EXECUTIVE SUMMARY

Today's customers are becoming harder to please. They are smatter, more price conscious, more demanding, less forgiving, and they are approached by many more competitors with equal or better offer. The challenge is not to produce satisfied customers; several competitors can do this. The challenge is to produce delighted and loyal customers.

Unfortunately, most marketing theory and practice centers on the art of attracting new customers rather than on retaining and cultivating existing ones. The emphasis traditionally has been on making sales rather than building relationships; on preselling and selling rather than caring for the customer afterward. A company would be wise to measure customer satisfaction regularly, because the key to customer retention is customer satisfaction.

A highly satisfied customer stays loyal longer, buys more as the company introduces new products and upgrades existing products, talks favorably about the company and its products, pays less attention to competing brands and is less sensitive to price, offers product or service ideas to the company, and costs less to serve than new customers because transactions are routine.

With the purpose to study the importance of retaining a customer, and to reduce the rate of loosing customers and increase loyalty of the customers

towards Zepter international, this topic was selected as a project for study, after discussing with the guide.

To carry out the study in an effective manner, systems of working of Customer relationship management department in Zepter international was first studied in detail along with tools used to attract the customers and discussed with the customer relation manager.

Accordingly, a suitable questionnaire was designed. After preparing Questionnaire, the real job of study started. The respondents were personally visited and discussed about their opinion with respective questionnaire by the undersigned and the response was noted.

Based on their response, data was generated and analyzed with the help of Bar charts, Pie Charts, Line charts etc.

After detailed analysis, findings of the study were made and finally Suggestions and conclusions were made which is briefed in section "Suggestions and Conclusions"

INTRODUCTION

MARKETING

"Marketing consist of those efforts which effects transferring ownership of goods and come from their physical distribution".

Objectives of all economic activities are the satisfaction of human wants. We use goods not is provide market to the producers but to satisfy our wants. As there is wants of goods, producers undertake production and merchants establish shops to sell it.

Objective of all business is to get consumer, the good they want to achieve this, manufacturers undertake production of the goods, but they will fail to achieve the objective unless arrangements are made to see that the goods so produced to reach those consumers who want them at a time when they meet them. Marketing helps in doing so. Thus marketing makes goods useful to the society by getting where they are wanted when they are wanted and by transferring them to those people who want them. It is in this since that marketing has been defined as "all the activities involved in the creation of space, time and possession utility". Marketing is thus concern with "Handling and transportation of goods from one point of production to the point of consumptions". In this journey of the goods from the manufacturer to ultimate consumer several efforts, have to be taken and difficulties removed.

"The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives." From this definition, we see that:

- Marketing involves an ongoing process. The environment is "dynamic." This means that the market tends to change what customers want today is not necessarily what they want tomorrow.

This process involves both planning and implementing (executing) the plan.

- Some of the main issues involved include:
    - Marketers help design products, finding out what customers want and what can practically be made available given technology and price constraints.
    - Marketers distribute products—there must be some efficient way to get the products from the factory to the end-consumer.

- Marketers also promote products, and this is perhaps what we tend to think of first when we think of marketing. Promotion involves advertising—and much more. Other tools to promote products include trade promotion (store sales, coupons, and rebates), obtaining favorable and visible shelf-space, and obtaining favorable press coverage.
- Marketers also price products to “move” them. We know from economics that, in most cases, sales correlate negatively with price—the higher the price, the lower the quantity demanded. In some cases, however, price may provide the customer with a “signal” of quality. Thus, the marketer needs to price the product to (1) maximize profit and (2) communicate a desired image of the product.

MARKETING STRATEGY

In today's competitive marketplace a strategy that insures a consistent approach to offering your product or service in a way that will outsell the competition is critical. However, in concert with defining the marketing strategy you must also have a well defined methodology for the day to day process of implementing it. It is of little value to have a strategy if you lack either the resources or the expertise to implement it.

In the process of creating a marketing strategy you must consider many factors. Of those many factors, some are more important than others. Because each strategy must address some unique considerations, it is not reasonable to identify 'every' important factor at a generic level. However, many are common to all marketing strategies. Some of the more critical are described below.

You begin the creation of your strategy by deciding what the overall objective of your enterprise should be. In general this falls into one of four categories:

If the market is very attractive and your enterprise is one of the strongest in the industry you will want to invest your best resources in support of your offering.

If the market is very attractive but your enterprise is one of the weaker ones in the industry you must concentrate on strengthening the enterprise, using your offering as a stepping stone toward this objective.

If the market is not especially attractive, but your enterprise is one of the strongest in the industry then an effective marketing and sales effort for your offering will be good for generating near term profits.

- If the market is not especially attractive and your enterprise is one of the weaker ones in the industry you should promote this offering only if it supports a more profitable part of your business (for instance, if this segment completes a product line range) or if it absorbs some of the overhead costs of a more profitable segment. Otherwise, you should determine the most cost effective way to divest your enterprise of this offering.

Having selected the direction most beneficial for the overall interests of the enterprise, the next step is to choose a strategy for the offering that will be most effective in the market. This means choosing one of the following 'generic' strategies (first described by Michael Porter in his work, Competitive Advantage).

A COST LEADERSHIP STRATEGY is based on the concept that you can produce and market a good quality product or service at a lower cost than your competitors. These low costs should translate to profit margins that are higher than the industry average. Some of the conditions that should exist to support a cost leadership strategy include an on-going availability of operating capital, good process engineering skills, and close management of labor, products designed for ease of manufacturing and low cost distribution.

A DIFFERENTIATION STRATEGY is one of creating a product or service that is perceived as being unique "throughout the industry". The emphasis can be on brand image, proprietary technology, special features, superior service, a strong distributor network or other aspects that might be specific to your industry. This uniqueness should also translate to profit margins that are higher than the industry average. In addition, some of the conditions that should exist to support a differentiation strategy include strong marketing abilities, effective product engineering, creative personnel, the ability to perform basic research and a good reputation.

A FOCUS STRATEGY may be the most sophisticated of the generic strategies, in that it is a more 'intense' form of either the cost leadership or differentiation strategy. It is designed to address a "focused" segment of the marketplace, product form or cost management process and is usually employed when it isn't appropriate to attempt an 'across the board' application of cost leadership or differentiation. It is based on the concept of serving a particular target in such an exceptional manner, those others cannot compete. Usually this means addressing a substantially smaller market segment than others in the industry, but because of minimal competition, profit margins can be very high.

Pricing

Having defined the overall offering objective and selecting the generic strategy you must then decide on a variety of closely related operational strategies. One of these is how you will price the offering. A pricing strategy is mostly influenced by your requirement for net income and your objectives for long term market control. There are three basic strategies you can consider.

SKIMMING STRATEGY

If your offering has enough differentiation to justify a high price and you desire quick cash and have minimal desires for significant market penetration and control, then you set your prices very high.

<u>MARKET PENETRATION STRATEGY</u>

If near term income is not so critical and rapid market penetration for eventual market control is desired, then you set your prices very low.

<u>COMPARABLE PRICING STRATEGY</u>

If you are not the market leader in your industry then the leaders will most likely have created a 'price expectation' in the minds of the marketplace. In this case you can price your offering comparably to those of your competitors.

<u>Direct Marketing:</u>

Direct marketing is the use of consumer-direct channels to reach and deliver goods and service to customers without using marketing middleman. These channels include direct male, catalogs, telemarketing, interactive TV, kiosk, websites and mobile devices. Direct marketing is one of the fastest growing avenues for serving customers.

Direct marketers seek a measurable response typically a customer order. This is sometimes called "direct order marketing". Today, many direct marketers use direct marketing to build a long term relationship with the customer.

The growth of direct marketing:

Sales produce through traditional direct marketing channels (catalogs, direct mail and tele marketing) have been growing rapidly. The extraordinary growth of direct marketing is the result of many factors.

Attracting Customers:

Today's customers are becoming harder to please. They are smatter, more price conscious, more demanding, less forgiving, and they are approached by many more competitors with equal or better offer. The challenge is not to produce satisfied customers; several competitors can do this. The challenge is to produce delighted and loyal customers.

Companies seeking to expand their profits and sales have to spend considerable time and resources searching for new customers. To generate leads, the company develops ads and places them in media that will reach new prospects; it sends direct mail and makes phone calls to possible new prospects; its sales people participate in trade shows where they might find new leads; and so on. All this activity produces a list of suspects. The next task is to identify which suspects really good prospects, by interviewing them, checking on their financial standing, and so on. Then it is time to send out the salespeople.

<u>Computing the cost of lost customer:</u>

It is not enough to be skillful in attracting new customers; the company must keep them and increase their business. Too many companies suffer from high **customer churn-** namely high customer defection.

The company needs to estimate how much profit it looses when it loses customers. In the case of an individual customer, the lost profit is equal to the **customer's life time value** (CLV)—that is, the present value of the

profit stream that the company would have realized if the customer had not defected prematurely.

The need for customer retention:

Unfortunately, most marketing theory and practice centers on the art of attracting new customers rather than on retaining and cultivating existing ones. The emphasis traditionally has been on making sales rather than building relationships; on preselling and selling rather than caring for the customer afterward. A company would be wise to measure customer satisfaction regularly, because the key to customer retention is customer satisfaction.

A highly satisfied customer stays loyal longer, buys more as the company introduces new products and upgrades existing products, talks favorably about the company and its products, pays less attention to competing brands and is less sensitive to price, offers product or service ideas to the company, and costs less to serve than new customers because transactions are routine.

Some companies think they are getting a sense of customer satisfaction by tallying customer complaints, but 96% of the dissatisfied customers don't complain; many just stop buying. The best thing a company can do is to make it easy for the customer to complain. Suggestion forms and toll-free numbers and e-mail addresses serve this purpose.

Listening to the complaints is not enough, the company must respond quickly and constructively to the complaints.

Of the customers who register a complaint, between 54 and 70% will do business again with the organization if their complaint is resolved. The figure goes up to staggering 95% if the customer feels that the complaint was resolved quickly. Customers who have complained to an organization and had their complaints satisfactorily resolved tell an average of five people about the good treatment they received.

What is a customer?

A customer is the most important person.

A customer is not an interruption of our work… he is the purpose of it. We are not doing a favor by serving him… he is doing us a favor by giving us the opportunity to do so.

A customer is not someone to argue or match wits with. Nobody ever won an argument with a customer.

Today, more companies are recognizing the importance of satisfying and retaining customers. Satisfied customers constitute the company's relationship capital. If the company were to be sold, the acquiring company would have to pay not only for the plant and equipment and the brand name, but also for the delivered customer base, namely, the number and value of the customer who would do business with the new firm. Here are some interesting facts bearing on customer retention.

Acquiring new customers can cost five times more than the costs involved in satisfying and retaining current customers. It acquires a great deal of effort to induce satisfied customers to switch away from their current suppliers.

A 5% reduction in the customer defection rate can increase profits by 25% to 85%, depending on the industry.
The customer profit rate tends to increase over the life of the retained customer.

<u>Measuring customer life time value</u>

The case for increasing the customer retention rate is captured in the concept of customer lifetime value (CLV). **Customer lifetime value (CLV)** described the present value of the stream of future profits expected over the customer's lifetime purchases. The company must subtract from the expected revenues the expected costs of attracting, selling, and servicing that customer. Various estimates have been made for different products and services.
Of course, a company needs, in addition to an average customer estimate, a way of estimating CLV for each individual customer. This is because the company must decide on how to invest in each customer.

Customer lifetime value has intuitive appeal as a marketing metric, because in theory it allows companies to know exactly how much each customer is worth in dollar terms and therefore exactly how much a marketing department should be willing to spend to acquire each customer. In reality, it is often difficult to make such calculations due to the complexity of the calculations, lack of reliable input data, or both.

The specific calculation depends on the nature of the customer relationship. For example, companies with a monthly billing cycle, such as mobile phone operators, can count on a reasonably reliable stream of recurring revenue from each customer. Car manufacturers, on the other hand, have less insight into when or whether a customer will make a repeat purchase. Nevertheless, certain data inputs are commonly used when making customer lifetime value calculations:

Acquisition cost: The amount of money a marketing department has to spend, on average, to acquire a single new customer.
Churn rate: The percentage of customers who end their relationship with a company in a given time period. Churn rate typically applies to subscription services, such as long-distance phone service or magazines.
Discount rate: The cost of capital used to discount future revenue from a customer. Discounting is an advanced topic that is frequently ignored in customer lifetime value calculations. The current interest rate is sometimes used as a simple (but incorrect) proxy for discount rate.

Retention cost: The amount of money a company has to spend in a given time period to retain an existing customer. Retention costs include customer support, billing, promotional incentives, etc.
Time period: The unit of time into which a customer relationship is divided for analysis. A year is the most commonly used time period. Customer

lifetime value is a multiperiod calculation, usually stretching 3-7 years into the future. In practice, analysis beyond this point is viewed as too speculative to be reliable.

Periodic Revenue: The amount of revenue collected from a customer in the time period.

Profit Margin: Profit as a percentage of revenue. Depending on circumstances this may be reflected as a percentage of gross or net profit. For incremental marketing that does not incur any incremental overhead that would be allocated against profit, gross profit margins are acceptable.

Lifetime customer value (LCV), or lifetime value (LTV) is a metric that projects the value of a customer over the entire history of that customer's relationship with a company. Use of customer lifetime value as a marketing metric tends to place greater emphasis on customer service and long-term customer satisfaction, rather than on maximizing short-term sales.

Customer relationship management (CRM): the key

The aim of customer relationship management (CRM) is to provide high customer equity. Customer equity is the total of the discounted life time values of all the firm’s customers.

Clearly, the more loyal the customers, the higher the customer equity.

Most research in the field of customer relationship management has focused on keeping existing customers. However, some companies also systematically address lost customers and try to revive these relationships. This facet of customer relationship management has been largely neglected by academic research.

Rust, Zeithml, and Lemon distinguish three drivers of customer equity: Value equity, brand equity, relationship equity.

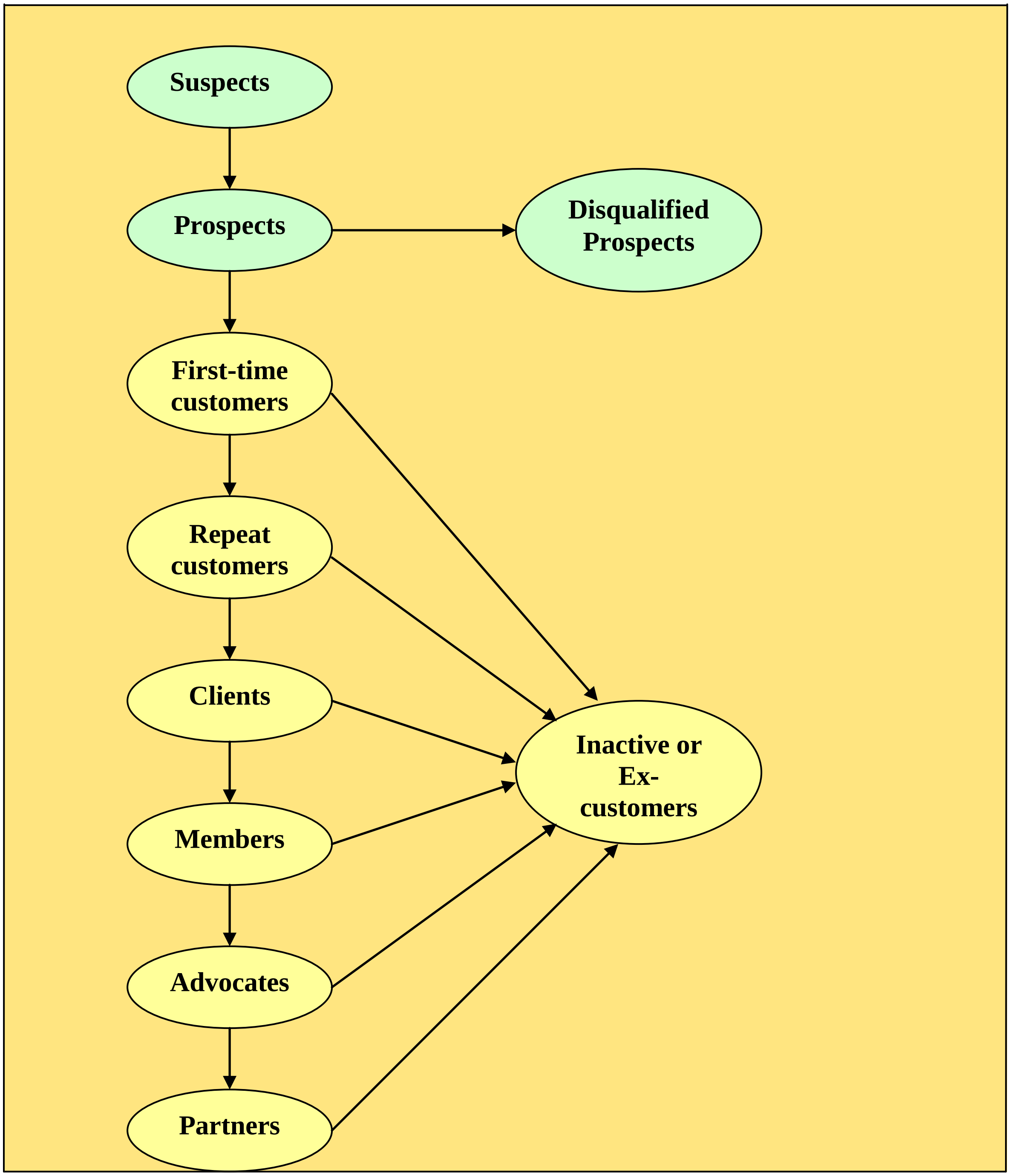
Value equity is the customer's objective assessment of the utility of the offering based on perceptions of its benefits relative to its costs. The sub drivers of value equity are quality, price and convenience. Each industry has to define the specific factors underlying each sub driver in order to find programs to improve value equity.

Brand equity is the customer's subjective and intangible assessment of the brand, above and beyond its objectively perceived value. The sub drivers of brand equity are customer brand awareness, customer attitude towards the brand, and customer perception of brand ethics. Companies use advertising, public relations, and other communication tools to affect these sub drivers. Brand equity is more important than the other drivers of customer equity where products are less differentiated and have more emotional impact.

Relationship equity is the customer's tendency to stick with the brand, above and beyond objective and subjective assessments of its worth. Sub drivers of relationship equity include loyalty programs, special recognition and treatment programs, community building programs, and knowledge-building programs. Relationship equity is especially important where personal relationship count for a lot where customers tend to continue with suppliers out of habit or inertia.

The figure below shows the main steps in the process of attracting and keeping customers. The starting point is everyone who might conceivably buy the product or service (suspects). From these the company determines the most likely prospects, which it hopes to convert into first time customers, and then into repeat customers, and then into clients-people whom the company treats very specially and knowledgeably. The next challenge is to turn clients into members by starting a membership program that offers benefits to customers who join, and then into advocates, customers who enthusiastically recommend the company and its products and services to others. The ultimate challenge is to turn advocates into partners.

Some customers inevitably become inactive or drop out. The challenge is to reactivate dissatisfied customers through win-back strategies. It is often easier to reattract ex-customers (because the company know their names and histories) than to find new ones. The key is to analyze the cause of defection through exit interviews and lost customer surveys. The aim is to win back only those customers who have strong profit potential.



<u>The Customer-Development Process</u>

RESEARCH DESIGN

STATEMENT OF THE PROBLEM

"LOST CUSTOMER ANALYSIS"

In general the statement of the problem refers to identify reasons for customer defections.

Lost customer analysis is a systematic method of discovering why customers did not buy. Knowing why customers did not buy is critical in preventing future lost orders and maintaining a solid customer base. Lost Order Analysis highlights what changes in products or services are needed to gain and retain customers. Lost order analysis is specific information on pricing, service, competitor strategies and even market trends to help you gain competitive advantage.

OBJECTIVE OF THE STUDY

PRIMARY OBJECTIVE

- To serve customers instead of replacing them.
- To determine ways to develop a strong loyal customer base.

SECONDARY OBJECTIVE

- To determine why customers buy from competitors.
- To indicate changes that makes the company more competitive.
- To identify what types of products have the highest hit rate and determine why.

- To help create an ongoing dialogue with the "lost" customers to ensure to know the reasons orders are lost and can then make appropriate adjustments to retain more customers.

SCOPE OF THE STUDY

The study aims to cover the spectrum of understanding of how customer behave what factors influence their choice is clearly of vital importance to marketing success.
Environmental factors such as globalization, governmental policies & organizational policies, technology, competition, which have significant impact on the sales, will also be considered.
The area of the study is Bangalore, Chennai, and Hyderabad, to account briefly the implications of losing a loyal customer.

HYPOTHESIS OF THE STUDY

Manage strong customer diversity to co create personalized experience with customers.

SAMPLING

SAMPLE DESIGN:

The Fundamental concept of sampling given by Crisp is:

"If a small number of items or parts called a sample are chosen at random from a large number of items or a whole (called a universe or population) the sample will tend to have the same characteristics & to have them in approximately the same proportion as the universe".

It is impractical or even impossible always to take complete census. The reasons involve considerations of cost, time, accuracy and destructive nature of the measurement. It is advisable to take sampling procedure.

The sampling procedure can be presented as follows:

1. Defining the Population
2. Specify the Sampling frame
3. Specifying Sampling Unit
4. Selection of Sampling Method
5. Determination of the Sample Size
6. Specify Sampling Plan
7. Select the Sample

DEFINITION OF THE POPULATION:

It is the agreement of all the elements defined prior to selection of the sample. It is necessary to define population in terms of (1) elements (II) sampling unit (III) extent (IV) time.

1. Elements: Lost customers.
2. Sample Unit: It is 80 by Random Sampling Method.
3. Extent: Bangalore City, Hyderabad and Chennai.
4. Time: March-May 2007

SAMPLE SIZE:

It means, one has to decide how many elements of the target population are to be chosen. Sample size should be determined, keeping in mind the objectives of the research study.

Sample size should not be too large or too small. It should be a reasonable percentage of the total population. Size selected thus, should be adequate so that it may be taken as a representative sample of the population.

In my study, the sample size was determined as 80.

SAMPLING TECHNIQUE ADOPTED:

Sampling is a systematic approach of selecting a few elements from an entire collection of population. In my research study, a pre-Requisite for doing sampling is that there should be complete knowledge about all the samplings units.

Since this was not so, non-probability sampling was used. A judicious mix of convenience sampling & judgments sampling was done to get a representation of dealers of different brands.

Non-Probability Sampling

This sampling does not provide a chance of selection to each population element. The merits of this sampling are simplicity, convenience & low cost.

Convenience Sampling

It means selecting sample units. In this method 100 respondents were selected for the sample size. It is the cheapest & simplest method of sampling, also means whatever sampling units are conveniently available.

Judgment Sampling

This method means deliberate selection of sample units. It involves selection of cases we judge as the most important ones for the study. It is the cheap & more convenient.

The present study aims to identify the sample universe & sample units from different branches located in the nation.

The study proposes to take up four branches located in the nation as sample units that are 20 from each branch.

The bases of sample will be the branches having minimum of 150-workforce strength.

In each of the proposed sample units 10 executives & 10 non executives will be considered to know that how training act as motivator, implementation of training on the job, effectiveness & output of the employees to achieve the organizational goals & other management practices at workplace.

METHODOLOGY

PRIMARY DATA

To elicit the primary data of the proposed study, questionnaires with structured & unstructured questions for executives & non-executives category shall be separately administered.
Further, personal interview of respondents to corroborate the factual information will be taken care of along with personal interview or telephonic interview.

SECCONDARY DATA

To elicit the secondary data past records of the prospective customers who did not close the sale (buy the product) was used.

PLAN OF ANALYSIS

ANALYSIS AND INTERPRETATION

A research method used t determine the reasons an individual customer or a class of customer has withdrawn its business, whether by switching to a competing firm or by ceasing to use a given product or service entirely. Such analysis usually includes surveys of "lost customer & is used to improve performance by identifying & neutralizing sources of potential or actual customer dissatisfaction".
Parametric techniques such as percentages, wherever possible to make presentation effective tables, charts, diagrams & graphs will be used.

LIMITATIONS OF THE STUDY

The proposed study conceives some limitation:

- The outcome of the study depends entirely on the factual information provided by the respondents.

- Time & cost constraints.
- Study may become obsolete in course of time due to innovation in technology.
- Limited numbers of respondents were used for the study in research.

COMPANY PROFILE

Zepter International produces, sells & distributes exclusive high-quality consumer goods around the world principally by the way of direct sales via sales force of over 100,000 consultants & also through retail outlet.
The pioneer of Zepter International is Mr. Philip Zepter, which was established in 1986 in Austria, headquartered in Switzerland.

Since its inception, Zepter has striven to enhance the lifestyles around the world and to become an essential part of everyday living. Today Zepter is in more than 54 countries in 5 continents across the world and has more than 5 corers satisfied customers.

Awards won:

Zepter International is 4 times winner f the Golden Mercury Award for 'Advanced Technology and New and original products'

Zepter is a recipient of much international recognition for health, home art, quality and standards.

The sign of cholesterol prophylaxis honor given to Zepter cookware for fighting against cholesterol awarded by Poland.

Won a Gold medal for quality in Yugoslavia at international fair "Nature and Man" (Ecology).

All Zepter products share the same high-quality standards and workmanship. Zepter's products are manufactured in Zepter's 7 factories in Germany, Italy and Switzerland using the latest technologies to produce items of exceptional quality.

Although Zepter has concentrated on demonstrating its products on a personal level by way of direct sales, zepter also has many shops and pavilions located on the finest venues of major cities such as Athens, Barcelona, Belgrade, Budapest, Chicago, Monte Carlo, Moscow, Munich, Paris, Prague, Vancouver, Warsaw, Zagreb….

The wide range of Zepter products and services extends from:

Medical products:

World wide patented devices to heal and beautify, for a new frontier in the health and beauty fields. The following are the medical products:

- Bioptron,
- Therapy Air and
- Vital system.

Cosmetics products:

Scientifically-advanced Swiss cosmetic and make-up lines based on active ingredients with beautifying and healing properties to prevent and repair ageing signs in the name of health and beauty.
The following are different cosmetics:

- La Danza,
- Swisso Logical and
- Swiss Nature.

Luxury Accessories:

Philip Zepter exclusive accessories, Zepter time pieces and Zepter jewellery.

Home art products

The unique, worldwide patented system for healthy and preparation, as well as for safe food preservation and elegant serving.
“Let your food be your remedy, and let your remedy be your food”
Zepter Home Art programme combines wise vision of the past with the technology of future preserving food’s nutritional value.

Masterpiece collection, vacsy and mixsy.

Home care products:

Revolutionary home appliances for fast cleaning, Ecological disinfection and purifying, designed to clean and keep healthy and safe places at home. Cleansy and Spytel.

Zepter's Mission:

Zepter's success is not only attributed to its innovative product, but also to its motivated sales force, which believes in the products and inspires enthusiasm among its customers.

Over 50,000,000 people year participate in one of Zepter's presentations. Mean while, over 500,000,000 products have been sold.

Zepter takes pride in its network of highly trained sales representatives, managers and consultants who are very familiar with the products and highly capable of serving their clients. Zepter is constantly seeking to expand into new markets and to improve and develop its products with hundreds of

professionals of various profiles and resources in order to continue to satisfy and service its costumers.

Zepter boosts more than 250,000 meter sq of business space and more than 500 distribution centers all over the world. Over 56,000,000 satisfied users of Zepter products.

Zepter Mission of Health:

"Striving for a longer, healthier and happier life"

Inspired by a brilliant idea of our founder Mr. Philip Zepter, and his vision, hundreds of thousands of employees all over the world are working every day to:

- Protect your health and the health of the one's you love.
- Make you happier and give you more free time.
- Significantly improve the standard of your life and your income in other words…

Improve the quality of your life:

Zepter mission of health provides

- More healthy and happy days for you and your family
- Less health problems.
- Less medicines and doctor's visits
- More quality workdays for healthy environment around you to protect you from outdoor polluting agents.
- Considerable time and money saving.

At Zepter we believe that only an educated consumer will make the right choices in purchasing appropriate products that will impact on his health. Zepter's products act as a bridge between mankind and nature.
With the help of this bridge, we can return to a life of natural, healthy living.

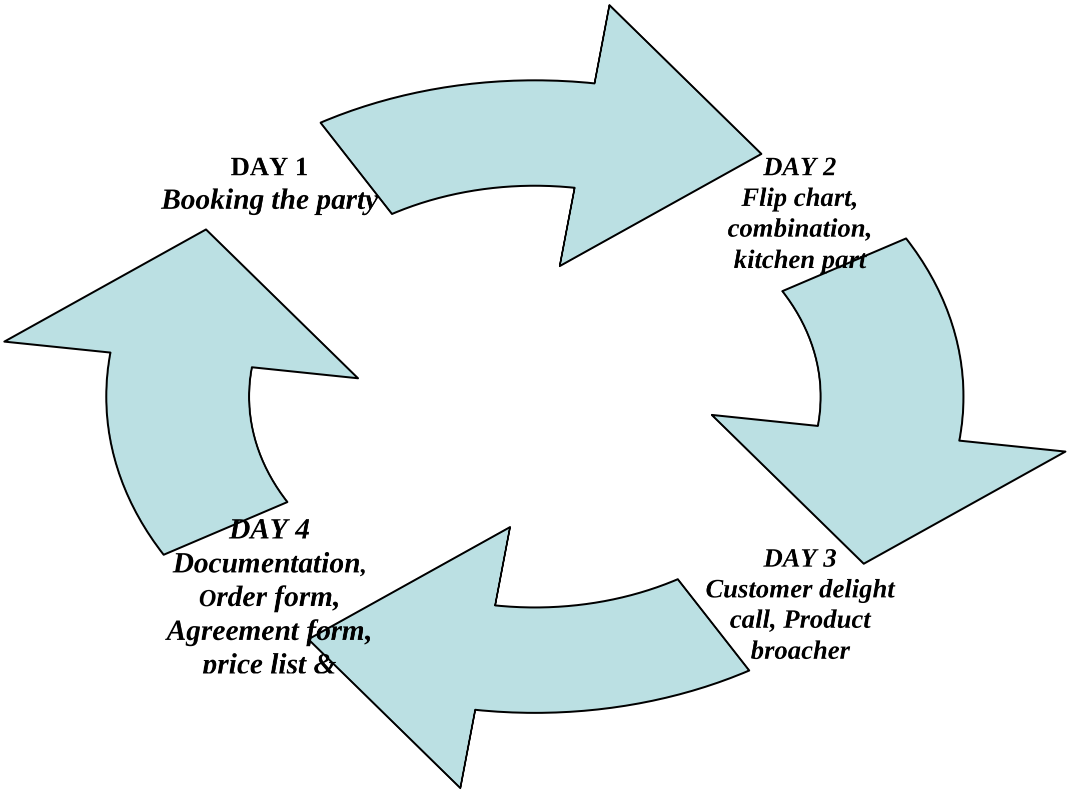
"Business Opportunity Meeting" at Zepter International

Business opportunity meeting is the meeting given to the prospective sales consultants. This meeting is a bird's eye view of the business opportunity in Zepter international. Time duration of BOM is two & half hours in which the entire business plan of Zepter is briefed up. The content of BOM is as follows

- Evolution of Zepter
- Pioneer of Zepter International
- Introduction of the Products
- Detailed study of master piece, Cookware and Vacsy.
- Cook ware combinations- multi cooking system
- Presentation skills
- Plan of direct sales and its advantages of earning money
- Three tables showing plan of earning money
- Recruitment of sales consultants to increase the team for higher performance.

Training process in Zepter International

This training process is called as the four days advance training



Training process at Zepter International

Day 1: Booking the party

Training on how to take an appointment with the prospective customer. How to book the party, either through telephone or personal approach. Number of couples to present on the day of presentation, asking for the timings of presentation, menu for cooking that is veg or non-veg.

Day 2 Flip chart, combination and kitchen part

A content of flip chart is explained in detail during the training. how to read the flip chart & how to convey the health benefits of the cookware, characteristics of cookware, i.e., cooking without oil & water, saving time and energy.

Combinations

Multi cooking system is explained with different combinations

Kitchen part live

Cooking both Veg & Non-veg.
Vegetables are cooked with out water so as to retain the vitamin content in it and also the taste & color.
Non-veg Chicken is cooked with out oil. The cook ware is preheated and then the chicken is pasteurized & it is cooked with in two minutes.

Day 3 Customer delight call/ sales call

Suggesting the suitable set to the customer, the following are the different sets single set, family set, maharani set, maharaja set.

Price list

Training on price of the product, payment procedures which are of three types.
i) Cash plan   ii) Investment plan   iii) Installment plan
Benefits of each plan are explained.

Day 4 Documentation

Paying Rs. 1500 for their enrolment at the time of joining, agreements form etc.

Analysis and interpretation

Table 1:

Table showing the different sources of information through which the respondents came to know about Zepter products.

Options	No. of respondents	Percentage
Relatives	25	31%
Friends	30	38%
Colleagues	5	6%
Sales Consultant	5	6%
Presentation	15	19%
Total	80	100%

Interpretation:

From the above table it is clear that, out of 80 respondents 38% of them came to know about Zepter products by their friends, 31% of them through their relatives, 19% of them replied “Presentations” as their source of knowing Zepter products followed by 6% from colleagues and 6% from the sales consultants.

Chart 1:

Chart illustrates the different ways through which the customers got to know about Zepter products in terms of percentages.

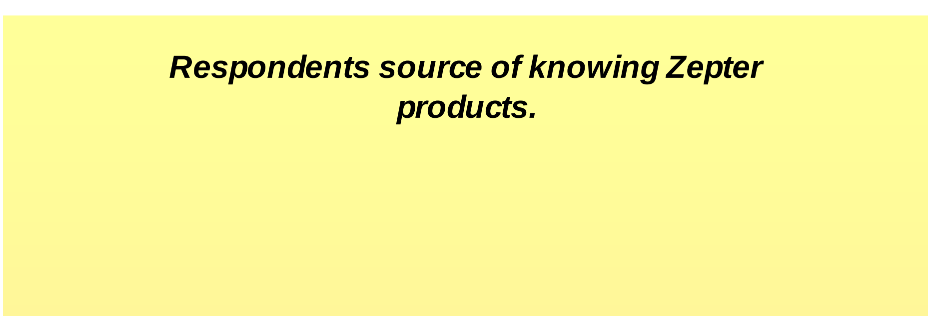


Table 2:

Table showing the method adopted by the sales consultant for taking an appointment from the customers.

Options	No. of respondents	Percentage

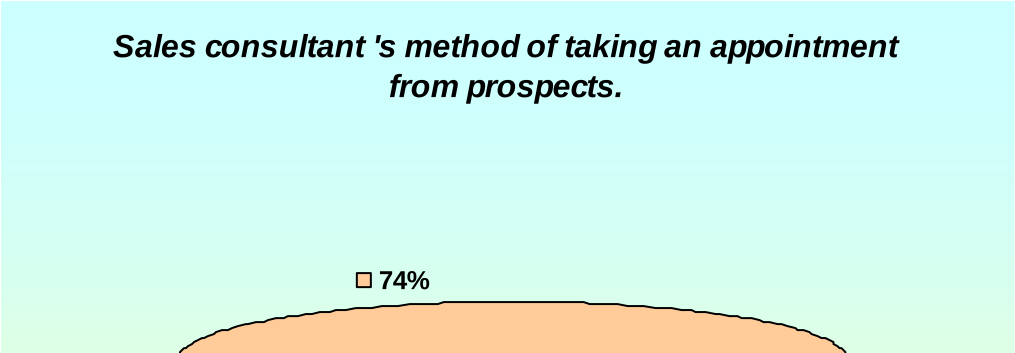
Telephone	10	13%
Social gathering	10	13%
Meeting personally	60	74%
Total	80	100%

Interpretation:

The above table shows that, out of 80 respondents 74% of them replied that sales consultant met them personally and took the appointment, 13% respondents reply was telephone followed by 13% whose reply was social gathering.

Chart 2:

Chart illustrates the method adopted by the sales consultant to take an appointment from the customers in terms of percentage.



<u>Table 3:</u>

Table showing the reasons given by the respondents for asking a Zepter Presentation.

Options	No. of respondents	Percentage
Heard of cooking without water & oil.	55	68%

Sales consultant insisted	15	19%
I wanted to know more about the product.	10	13%
I desired to have such a product.	--	--
Total	80	100%

Interpretation:

The above table shows the various responses given by the respondents. Out of 80 respondents, 68% of them asked for the presentation because they heard of cooking without water & oil, 19% of them replied that sales consultant insisted them for a presentation and 13% of them wanted to know more about the product.

Chart 3:

Chart illustrates the different reasons given by the respondents for asking a "Zepter Presentation".

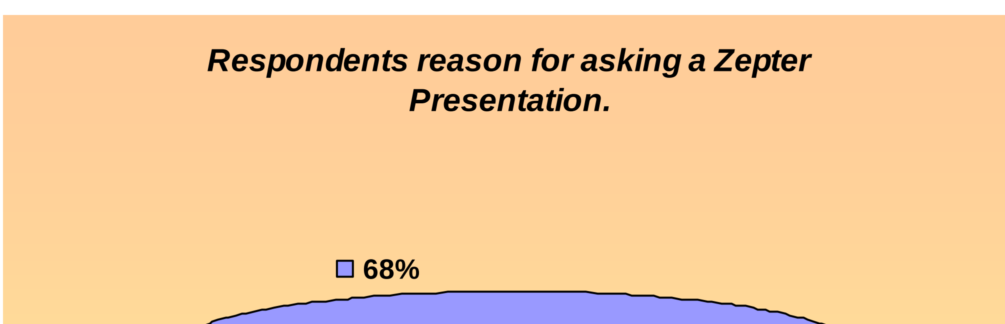


Table 4:

Table shows the response of the customers on asking, whether the presentation was carried out on time by the consultants.

Options	No. of respondents	Percentage
Yes	70	88%
No	10	12%

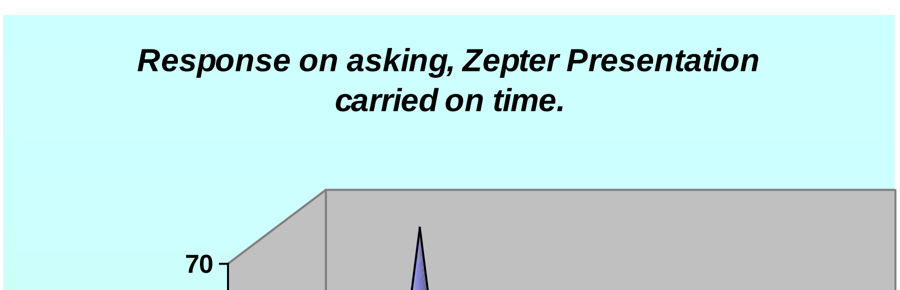
Total	80	100%

Interpretation:

Out of 80 respondents, 88% of them replied that the presentation was carried on time and 12% replied “No”.

Chart 4:

Chart illustrates the response of the customers on asking, whether the presentation was carried out on time by the consultants.



<u>Table 4.1:</u>

Table showing reasons for not carrying out the presentation by the consultant on the particular day & time it was promised to the customer.

Options	No. of respondents	Percentage

Sales consultant did not turned up.	--	--
Due to my personal problem presentation was postponed.	7	70%
Other reason	3	30%
Total	10	100%

Interpretation:

Out of 10 respondents who replied that the presentation was not carried on time, 70% said due to their personal problem presentation was postponed and 3% gave other reasons.

Chart 4.1:

Chart illustrates the reason for not carrying out the presentation by the consultant on the particular day & time it was promised to the customer.

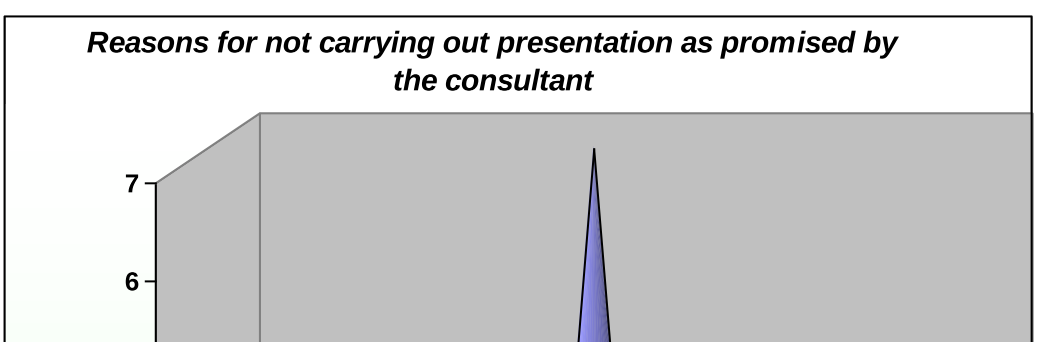


Table 5:

Table showing the number of guest couples present in the "Zepter Presentation" of the respondents.

Options	No. of respondents	Percentage
None	5	6%
1-2	20	25%

3-5	**40**	**50%**
6-7	**10**	**13%**
Others	**5**	**6%**
Total	**80**	**100%**

Interpretation:

When asked to the respondents about the number of guest couples present in their Zepter presentation, 50% of them replied 3-5 couples were present, 25% replied 1-2 couples, 13% replied 6-7 couples followed by 6% as none and 6% as other reason.

Chart 5:

Chart illustrates the number of respondents present in the "Zepter Presentation" of the respondents.

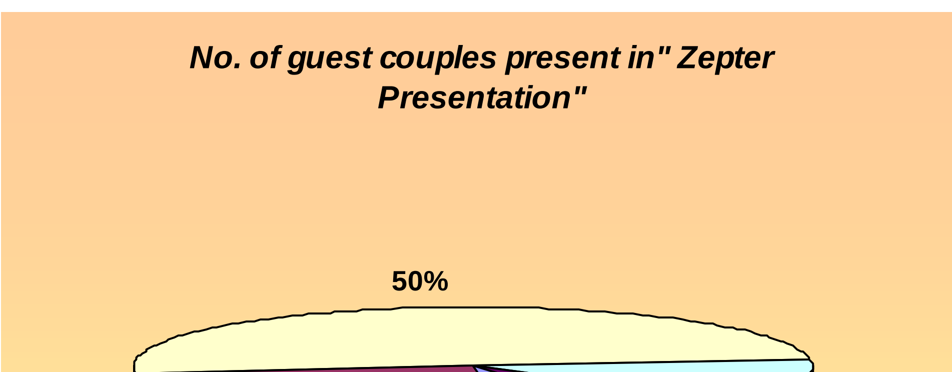


Table 6:

Table shows the respondents awareness towards the contents of the flip chart shown and explained by the consultant.

Options	No. of respondents	Percentage
Yes	70	88%

No	**10**	**12%**
Total	**80**	**100%**

Interpretation:

From the above table it is clear that 88% of the respondents were aware as to what flip chart contains and 12% of respondents were not aware.

Chart 6:

Chart illustrates the respondent's awareness towards the contents of the flip chart shown and explained by the consultant.

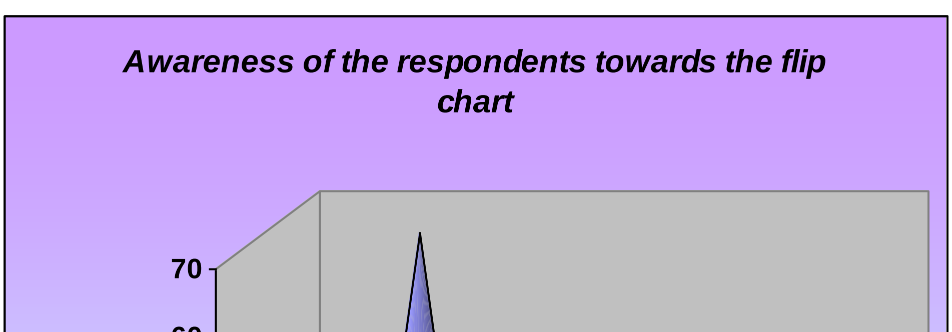


Table 6.1:

Table showing the reasons given by the respondents for being not aware as to what the flip chart contains.

Options	No. of respondents	Percentage

Sales consultant did not give any importance to the flip chart.	--	--
Sales consultant turned the chart without explaining.	5	50%
I was more eager to see the cookware rather than seeing the flip chart.	5	50%
Total	10	100%

Interpretation:

Out of 10 respondents who were not aware of the contents of flip chart, 50% complained that the sales consultant simply turned the chart without explaining, and the remaining 50% said that they were more eager to see the cookware rather than seeing the flip chart.

Chart 6.1:

Chart illustrates the reasons given by the respondents for being not aware as to what the flip chart contains.

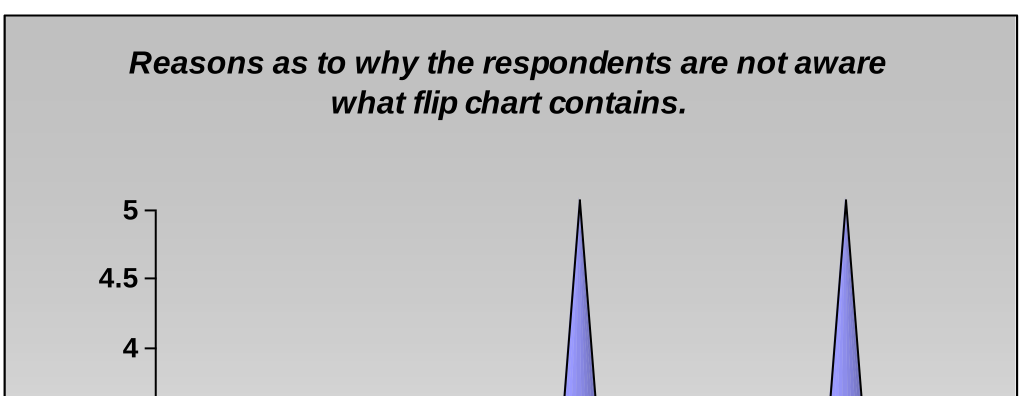


Table 7:

Table showing the respondents view towards the explanation of each part contained in the flip chart.

Options	No. of respondents	Percentage
Yes	70	88%

No	10	12%
Total	80	100%

Interpretation:

When respondents were questioned about the explanation of each part contained in the flip chart by the sales consultant, 88% of them replied “yes” and 12% of them replied “No”

Chart 7:

Chart illustrating the respondents view towards the “explanation of each part contained in the flip chart”.

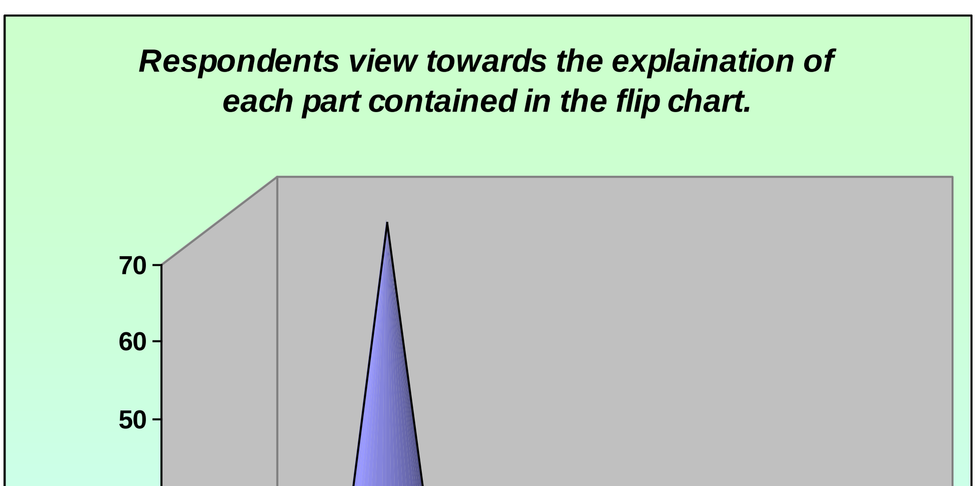


Table 7.1:

Table shows the benefits of the product which were not explained from the flip chart to the respondents during presentation.

Options	No. of respondents	Percentage
Health facts & benefits of using the cookware.	--	--
Multi-cooking system.	5	50%

Less energy consumption and saving of time & money	5	50%
Cooking without water, oil & easy to clean.	--	--
Total	10%	100%

Interpretation:

Out of the 10 respondents who were not explained each part contained in the flip chart by the consultants, 50% replied “Multi-cooking system”, and another 50% replied “Less energy consumption and saving of time & money” benefits were not explained.

Chart 7.1:

Chart illustrates the benefits of the product which were not explained from the flip chart to the respondents during presentation.

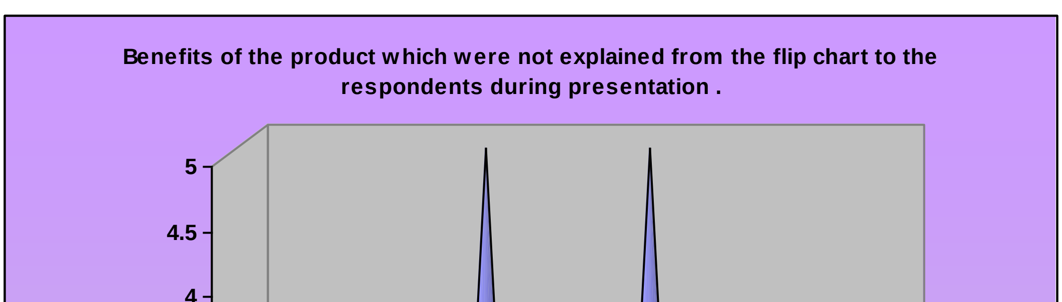


Table 8:

Table showing the ratings given by the respondents with respect to the Zepter presentation they attained.

Options	No. of respondents	Percentage
Excellent	45	56%
Very Good	15	19%

Good	10	13%
Average	5	6%
Poor	5	6%
Total	80	100%

Interpretation:

When asked about the Zepter presentation given by the consultant to the respondents, 56% of them rated “Excellent”, 19% rated “Very Good”, 13% of them rated “Good” , followed by 6% rated “Average”
Remaining 6% of respondents rated it as “Poor”.

Chart 8:

Chart illustrating the ratings given by the respondents with respect to the Zepter presentation they attained.

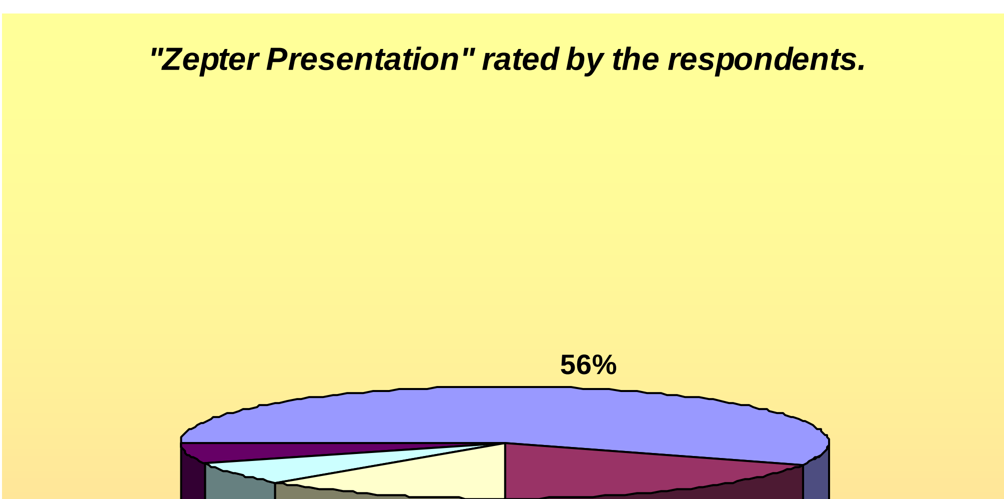


Table 9:

Table shows respondent's knowledge of various combinations that can be done using Zepter cookware.

Options	No. of respondents	Percentage
Yes	75	94%
No	5	6%

Total	80	100%

Interpretation:

When asked about the combinations that can be done using Zepter cookware, 94% of respondents replied that, they are aware of the various combinations that can be done using Zepter cookware and 6% replied “No”.

Chart 9:

Chart illustrates respondent’s knowledge of various combinations that can be done using Zepter cookware.

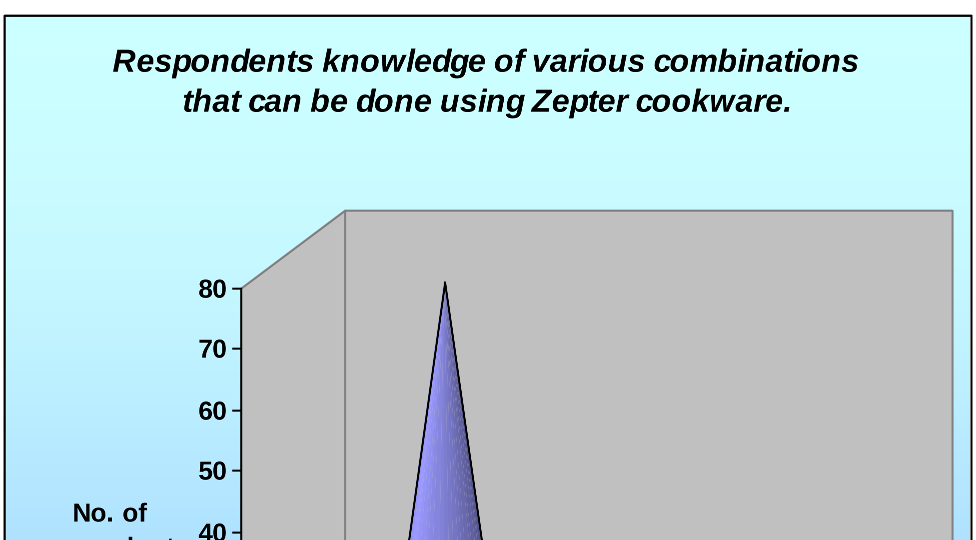


Table 10:

Table shows respondents knowledge of "Payment Procedure" of the company.

Options	No. of respondents	Percentage
Yes	68	85%
No	12	15%
Total	80	100%

Interpretation:

When asked about the "Payment Procedure" of the company, 85% of the respondents said they have the knowledge of the payment procedure and remaining 15% said “No”.

Chart 10:

Chart illustrates respondent’s knowledge of "Payment Procedure" of the company.

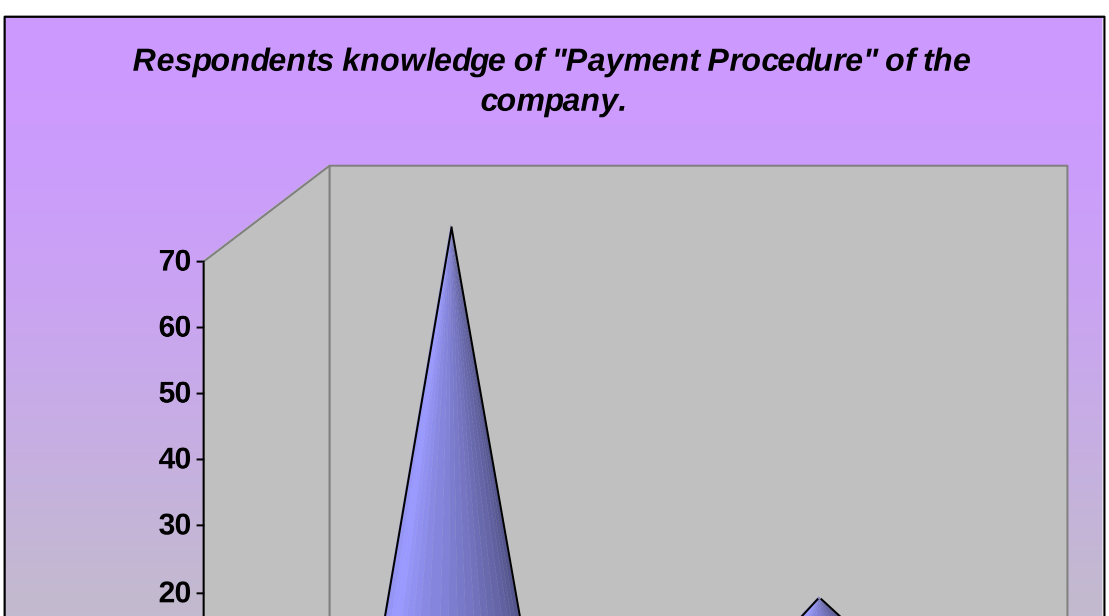


Table 10.1:

Table shows the reasons given by the respondents for not understanding the "Payment Procedure" of the company.

Options	No. of respondents	Percentage
It was complicated.	--	--
Sales consultant was not clear in explaining the payment procedures.	5	42%
I did not concentrate on payment procedures.	1	8%

Consultant did not explain me about the investment benefits.	6	50%
Total	12	100%

Interpretation:

Out of 12 respondents who did not understand the "Payment Procedure" of the company, 50% of the respondents replied that the Consultant did not explain them about the investment benefits, 42% replied that the Sales consultant was not clear in explaining the payment procedures, and 8% replied that they did not concentrated on payment procedures.

Chart 10.1:

Chart illustrates the reasons given by the respondents for not understanding the "Payment Procedure" of the company.

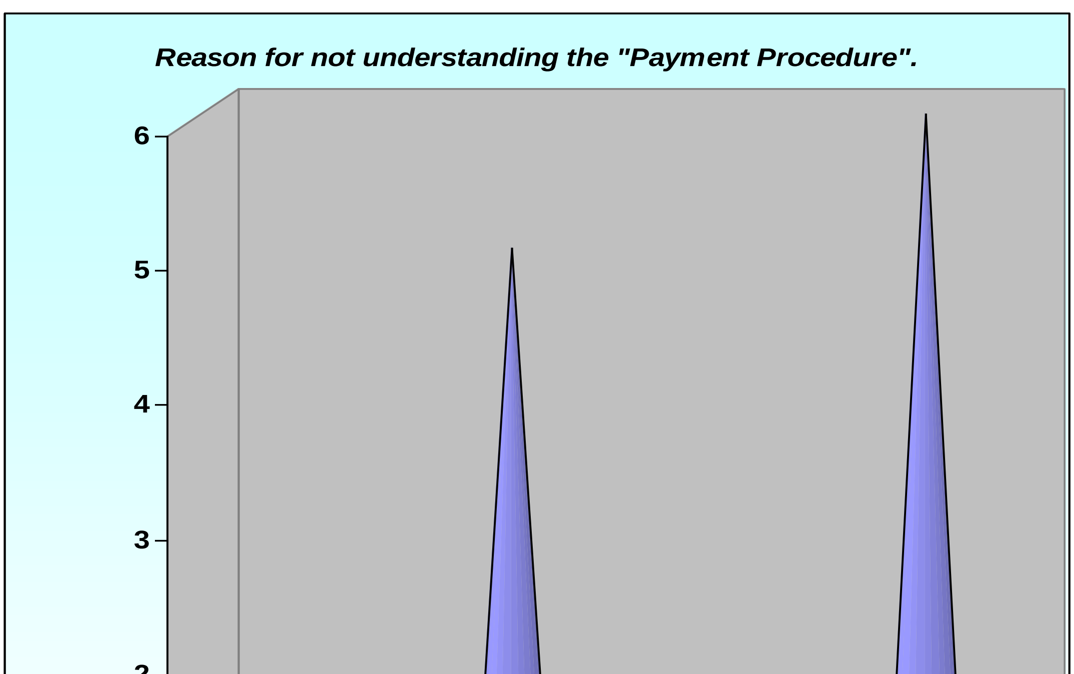


Table 11:

Table shows the response given, when asked about the assessment of Zepter Set by the consultant the respondents.

Options	No. of respondents	Percentage
Yes	75	94%
No	5	6%
Total	80	100%

Interpretation:

When asked about the assessment of Zepter Set by the consultant the respondents, 94% of them replied that, the consultant assessed them a Zepter set based on their requirement, and 6% replied “No”.

Chart11:

Chart illustrates the response given, when asked about the assessment of Zepter Set by the consultant the respondents.

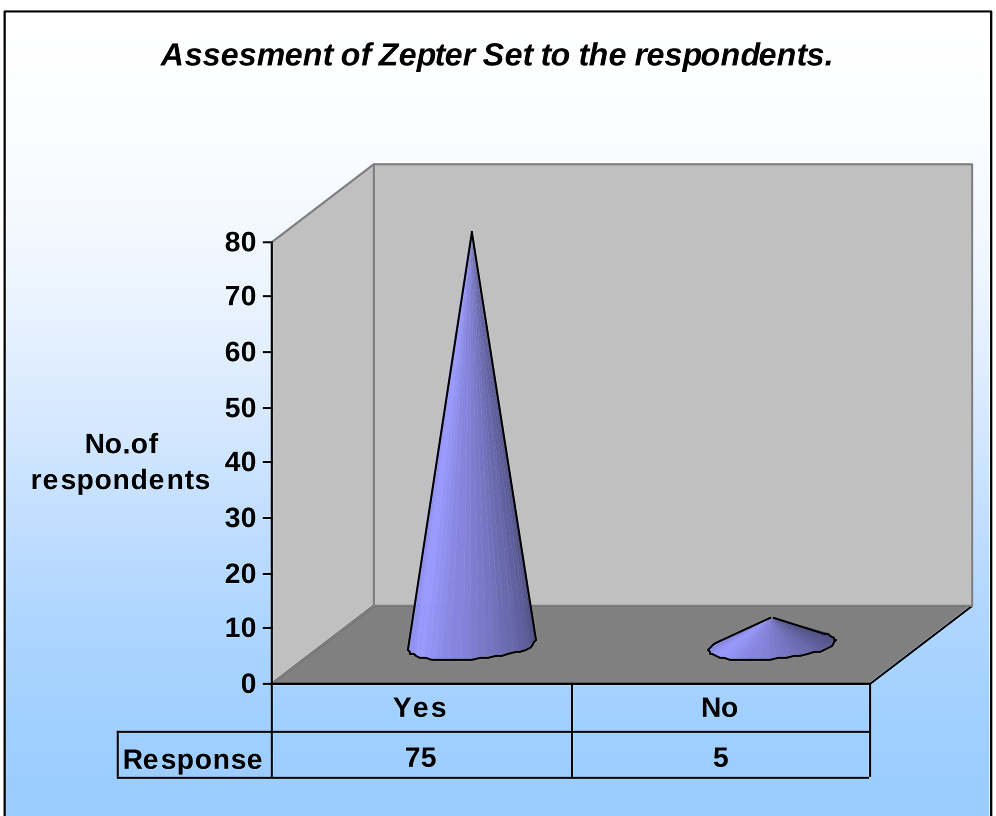


Table 12:

Table showing the response of the respondents with respect to the knowledge of the product possessed by the consultants to clarify the queries of the respondents.

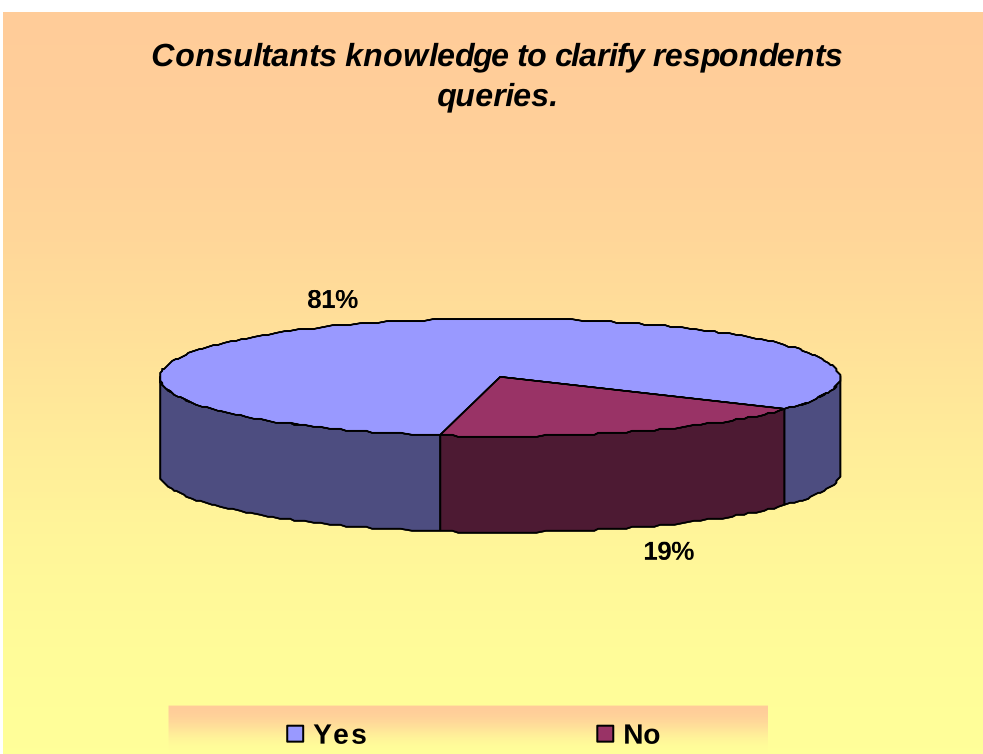
Options	No. of respondents	Percentage
Yes	65	81%
No	15	19%
Total	80	100

Interpretation:

When asked about the product knowledge possessed by the consultants to clarify the queries of the respondents, 81% of them replied “Yes” and remaining 19% replied “No”.

Chart12:

Chart illustrates the response of the respondents with respect to knowledge of the product possessed by the consultants to clarify the queries of the respondents.



<u>Table 13:</u>

Table shows the response given by the respondents for the question 'did the consultant suggested you a Zepter set based on your requirement at the end of the presentation?".

Options	No. of respondents	Percentage
Yes	68	85%
No	12	15%
Total	80	100%

Interpretation:

Out of 80 respondents, 85% of them replied that the consultant suggested a Zepter set based on their present and future requirements, and 15% of them replied “No”.

Chart 13:

Chart illustrates the response given by the respondents for the question ‘did the consultant suggested you a Zepter set based on your requirement at the end of the presentation?”.

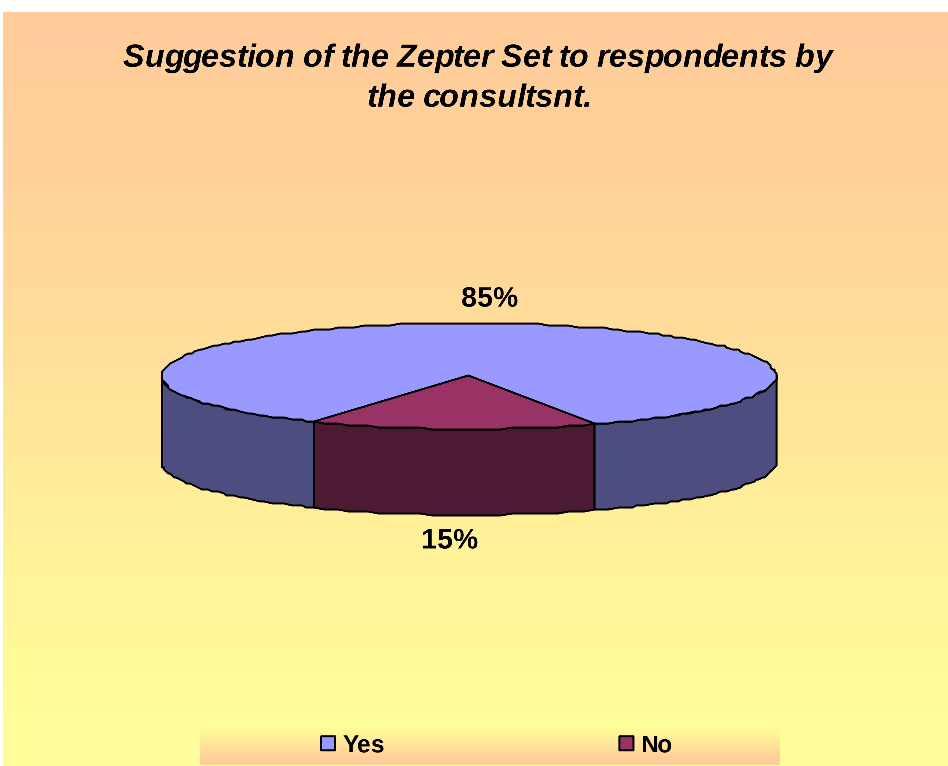


Table 14:

Table shows the response given by the respondents, when asked the reason for not purchasing the Zepter cookware.

Options	No. of respondents	Percentage
I was not convinced	12	15%
I did not understand Zepter system	5	6%
Prior commitments	60	75%
Not worth of price paid	3	4%
Total	80	100%

Interpretation:

When respondents were asked to specify the reasons for not purchasing the Zepter cookware, 75% of them replied that "Prior Commitments" was the major reason for not purchasing followed by 15% of them replied that they were "Not Convinced" with the consultants presentation, 6% replied that they "Did not understood the Zepter system" and 4% told that the product is "Not worth of price paid".

Chart 14:

Chart illustrates the response given by the respondents, when asked the reason for not purchasing the Zepter cookware.

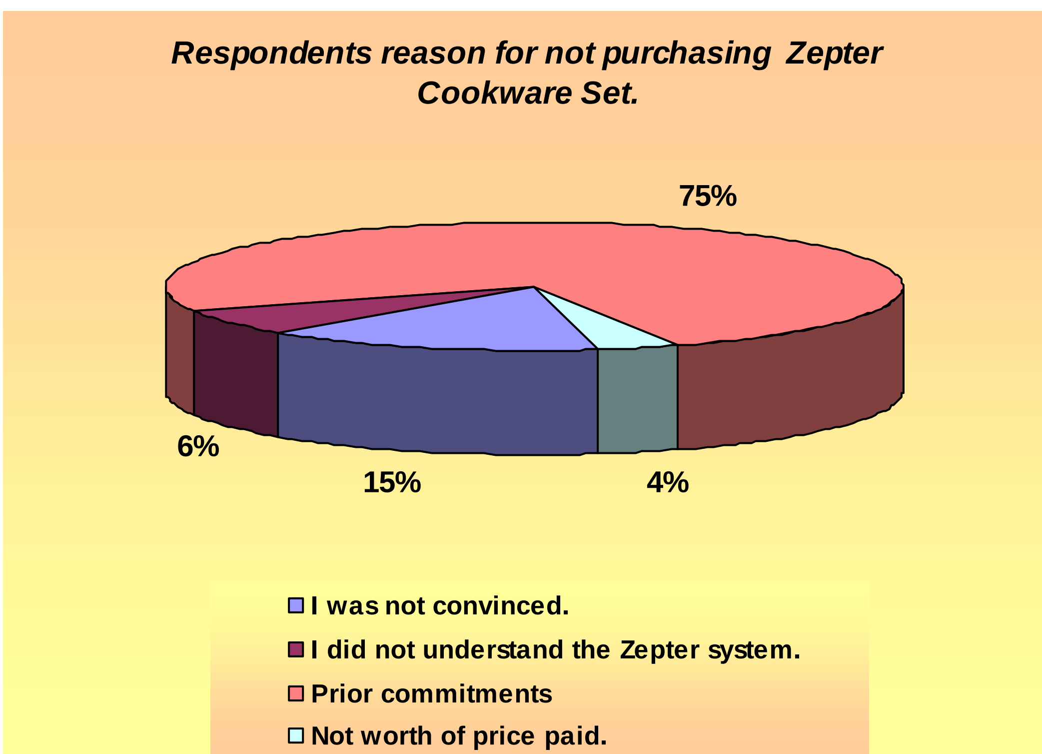


Table 15:

Table shows the respondent's knowledge of "Business Opportunity" at Zepter.

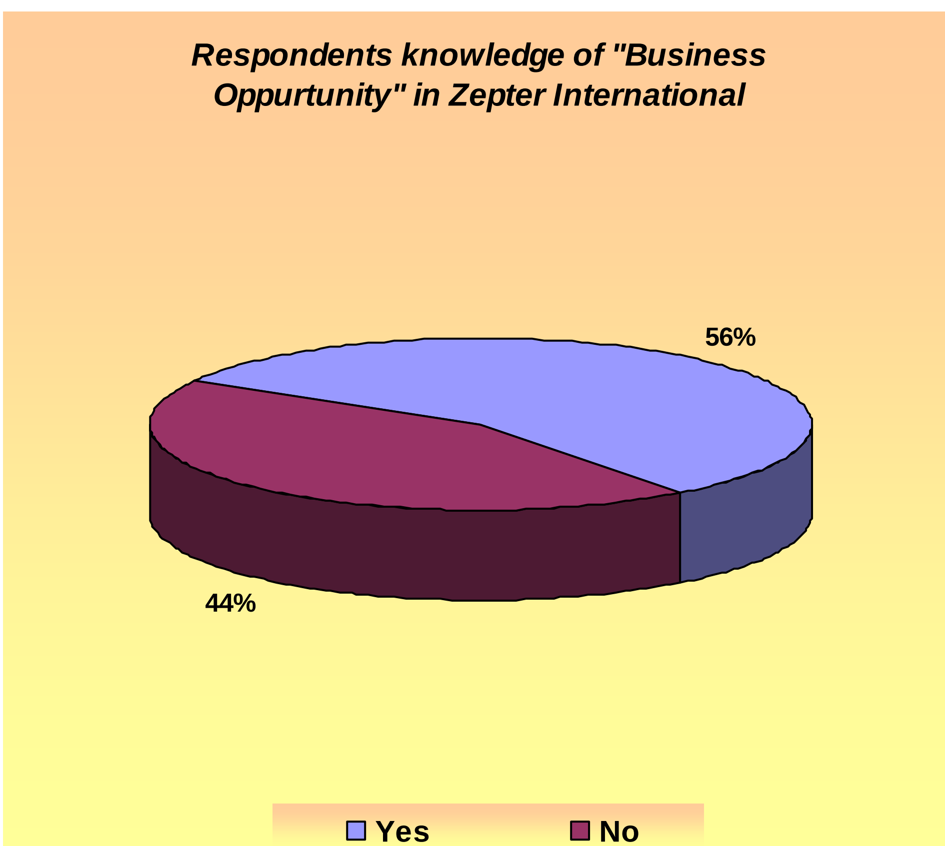
Options	No. of respondents	Percentage
Yes	45	56%
No	35	44%
Total	80	100%

Interpretation:

When asked, whether the consultant explained you about the business opportunity at Zepter, 56% of the respondents replied “Yes” and remaining 44% said, they have not come across any such topic during or after presentation.

Chart 15:

Chart illustrates the respondent’s knowledge of “Business Opportunity” in Zepter.



FINDINGS

The analysis of the questionnaire administered to the sample of 80 respondents has disclosed certain important findings, suitable recommendations have been made.

- Out of 80 respondents 38% of them came to know about Zepter products by their friends, 31% of them through their relatives, 19% of them replied “Presentations” as their source of knowing Zepter products.

- Out of 80 respondents 74% of them replied that sales consultant met them personally and took the appointment.

- Out of 80 respondents, 68% of them asked for the presentation because they heard of cooking without water & oil. This is one of the important benefits of the Zepter product.

- Out of 80 respondents, 88% of them replied that the presentation was carried on time and 12% replied “No”. This shows the “Time Management” of the sales consultant and it is on positive side.

- Out of 10 respondents who replied that the presentation was not carried on time, 70% said due to their personal problem presentation was postponed and 3% gave other reasons.

- When asked to the respondents about the number of guest couples present in their Zepter presentation, 50% of them replied 3-5 couples were present, 25% replied 1-2 couples, 13% replied 6-7 couples followed by 6% as none and 6% as other reason.

- 88% of the respondents were aware as to what flip chart contains and 12% of respondents were not aware.

- Out of 10 respondents who were not aware of the contents of flip chart, 50% complained that the sales consultant simply turned the chart without explaining, and the remaining 50% said that they were more eager to see the cookware rather than seeing the flip chart.

- 88% of the respondents replied that the sales consultant explained them each part contained in the flip chart.

- Out of the 10 respondents who were not explained each part contained in the flip chart by the consultants, 50% replied “Multi-cooking system”, and another 50% replied “Less energy consumption and saving of time & money” benefits were not explained.

- 56% of the respondents rated the Zepter presentation given by the consultant “Excellent”, 19% rated “Very Good”, 13% of them rated “Good”.

- 94% of respondents replied that, they are aware of the various combinations that can be done using Zepter cookware

- Out of 80 respondents, 85% of the respondents said they have the knowledge of the payment procedure of Zepter International.

- Out of 12 respondents who did not understand the "Payment Procedure" of the company, 50% of the respondents replied that the Consultant did not explain them about the investment benefits, 42% replied that the Sales consultant was not clear in explaining the

payment procedures, and 8% replied that they did not concentrated on payment procedures.

- 94% of the respondents replied that, the consultant assessed them a Zepter set based on their family size.

- When asked about the product knowledge possessed by the consultants to clarify the queries of the respondents, 81% of them replied "Yes".

- Out of 80 respondents, 85% of them replied that the consultant suggested a Zepter set based on their present and future requirements.

- When respondents were asked to specify the reasons for not purchasing the Zepter cookware,

  75% of them replied that "Prior Commitments" was the major reason for not purchasing followed by

  15% of them replied that they were "Not Convinced" with the consultant's presentation, 6% replied that they “Did not understand the Zepter system”.

- When asked, whether the consultant explained you about the business opportunity at Zepter, 56% of the respondents replied “Yes” and remaining 44% said, they have not come across any such topic during or after presentation.

CONCLUSION

The aim of “Lost Customer Analysis” is to find the reasons why customers did not buy or switched to other brand. Knowing why customers did not buy is critical in preventing future lost orders and maintaining a solid loyal customer base. “Lost Customer Analysis” highlights what changes in products or services are needed to gain and retain customers. It is specific information on pricing, service, and even market trends to help the company gain competitive advantage.

Today’s customers are becoming harder to please. They are smatter, more price conscious, more demanding, less forgiving, and they are approached by many more competitors with equal or better offer. The challenge is not to produce satisfied customers; several competitors can do this. The challenge is to produce delighted and loyal customers.

It is not enough to be skillful in attracting new customers; the company must keep them and increase their business. Too many companies suffer from high **customer churn-** namely high customer defection.

The company needs to estimate how much profit it looses when it loses customers. In the case of an individual customer, the lost profit is equal to the **customer's life time value** (CLV)—that is, the present value of the profit stream that the company would have realized if the customer had not defected prematurely.

RECOMMENDATIONS

The following are the recommendations suggested to Zepter International with regard to the lost customers.

- The company should emphasize their sales consultants to strictly follow the sales procedure as they have been trained.
  Increased emphasis on "system selling"

- A proportion of the customers were lost due to poor presentation of the sales consultants. Hence the company should train sales consultants on **presentation skills.**

- Time management of the sales consultants is excellent. They should be further trained on how to balance **"personal and professional"** life as this has an effect on sales of the company.

- While booking a party, the sales consultants should emphasize the customer not to invite more couples than specified in the presentation order card as it leads to an ineffective presentation.
- **"More the number of couples for presentation, the less attention given by the customers"**

- Greater knowledge of product and product systems is required by the sales consultants.

- More professional **reading and studying** is required by sales consultants.

- The company should emphasis on establishing a **long term relationship** with their customers.

- It should be made mandatory for the sales consultants to explain about the **“Business Opportunity”** at Zepter to their customers. More emphasis should be given to those customers who did not purchase due to prior commitments.

- The sales consultants should be trained on explaining the payment procedure and related benefits from the company to the customers.

- **Valid feed back** from the customers can be reviewed and may be considered for the i**mprovement** of the organization.

- The team leaders should take **day to day work/progress** report of the sales consultants.

Lost customer questionnaire

Name: ……………………….

Occupation: ………………..

1) How did you come to know about Zepter products?

a) Relatives b) Friends
c) Colleagues d) Sales consultants
e) Presentation.

2) How the sales consultant took an appointment from you?

a) Telephone b) Social gathering
c) Getting in contact with you personally.

3) Why did you asked for a Zepter presentation?

a) Heard about the unique characteristics of the product (cooking without water & oil).
b) Sales consultant insisted you for a presentation.
c) I wanted to know more about the product.
d) I desired to have such product.

4) Was Zepter presentation carried out on the particular day & time it was promised to?

a) Yes b) No

If no, what was the reason?

a) Sales consultant did not turned up.
b) Due to my personal problem presentation was postponed.
c) Any other reason: …………………………………………….

5) How many guest couples were present in your Zepter presentation?

a) None b) 1-2 c) 3-5 d) 6-7 e) other does specify…………..

6) Are you aware as to what the flip chart contains?

a) Yes b) No

If no, why?

a) Sales consultant did not give any importance to the chart.
b) Sales consultant simply turned the flip chart without explaining.
c) I was more eager to see the cookware rather than seeing the flip chart.

7) Was each part contained in the flip chart made clear?

a) Yes b) No

If no, what was not explained to you?

a) Health facts & related benefits of using the cookware.
b) Multi-cooking system.
c) Less consumption of energy and related saving of time & money.
d) Cooking without oil, water and easy to clean.

8) How do you rate the Zepter presentation given to you?

a) Excellent b) very good c) good d) Average e) Poor

9) Are you aware of the various combinations that can be done using Zepter product?

a) Yes b) No

10) Was the Payment procedure of the company made clear?

a) Yes b) No

If no, why?

a) It was complicated.
b) Sales consultant was not clear in explaining the payment procedures.
c) I did not concentrate on payment procedures.
d) I was not explained about the investment benefits.

11) Did the sales consultant assessed a Zepter set required for your family?

a) Yes b) No

12) Was the sales consultant of the company had knowledge to clarify your queries?

a) Yes b) No

13) At the end of the presentation, did the sales consultant suggested the Zepter set for your family?

a) Yes. b) No.

14) What was your reason for not purchasing the Zepter product?

a) I was not convinced
b) I did not understand the Zepter system.

c) Prior commitments
d) Not worth of price paid.

15) Did the consultant explain you the “Business Opportunity” at Zepter?

a) Yes b) No

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