial Area, Dhaka-1000
■ August 08, 2010	Nandankanon Branch is opened
■ October 27, 2010	Comilla Branch is opened
■ December 2010	Narshingdi Branch is opened
■ December 2010	Keraniganj Branch is opened
■ June 15, 2011	Opening of branch at Mirpur
■ August 09, 2011	Opening of branch at Tongi
■ August 16, 2011	IDLC Investments Limited, a wholly-owned subsidiary of IDLC, commences operations

2.7 Guiding Principles

IDLC is a multi-product financial institution offering an array of diverse financial services and solutions to institutional and individual clients to meet their diverse and unique requirements. Following are the guiding principles that shape the organizational practice of IDLC

Customer first: IDLC has grown with its customers, who are believed to be the center of all actions. As the crux of IDLC's corporate philosophy, customer service gets the highest priority.

Innovation: IDLC has continuously introduced new financial products for meeting the needs of the entrepreneurs in a complex & challenging business environment. The concept of innovation is in-built into the working culture.

Professional Knowledge: IDLC is staffed with qualified professionals and innovative minds in the country. Years of operational experience, large industrial database and competent workforce have given them unparalleled advantages.

Professional ethics: The professional at IDLC maintain the highest degree of financial and business ethics in all transactions with the clients. Over the last two decades, IDLC have put in bets efforts to meet the expectations of the clients and investors.

One stop solution: Work at IDLC begins with the idea generation, then goes on into the feasibility study followed by arrangement of financing to implement the project. IDLC advises the clients, finance them and even arrange financing for them via different financing modes, namely: lease financing, term loan, bridge loan, syndication, ordinary shares, preferred shares and debentures.

Vision: Become the best performing and most innovative financial solutions provider in the country.

Mission: Create maximum possible values for all the stakeholders by adhering to the highest ethical standards.

For the Company: Relentless pursuit of customer satisfaction through delivery of top quality services.

For the Shareholders: Maximize shareholders' wealth through a sustained return on the investment.

For the employees: Provide job satisfaction by making IDLC a center of excellence with opportunity of career development.

For the society: Contribute to the well-being of the society, in general, by acting as a responsible corporate citizen.

Goal: Long term maximization of Stakeholders' value.

Corporate Philosophy: Discharge the functions with proper accountability for all actions and results and bind to the highest ethical standards.

2.8 SWOT Analysis



The SWOT analysis for IDLC can be described as follows

Strengths

1. Reputation and brand image: IDLC is well-reputed company and has developed a brand image that is recognized by the customers. IDLC is an international joint-venture company and its shareholders have long records of sustainability and reliability in their respective fields. IDLC is one of the esteemed names in financial market of Bangladesh. Since 1985, IDLC has marked its journey through introduction of various innovative products and thus meeting the needs of large corporate clients.
2. Product portfolio: IDLC has diverse product portfolio for customers which made them second to none in Non-Banking Financial Industry.
3. Quality Customer Portfolio: IDLC has a Credit Risk Management department of Multinational standard which enables the company to maintain a quality customer portfolio.
4. Human Resources: The Company has competent management team. The overall work force of the company is considered as key resources for the organization. IDLC personnel are motivated,

competent, energetic and creative. The company provides utmost support in terms of both technical and moral.

5. Operational efficiency: IDLC provides customized solution to their customers to adjust their need. The company processes the loan applications quickly and smoothly. The sanction and disbursement of the loans are hassle-free.

6. Employee Empowerment: At IDLC decision-making is free flowing and transparent. Every appraiser is given ample opportunity to exercise his/her creativity in accommodating a customer. Approvers are open for any discussion and sanction is largely based upon recommendation of the appraisers. The open and free flow of communication ensures clarification of any queries in no time--from any level of hierarchy. Reasonable suggestions are not only welcome but are highly appreciated. Effective suggestions by the employees are immediately set for action. This flexibility has helped IDLC a lot in shaping up its operations into a level of efficiency and to be an excellent performer in case of loan recovery.

Weaknesses

1. High Cost of fund: IDLC as any other NBFIs have high cost of fund in comparison to banks. As NBFIs can take deposit for less than one year from any individuals as banks can do, the deposit base of IDLC is not strong enough to reduce the average cost of fund.

2. More Focus on Volume: Although IDLC has department called Credit Risk Management to monitor the asset quality of the company, still the company sometimes for the sake of profit and past relationship provide loans to customers who at the end hamper the portfolio quality of IDLC.

3. Too Much Diversification: Too much diversification of product and services offering hamper the focus on the core services of the organization.

4. Less People in Liability Marketing: IDLC still employs lesser number of workforces for the aggressive liability marketing in comparison to banks and NBFIs like DBH.

Opportunities

1. Continuity of Liberalization: Government has continued to liberalize the economy towards more market orientation. This encouraged both local and foreign investors to invest in potential

sectors. The privatization plan of government is likely to have positive impact on industrialization.

2. Foreign Investment in Prospective Sectors: In recent days foreign investment in the various prospective sectors has increased phenomenally. This creates a good opportunity for all financial institutions to enter in the booming new sector.

3. Local banks inefficiency: One of the major reasons for thriving of leasing company in Bangladesh is local banks inefficiency of providing project loan. This phenomenon still persists.

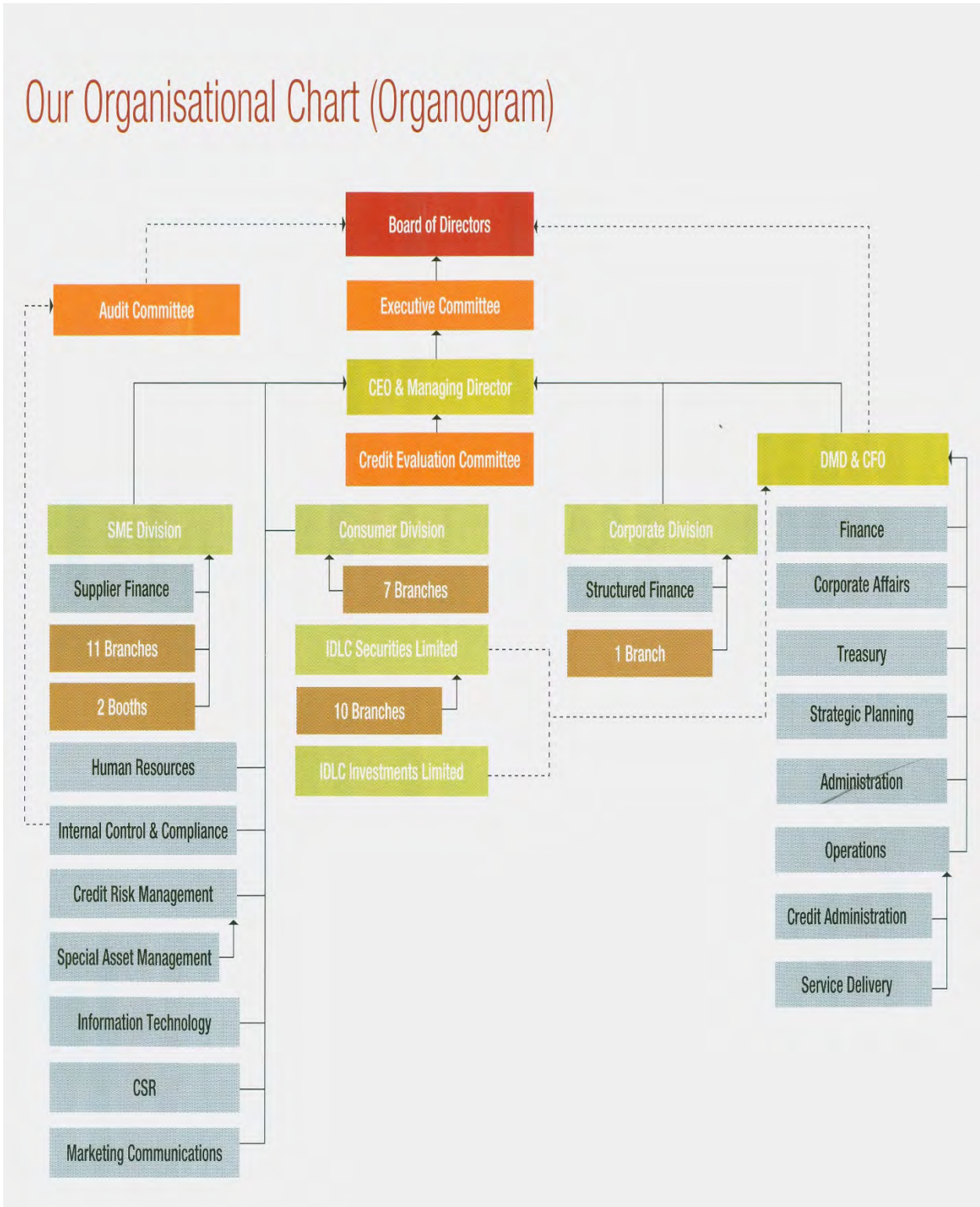
Threats

1. Threat from banks: In recent times banks are also entering into leasing business which is generally considered as functions of Non-Banking Financial Institutions.

2. Regularity control of government: The legal framework of Bangladesh is relatively weak. Lack of effective foreclosure laws and manual land recording system creates possibility of forgery and disputes. This may hinder the loan recovery from the defaulters.

2.9 Organizational Structure

Our Organisational Chart (Organogram)



2.10 Performance of IDLC at a Glance



From Stepping Stones to Milestones

23 May 1985	Incorporation of the Company
22 Feb 1986	Commencement of the leasing business
1 Oct 1990	Establishment of a branch in Chittagong, the main port city of Bangladesh
20 Mar 1993	Listed on the Dhaka Stock Exchange Limited
7 Feb 1995	Licensed as a Non-Banking Financial Institution under the Financial Institutions Act, 1993
25 Nov 1996	Listed on the Chittagong Stock Exchange Limited
27 May 1997	Commencement of home finance and short term finance operations
22 Jan 1998	Licensed as a merchant banker by the Bangladesh Securities and Exchange Commission
15 Jan 1999	Commencement of corporate finance and merchant banking operations
29 Jan 2004	Opening of the first retail focused branch at Dhanmondi
29 Jun 2004	Opening of the Gulshan Branch
22 Nov 2004	Launched investment management services, 'Cap Invest'
2 Jan 2006	Opening of the first SME-focused branch at Bogra
6 Apr 2006	Opening of the Uttara branch
1 Jul 2006	Relocation of the Company's Registered and Corporate Head Office at own premises at 57, Gulshan Avenue
18 Sep 2006	Commencement of operations of IDLC Securities Limited, a wholly-owned subsidiary of IDLC
14 Mar 2007	Launching of discretionary portfolio management services under 'Managed Cap Invest'
5 Aug 2007	Company name changed to 'IDLC Finance Limited' from 'Industrial Development Leasing Company of Bangladesh Limited'
6 Jan 2009	Opening of the Sylhet branch
26 Aug 2009	Opening of the Gazipur SME booth
3 Feb 2010	Commencement of operations at Narayanganj
24 Feb 2010	Inauguration of the Savar branch
8 Aug 2010	Inauguration of a second branch in Chittagong at Nandankanon
27 Oct 2010	IDLC entered Comilla
23 Dec 2010	IDLC inaugurated its Narsingdi branch
27 Dec 2010	Opening of the Keraniganj branch
15 Jun 2011	IDLC started operations at Mirpur
9 Aug 2011	Opening of the Tongi branch
16 Aug 2011	Commencement of operations of IDLC Investments Limited, a wholly-owned subsidiary of IDLC
18 Jan 2012	Opening of the Jessore branch
11 Mar 2012	Rebranding initiative undertaken for IDLC
8 Jun 2014	Opening of the Khulna Branch
28 Oct 2014	Opening of the Bhulta Branch
10 Nov 2014	Opening of the Natore Branch



CHAPTER #3

“Customer Relationship Management “of

IDLC Finance Limited

3.1 CRM

Customer Relationship Management (CRM) is an approach to managing a company’s interaction with current and future customers. It often involves using technology to organize, automate and synchronize sales, marketing, customer service (feedback) and technical support. Today, many businesses such as banks, insurance companies, and other service providers realize the importance of Customer Relationship Management (CRM) and its potential to help them acquire new customer, retain existing ones and maximize their lifetime value. At this point, close relationship with customers will require a strong coordination between IT and marketing departments to provide a long-term retention of selected customers. This paper deals with the role of Customer Relationship Management in banking sector and the need for Customer Relationship Management to increase customer value by using some analytical methods in CRM applications.

This project intends to analyze and investigate factors of “Customer Relationship Management” that influence the customer service quality of IDLC Finance Limited, Dhaka, Bangladesh. The main objective of this project is to identify the key factors that influence the extent to which CRM helps to improve the service quality of the IDLC Finance. It will be a causal study aimed to measure if the existence of or a change in independent variable causes or leads to a change in the Dependent variable. Moreover, the paper also tries to explain the relationship between customer relationship Management and service quality of the Bank. This study is based on primary data to understand the level of “Customer Relationship Management” that Influences service quality of IDLC Finance Ltd.

3.2 Success factors of CRM

Application Critical success factors for CRM applications are good project management, a realistic time schedule, perfect programming and not exceeding the predefined budget. Good collaboration with the consultants and between the project team is also important factors for the success of the project. During the implementation of CRM project, programming was very good, there was a perfect collaboration between all the parts involved, there were no changes an However, as the interviewees argued, since it was the first project in the field of banking and very few CRM applications exist (mainly in USA), very little experience was available. Thus, having access to best business practices is an essential factor for the success of CRM.

3.3 The Variables of the report

The independent variables constitute a number of selected variables, as identified in Literature on CRM. These variables are Sales, Marketing, Customer Service (feedback) and Technical support. In this study, each variable's influence will be assessed in an empirical investigation.



3.3.1 Sales: A **sale** is the exchange of a commodity for money or service in return for money or the action of selling something.

Sales methods

A sale can take place through.

- **Direct selling:** It is the marketing and selling of products directly to consumers away from a fixed retail location. In IDLC, they called this kind of clients are Walking client.
- **Pro forma:** It is most often used to describe a practice or document that is provided as a courtesy and/or satisfies minimum requirements, conforms to a norm or doctrine, tends to be performed perfunctorily and/or is considered a formality.
- **Request for proposal:** An invitation for suppliers, through a bidding process, to submit a proposal on a specific product or service. An RFP usually represents part of a complex sales process, also known as "enterprise sales".
- **Business-to-business:** Business-to-business ("B2B") sales are much more relationship-based owing to the lack of emotional attachment to the products in question. Industrial/professional sales involve selling from one business to another. IDLC do that also.
- **Electronic:**
 - Web – Business-to-business ("B2B") and business-to-consumer ("B2C")
- **Indirect, human-mediated but with indirect contact-no meet:**
 - Mail-order: IDLC gives the work order against the financing.
- **Sales Techniques:**
 - Selling technique-IDLC has Home Loan, Car Loan, and Personal Loan. The rates handled by the authority and there are also pro fees. Outlook is one of the important issues of selling techniques.
 - Consultative selling- IDLC follows these types of selling techniques. They give suggestions to their clients which will be better for them or which will be not suitable for them.

- Solution selling is rather than just promoting an existing product, the salesperson focuses on the customer's pain(s) and addresses the issue with his or her offerings (product and services).
- Strategic selling- IDLC follow the rules and regulations created by Bangladesh Bank.
- Transactional selling- Sometimes clients want to close their account and in cash the money. At that time IDLC send the in-cash amount to clients account.
- Sales Negotiation-It is related with fees, rate (%), term (tenor).
- Reverse Selling-Sometimes existing customers want to take loan again. IDLC gives them 2nd time loan.
- Cross-selling– In IDLC they do Cross-selling. Here, SME's product may sell Deposit section. At those moments it will be cross-selling.
- Takeover loan-IDLC can transfer the loan in any other organizations.
- Sales Habits-It is very important. Employee's well behavior creates a good impression over the clients.

3.3.2 Marketing

Marketing is about communicating the value of a product, service or brand to customers or consumers for the purpose of promoting or selling that product, service, or brand. The oldest – and perhaps simplest and most natural form of marketing – is 'word of mouth' (WOM) marketing, in which consumers convey their experiences of a product, service or brand in their day-to-day communications with others. These communications can of course be either positive or negative. In recent times, the internet has provided a platform for mass, electronic WOM marketing (e-WOM), with consumers actively engaged in rating and commenting on goods and services.

In for-profit enterprise the main purpose of marketing is to increase product sales and therefore the profits of the company. In the case of nonprofit marketing, the aim is to increase the take-up of the organization's services by its consumers or clients. Governments often employ social marketing to communicate messages with a social purpose, such as a public health or safety message, to citizens. In for-profit enterprise marketing often acts as a support for the sales team by propagating the message and information to the desired target audience.

Marketing techniques include choosing target markets through market analysis and market segmentation, as well as understanding consumer behavior and advertising a product's value to the customer.

From a societal point of view, marketing provides the link between a society's material requirements and its economic patterns of response.

Marketing satisfies these needs and wants through the development of exchange processes and the building of long-term relationships.

In IDLC, they followed some Marketing Planning; Strategies and positioning.

Marketing Planning

It is the process involves forging a plan for a firm's marketing activities. A marketing plan can also pertain to a specific product, as well as to an organization's overall marketing strategy. IDLC always set their marketing plan in current year for future years. They set up their target within the year. Like, this is 2015, so, they make their plan for 2016 by November-December'2015. When top management is devising the firm's strategic direction or mission, the intended marketing activities are incorporated. There are several levels of marketing objectives of IDLC. The senior management of IDLC would formulate a general business strategy for them. However, this general business strategy would be interpreted and implemented in different contexts throughout the organization.

Marketing strategy

The field of marketing strategy considers the total marketing environment and its impacts on a company or product or service. The emphasis is on "an in depth understanding of the market environment, particularly the competitors and customers."

IDLC Finance has Home Loan, Car Loan and Personal Loan. They focused on their product and analyze the market. Find out the position. In sales force IDLC has 150-160 employees. They collect their information by taking feedbacks from Shareholders, stakeholders, Clients etc. Banks normally does not give maximum loan for Car. But, IDLC give that a marketing strategy differs

from a marketing tactic in that a strategy looks at the longer term view of the products, goods, or services being marketed. A tactic refers to a shorter term view. Therefore, the mailing of a postcard or sales letter would be a tactic, but changing marketing channels of distribution, changing the pricing, or promotional elements used would be considered a strategic change.

A marketing strategy of IDLC considers the resources it has, or is required to allocate in effort to achieve an objective. Their marketing strategies include the process and planning in which they may be expected to achieve their company goals, in which usually involves an effort to increase revenues or assets, through a series of milestones or benchmarks of business and promotional activities.

Positioning

The marketing activity and process of IDLC is to identifying a market problem or opportunity, and developing a solution based on market research, segmentation and supporting data. Here, the Home loan is in the first position, then Car Loan and finally personal Loan. IDLC has carried out an objective to achieve their goals, such as increasing sales volume, brand recognition, or reach in advertising.

3.3.3 Customer Service

A **customer** (sometimes known as a **client**, **buyer**, or **purchaser**) is the recipient of a good, service, product, or idea, obtained from a seller, vendor, or supplier for a monetary or other valuable consideration. Customers are generally categorized into two types:

- An **intermediate customer** or **trade customer** (more informally: "the trade") who is a dealer that purchases goods for re-sale.
- An **ultimate customer** who does not re-sell the products but either passes them to the consumer or actually is the consumer.

Customer service is the provision of service to customers before, during and after a purchase. Accordingly, it may vary by product, service, industry and individual customer. The perception of success of such interactions is dependent on employees "who can adjust themselves to the personality of the guest". Customer service is also often referred to describe the *culture of the organization*. It concerns the priority of an organization that assigns to customer service, relative to components such as product innovation and pricing. In IDLC, they always value their

customers. In this sense, they value good customer service which spend more money in training employees than the average organization, or proactively interview customers for feedback.

From the point of view of an overall sales process engineering effort, customer service plays an important role in an organization's ability to generate income and revenue. From that perspective, customer service should be included as part of an overall approach to systematic improvement. One good customer service experience can change the entire perception a customer holds towards the organization.

IDLC has both External and Internal customers

- An **external customer** is someone who uses company's products or services but is not part of the organization.
- An **internal customer** is a customer who is directly connected to an organization, and is usually (but not necessarily) internal to the organization. Internal customers are usually stakeholders, employees, or shareholders, but the definition also encompasses creditors and external regulators.

Customer Feedback

Recently, many organizations have implemented feedback loops that allow them to capture feedback at the point of experience.

3.3.4 Technical support

Technical support (often shortened to **tech support**) refers to a plethora of services by which enterprises provide assistance to users of technology products such as mobile phones, televisions, computers, software products or other electronic or mechanical goods. In general, technical support services attempt to help the user solve specific problems with a product rather than providing training, customization, or other support services. Most companies offer technical support for the products they sell, either freely available or for a fee. Technical support may be delivered over by e-mail, live support software on a website, or a tool where users can log a call or incident. Larger organizations frequently have internal technical support available to their staff for computer-related problems. The Internet can also be a good source for freely available tech

support, where experienced users. In addition, some fee-based service companies charge for premium technical support services.

Operating financial software:

IDLC finance Ltd use FLEXCUBE software for keeping record of their client. This is called the final step of loan Approval. At the end of loan Approval with loan amount and all other activities, before disbursement LOM software input is mandatory. After taking all final decision and approval, Credit Analyst provides input based on previous decision. Oracle FLEXCUBE, banks can easily address customer needs, empowering knowledge workers, and providing most important information technology related information. With its latest functionality, Business process management capability, and service-oriented architecture, Oracle FLEXCUBE transforms the way financial products are created and serviced. The reintegrated solution delivers a powerful combination of business applications and technology, built on universal standards.

This software has lots of benefits and in the same time it has also some limitations. The benefits are

- Credit analyst can communicate directly with customers, credit administration and concern parties, helping disseminate and explain strategies. Collateral, credit limit and most other final decision proved contains in **FLEXCUBE** software.
- . The power of these feedback loops can generate big benefits for the organization.
- They boost your search engine rankings if you add fresh content on a regular basis. Google and other search engines rewards sites that are updated often, that link to other sites and most importantly, that has many inbound links.
- Make real-time decisions and rapidly adopt new product and services to meet changing market demand.
- Secure client data and reduce operational risk at every level while meeting analytic and reporting requirements.

The disadvantage of this software is as follows

- This is universal software so it has limited customization option because of security and other requirements. So this software is not totally flexible operation.
- In our country only few bank and financial Institution uses this software. All information kept in the server as result of slow work procedure.

In the operation process of IDLC's FLEXCUBE software, there are 4 steps.

Loan Origination Module (LOM): The first step is known as LOM input. In this step interest rate, Loan amount are given. The most important steps is explained below:

This step provides only three information loan approved amount, interest rate and loan term. Collateral input is one of the most important tasks of LOM step. Collateral can be much type normally 3 types. For home loan mortgaged house is first collateral and for the car loan the car itself is first is the first collateral. For both home & Car loan personal guarantor is another type of collateral. Each three of collateral required to provide unique id which is known as collateral id. Collateral id usually CIF + 001, 2. For example if CIF is 201542 then first collateral id will be 201542001 and second will be 20154200. Under Schedule, duration is another important issue of this step. Duration provides installments dates based on loan term. Normally after expected disbursement date installment date begins. But in the construction home loan case moratorium term is required to consider. So in that case after moratorium period installment starts.

After finishing all tasks the finally save have to click. If all the inputs given correctly, it will be saved otherwise all input need to provide again. This first part is considered as most difficult part of this software only because lengthy and if any options are mistakenly imputed, it will not get save. It results total procedures need to work again.

Liability

Liability Number: Usually CIF number

Liability Name : Client Name

Main Liability No: CIF need to input again to confirm

Liability Branch : The branch of this client's file need to select

Overall Limit : The approved loan amount need to input again.

Note: There is also some other steps but for cost affectivity those are relaxed.

Picture: LOM (First Step of FLUXCUBE)

Retail Loan Underwriting Stage

Application Category: CONSDV_HL
Product Code: 3075
Lead Id: []
Enquiry ID: []
Priority: Low

Application Number: RetailLending17650
User Reference: BS/B
Date: 2013-11-10
Purpose: Purchase Apartment

Branch Code: 104
Channel: []
Intermediary Code: []
Status: Underwriting
Offline Application Number: []

Customer | Details | Financials | Requested | **Collaterals** | Credit Score | Bureau | LMC Eligibility Ratio | Loan | Schedule | Charges | Fields | Investigation | Check List | Comments

Collateral Details

1 of 1

Collateral Id: []
Collateral Description: []
Collateral Currency: []
Collateral Value: []

Start Date: []
End Date: []
Collateral Category: []
Collateral Type: Normal

Haircut: []
Revision Date: []
Charge Type: []
Revaluation Date: []
 Revalue Collateral

Market Value Based

Security Id: []
Units / Nominal Value: []
Cap Amount: []

Guarantor Based

Guarantor Id: []
Rating: []

Vehicle Details

Identification Number: []
Year: []
Make: []

Model: []
Body: []
Usage: []

Valuation Source: None
Valuation Status: Completed
Evaluate

Documents | Trade In

Prev Remarks | Remarks: [] | Audit | Outcome: [] | Exit

Like before, after finishing all tasks the finally save have to click. If all the inputs given correctly, it will be saved otherwise all input need to provide again.

Liability Linkage: Like second step in this third step is required to take approval of second step (Liability). There are only five assistant managers and manager have the authority of approval. After approval second step is allowed to starts.

If the client is new then liability linkage is very easy. Only the Client name, CIF.Loan amount need to input again. But for the existing client new loan amount need to be added with the previous amount.

Facility: This final step of this software. But for this step LOM & Liability approval is enough. Facility is required to input only one time for the client. For the existing client this step is not needed.



CHAPTER #4

Recommendations

By analyzing the whole report, there are some recommendations that I would like to express and these can improve the activities of CRM more precisely. The suggestions are stated below:

- ✓ The cloud based marketing should be more effective and should be more précised to capture and provide better services to the customer (e.g. Facebook, Twitter, Linked in etc).
- ✓ The after sales services could be more polished. So the existing customers can be happy with our engagements.
- ✓ We have to make sure that potential customers have to feel homely with our service, which will help us to bind them in proper relationships and use them with attracting more customers.
- ✓ All of the employees should have proper and regular training. So, they never be distracted of the structured Customer Relationship Management. That way both employees and customers are satisfied.
- ✓ They have to make their employees happy and as they need their customers to be happy. So, they have to ensure the employee benefits to be flawless.



CHAPTER #5

Conclusion

From the practical implementation of customer dealing procedure during the whole period of my practical orientation in IDLC Finance Limited. I have reached a firm and concrete conclusion in a very confident way. For introducing new multitude of diverse financial products and services in 2007 the company changed its name to IDLC Finance Ltd. IDLC Finance Limited seems to have acceptable level of satisfaction with its customers. Communications, interpersonal relationship, and efficiency of financial institutions seem important since all this have moderate relationship with service quality. To improve the all three CRM factors Communication, interpersonal relationship and Efficiency IDLC should arrange Employee Training so that Employee can improve themselves in those three CRM factors.

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