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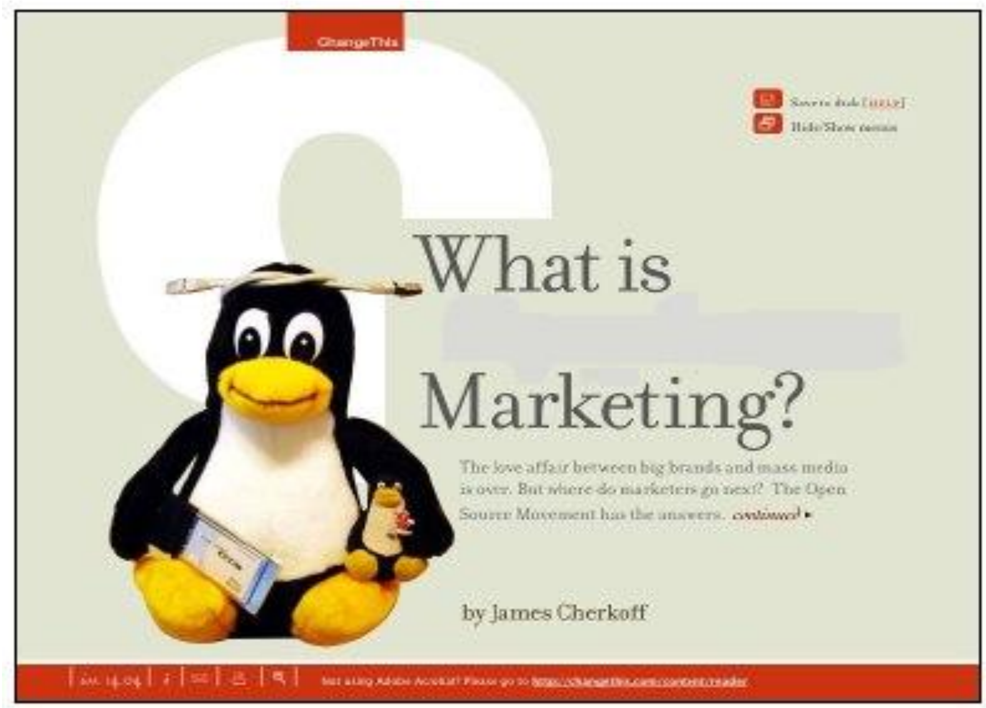
INTRODUCTION

INTRODUCTION

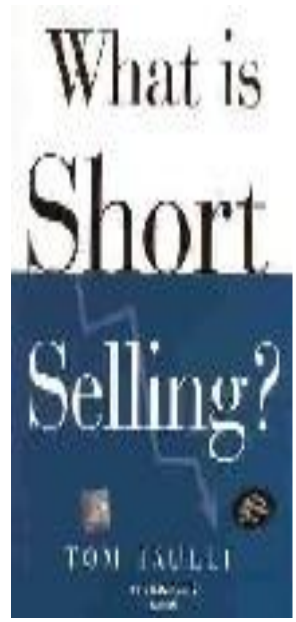
MARKETING



Welcome to Marketing! The team here is responsible for an array of activities- much of which you all see everyday, be it TV commercials, press and outdoor hoardings, news articles, product brochures, direct mail or on ground activities. Given the breadth of the activities that are involved in, dozens of queries are received from internal customers everyday! Through this section, aim of marketing department is to resolve some of the most common requests received.

Peter Drucker wrote that "Because the purpose of business is to create a customer, the business enterprise has two--and only two--basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business."

⇒ BRAND & COMMUNICATIONS



Companies use aided and unaided awareness, image and branding marketing research studies to gauge the extent to which consumers are familiar with and have positive opinions about their products or services.

What Is Brand Image?

Brand Image includes the totality of consumers' opinions about, experiences with, and attitudes toward a company or organization and their brand as compared with that of competitors. Market Research measures a company's brand image by asking consumers, decision-makers, or key markets to rate the company and its competitors on factors they consider important, such as:

- Overall reputation
- Quality and appeal of products or services
- Convenience (location, hours, etc.)
- Sales and marketing effectiveness
- Customer service
- Delivery
- Timeliness

- Costs
- Resolution of problems and complaints

How Are Awareness and Brand Image Measured?

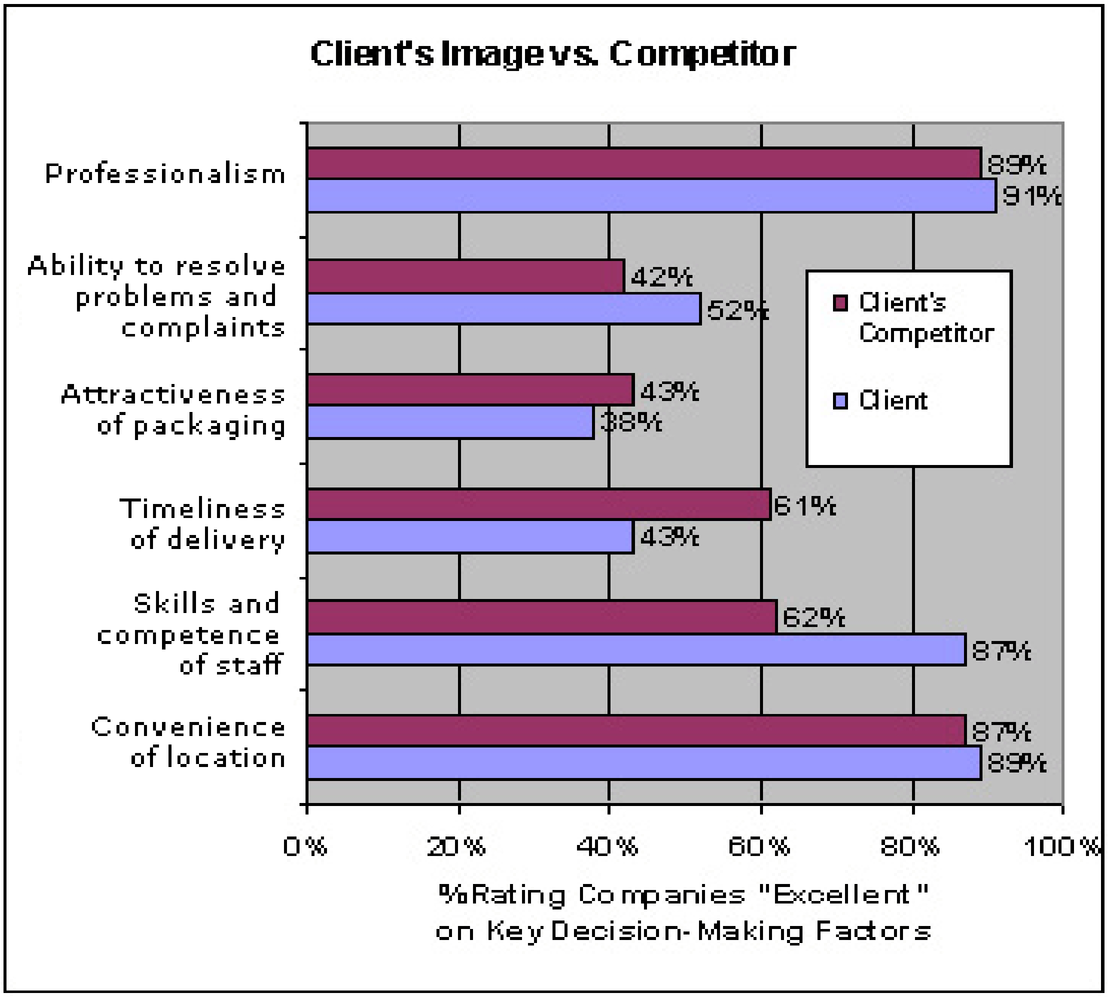
Market Research uses a combination of qualitative and quantitative research methods to measure **awareness** and **brand image**. For example, begin with focus groups or one-on-one interviews with key decision-makers to identify important factors within a particular market that may influence whether

people are familiar with a company or organization, how they decide which product or service they will purchase or use, and the emotional and rational components of the brands of the major competitors in the industry.

We then use **qualitative research** results to design and conduct representative **quantitative research** surveys - most frequently telephone surveys - within our clients' current geographic market areas to determine with a high degree of accuracy how well-known our clients brands are and how people perceive them as compared with competitors. We might limit the survey to our clients' existing markets, or include potential markets, giving our clients a good sense of the resources they may need and the steps they must take to effectively enter new markets.

Regardless of industry, companies and organizations use **awareness**, and **brand image marketing research studies** to inform their key operational and marketing decisions. Our clients use our results to guide decisions about overall mission, current and future goals, staffing, product and service design, delivery means, and marketing, communications, and public relations efforts.

GRAPH SHOWING CLIENTS IMAGE VS COMPETITORS.



Four Ps

In popular usage, "marketing" is the promotion of products, especially advertising and branding. However, in professional usage the term has a wider meaning which recognizes that marketing is customer centered. Products are often developed to meet the desires of groups of customers or even, in some cases, for specific customers. E. Jerome McCarthy divided marketing into four general sets of activities. His typology has become so universally recognized that his four activity sets, the Four Ps, have passed into the language.

The four Ps are:

- *Product*: The Product management and Product marketing aspects of marketing deal with the specifications of the actual good or service, and how it relates to the end-user's needs and wants.
- *Pricing*: This refers to the process of setting a price for a product, including discounts. The price need not be monetary - it can simply be what is exchanged for the product or service, e.g. time, or attention.
- *Promotion*: This includes advertising, sales promotion, publicity, and personal selling, and refers to the various methods of promoting the product, brand, or company.
- *Placement* or distribution refers to how the product gets to the customer. This fourth P has also sometimes been called *Place*, referring to the channel by which a product or service is sold (e.g. online vs. retail), which geographic region or industry, to which segment (young adults, families, business people), etc.

These four elements are often referred to as the marketing mix. A marketer can use these variables to craft a marketing plan. The four Ps model is most useful when marketing low value consumer products. Industrial products, services, high value consumer products require adjustments to this model. Services marketing must account for the unique nature of services.

Industrial or B2B marketing must account for the long term contractual agreements that are typical in supply chain transactions. Relationship marketing attempts to do this by looking at marketing from a long term relationship perspective rather than individual transactions.

Seven Ps

As well as the standard four Ps (Product, Pricing, Promotion and Placement), services marketing calls upon an extra three, totaling seven and known together as the extended marketing mix. These are:

- ***People***: Any person coming into contact with customers can have an impact on overall satisfaction. Whether as part of a supporting service to a product or involved in a total service, people are particularly important because, in the customer's eyes, they are generally inseparable from the total service. As a result of this, they must be appropriately trained, well motivated and the right type of person. Fellow customers are also sometimes referred to under 'people', as

- They too can affect the customer's service experience, (e.g., at a sporting event).
- ***Process***: This is the process(es) involved in providing a service and the behaviour of people, which can be crucial to customer satisfaction.
- ***Physical evidence***: Unlike a product, a service cannot be experienced before it is delivered, which makes it intangible. This, therefore, means that potential customers could perceive greater risk when deciding whether or not to use a service. To reduce the feeling of risk, thus improving the chance for success, it is often vital to offer potential customers the chance to see what a service would be like. This is done by providing physical evidence, such as case studies, or testimonials.

This is in context to the 4Ps and 7Ps of Marketing. In the Indian context Marketing efforts have to take 4 'A's into account.

1. Acceptability of the product or services.

2. Affordability of the product or services.

3. Awareness of the product and services

4. Availability of the product and services.

Many a times we come across situations where a Product or Services is not Country specific. If the above 4 'A's are taken into consideration , Strategy worked , chances of success is enhanced.

Customer focus

Many companies today have a customer focus (or customer orientation). This implies that the company focuses its activities and products on consumer demands. Generally there are three ways of doing this:

- The customer-driven approach,
- The sense of identifying market changes and
- The product innovation approach.

In the consumer-driven approach, consumer wants are the drivers of all strategic marketing decisions. No strategy is pursued until it passes the test of consumer research. Every aspect of a market offering, including the nature of the product itself, is driven by the needs of potential consumers. The starting point is always the consumer. The rationale for this approach is that there is no point spending R&D funds developing products that people will not buy. History attests to many products that were commercial failures in spite of being technological breakthroughs.

SIVA

A formal approach to this customer-focused marketing is known as SIVA (Solution, Information, Value, Access). This system is basically the four Ps renamed and reworded to provide a customer focus.

The SIVA Model provides a demand/customer centric version alternative to the well-known 4Ps supply side model (product, price, place, promotion) of marketing management.

Product -> Solution

Promotion -> Information

Price -> Value

Place ->Access

The four elements of the SIVA model are:

- **Solution:** How appropriate is the solution to the customers problem/need
- **-Information**: Does the customer know about the solution, and if so how, who from, do they know enough to let them make a buying decision
- **-Value**: Does the customer know the value of the transaction, what it will cost, what are the benefits, what might they have to sacrifice, what will be their reward?
- **-Access**: Where can the customer find the solution. How easily/locally/remotely can they buy it and take delivery.

AUTOMOBILE INDUSTRY

The history of the automobile industry in India actually began about 4,000 years ago when the first wheel was used for transportation. In the early 15th century, the Portuguese arrived in China and the interaction of the two cultures led to a variety of new technologies, including the creation of a wheel that turned under its own power. By the 1600s, small steam-powered engine models were developed, but it was another century before a full-sized engine-powered automobile was created.

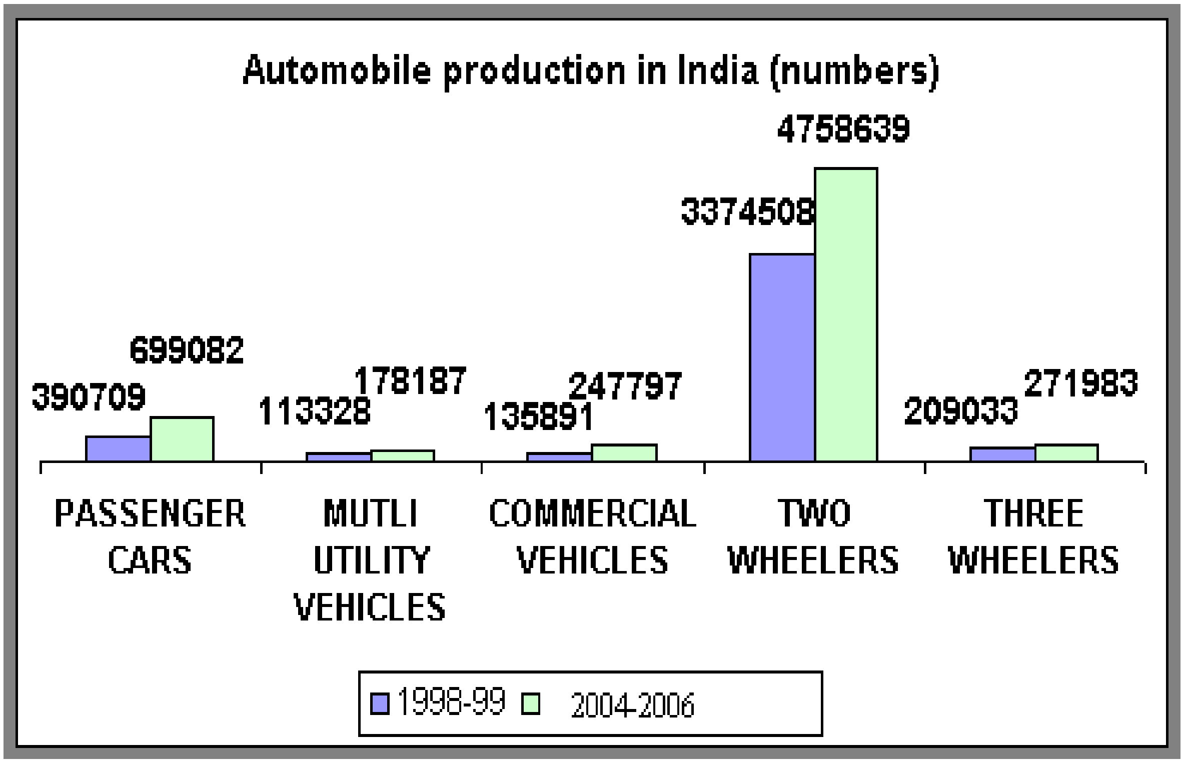
All kinds of vehicles are produced by the automobile industry. It includes the manufacture of trucks, buses, passenger cars, defense vehicles, two-wheelers, etc. The industry can be broadly divided into the car manufacturing, two-wheeler manufacturing and heavy vehicle-manufacturing units.

AUTOMOBILE DEALERS

Automobile dealers are the bridge between automobile manufacturers and the. consumer. ***New car dealers*** are primarily engaged in retailing new cars, sport utility vehicles (SUVs), and passenger and cargo vans. Most new car dealers combine vehicle sales with other activities, such as providing repair services, retailing used cars, and selling replacement parts and accessories. These dealers offer one-stop shopping for customers who wish to buy, finance, and service their next vehicle.

The Indian automobile industry is now striding inroads into the rural middle class after its inroads into the urban markets and rural rich. It is trying to bring in varying products to suit requirements of different class segments of customers.

Chart showing the automobile production over years.



With increasing numbers of consumers researching new car and used car purchases ,the consumers' ultimate buying choice, creates powerful opportunities for OEMs and dealers to accurately segment and effectively market to consumers, influence their learning process, monitor competition, and increase the probability of successfully selling the desired product.

Leasing a car or truck is financing option for consumers. Leasing services have grown in recent years to accommodate changing consumer purchasing habits. As vehicles have become more costly, growing numbers of consumers are unable or reluctant to make a long-term investment in a new car or truck purchase.

The used car sales department of new car dealers sells trade-ins as well as cars, trucks, and vans that were formerly rented and leased. Improvements in technology continue to increase the durability and longevity of new cars, raising the number of high-quality used cars. In recent years, the sale of used cars has become a major source of profits for many new car dealers in the wake of decreasing margins for new cars. In fact, some luxury vehicle manufacturers promote “certified pre-owned” vehicles to customers who may be unable to afford new vehicles of a particular make. In economic downturns, the relative demand for these and other used cars often increases as sales of new cars decline.

Many financial institutions allow consumers to use insurance, financing, leasing, and warranty options. As a result, consumers are generally better informed and less worried about the payment.

India's growing openness, the arrival of new and existing models, easy availability of finance at relatively low rate of interest and price discounts offered by the dealers and manufacturers all have stirred the demand for vehicles and a strong growth of the Indian automobile industry.

FINANCIAL INSTITUTIONS

Definitions of finance :

- The commercial activity of providing funds and capital
- The branch of economics that studies the management of money and other assets
- Obtain or provide money for; "Can we finance the addition to our home and car ?"
- Sell or provide on credit
- The management of money and credit and banking and investments

Definition and uses of Finance company :

- A company specializing in the financing of installment plan sales.
- Company engaged in making loans to individuals or businesses.
- Unlike a bank, it does not receive deposits from the public.
- An institution that finances purchases for consumers, or makes loans to consumers who make regularly scheduled payments toward a loan maturity.
- Competitors of commercial banks in providing credit to households and firms. Unlike banks, they do not accept deposits.
- A financial institution (often affiliated with a holding company or manufacturer) that makes loans to individuals or businesses .

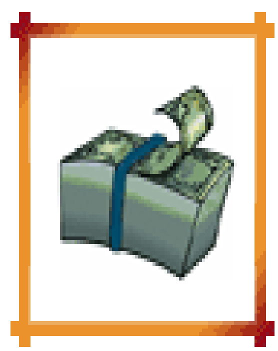
- A financial institution acts as an agent that provides financial services for its clients. Financial institutions generally fall under financial supervision from a government authority.
- It provides loans on cars homes and business with some amount of interest.

Home Loans

Home Loans offers some unbeatable benefits to its customers - Doorstep Service, Simplified Documentation and Guidance throughout the Process. It's really easy !

Personal Loans

Personal loan that's easy to get, and absolutely hassle free. With minimum documentation you can now secure a loan.



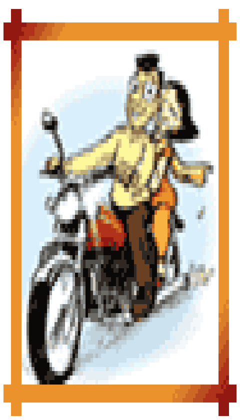
Car Loans

Flexible schemes & quick processing. Hassle-free application process on the click of a mouse.

Commercial Vehicle Loans

Range of services on existing loans & extended products like funding of new vehicles, refinance on used vehicles, balance transfer on high cost loans, top up on existing loans, Xtend product, working capital loans & other banking products.

Two Wheeler Loans



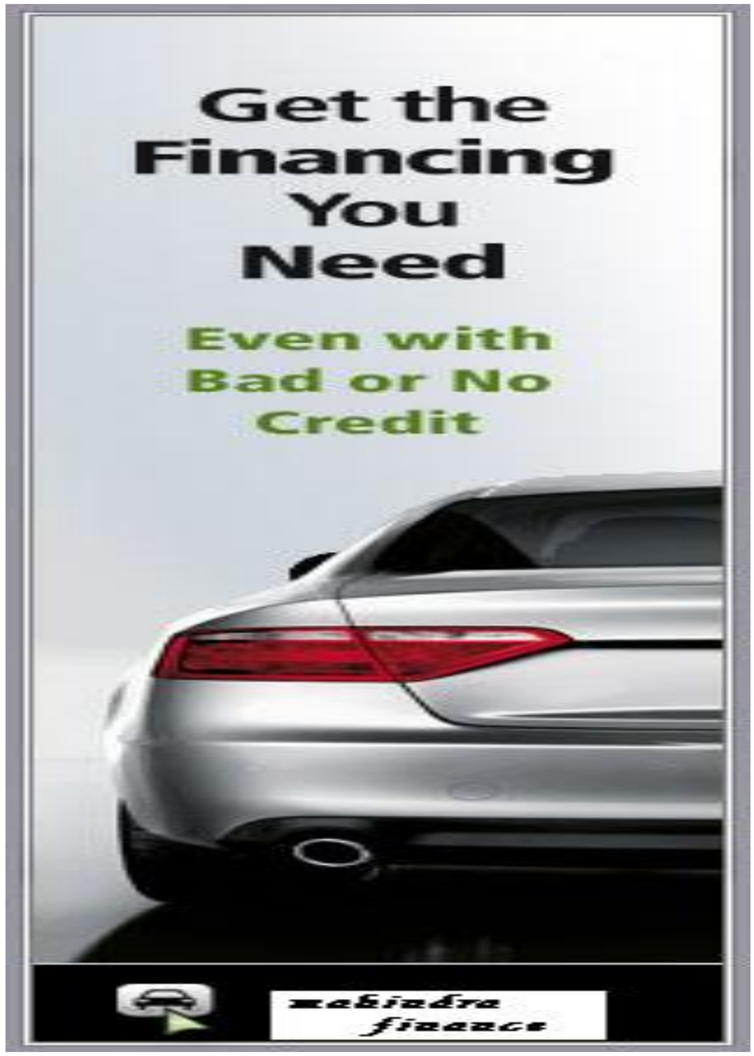
Finance for Two Wheeler Loans in the country . Finance facility of the On Road Cost of the vehicle, repayable in convenient repayment options and comfortable tenors. Ride home on your Dream Two Wheeler with finance .

Farm Equipment Loans

Finance for almost all leading tractor manufacturers in the country. Flexible repayment options in tandem with the farmer's seasonal liquidity. Monthly, Quarterly and Half-yearly repayment patterns to choose from.

Car Loans Auto Financing

The twentieth century is the era of insta buys. Research indicates that 60% of the cars bought in the last decade were through finance. The consumer is besieged with so many offers that it becomes well nigh impossible for him to decide which is the best.



Financial institutions have, new and used car auto financing. The vehicle finance application is free to the consumer, fast to complete, and secure. They work with the nations leading auto loan lenders and car dealers. Every day customers obtain auto loan financing for nearly any credit profile at competitive car loan interest rates and terms.

<u>Simple 4 Step</u> ***<u>Auto Financing Process</u>***

Submit an car loan application to get preapproved for an auto loan through financial institutions.

After completing the car loan application a auto dealer will instantly process your auto financing request.

A local automobile dealership representative will inform you of any required documentation needed to complete your vehicle finance preapproval package.

Visit the automobile dealership, select a new car or used car, and close your auto loan.

Benefits of our Car Loan Financing

- **Lower Auto Finance Rates**

  Dealers offer low car loan interest rate incentives from the auto manufacturer to buyers. Even with a marginal or sub prime credit.

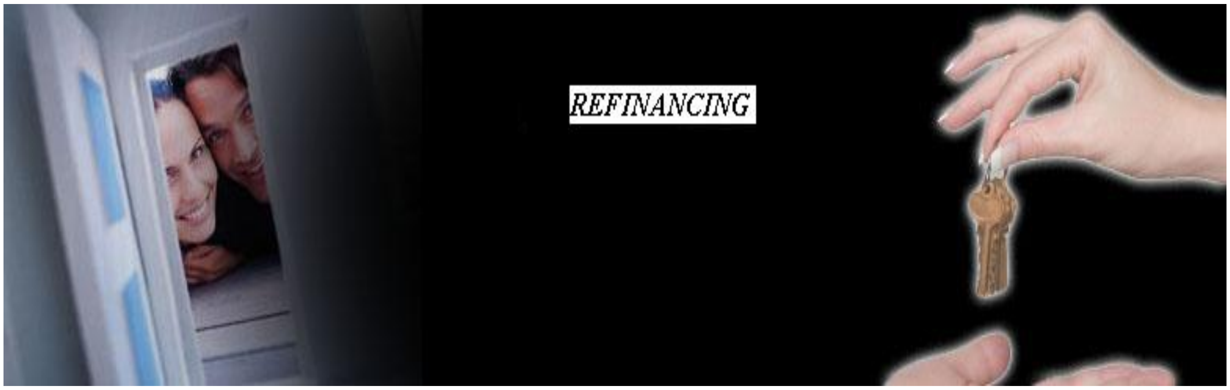
- **Many Lending Resources**

  A large number of auto lending companies means automotive dealers can offer a wide range of car loan or lease options. Many top auto finance companies only offer money through their local automobile dealership partners.

- **Convenience**

  Shoppers can buy, finance, or lease a new car or used car anytime through help of financial institutions..

What Is Refinance



Refinancing refers to applying for a secured loan intended to replace an existing loan secured by the same assets. The most common consumer refinancing is for used cars and for a home mortgage.

Refinancing may be undertaken to reduce interest costs (by refinancing at a lower rate.) , to pay off other debts , to reduce one's periodic payment obligations (sometimes by taking a longer-term loan), to reduce risk (such as by refinancing from a variable-rate to a fixed-rate loan), and/ or to liquidate some or all of the equity that has accumulated in real property during the tenure of ownership.

In essence , refinancing a mortgage or other type of loan can lower the monthly payments owed on the loan either by changing the loan to a lower interest rate , or by extending the period of loan , so as to spread the repayment out over a long period of time. The money saved can be used to pay down the principal of the loan , thus further reducing payments. Alternatively , refinancing can be used to transform available equity in ones house or car into ready cash , available for other purposes.

Refinance mortgage your property may also help if you discover yourself too deep in debt and you want a way out. Equity refinance will give you the additional money you require in order to consolidate your debts and provide you with the opportunity to pay them. This boosts your credit rating because after you do this, you're left with a solitary monthly installment that you can easily control. Just ensure you're not going to pay some hidden costs while you're switching your mortgage. No matter which way you consider it, having a firm what is refinance understanding has to benefit you, even if it is only slightly.

What is auto refinancing? How do I benefit by auto loan refinancing?

Auto refinancing is one of the best kept secrets around for saving you money, but most people never thought of refinancing their cars before. Car refinance is the same as home refinance. When refinancing car loans, you pay off your current car loan with a refinancing car loan from a different lender that has a lower APR. This is good for you because refinancing auto loans makes your monthly car loan payments much less, and your interest rate drops, which can allow you to pay off the balance of your car loan even quicker. Record numbers of homeowners refinanced in 2001 and 2002, and now many car owners are realizing you can save thousands by refinancing auto loans too. Car refinancing has become a very popular trend with dropping interest rates. It's like finding a wad of cash you didn't know you had in your clothes after doing the laundry. Use the money you save to pay off credit card debt or accelerate your car loan payoff. You don't want to be paying off your Camry for the next 5 years do you?

Note: Most lenders will not refinance their own auto loans. So if you plan to refinance your auto loan, you will need to look for a lender other than your current lender.

It's absolutely the most important priority that a person with bad credit, paying a high APR, refinance their car loan to a lower APR.

It's true, most bad credit borrowers can indeed refinance to a lower APR, but many don't think to try because they were "programmed" or duped by the dealer into thinking they are stuck at 21-25% APR.

MARUTI FINANCE

Maruti has tied up with 8 finance companies to form a consortium. This consortium comprises Citicorp Maruti, ICICI Bank, HDFC Bank, Kotak Mahindra, Sundaram Finance, Magma Leasing Ltd, Cholamandalam Finance and Mahindra & Mahindra financial Services LTD.

Best Interest Rates

Maruti Finance offers the best rates of interest. The installment schemes are designed to suit your convenience and other requirements.

Maruti Countrywide

Maruti Countrywide was set-up when GE Capital, HDFC and Maruti Udyog Limited formed a captive finance company in 1995.

A professionally managed company we share the ideals and work culture of the parent companies. Our prime objective is to cater to the needs of Maruti car buyers by offering innovative finance schemes for the purchase of Maruti cars.

Citicorp Maruti Finance

Citicorp Maruti Finance Limited was formed when Maruti joined hands with Citibank in May 1998.

Located in 52 cities we are the first company that provides services to finance the purchase of secondhand cars nationally. We also offer a wide range of flexible and customized financing options at affordable rates to individuals buying a Maruti car.

CHAPTER

III

- **STATEMENT OF THE PROBLEM**
- **SCOPE OF THE STUDY**
- **OBJECTIVES OF THE STUDY**
- **METHODOLOGY**
- **SAMPLING**
- **TOOLS OF DATA COLLECTION**
- **OPERATIONAL DEFINITIONS OF THE STUDY**
- **PLAN OF ANALYSIS**
- **LIMITATIONS TO THE STUDY**

DESIGN OF THE STUDY

STATEMENT OF THE PROBLEM

The topic of study is "***MAHINDRA FINANCE AT ITS LOW MARKET SHARE OF MARUTI UDYOG AND REFINANCE DIVISION IN BANGALORE.***

The first step in research is formulating or defining the research problem. It is rightly said that, *"a problem well defined is half solved".* Car Industry in India has grown considerably in recent years. This has resulted in the entry of many multinational brands & consequently the competition has become cut throat.

An understanding of Maruti Udyog's market share is essential to know who are Mahindra finance's competitors and what rate of interest other Banks are providing to the customers..

This study helps Mahindra to know opportunities in refinance sector, its competitors – their rate of interest. It is to provide detail information as to what customers think about Mahindra finance's services and how well they are aware of it.

It is to provide details of various used car dealers all over Bangalore and to know their tie up with different financial institutions regarding –

- their rate of interest
- flexibility
- loan processing period.
- Consumer satisfaction.

The primary concern is to why consumers don’t avail loan from Mahindra finance and usually opt for ICICI Bank and HDFC. Who are the players in refinance sector and how well consumers are aware of Mahindra services.

The real problem is to analyze & evaluate what a customer takes into consideration while he is making purchase of car & with which dealers should Mahindra tie up for refinance sector.

This study will help me to discover & point out the deficits of Mahindra finance and how can it establish itself as a strong player in refinance sector as well having tie up with Maruti udyog,.

The project is mainly undertaken to study the “Refinancing marketing strategies and to provide solution why Maruti Udyog customers and used car dealers and their customers not availing Mahindra finance loan at large ?

SCOPE OF THE STUDY

The aim of the study is to estimate the customer awareness regarding Mahindra finance in refinance sector and Maruti udyog finance in Bangalore & compare it with its competitive brands & also forecast the various opportunities available in the market for MMFSL. The study would help the company to find out the dealers preferences towards financing loans. The study also helps to the company to know the fast moving car & its segment.

Therefore, it is expected that the research findings would give valuable results which would benefit the Company TKM to make vital decision & to frame their marketing programs more effectively & efficiently to be a premier & a market leader in the Car Industry.

It is an attempt to understand & predict the influence of offers and rate of interest provided by different banks for availing loans for automobiles. Thus the aim of marketing is to meet & satisfy the needs & wants of the customer.

The study plays a very important role in market research. It also helps the firm to acquire a better understanding of “customers of Maruti Udyog and Udyog management objectives” which will help them to price their product.

This research will provide an in depth opportunity to Mahindra to enter refinance sector and know its competitors, their interest rate and volume of sales per dealer through financial loans.

The scope of study is to :

- Provide a solution to increase loan takers in Maruti Udyog and increase market share of Mahindra finance in Maruti Udyog .
- Provide new direction to refinancing.
- Establish tie up with renowned used car dealers in Bangalore.
- Awareness among dealers and consumers about Mahindra finance services.
- Increase the customers and retain the existing ones and provide satisfaction.

NEED FOR THE STUDY:

Aim of every Business organization is to satisfy its consumers & to earn profit. In today's world with a wide range of variety of different competing products in the market, especially in an Indian market the consumers had to choose a particular product to satisfy his wants.

Even the car dealers have shown great interest in getting as much as possible information about the behavior which in turn influences their market sales. All the above stated factors emphasis the need to study the factors influencing the purchase decision of cars.

The study is subjected to know the dealers preferences & attitudes towards different Cars in Bangalore City is purely based to gather information about the different brands of cars which are fast moving in Bangalore City. It is also to know which banks are preferred by consumers to avail loan.

The study is being undertaken to analyses the present status of the services of MMFSL in Bangalore & thereby to analyses the various sales opportunities available in the market for MMFSL. So as to minimize the weakness & maximize the strength, to fulfill the needs, wants & demand of the existing & new customers of MMFSL.

OBJECTIVES OF THE STUDY

Objective provides guidance and direction to the activities undertaken. Any work done without an objective, is useless and does not provide any fruitful outcome. Objectives range from general, such as profit maximization to the highly specific, such as obtaining a particular account.

Similarly, there are aims and objectives of a research study. The objectives, once specified become the base for the search team. The activities formulated will be in consonance with the objectives defined. Therefore, an objective must be formulated after a thorough study of the aspects to be dealt with in the study.

The present project is an attempt to access the Dealer analysis of the various brands of cars in Bangalore City in regard with Finance services through loans. This general objective can be subdivided into following:

- The main objective of this study is to provide Mahindra details about various used car dealers ----
  - Their address
  - Contact number
  - Volume of cars sold per month through loan
  - Main competitors in refinance field.

- To analyze Maruti Udyog customers and dealers behavior towards Mahindra Finance for provision of loans.

- To measure the customer awareness level of Mahindra finance and its offers.

- To know customers attitude towards the rate of interest and installment payment.

- To understand the customers expectations from *financial institutions.*

- To find the Refinancing constrains.

- To provide suggestions & recommendations to attain company objectives.

METHODOLOGY

THE RESEARCH PROCESS

- ***Why conduct market research?***

Market research plays an important part in today's world. Just guessing what customers are thinking or how they perceive the strengths and weaknesses of a company and its services can lead to missed opportunities and costly mistakes. Research from a professional, impartial company translates customers opinions and market realities into actionable data for company. **The result is increased customer service and greater financial stability.**

- ***How do you get started on a research project?***

The most basic step in the research process is **deciding what you need to know**. This is sometimes not as easy as it sounds. Market Research begins with individual and/or group brainstorming sessions. Suspending judgment for a moment, write down everything, no matter how large and small, that would help in achieving objectives. Sometimes this is easier to do in several sessions a few days apart.

The second step is **selecting the target customer(s) for the research**. Depending on the topic and methodology, the target could be defined by gender, age, geography, core or fringe audience, occupation, or any number of other factors.

The various options in selecting the target Customer(s) for research project are :

** <u>**Deciding on the Research Methods**</u>

The most direct way to determine the appropriate research methods is to first think about the conclusion of the study.

A deep understanding of attitudes, feelings, and behavior is crucial, ***qualitative*** **research** [such as focus groups or individual interviews] is recommended. It highlights the human dimension or beliefs and decision-making. While surveys more accurately reflect the rational mind, focus groups bring out the emotions and the thought process involved in forming attitudes, beliefs, and behaviors.

Quantitative marketing research is the application of quantitative research techniques to the field of marketing. It has roots in both the positivist view of the world, and the modern marketing viewpoint that marketing is an interactive process in which both the buyer and seller reach a satisfying agreement on the "four P's" of marketing: Product, Price, Place (location) and Promotion. As a social research method, it typically involves the construction of questionnaires and scales. People who respond (respondents) are asked to complete the survey. Marketers use the information so obtained to understand the needs of individuals in the marketplace, and to create strategies and marketing plan.

It is found that both quantitative and qualitative research in are useful.

There are five major and important steps involved in the research process:

1. **Defining the Problem.**
2. **Research Design.**
3. **Data Collection.**
4. **Analysis.**
5. **Report Writing & presentation.**

The brief discussion on each of these steps are :

1. **Problem audit and problem definition**

What is the problem? What are the various aspects of the problem? What information is needed?

2. **Conceptualization and operationalization**

How exactly do we define the concepts involved? How do we translate these concepts into observable and measurable behaviours?

3. **Hypothesis specification**

What claim(s) do we want to test?

4. Research design specification

What type of methodology to use? - examples: questionnaire, survey

5. Question specification

What questions to ask? In what order?

6. Scale specification

How will preferences be rated?

7. Sampling design specification

What is the total population? What sample size is necessary for this population? What sampling method to use?- examples: **Probablity Sampling:-** (cluster sampling, stratified sampling, simple random sampling, multistage sampling, systematic sampling) & **Nonprobability sampling:-** (Convenience Sampling, Judgement Sampling, Purposive Sampling, Quota Sampling, Snowball Sampling, etc.)

8. Data collection

Use mail, telephone, internet, mall intercepts

9. Codification and re-specification

Make adjustments to the raw data so it is compatible with statistical techniques and with the objectives of the research - examples: assigning numbers, consistency checks, substitutions, deletions, weighting, dummy variables, scale transformations, scale standardization

10. Statistical analysis

Perform various descriptive and inferential techniques (see below) on the raw data. Make inferences from the sample to the whole population. Test the results for statistical significance.

11. Interpret and integrate findings

What do the results mean? What conclusions can be drawn? How do these findings relate to similar research?

12. **<u>Write the research report</u>** - Report usually has headings such as:

1) executive summary;

2) objectives;

3) methodology;

4) main findings;

5) detailed charts and diagrams.

<u>Present the report to the client in a 10 minute presentation. Be prepared for questions.</u>

MARKET RESEARCH ON MAHINDRA FINANCE

A comparative analysis of "Mahindra finance and its competitors with respect to financial aid and refinance" is carried out.

According to Claire Seltiz and others "A research design is the arrangement of condition for collections and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure".

Thus research is an organized equity designed and carried out to provide information to solve the problem in fact search is an art of scientific investigation of a certain problem. Research is the process of systematically obtaining accurate answers to significant and interpreting information.

THE FOLLOWING ARE THE OBJECTIVES IN RESEARCH DESIGN :

- Collection of information to understand the competition in this line of activity.
- To carry out a survey on the dealers of used car dealers as well as the consumers.
- Interaction with managers of Maruti udyog to understand the means of comparative analysis.
- Collection of Mahindra finance and its competitors product's details.
- Comparison of offers, Interest rate, EMI of Mahindra finance with its competitor's products.
- Finally forwarding certain recommendations to the company.

THE FOLLOWING STEPS ADOPTED WHILE CARRYING OUT THE MARKET RESEARCH :

Defining the Problem.

** The problem was to identify why Mahindra has a low market share with Maruti udyog.

** To know Mahindra's status in refinance and awareness among customers regarding its services.

༄ Research Design.

** Quantitive approach was used in order to carry out the research.. Survey was done on dealers and consumers, Questionnaires were used and interviews were carried out.

༄ Data Collection.

** Personal interviewing

** Telephones

** TATA Yellow pages directory.

** Internet.

༄ Analysis.

** Perform various descriptive and inferential techniques on the raw data. Make inferences from the sample to the whole population. Put the findings using charts and graphs and analyze the data.

༄ Report Writing & presentation.

DATA COLLECTION MODE

In marketing research literature, there are two types of data. One is secondary data and the other is known as primary data.

PRIMARY DATA :

The first type of data sources is the primary data source which is the actual respondents of the survey. "Original research performed by individual researchers or organizations to meet specific objectives is called Primary Research".

Primary data consists of gathering of original information for specific purpose i.e. related to the objectives of the study; primary data has been collected through a structured questionnaire. Primary data is always more accurate, more reliable and more related to the problem of study as compared to the secondary data sources. The primary data sources in this research are the actual respondents of the survey, the respondents are likely to be the Sales Executives (Dealers of different brands of Cars) and finally the company's business authorities.

Data is collected to obtain desired information through structured questionnaires (a copy enclosed in annexure).

SECONDARY DATA:

The main advantages of using the secondary data can be summarized as :

- ✓ Economical, as the cost of collecting the original data is saved.
- ✓ Much of the time of the research is saved like data collecting, tabulating and analysis, which leads to prompt completion of the research projects.
- ✓ It can be obtained very quickly.
- ✓ It may also provide information that could not be obtained by the typical organization.
- ✓ Due to the secondary data, deficiencies and gaps can be found easily and primary data collection becomes more specific and relevant to the study.
- ✓ Finally secondary data can be used as a basis for comparison with the primary data that has been collected.

The secondary sources of data used in this project report are published article in Newspapers, Magazines, some books related to car industry, company catalogue and other published articles.

Field Work:

Field work is done throughout the Bangalore City. The data is collected by interviewing the consumers & getting the information required for the study which provides all the information regarding the influencing factors in his/her purchase decision.

The interview schedule which was prepared for the study contains questions and opens multiple answers to be ticked pertaining to the subject.

The field work took one month. Around 75 dealers,15 Maruti dealers, 50 consumers were interviewed in the research. The time taken to answer each schedule was minimum 10 minutes.

The interview schedule was carefully decided upon and revised in consultation with experts in order to avoid collection of irrelevant data.

The respondents were directly approached by the Researcher. The respondents were approached in the showroom in the morning or lunch hours because in the evening hours they were busy some of the respondents were met after taking prior appointment.

SAMPLING PLAN

In order to study the "**MAHINDRA FINANCE AT ITS LOW MARKET SHARE OF MARUTI UDYOG AND REFINANCE DIVISION IN BANGALORE"** the following sampling plan was adopted.

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. Specifying 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 (I) elements (II) sampling unit (III) extent (IV) time.

1. ***Elements*** : Used Car Dealers
   Maruti udyog dealers .
   Consumers.

2. ***Sample Unit*** : It is 75 used car dealers
   15 Maruti udyog dealers
   50 consumers at Random Sampling Method.

3. ***Extent*** : Bangalore City

4. ***Time*** : April – 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 in total as 140, which are drawn from the list of Car Dealers of various Brands of Cars, then Maruti dealers and end users to the total population .

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 top 25 dealers were selected for the sample size. It is the cheapest & simplest method of sampling, also means what ever sampling units are conveniently available.

Judgment Sampling

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

TOOLS FOR DATA COLLECTION

Data for this study is collected from both primary & secondary data. The primary data is collected through structured questionnaire, which was prepared to interview the respondents. It contained both open-ended & close-ended questions.

Secondary data was collected through books, magazines, journals, records, manuals, company website, internet etc.

PLAN OF ANALYSIS

The data is collected from both primary & secondary sources & has also been tabulated in the form of tables & drawn into graphs depicting the various finding significantly. The data collected through questionnaire are analyzed in detail & divided into various categories of preference & conclusions are drawn based on the research study.

OPERATIONAL DEFINITIONS OF THE STUDY :

For the purpose of this study the following concepts, models were formally relevant and are explained below.

MARKET

It is a group of people with demand with both ability and willingness to buy a product or service for the end user purpose. So the most important characteristics of a market are, there should be the ability and willingness to buy the product among the people for the end user.

PRODUCT

Product is any thing that is potentially valued by a target market for the benefits or satisfaction it provides including objects, services, organizations, places, people and ideas.

MARKET POTENTIAL

It is an estimate of maximum possible sales opportunity presents a particular Market Segment and open to all sellers of good services during a future period.

BRAND

It is a name, team, sign, design or some combinations of these used to identify the products or services of one firm and to differentiate them for competitive offerings.

SALES POTENTIAL

It is estimate of the maximum possible sales opportunities present in a particular market segment open to a specified company selling a good or service during a stated future period.

- It is first in consumer acceptance process in which a product stimulates, penetrates the consumer filtration system and in his mind.
- It is exchange value of a good or service.
- It is any paid form of non – personal presentation and promotion of ideas, goods or services by an identified sponsor.

LIMITATIONS OF THE STUDY

- ✓ Time has been a major constraint in fulfilling the research work very fulfilling the research work very accurately and all the market segments and a wider scope could not be envisaged. The study is time bound, due to rapid changes in the market, price of the used cars, introduction of new cars, bank loan schemes, interest rates etc.,
- ✓ Findings of the study are based on the assumption that the respondents divulged correct information.
- ✓ The random sampling method has been utilized and it is sometimes having its own limitations.
- ✓ The hesitation of the few Dealers (Respondents) to part with some data like their sales and margin was another limitation.
- ✓ The consideration for the cost of the study was also limitation. Considering the above factors, the sample size was limited to 75 and survey was limited to Bangalore City.
- ✓ One of the factors influencing the respondent's perception could be loyalty towards a particular brand. Another limitation is the assumption of the number of dealers in Bangalore City as 75 for calculating the sales potential which may not be accurate.
- ✓ Bias & unwillingness of certain respondents to answer some questions may hinder the study.

CHAPTER

III

- **INDUSTRIAL BACKGROUND**
- **COMPANY PROFILE**

PROFILE OF THE INDUSTRY & ORGANISATION

PROFILE OF THE INDUSTRY

HISTORY OF THE CAR INDUSTRY

The Chronology

A world without cars, although unimaginable today, was but a wink back in the evolution of times. The upright and the wise Man (as we know him today) first walked the earth 30,000 years ago and for the next 25,000 years, that was precisely what he continued to do.

The earliest reference to transport using the principles of mechanics has been made in 3500 BC, when, between the rivers of the Tigris and Euphrates the ancient Sumerian Civilization *used flat structures mounted on wheels. The use of horses to pull these crude carts probable followed shortly.*

Through the next 5000 years (till the mid 18th century), this remained the principle form of transport embraced by all major civilizations. Horses and oxen were used to draw chariots for fighting, coaches to transport people and wagons to move their goods.

The first mechanized mode of transportation happened in 1769, and most of the action as far as the development of the car is concerned took place only in the last two centuries. The following pages of car-history talk of the very first two eras of automobile production viz.

Present Culture of the Industry

An overview of the Automobile Industry in India: The great Indian automobile race has begun contestant from various countries are participating in the great role today at the door step of a new millennium the quest continues for the search of supremacy over the peers. The Industries like Maruti Udyog Limited, Hindustan Motors, Hyundai, General Motors, Tata, Daewoo Motors etc.

Once the Automobile Industry was deli censed in 1993, the automobile sales have zoomed up. The Indian Automobile Industry is one of the fastest growing markets in the world. The market has been experiencing the phenomenal growth rates in the recent years, since liberalization. The Industry pundits are predicting that the same growth rates can be sustained for the next 5 years well into 21st century.

The Foreign car makers are drawn towards India because the Indian Government has led to the creation of millions of house hold having a large disposable income. All this coupled with the Indian's likeness for sleek bodies has caught the imagination of the middle class people. They have never had going for them like this before.

Today's competitive world almost all want to own a car or two. This is made easier through financial institutions coming to their aid.

Used car sales is also rising and consumers are having the facility of availing loan on it too..

USED CAR REFINANCING

The twentieth century is the era of insta buys. Research indicates that 60% of the cars bought in the last decade were through finance. The consumer is besieged with so many offers that it becomes well nigh impossible for him to decide which is the best.

Refinancing Your Auto Loan

Various banks are into refinance sector providing good services to its customers and keeping them satisfied.

INTRODUCTION

Mahindra & Mahindra Financial Services Ltd - Company Profile Snapshot

Company Profile:	Mahindra & Mahindra Financial Services Ltd
2006 Sales:	5,979,800,000
Major Industry:	FINANCIAL
Sub Industry:	COMMERCIAL FINANCE COMPANIES
Country:	INDIA

Business Description

Mahindra & Mahindra Financial Services Ltd.

The Company's principal activities are to provide finance for utility vehicles, tractors and cars with largest network of branches covering these areas. The Company is a subsidiary of Mahindra & Mahindra, a leading tractor and UV manufacturer with over 60 years experience in the Indian market.

Mahindra & Mahindra is a part of the Mahindra Group and was established in 1945 to manufacture general-purpose utility vehicles. It later moved into manufacturing tractors and light commercial vehicles, and is today the tenth largest private sector company in India.

Having increased the scope of work, the company's business is divided into four divisions viz. automotive, tractor, inter trade and MSL. These divisions handle steel, trading and manufacturing of ash handling plants and traveling water screens.

The company has rapidly expanded itself and today has seven state-of-the-art factories and 33 sales offices supported by a network of more than 500 dealers throughout the country. The company employs over 17,000 technical and non - technical personnel and is situated on an area of over 5,00,000sqm

.

With an experience of over 52 years in extensive manufacturing and engineering development, it has a strong technological base, and is supported by a team of experienced personnel.

PROFILE

Mahindra Finance is one of India's leading non-banking finance companies focused on the rural and semi-urban sector providing finance for utility vehicles, tractors and cars with largest network of branches covering these areas (Source: Association of Leasing and Financial Services Companies, November 2005).It is a subsidiary of M&M, a leading tractor and UV manufacturer with over 60 years experience in the Indian market.

Our goal is to be the preferred provider of retail financing services in the rural and semi-urban areas of India. Our strategy is to provide a range of financial products and services to our customers through our nationwide distribution network. We seek to position ourselves between the organised banking sector and local money lenders, offering our customers competitive, flexible and speedy lending services. We principally finance UVs used both for commercial and personal purposes, tractors and cars. While we predominantly finance M&M UVs and tractors, we have continued to expand our lending in respect of non-M&M vehicles.

In the three years ended March 31, 2005, we expanded our branch network from 195 to 255 branches providing services to customers in 25 states and two Union Territories across India. During the same period, the cumulative number of customer contracts entered into grew from 161,079 to 336,819. As of December 31, 2005, we had 295 branches in 25 states and two Union Territories in India and had entered into 430,300 customer contracts. In addition, on September 16, 2005 we entered into an agreement with HPCL whereby they have granted us permission to establish outlets in selected petrol stations owned or franchised by them. We intend to use these outlets to make new loans and provide payment services in respect of existing loans.

As our geographical reach and market penetration have expanded, so too have our Loan Assets, which grew from Rs. 11,702.1 million as of March 31, 2003 to Rs. 17,106.3 million as of March 31, 2004, to Rs. 26,310.6 million as of March 31, 2005 and to Rs. 36,628.7 million as of December 31, 2005. As of December 31, 2005, our net NPA constituted 3.7% of Total Assets.

Our total income increased from Rs. 2,459.6 million for Fiscal 2003 to Rs. 4,047.6 million for Fiscal 2005 at a compound annual growth rate of 28.3% During the same period our profit after tax increased from Rs. 441.8 million to Rs. 822.7 million at a compound annual growth rate of 36.5%. As of December 31, 2005 our total income was Rs. 3,983.0 million, our profit after tax was Rs. 610.7 and we had Rs. 4,026.1 million of share capital and reserves.

In May 2004, as a supplement to lending business an insurance broking business was started through our wholly owned subsidiary, Mahindra Insurance Brokers Limited. During Fiscal 2005, in its first year of operations, MIBL earned an income of Rs 34.4 million and achieved a profit after tax of Rs. 17.3 million.

MISSION

M&MFSL will be recognized as the premier provider of financial services on the basis of its contribution to sale of Mahindra range of vehicles, tractors, services and help M&M protect its sale through availability of finance

M&MFSL will specialize in financing products based on applications and build on the competence developed in its focus area. M&MFSL will target all segments of vehicle financing and deploy its skills acquired through an in-depth understanding of chosen product market.

M&MFSL will provide products and services tailored to the needs of M&M, its most favoured customer, and always meet their needs. In case of demand supply mismatch of funds, M&MFSL will do everything to find a solution

M&MFSL may finance other products other than the competing M&M Models

M&MFSL will help M&M develop better products by providing first hand information received from the target market.

ENVIRONMENT

Environment, Technology & Employment

MMFSL is committed to manufacture technically advanced and environment friendly products.

MMFSL has always believed that the best way to serve society is by providing automobiles that will not only make people happy, but will also be environment friendly.

To realize high quality vehicle production at reasonable prices, MMFSL seeks the best balance between human resources and advanced robot technology.

BOARD OF MEMBERS

Management

The Board of M&MFSL comprises of:

Chairman:

Mr. A.G. Mahindra

Vice Chairman:

Mr. B.N. Doshi

Directors:

Dr. Pawan Goenka

Mr. Anjanikumar Chaudhari

Mr. U.Y.Phadke

Mr. M. G. Bhide

Mr. Dhananjay Mungale

Mr. Nasser Munjee

Mr. Piyush Mankad

Managing Director

Mr. Ramesh Iyer

The Company is professionally managed under the guidance of a competent Board of Directors.

Mr.Ramesh Iyer (Managing Director), currently heads the Company M&MFSL has competent professionals with experience and expertise in the field of Finance, Leasing and Hire Purchase.

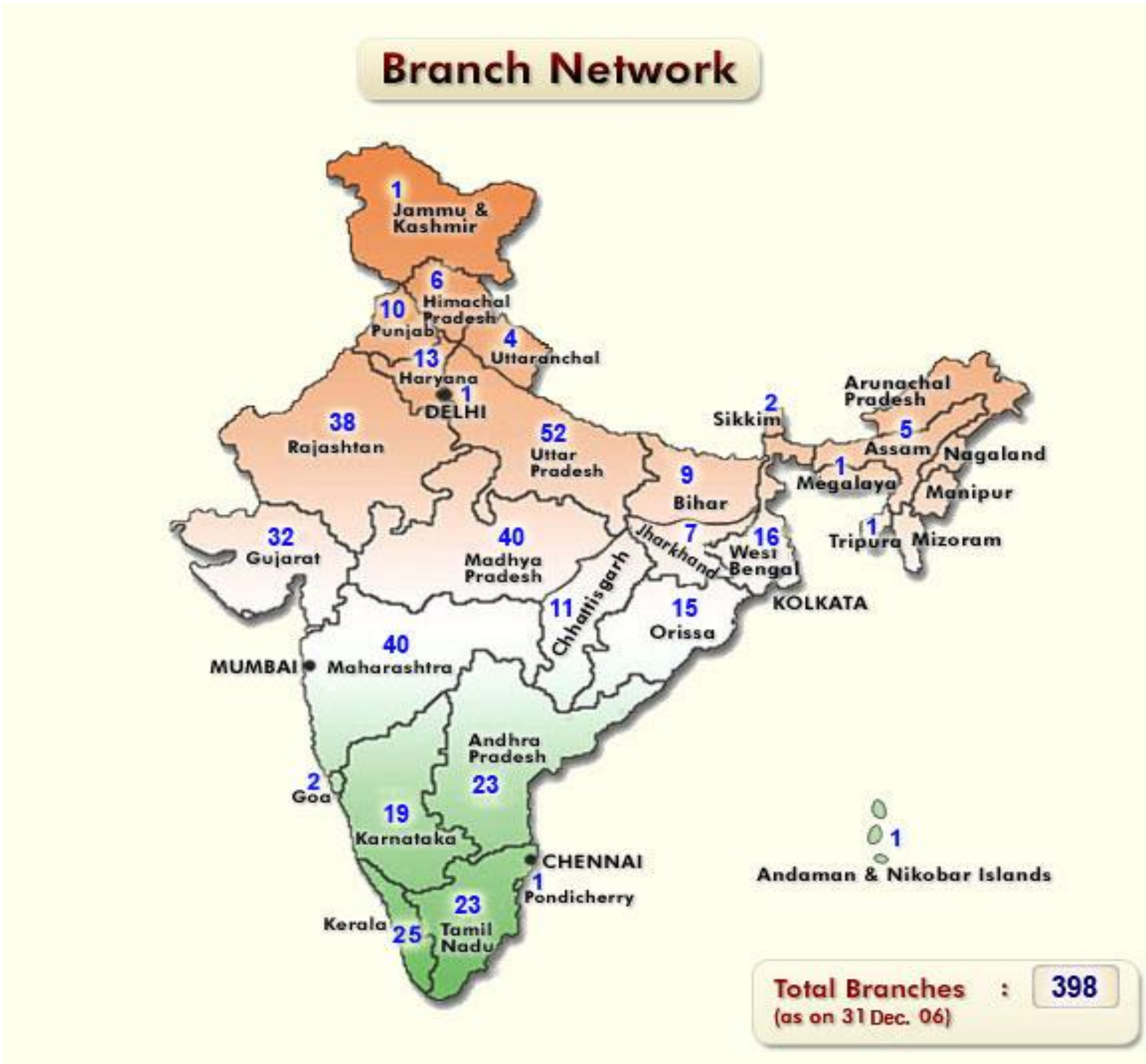
The day to day management is carried out by a management committee comprising : :

Mr. Ramesh Iyer - Managing Director

Mr. V.Ravi - Chief Financial Officer

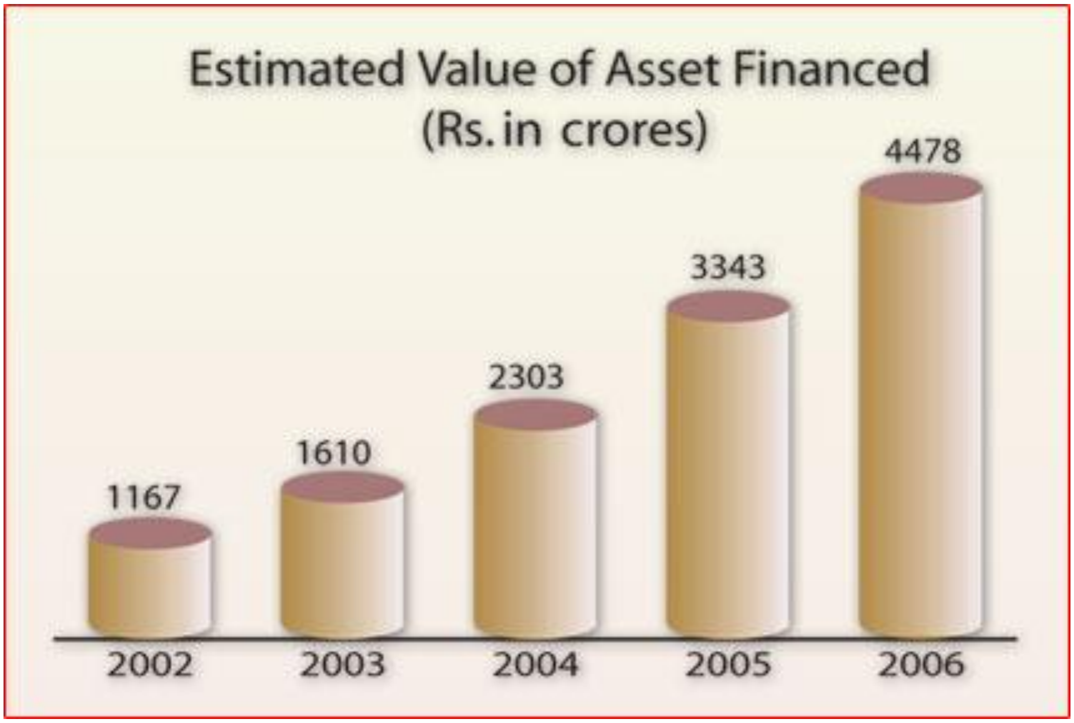
Mr. Apurv Verma - Vice President (Operations).

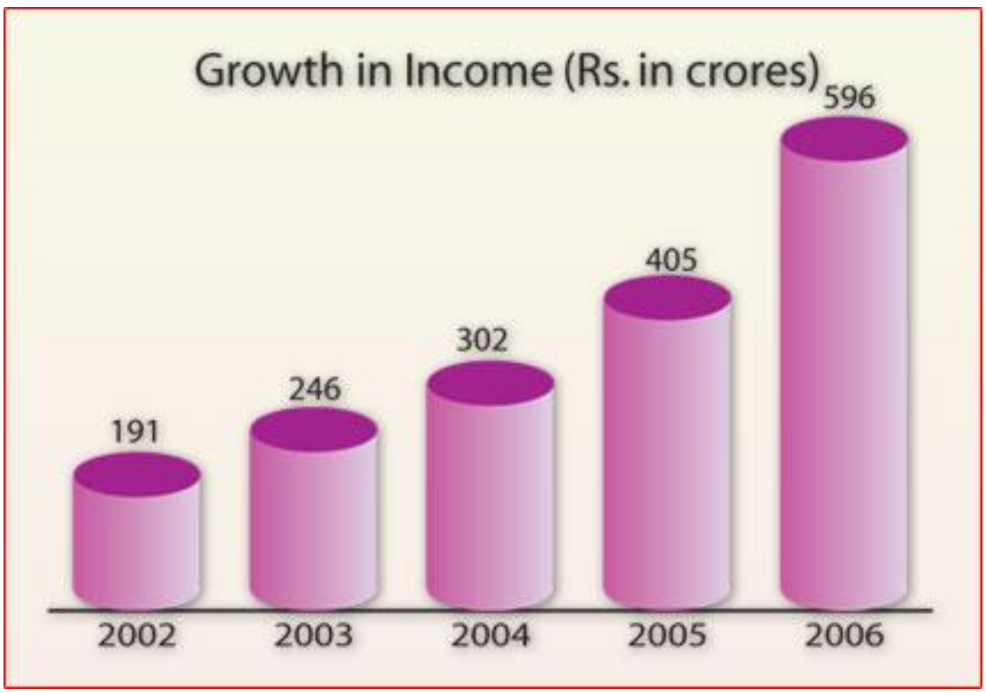
BRANCH NETWORK OF MMFSL

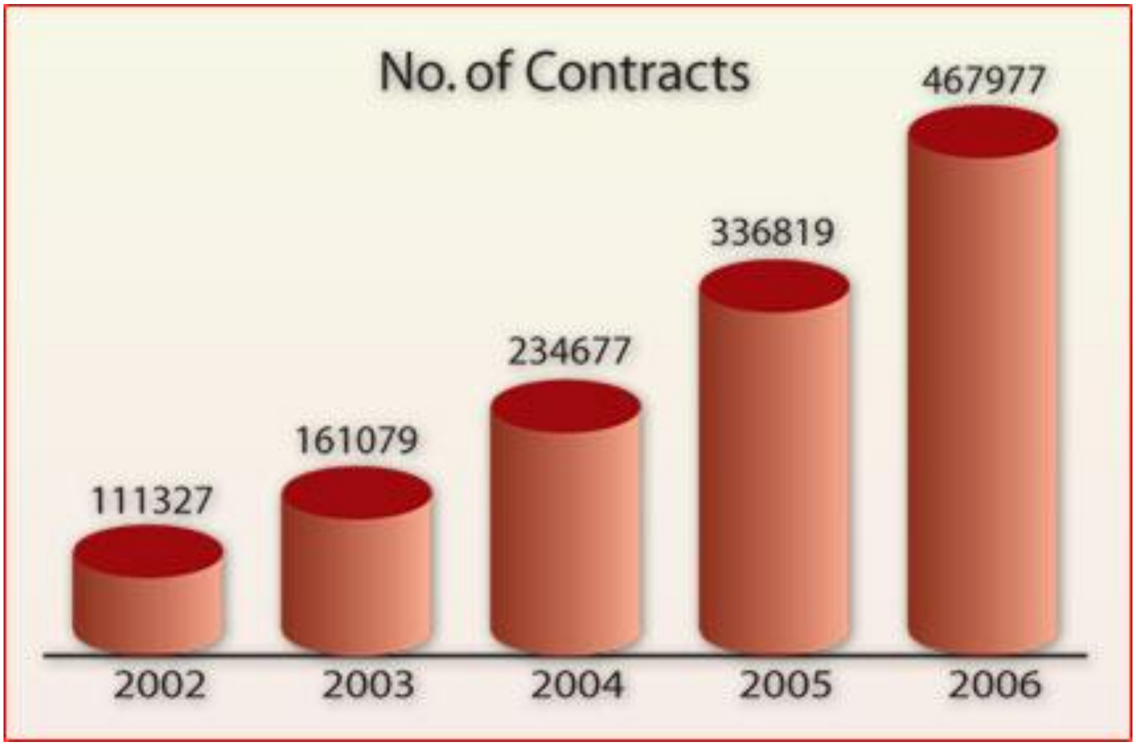


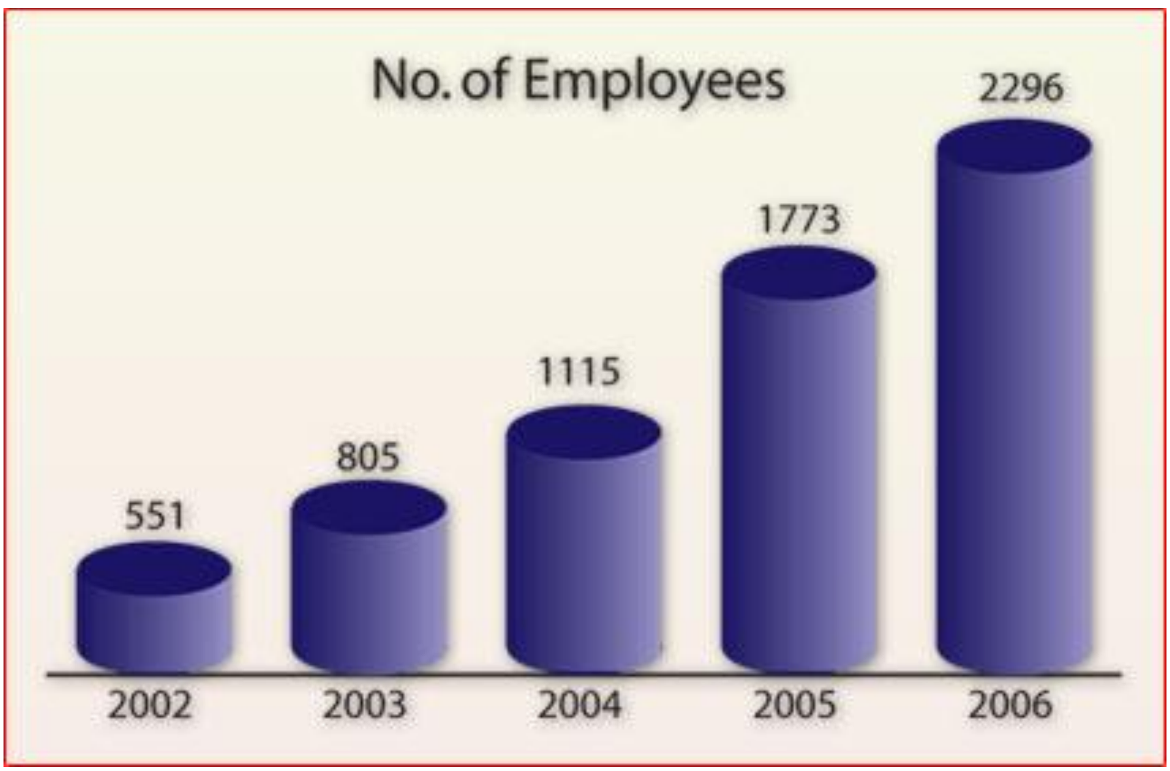
MMFSL has 398 branches (as on 31st Dec 2006) servicing its customers.

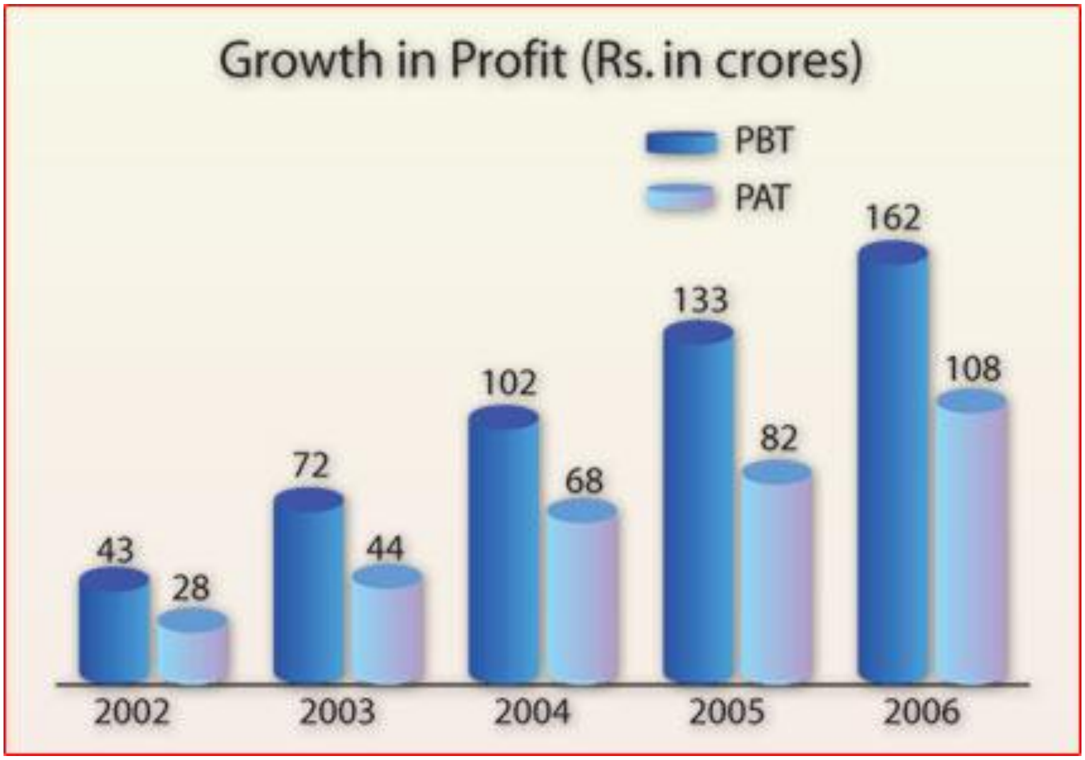
BUSINESS PERFORMANCE



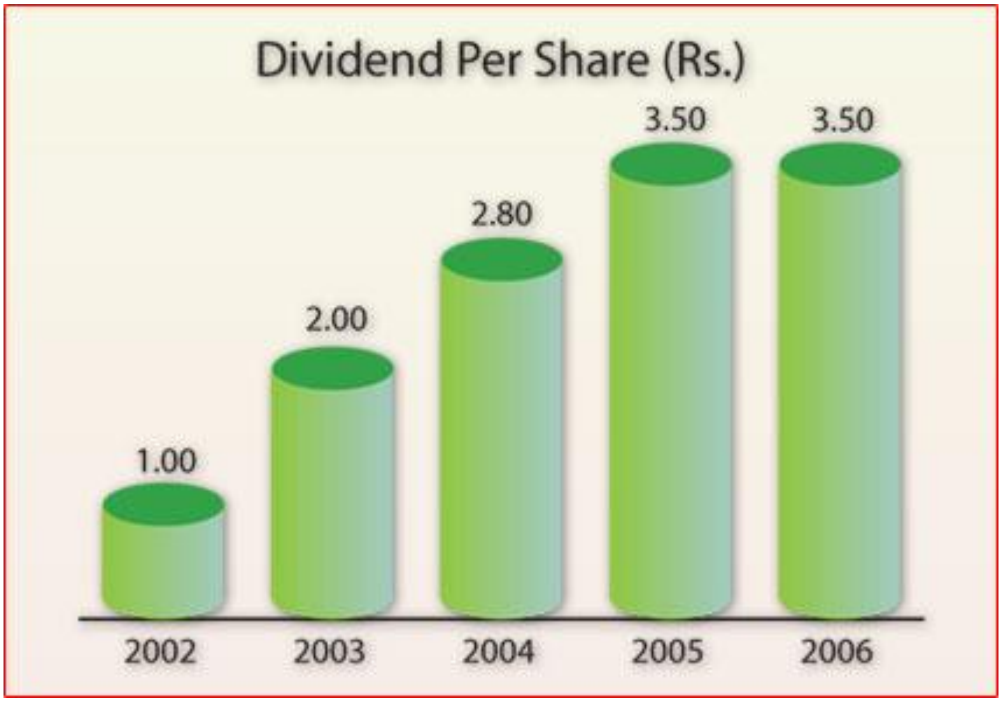



No. of Contracts
111327
161079
234677
336819
467977
2002
2003
2004
2005
2006

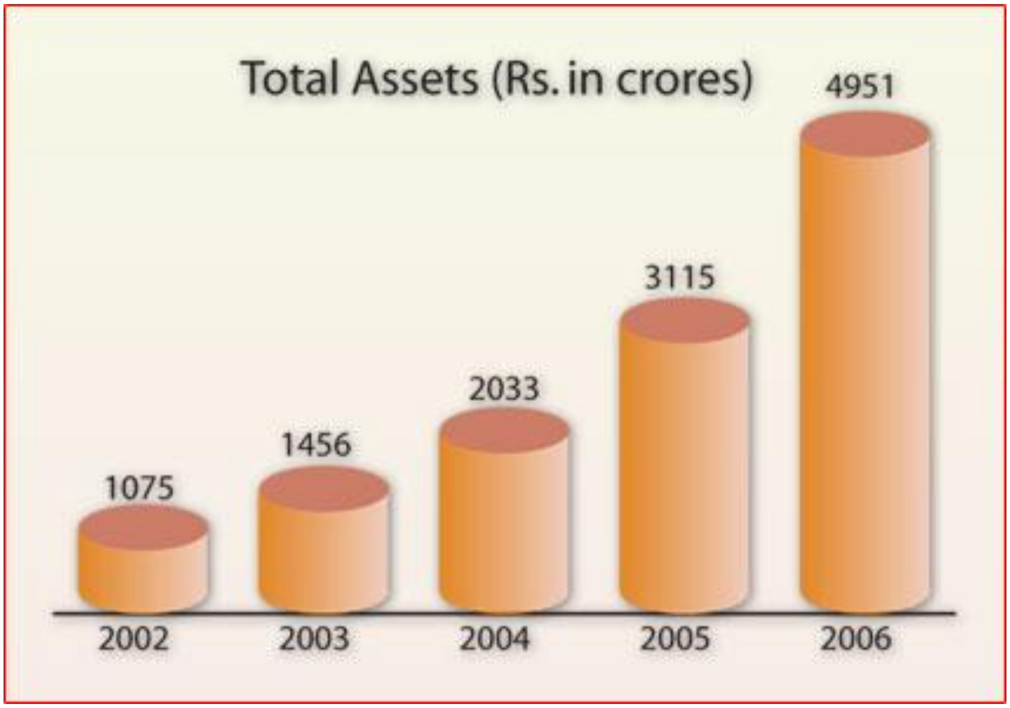

No. of Employees
551
805
1115
1773
2296
2002
2003
2004
2005
2006

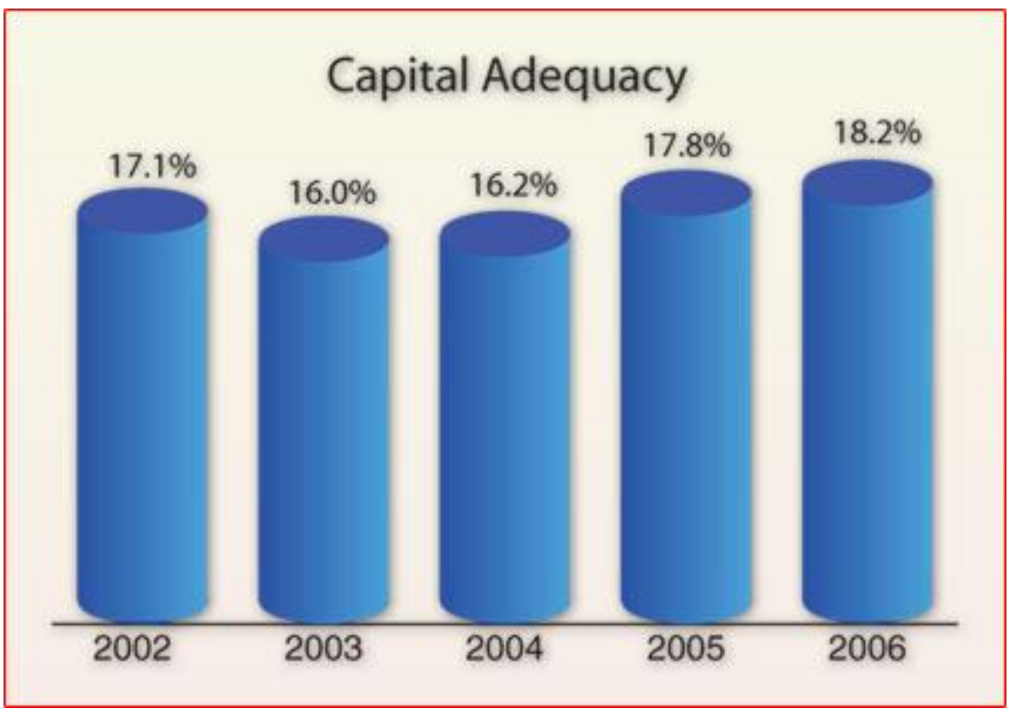

Growth in Profit (Rs. in crores)
PBT
PAT
43
28
72
44
102
68
133
82
162
108
2002
2003
2004
2005
2006


Growth in Shareholders' Fund
(Rs in crores)
171
203
252
356
682
2002
2003
2004
2005
2006

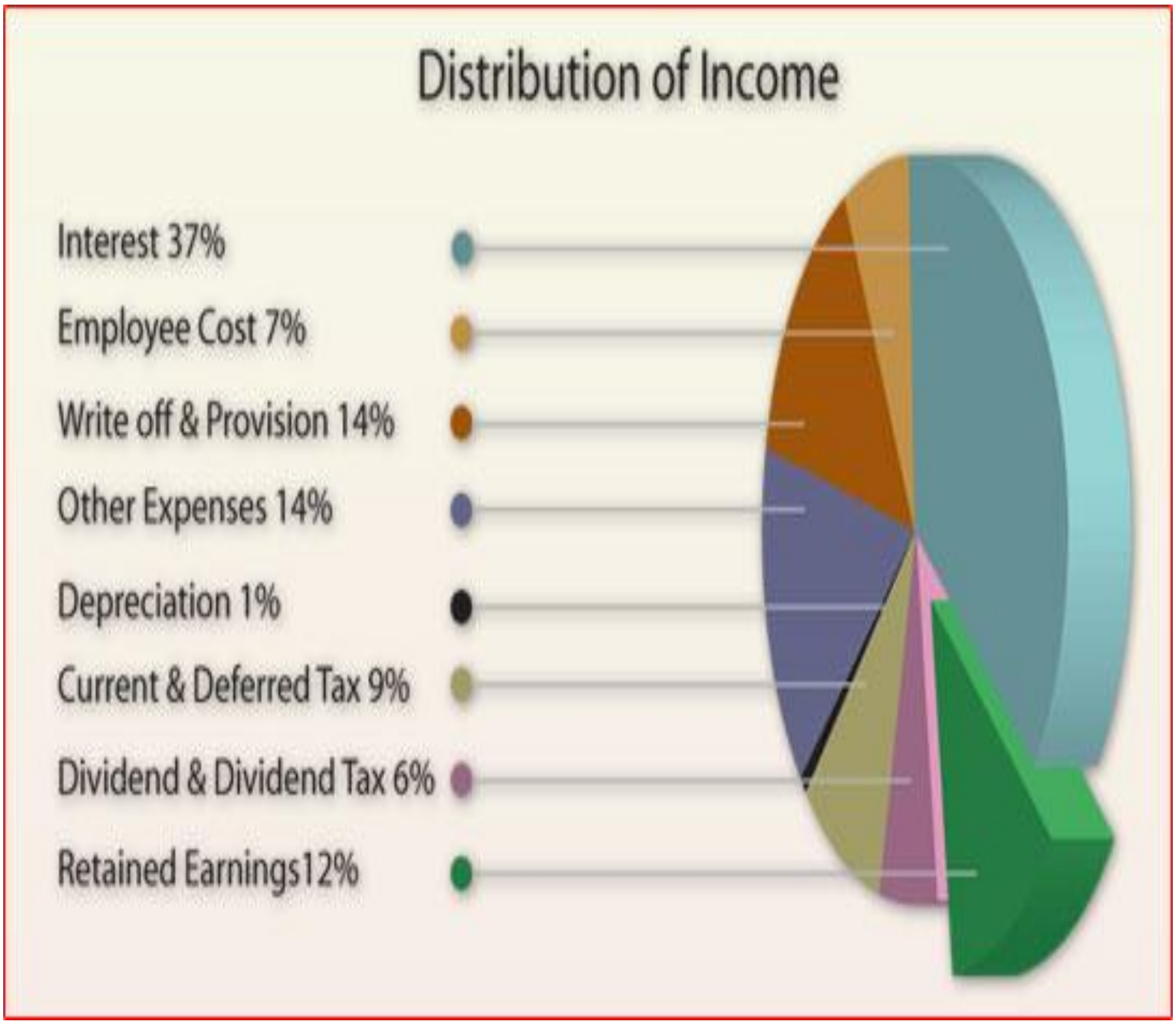

Dividend Per Share (Rs.)
1.00
2.00
2.80
3.50
3.50
2002
2003
2004
2005
2006


Earnings Per Share (EPS) (Rs.)
Basic EPS
Diluted EPS
4.57 4.57
7.32 7.32
11.15 11.15
13.23 13.23
14.59 14.41
2002
2003
2004
2005
2006


Total Assets (Rs. in crores)
1075
1456
2033
3115
4951
2002
2003
2004
2005
2006


Capital Adequacy
17.1%
16.0%
16.2%
17.8%
18.2%
2002
2003
2004
2005
2006

GRAPH SHOWING DISTRIBUTION OF INCOME.



Products Offered

FINANCE FOR : --


TRACTORS.


MAHINDRA UTILITY VEHICLES.


MAHINDRA LIGHT COMMERCIAL VEHICLES.


CARS


THREE WHEELERS


USED VEHICLES.

Other Services

MUTUAL FUND DISTRIBUTIONS


FINANCIAL ADVISORY SERVICES.

MAHINDRA FINANCE IN REFINANCE SECTOR

REFINANCE is referred to the provision of loan facility given to consumers for purchase of second hand cars or mortgage.

There are two kinds of refinance which Mahindra is working on :

A. used car refinancing.
B. Mortgage (taking loan on assets).

Mahindra finance is at its peak in mortgage loans and keeping customers happy and satisfied. Customers can avail loan on their assets when needed. The loan value depends on the value of the asset and its depreciation. Sales promotion is carried out to promote and create awareness among consumers regarding the services of Mahindra.

Mahindra is not yet into the business of refinance of used car as it doesn't have the data bases of dealers who are authorized and don't deal with accident and stolen cars. MMFSL is always known for honesty and good service. It wants to tie up with renowned dealers and be a leading player in refinance sector.

MAHINDRA FINANCE AT ITS MARKET SHARE WITH MARUTI UDYOG

What is Maruti Finance?

Maruti has partnered with the leading Finance companies in India to provide highly attractive Finance deals to its customers through its dealers. Maruti Finance is the program under which these deals are being offered exclusively to customers of Maruti vehicles.

Which are the companies that Maruti is partnering with?

Maruti has partnered with the top Finance companies in India, so that its customers get the best possible service and rates. The alliance partner Finance companies for Maruti Finance are Citicorp Maruti Finance Ltd., Maruti Countrywide, ICICI Bank, HDFC Bank, Kotak Mahindra and Sundaram Finance.

DOES MAHINDRA HAVE TIE UP WITH MARUTI UDYOG ?

Yes it does have a tie up with maruti udyog but is having a low market share. Reason being consumers don’t avail loans from Mahindra finance as they mistake it to be Kotak Mahindra. Many consumers have strong preference towards ICICI , HDFC due to their brand name and image moreover consumers have saving accounts opened in those banks.

CHAPTER IV

ANALYSIS & INTERPRETATION

- **<u>REFINANCE SECTOR</u>**
- **<u>MARUTI DEALERS</u>**

ANALYSIS AND INTERPRETATION

New technologies have revolutionized our lives in the recent past. Today many things we do as an everyday activity were virtually science fiction hardly few years back. World has become so small because of these technologies and whether we like it or not, everything is getting globalize. The customers are becoming demanding. The products and services are converging. Even the competition is also global now.

Automobiles have become an indispensable part of our lives, an extension of the human body that provides us faster, cheaper and more convenient mobility every passing day. Behind this betterment go the efforts of those in the industry, in the form of improvement through technological research.

These wheeled machines affect our lives in ways more than one. Numerous surveys and research are conducted throughout the Bangalore to reveal one or the other aspect of automobile finance options. To cope up with such environment we must be quite aggressive as well as cautious. We must try getting the highest market share and built a good customer network..

PRESENTATION OF DATA AND ANALYSIS AND INTEPRETATION

PROFILE OF THE SAMPLE UNIT:

The sampling unit is the basic unit containing the elements, if the population Is to be sampled. It may of course, be the element itself or a unit in which the element is contained. A sampling unit is often dependent upon the sampling frame. The sampling unit should be specified so that data is collected from the right person and the information so received is accurate.

The sampling unit was

- The dealers of used cars in Bangalore.
- The Maruti udyog exclusive dealers
- The end users i.e. consumers.

MY FINDINGS ARE AS FOLLOWS :


BANGALORE
CITY MAP
N
Yelahanka
DOD Ballapur Rd.
NH 7
Rachenahall
Yelahanka New town
Yelahanka Satellite Town
Kadasonappanalli
Tirumanahalli
Tumkur
Kuvempu Nagar
GKVK
Bellary Road
Jakkuru Aerodrome
Vijay Nagar
To Mumbai
NH 4
BEL
Dasarahalli
Mahadevpura
Banaswadi Rd.
HMT
Jalahalli
Nagavara
Outer Ring Road
Channasandra
Kalkere
Tumkur Road
I.I.S.C.
Guttahalli
Ganganagar
Hormavu
Yeshwantpur
R.T. Nagar
Chikkabanhalli
Mahalakshmipura
Ring Road
Mekhri Circle
Ashok Nagar
Swathantra Nagar
Old Madras Road
Sadashiv Nagar
Mattadahalli
Malleshwaram
Bangalore Palace
ITI colony
Golf Course
Le Meridien
Indira Nagar
Taj West End
St. Xavier's Church
Annapurneshwar Nagar
Ulsoor Lake
Bangalore City RS
Gpo
Oberoi
Taj Residency
LB Shastri Nagar
International Technology Park
High Court
Cricket Stadium
Vijaynagar
Airport Road
Whitefield
St. Andrew's Church
Azad Ngr
Attikoppe
Ullalu Rd
Lal Bagh
Golf Course
Marattahalli
Tipu's Palace
Biotechnical Gardens
Bangalore Airport
Gavi Gangadalshwara Temple
Koramangala
Vartur kere
Bull Temple
Shinivagalu Tank Bed Layout
Katriguppe
Mysore Rd.
Jayanagar
Devarabisanahalli
Madivala
Padmanabha Nagar
Sarjapur Road
Hosur Road
Bommanahalli
Kachmaranhalli
Kodipur
JP Nagar
Southern Railway
To Bangalore University
Tank
Madivala Tank
Btm layout
Vasantpur
Singha Sandra
Begur
Parappana Agrahara
National Highway
Roads
Airport
Landmarks
Hotel
Hospital
Railway
Water Body
Railway Station
Temple
Church
Map not to Scale
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REFINANCE SECTOR

A. USED CAR DEALERS SURVEY

B. CONSUMER SURVEY

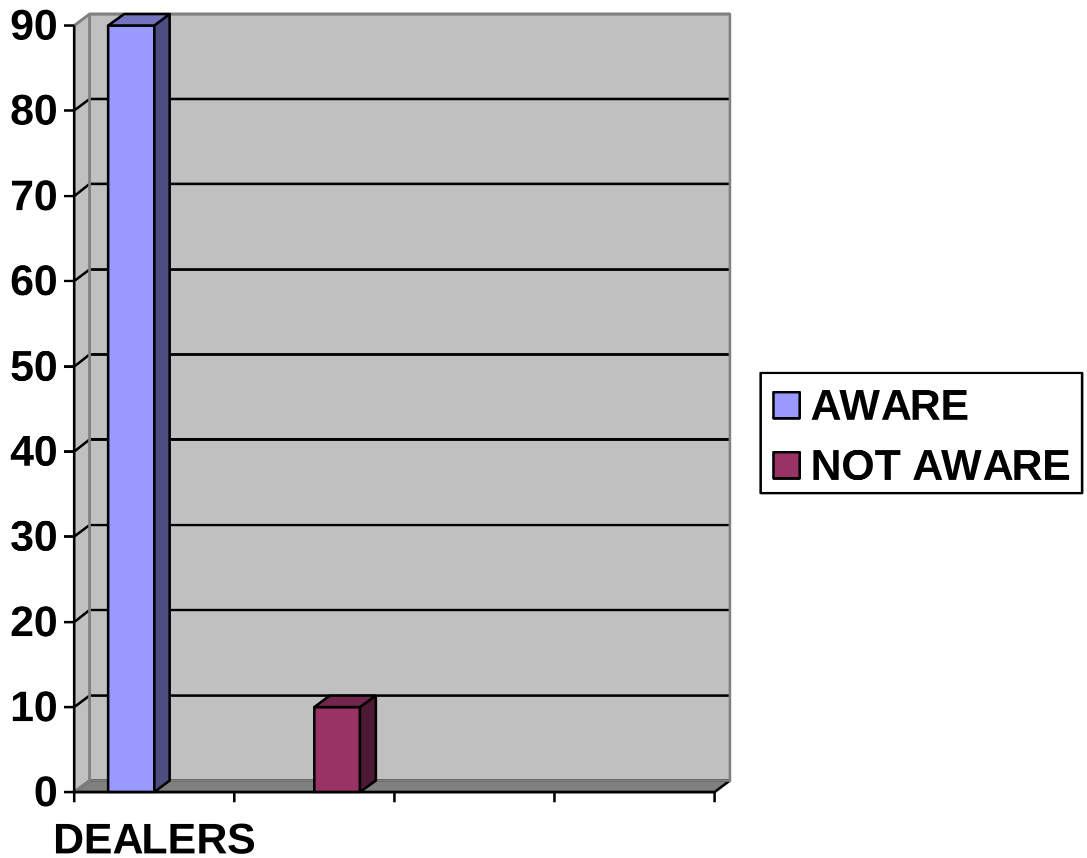
USED CAR
DEALERS   SURVEY

USED CARS FOR SALE

RESEARCH ON DEALERS

GRAPH 1

- ***AWARENESS OF MAHINDRA FINANCE.***



90% OF DEALERS ARE AWARE WHERE AS 10% ARE UNAWARE IF MAHINDRA IS INTO FINANCING.

TABLE 1

SHOWING THE READINGS

GIVEN IN ABOVE GRAPH

NO OF RESPONDENTS	**DEALERS**	**% OF AWARENESSS**
AWARENESS	68	90%
NOT AWARE	7	10%

TOTAL NO OF RESPONDENTS : 75

ANALYSIS AND INTERPRETATION :

75 Dealers were surveyed out of which 68 were aware of Mahindra and had heard about its services where as 7 of them were not aware that Mahindra was into refinance business and it provides loans for used cars.

GRAPH 2

- **SALES PER MONTH IN DIFFERENT USED CAR SHOWROOMS.**

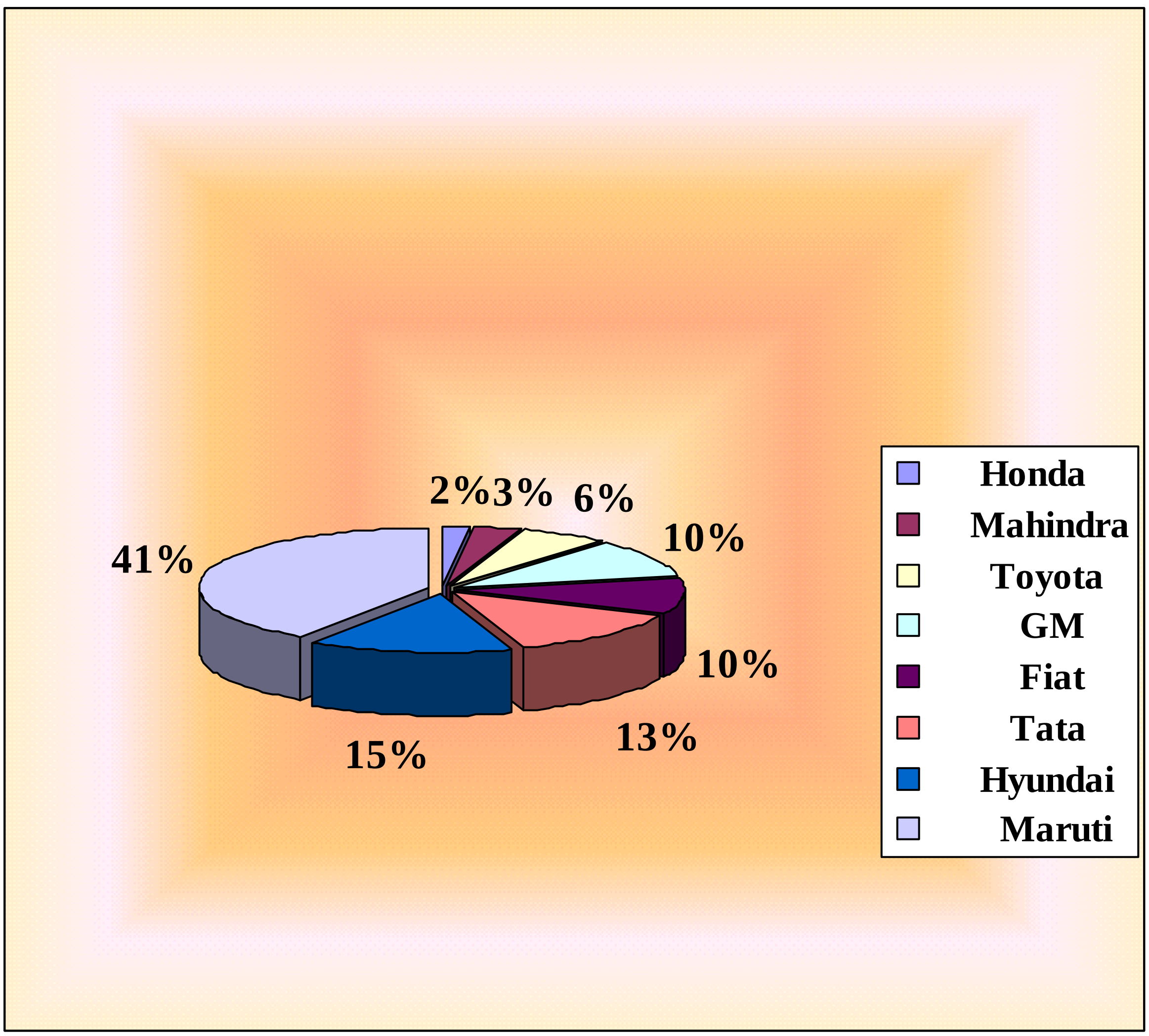


TABLE 2

SHOWING THE READINGS

GIVEN IN ABOVE GRAPH

CAR BRAND	SALES IN TERMS OF %	CARS SOLD
HYUNDAI	15	8
MARUTI	41	20
TOYOTA	6	3
HONDA	2	1
TATA	13	6
GM	10	5
MAHINDRA	3	2
FIAT	10	5

SAMPLE SIZE **: 50 CARS SOLD PER SHOWROOM IN A MONTH**

GRAPH 3

- **NO OF AUTHORISED AND UNAUTHORISED DEALERS IN BANGALORE.**

Survey was done on 75 used car dealers among them it was differentiated as authorized and unauthorized.

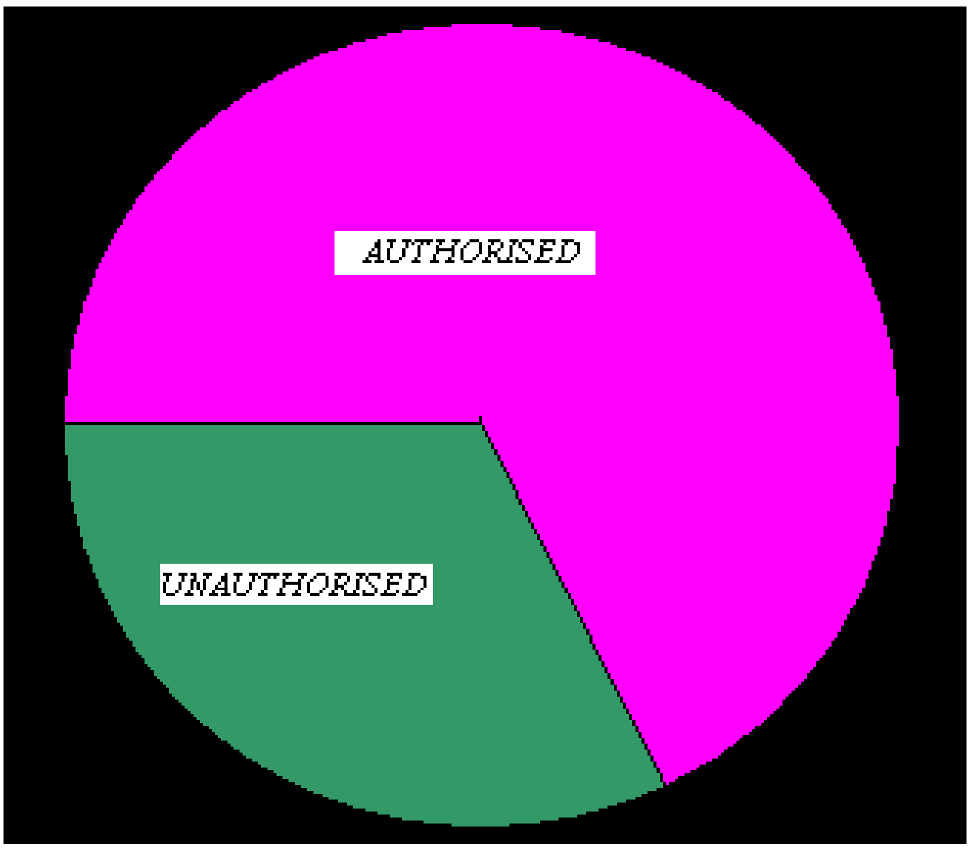


TABLE 3

NO OF RESPONDENTS	75 DEALERS	IN %
AUTHORISED	50	75%
UNAUTHORISED	25	25%

TOTAL NO OF RESPONDENTS : 75

ANALYSIS AND INTERPRETATION **:**

75 Dealers were surveyed out of which 50 were authorized where as 25 of them were unauthorized car dealers. In terms of percentage 75% are authorized and 25% were unauthorized.

GRAPH 4

- ***PRESENT AUTHORISED CUSTOMERS OF MAHINDRA FINANCE***

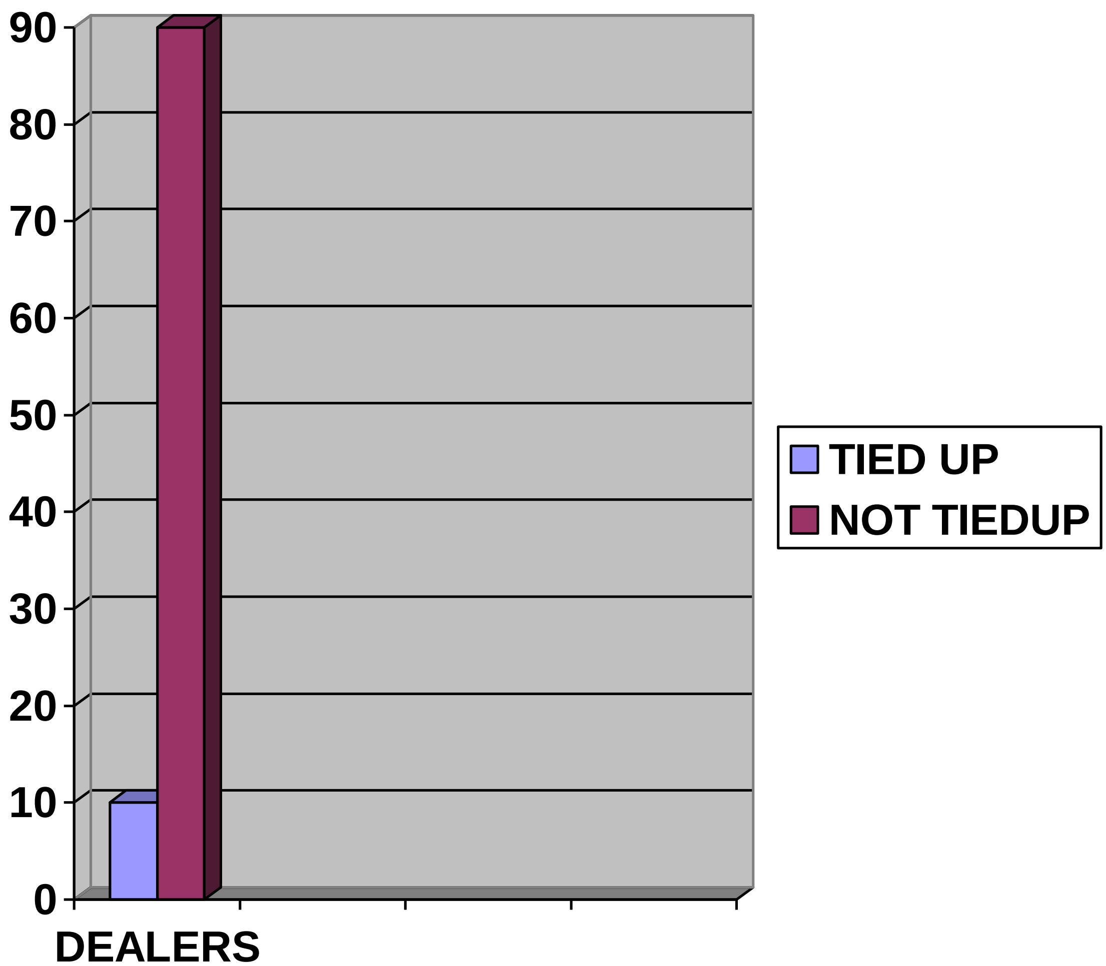


TABLE 4

NO OF RESPONDENTS	AUTHORISED DEALERS	% OF VENTURES
TIED UP	5	10%
NOT TIED UP	45	90%

TOTAL NO OF RESPONDENTS : 50

ANALYSIS AND INTERPRETATION ***:***

50 authorized Dealers were surveyed out of which 5 were tied up with Mahindra finance where as 45 of them were not having venture with Mahindra due to high rate of interest and documentation process. Main reason being Mahindra had not yet approached them.

GRAPH 5

- ***PRESENT UNAUTHORISED CUSTOMERS OF MAHINDRA FINANCE***

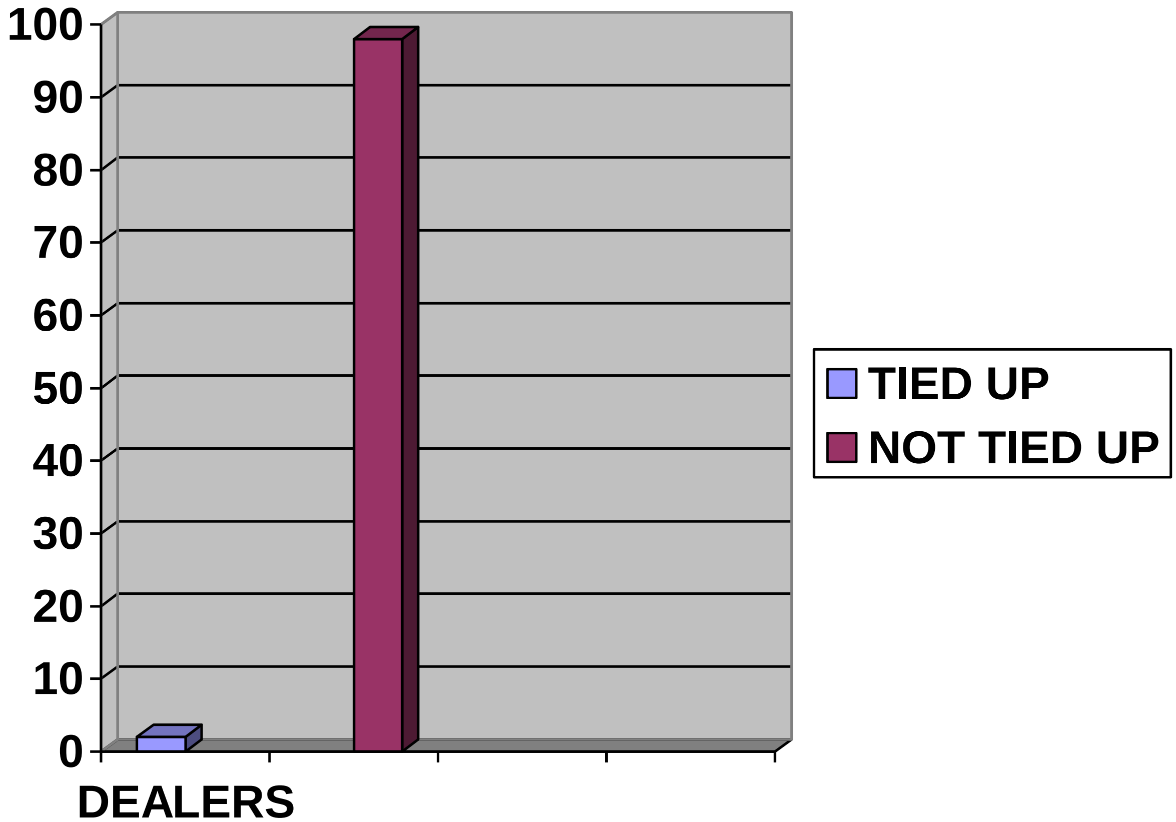


TABLE 5

NO OF RESPONDENTS	UNAUTHORISED DEALERS	% OF VENTURES
TIED UP	2	8%
NOT TIED UP	23	92%

TOTAL NO OF RESPONDENTS : 25

ANALYSIS AND INTERPRETATION **:**

25 unauthorized Dealers were surveyed out of which 2 were tied up with Mahindra finance where as 23 of them were not having venture with Mahindra due to high rate of interest and documentation process. Main reason being Mahindra had not yet approached them.

GRAPH 6

- ***PRESENT DEALER SATISFACTION***

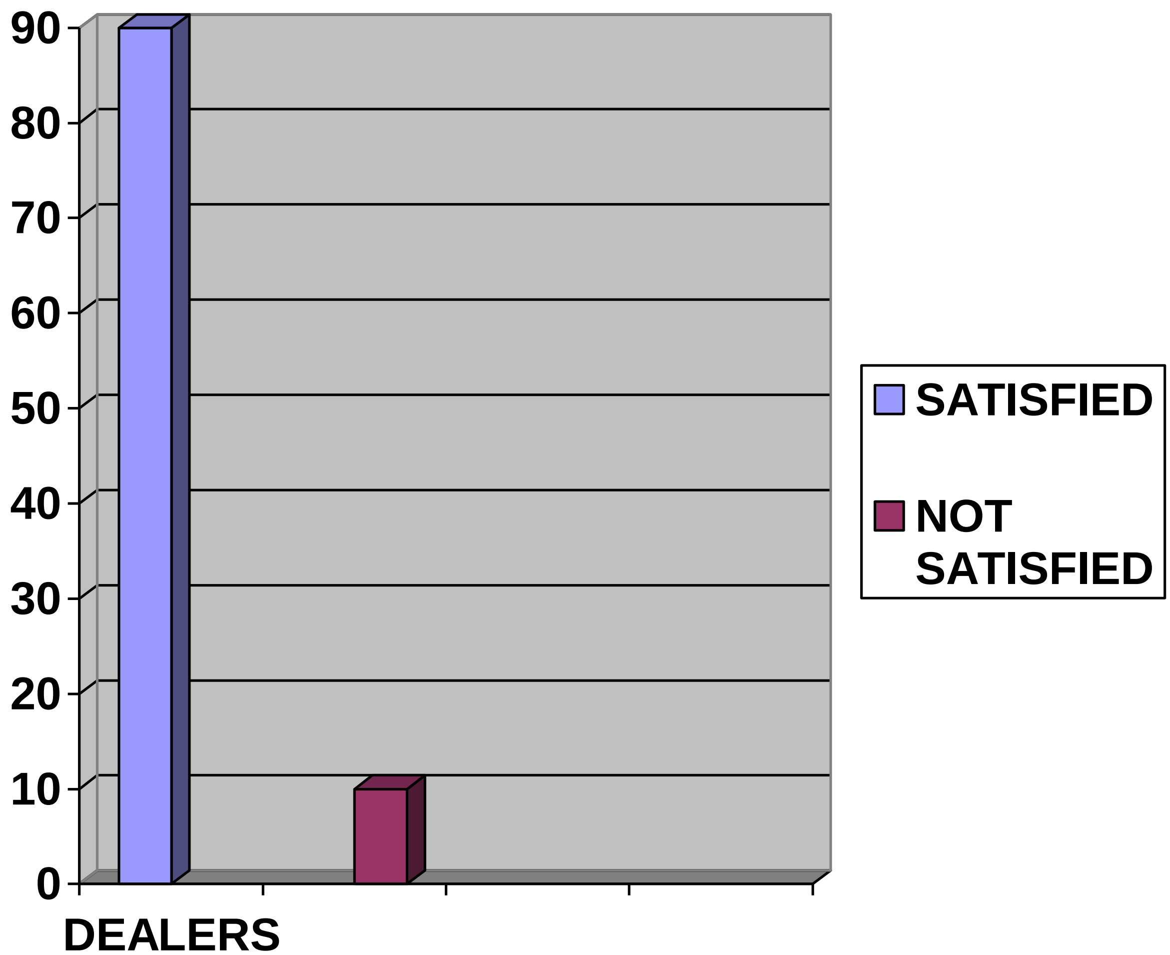


TABLE 6

NO OF RESPONDENTS	DEALERS	% OF VENTURES
SATISFIED	6	90%
NOT SATISFIED	1	10%

TOTAL NO OF RESPONDENTS : 7

ANALYSIS AND INTERPRETATION **:**

Totally 7 dealers including both authorized and unauthorized are tied up with Mahindra. So those dealers satisfaction level was measured. 6 out of 7 dealers were satisfied and 1 was not very much happy with its services due to high rate of interest and low flexibility.

GRAPH 7

- ***HOW MANY NOT TIED UP DEALERS INTERESTED DOING BIZ WITH MAHINDRA***

TABLE 7

NO OF RESPONDENTS	DEALERS	% OF VENTURES
INTERESTED	61	90%
NOT INTERESTED	7	10%

TOTAL NO OF RESPONDENTS : 68

ANALYSIS AND INTERPRETATION **:**

Totally 68 dealers including both authorized and unauthorized are not tied up with Mahindra. So those dealers interest level for doing business with Mahindra was measured. 61 out of 68 dealers were interested and 7 was not very much happy with its services due to high rate of interest and low flexibility.

GRAPH 8

- ***ADDITIONAL SUPPORT OR FLEXIBILITY EXPECTED FROM MMFSL BY DEALERS REGARDING RATE, SCHEME,PAY OUT PROCESS.***

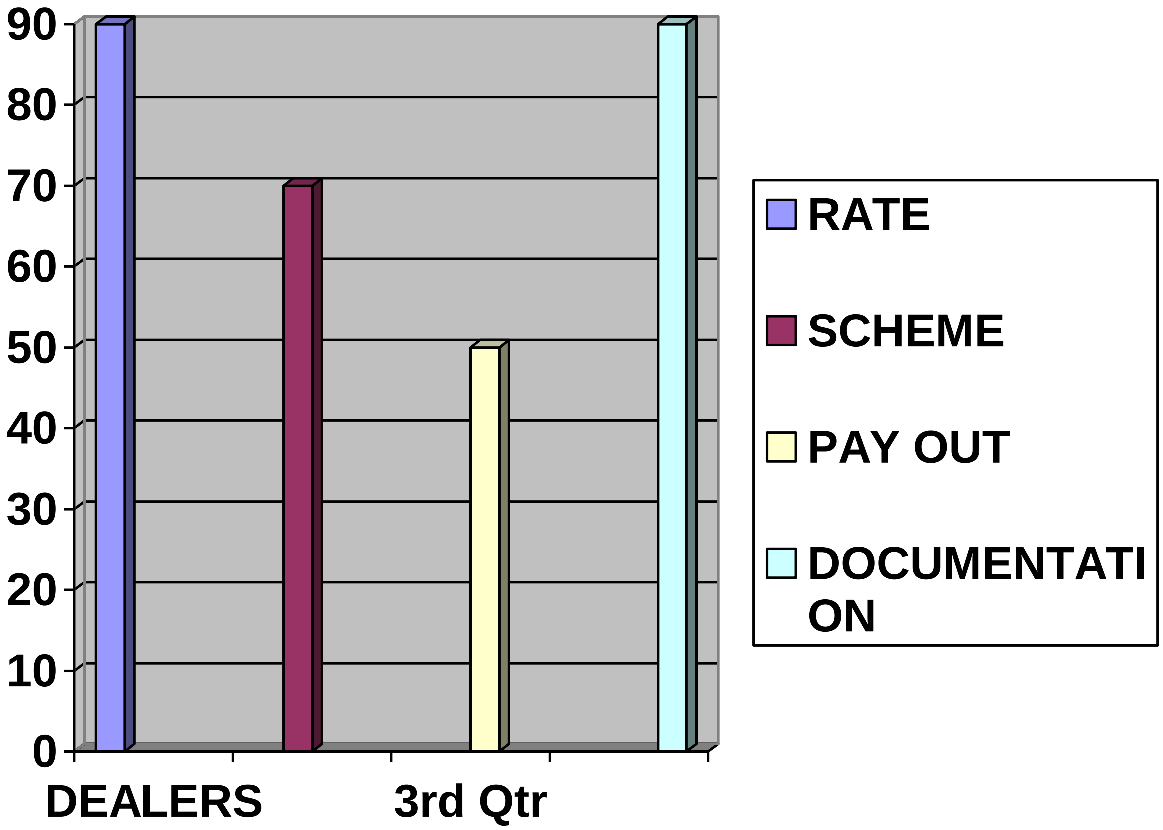


TABLE 8

PARTICULARS	FLEXIBILITY EXPECTED	% OF BEING CONTENT WITH PRESENT
RATE	90	10
SCHEME	70	30
PAY OUT	50	50
DOCUMENTATION	90	10

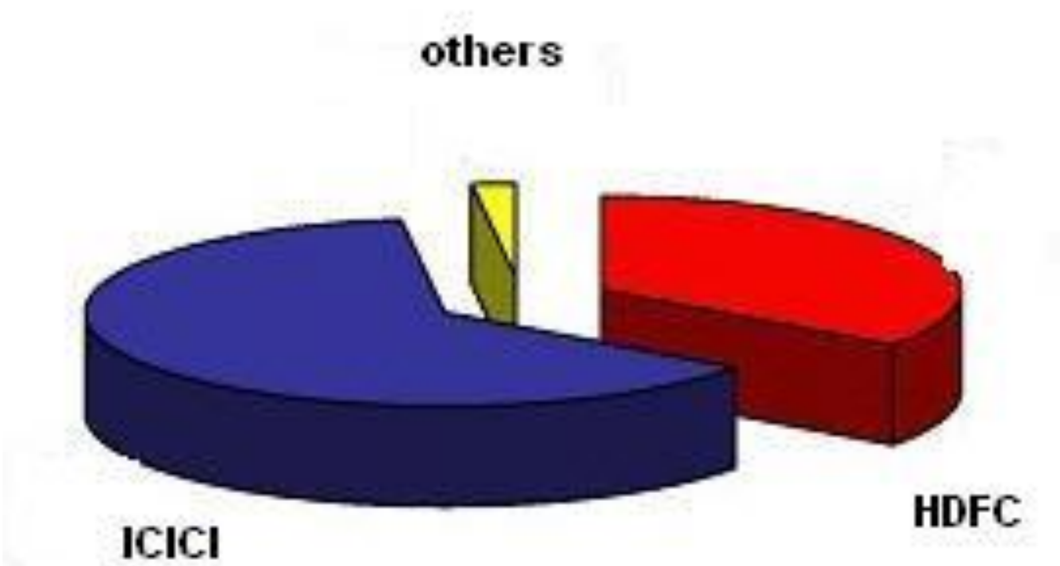
TOTAL NO OF RESPONDENTS : 75

ANALYSIS AND INTERPRETATION **:**

All 75 dealers including both authorized and unauthorized were questioned on the expectancy of flexibility needed from Mahindra. In terms of rate 90% , scheme 70% , pay out 50% , documentation process 90% flexibility is expected from Mahindra to the dealers.

GRAPH 9

- ***MARKET SHARE IN REFINANCE SECTOR AMONG USED CAR DEALERS.***



ICICI is the biggest player among refinance of used cars then comes HDFC. Others refer to banks and institutions like Citibank, Citifinancial, Sundaram, Kotak Mahindra, Mahindra finance.

GRAPH 10

- **RATE OF INTEREST, SCHEMES OF MAHINDRA FINANCE COMPARED TO OTHER BANKS.**

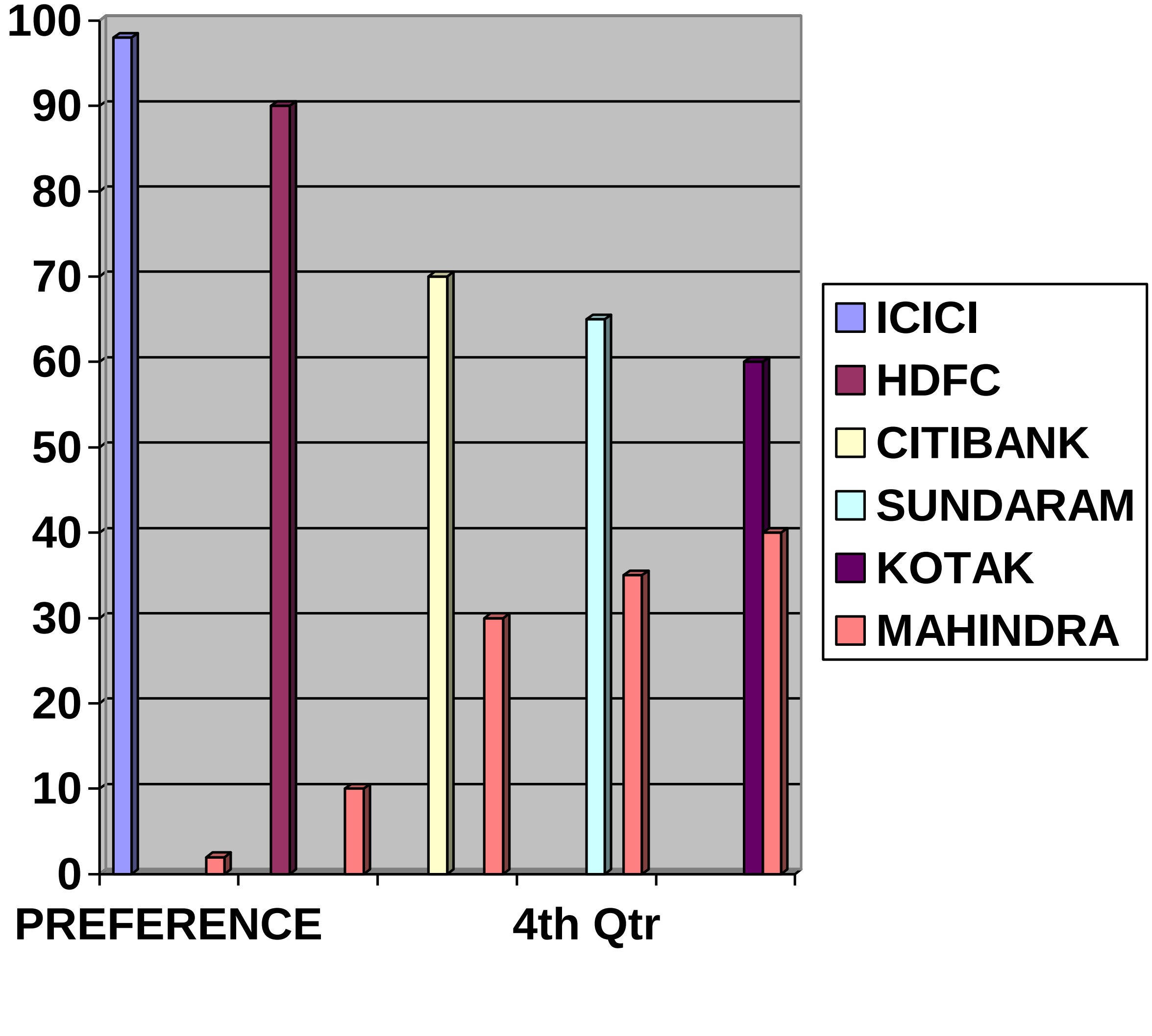


TABLE 10

BANKS	PREFERENCE	COMPARE TO MAHINDRA %	% OF SHARE
ICICI	53	98	70
HDFC	15	90	20
CITIBANK	3	70	4
SUNDARAM	2	65	3
KOTAK	1	60	2
MMFSL & others	1	-	1

TOTAL NO OF RESPONDENTS : 75

ANALYSIS AND INTERPRETATION **:**

All 75 dealers including both authorized and unauthorized were asked on the preference of various financial institutions. Compared to Mahindra ICICI , HDFC , Citibank , Sundaram , Kotak stood far ahead. The highest preference was ICICI and HDFC among all the dealers.

GRAPH 11

- ***NO OF DEALERS WILLING TO DO BUSINESS WITH MAHINDRA FINANCE IF IT REVISES ITS PROCESS AND PROVIDES EASY FLEXIBILITY.***

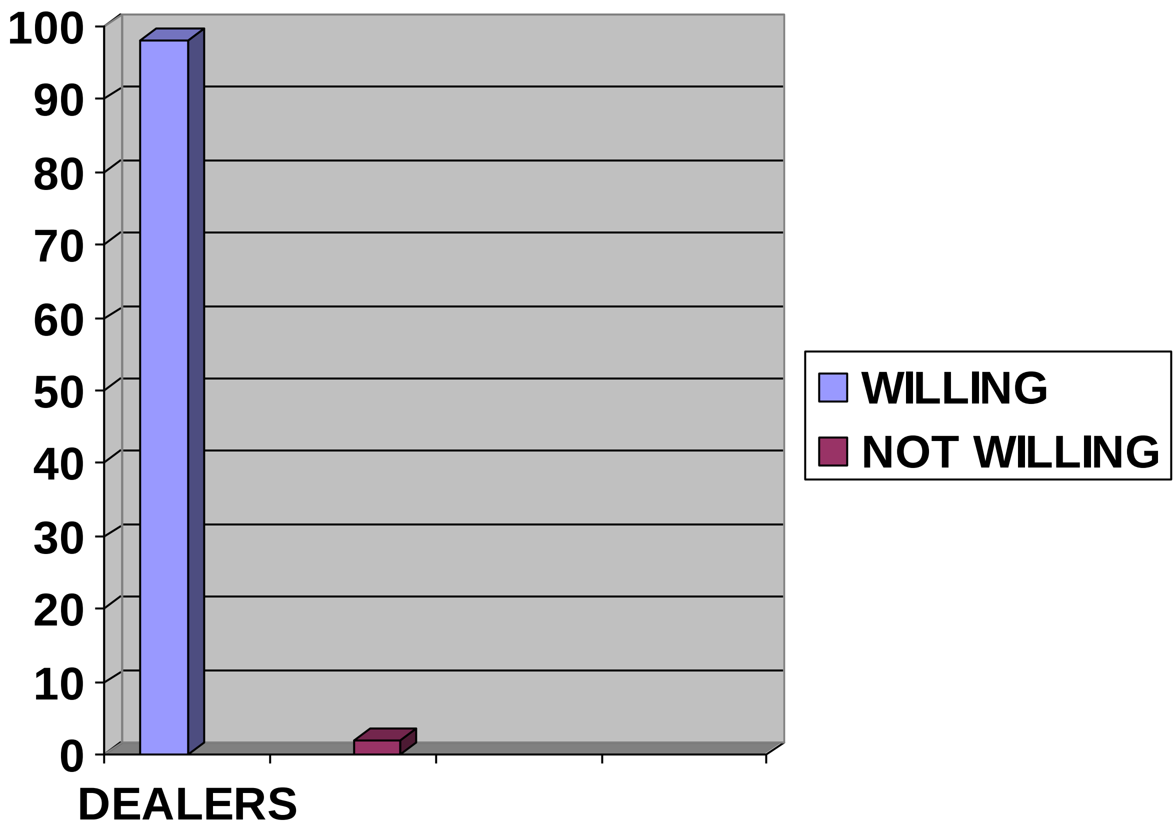


TABLE 11

NO OF RESPONDENTS	DEALERS	% OF WILLINGNESS
WILLING	67	98%
NOT WILLING	1	2%

TOTAL NO OF RESPONDENTS : 68

ANALYSIS AND INTERPRETATION **:**

Totally 68 dealers including both authorized and unauthorized are not tied up with Mahindra due to terms and conditions. So those dealers were asked if they were willing to do business with Mahindra if it revises its policy. There was a positive response in majority. 67 out of 68 dealers were interested and 1 was was still reluctant. Reason not been specified.

GRAPH 12

- ***DO DEALERS ORGANIZE ANY MELA?***

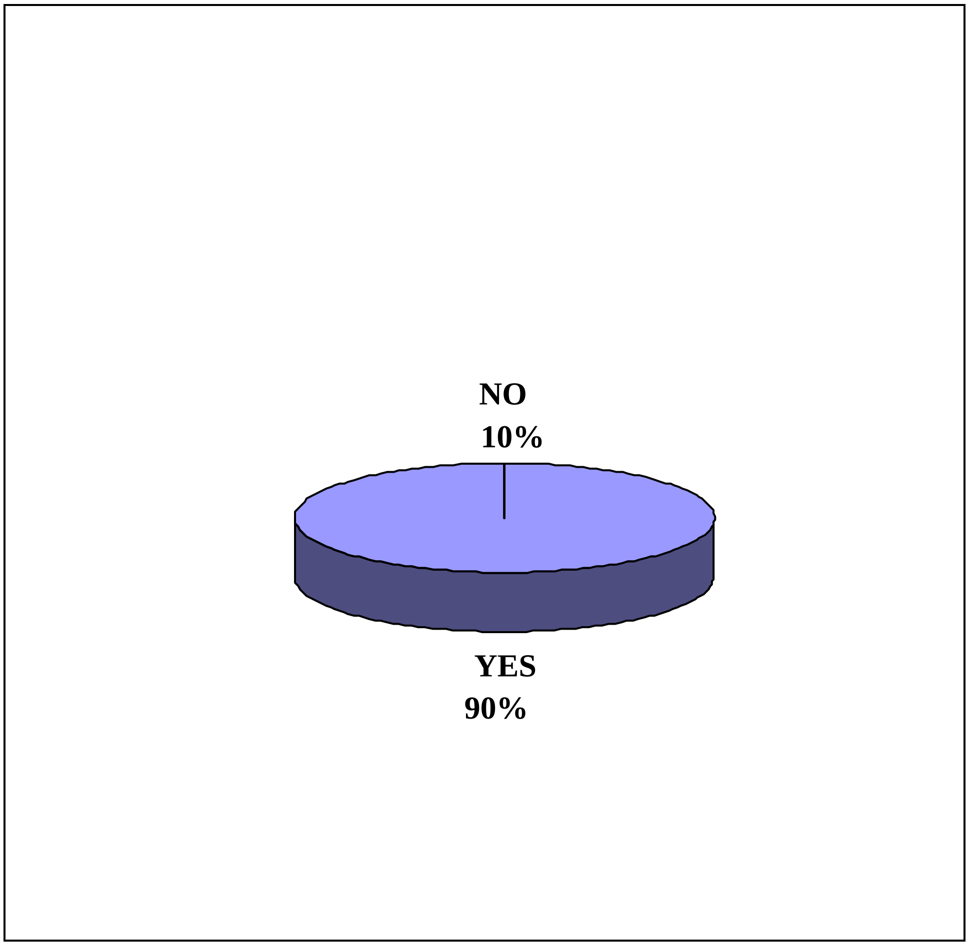


TABLE 12

Sl. No.	Parameter	No of Respondents	percentage
1	Yes	68	90%
2	No	7	10%

TOTAL NO OF RESPONDENTS : 75

ANALYSIS AND INTERPRETATION **:**

All 75 dealers including both authorized and unauthorized were asked if they organize car melas.. Among 75 , 68 dealers organized melas every month or Sundays. Where as 7 didn't organize yet due to lack of finance and place.

GRAPH 13

- ***ARE THE DEALERS READY TO TAKE FINANCE FROM MAHINDRA FINANCE TO ORGANISE THE MELA***

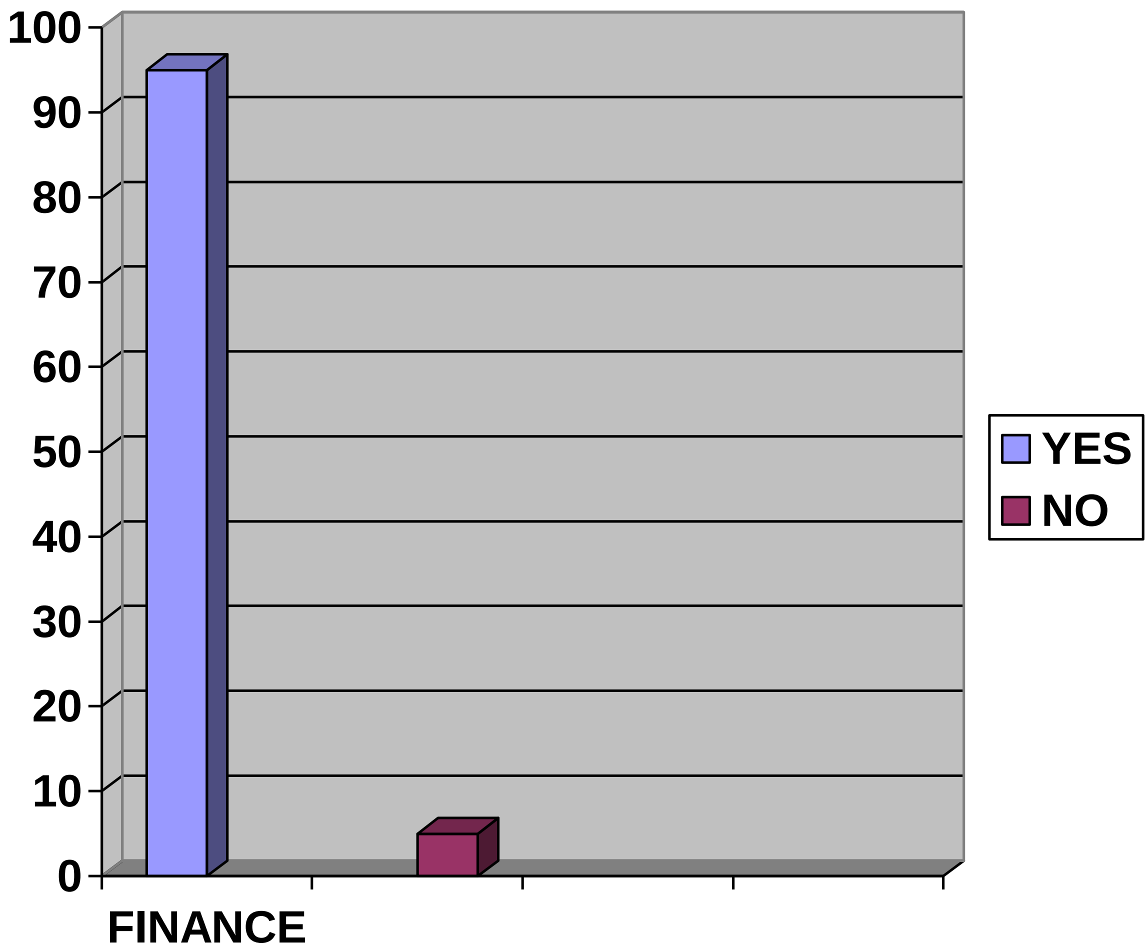


TABLE 13

PARAMETER	DEALERS	% OF WILLINGNESS
YES	72	95%
NO	3	5%

TOTAL NO OF RESPONDENTS : 75

ANALYSIS AND INTERPRETATION **:**

All 75 dealers including both authorized and unauthorized were asked if they required financial aid or loan for organizing car melas. The response was positive in majority. Among 75 dealers, 72 gave a positive reply stating they needed finance to organize melas every month or Sundays. Where as 3 didn’t need. Reasons being they already have tied up with other banks and don’t require it.

GRAPH 14

- ***FUTURE DEALER VENTURES.***

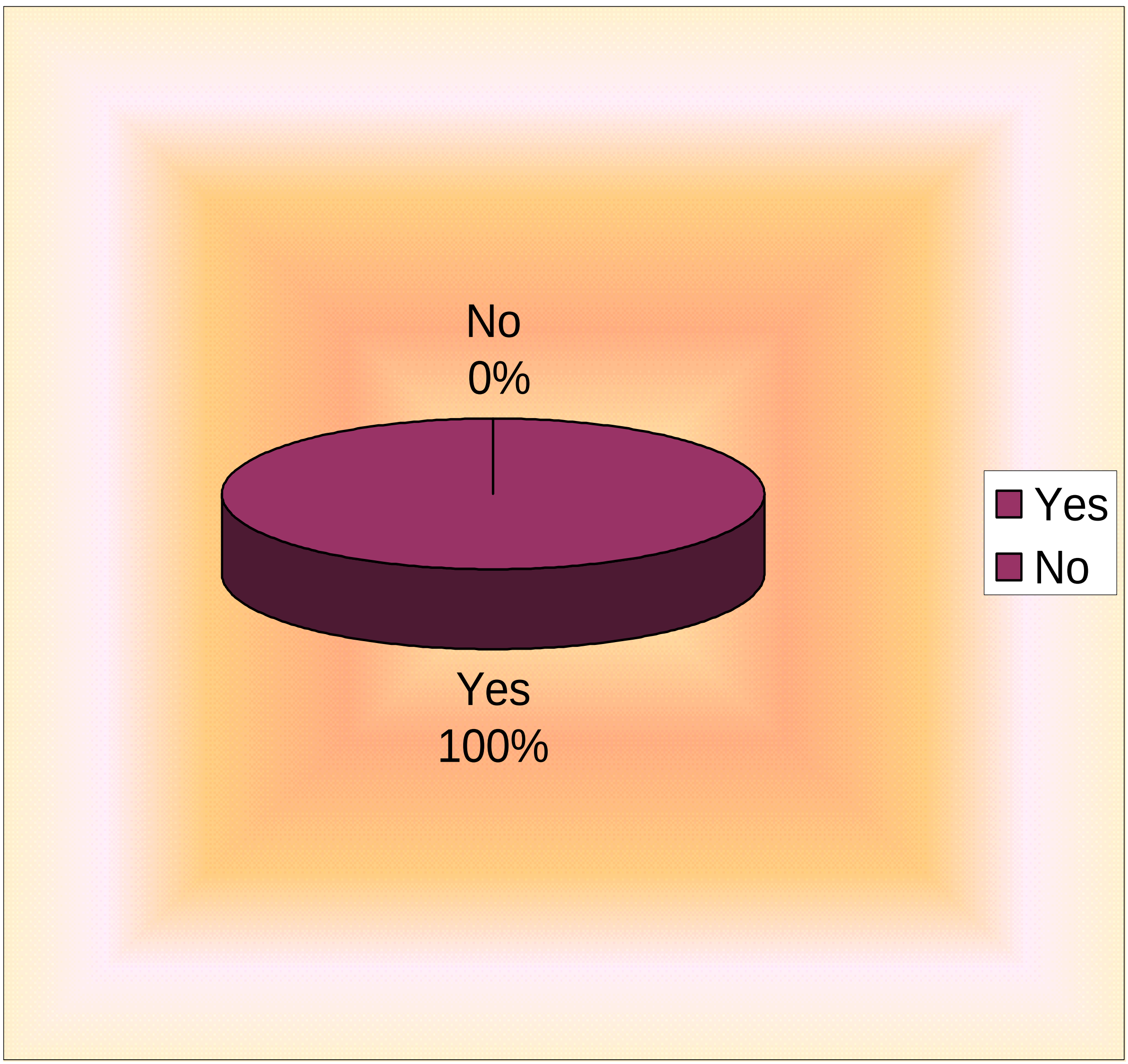


TABLE 14

NO OF RESPONDENTS	DEALERS	% OF SATISFACTION
VENTURES	75	100%
NO VENTURES	0	0%

TOTAL NO OF RESPONDENTS : 75

ANALYSIS AND INTERPRETATION **:**

Totally 75 dealers were surveyed out of which 7 dealers including both authorized and unauthorized are tied up with Mahindra where as 68 dealers are not tied up Mahindra. In future Mahindra will have a tie up with all the dealers as all have shown a positive response. It depends if Mahindra revises its terms and conditions.

CONSUMER SURVEY

RESEARCH ON CONSUMERS

GRAPH 15

- ***AWARENESS OF MAHINDRA FINANCE.***

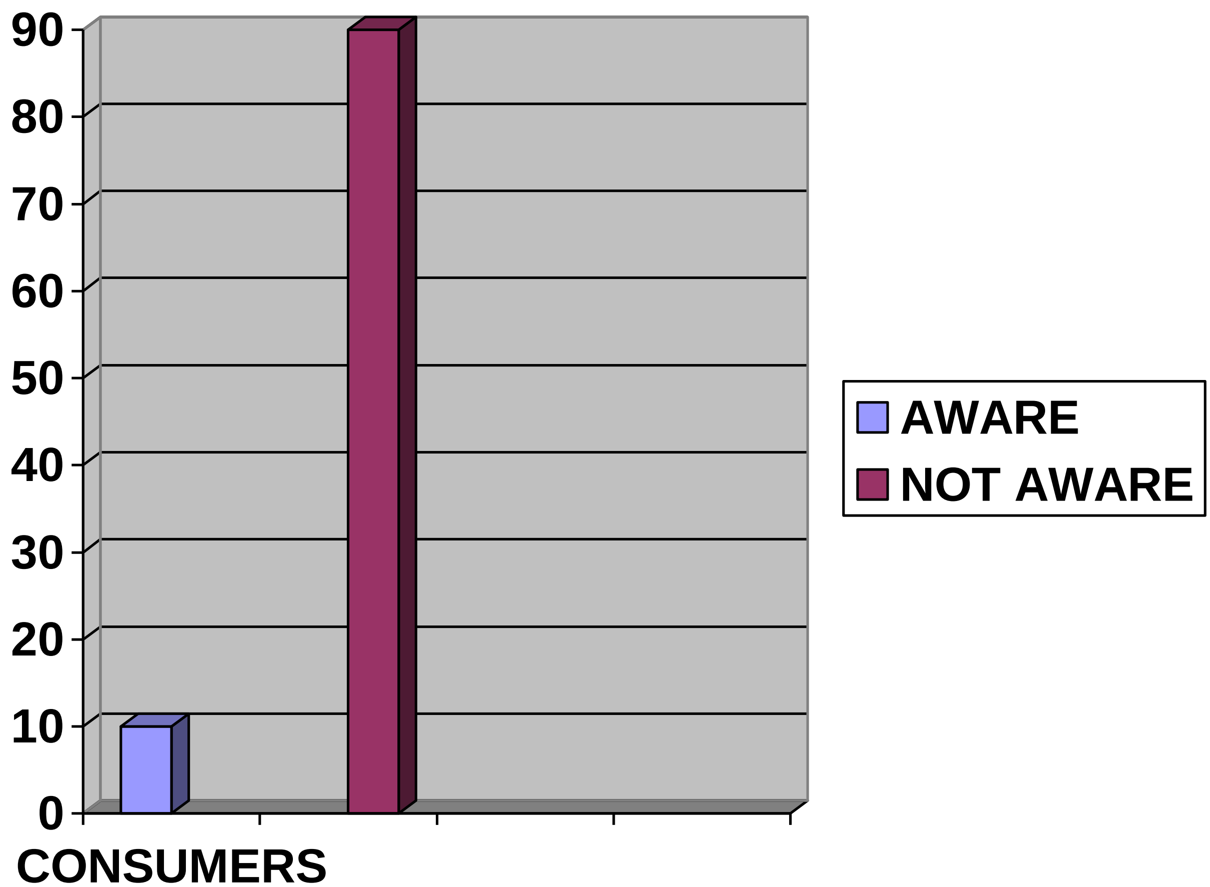


TABLE 15

NO OF RESPONDENTS	CONSUMERS	% OF AWARENESSS
AWARENESS	5	10%
NOT AWARE	45	90%

TOTAL NO OF RESPONDENTS : 50

ANALYSIS AND INTERPRETATION **:**

50 consumers were surveyed out of which just 5 were aware of Mahindra and had heard about its services where as 45 of them were not aware that Mahindra was into refinance business and it provides loans for used cars. They usually mistook it to be Kotak Mahindra.

GRAPH 16

- ***PREFERENCE TOWARDS PURCHASE OF FIRST/ SECOND HAND CAR***

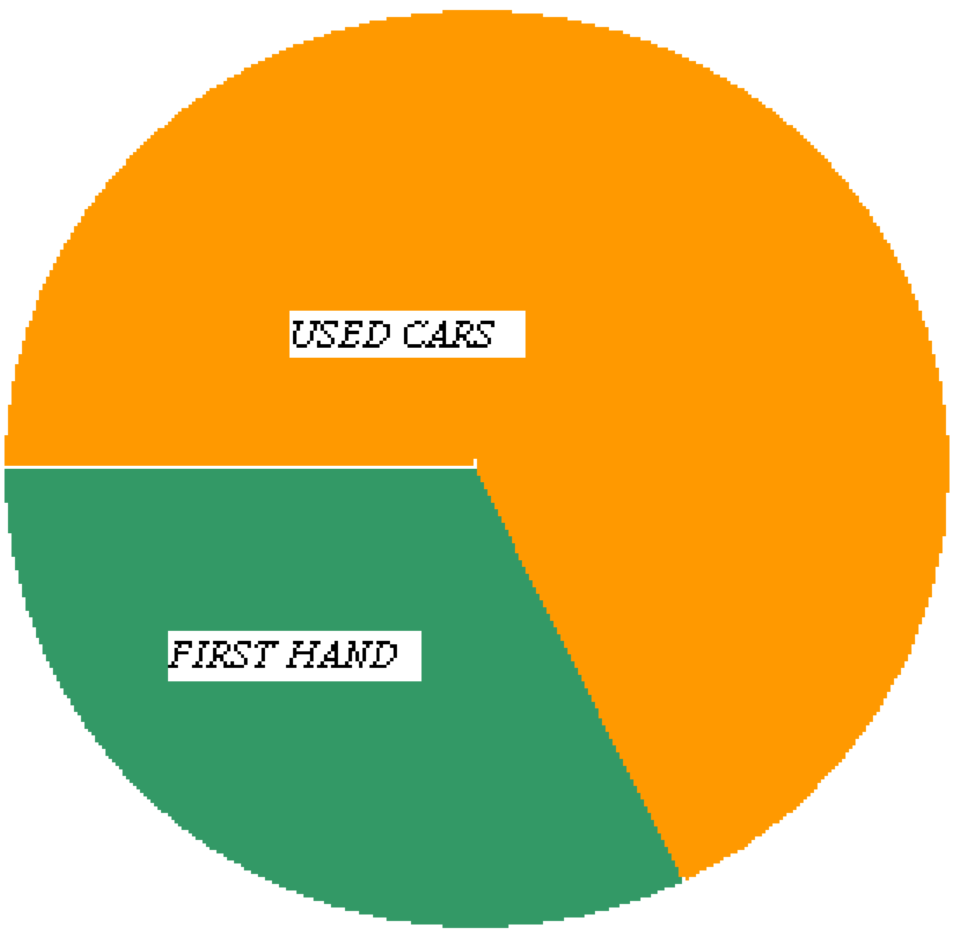


TABLE 16

NO OF RESPONDENTS	PREFERANCE	% OF AWARENESSS
FIRST HAND	12	25%
SECOND HAND	38	75%

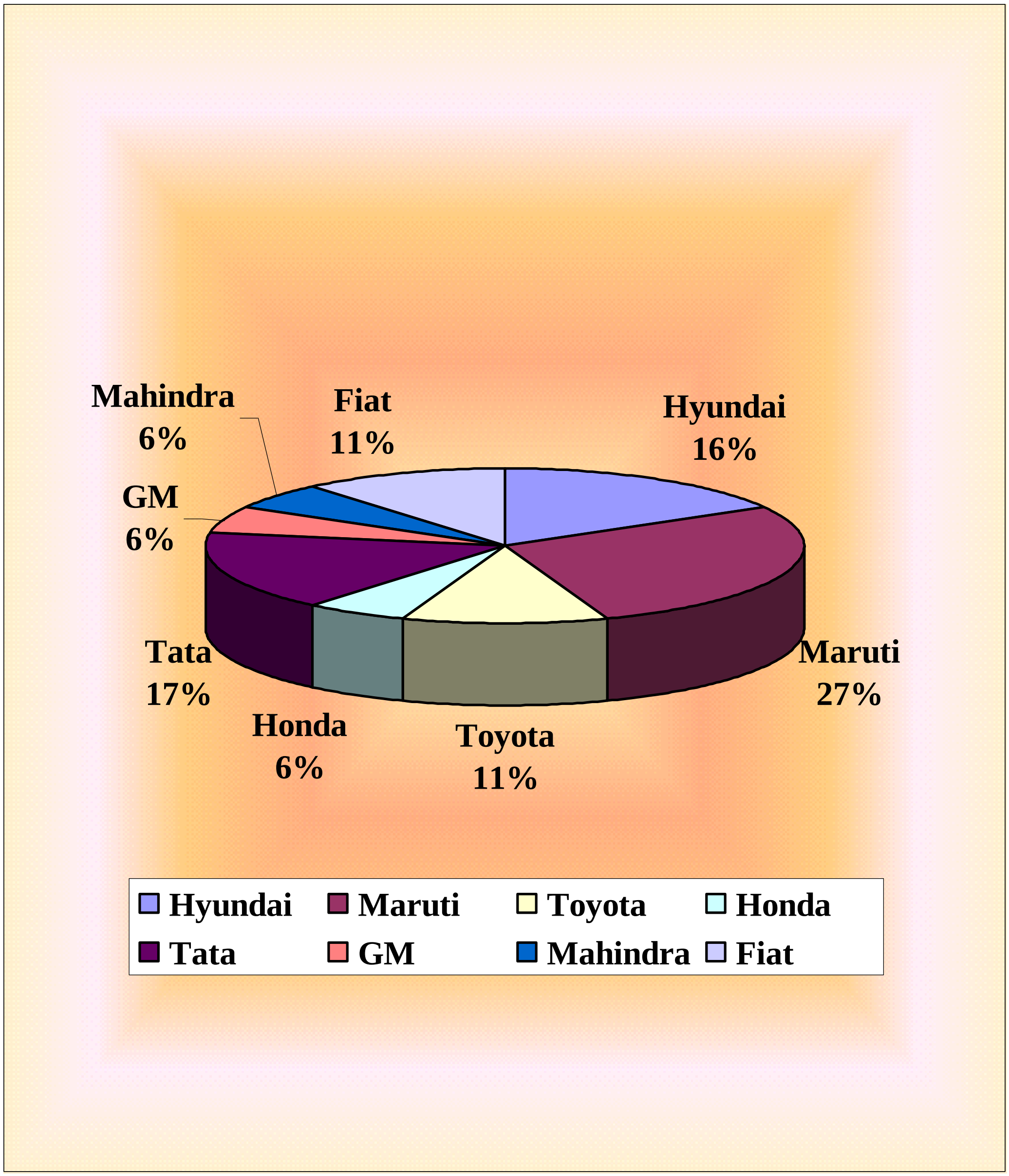
TOTAL NO OF RESPONDENTS : 50

ANALYSIS AND INTERPRETATION **:**

50 consumers were surveyed on their choice of purchasing cars if they were interested in buying first hand car or a second hand. Out of 50 consumers 12 had like towards purchase of first hand and 38 of them liked to own a second hand car.

GRAPH 17

- ***CONSUMERS PREFERENCE TOWARDS BRAND OF CARS***



The most preferred car is Maruti followed by Hyundai.

TABLE 17

TABLE SHOWING THE READINGS GIVEN IN ABOVE GRAPH

CAR BRAND	RESPONDENTS PREFERENCE	IN TERMS OF %
HYUNDAI	8	16
MARUTI	14	27
TOYOTA	6	11
HONDA	3	6
TATA	9	17
GM	2	6
MAHINDRA	2	6
FIAT	6	11

TOTAL NO OF RESPONDENTS : 50

GRAPH 18

- ***GRAPH SHOWING CONSUMERS PURCHASE OF CAR THROUGH LOAN V/S BY CASH***

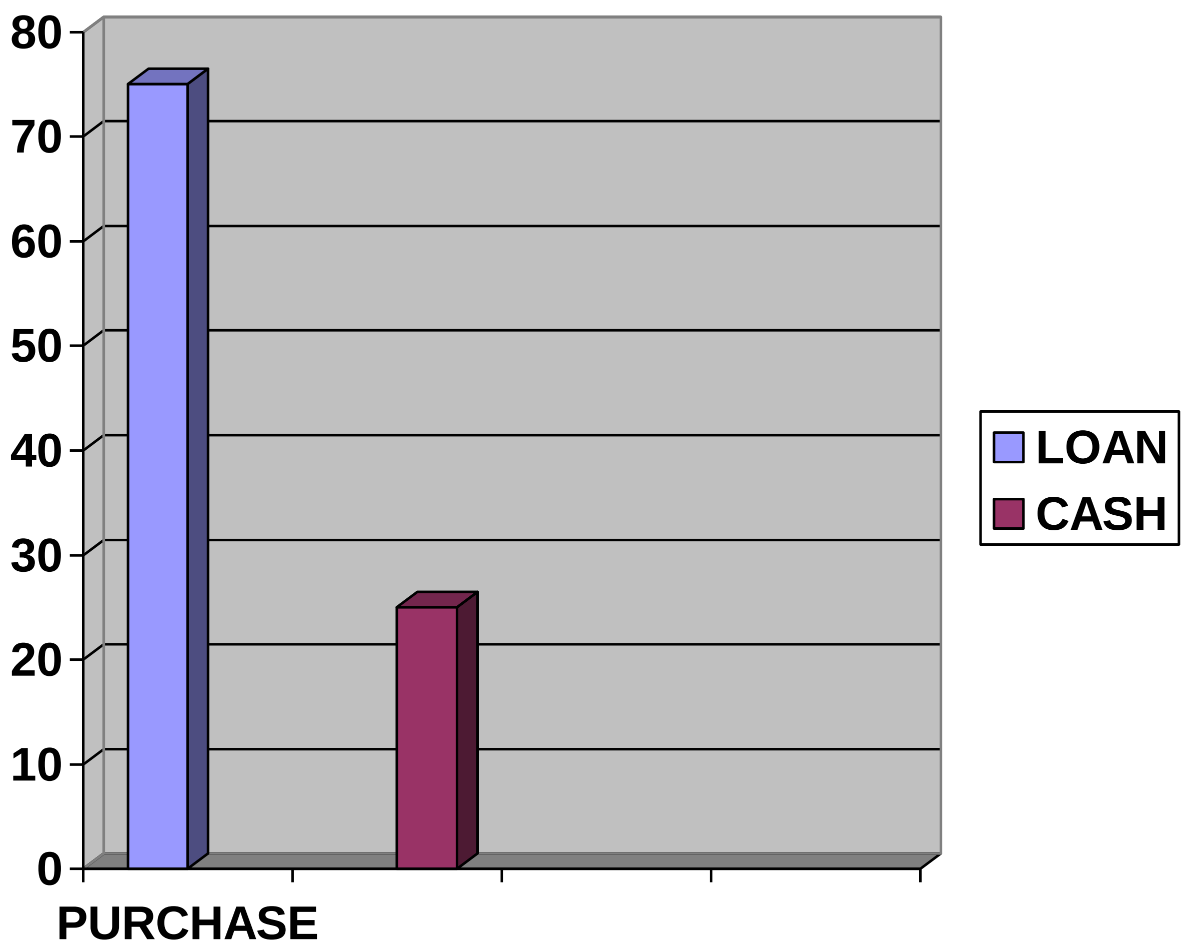


TABLE 18

NO OF RESPONDENTS	PREFERANCE	% OF AWARENESSS
LOAN	38	75%
CASH	12	25%

TOTAL NO OF RESPONDENTS : 50

ANALYSIS AND INTERPRETATION **:**

50 consumers were surveyed on their choice of purchasing cars either through loan or by cash. Out of 50 consumers 12 had like, towards purchase through cash and 38 of them wanted to avail loan through banks for purchase of cars.

GRAPH 19

- ***THE BANKS PREFERRED BY CONSUMERS TO AVAIL LOAN***

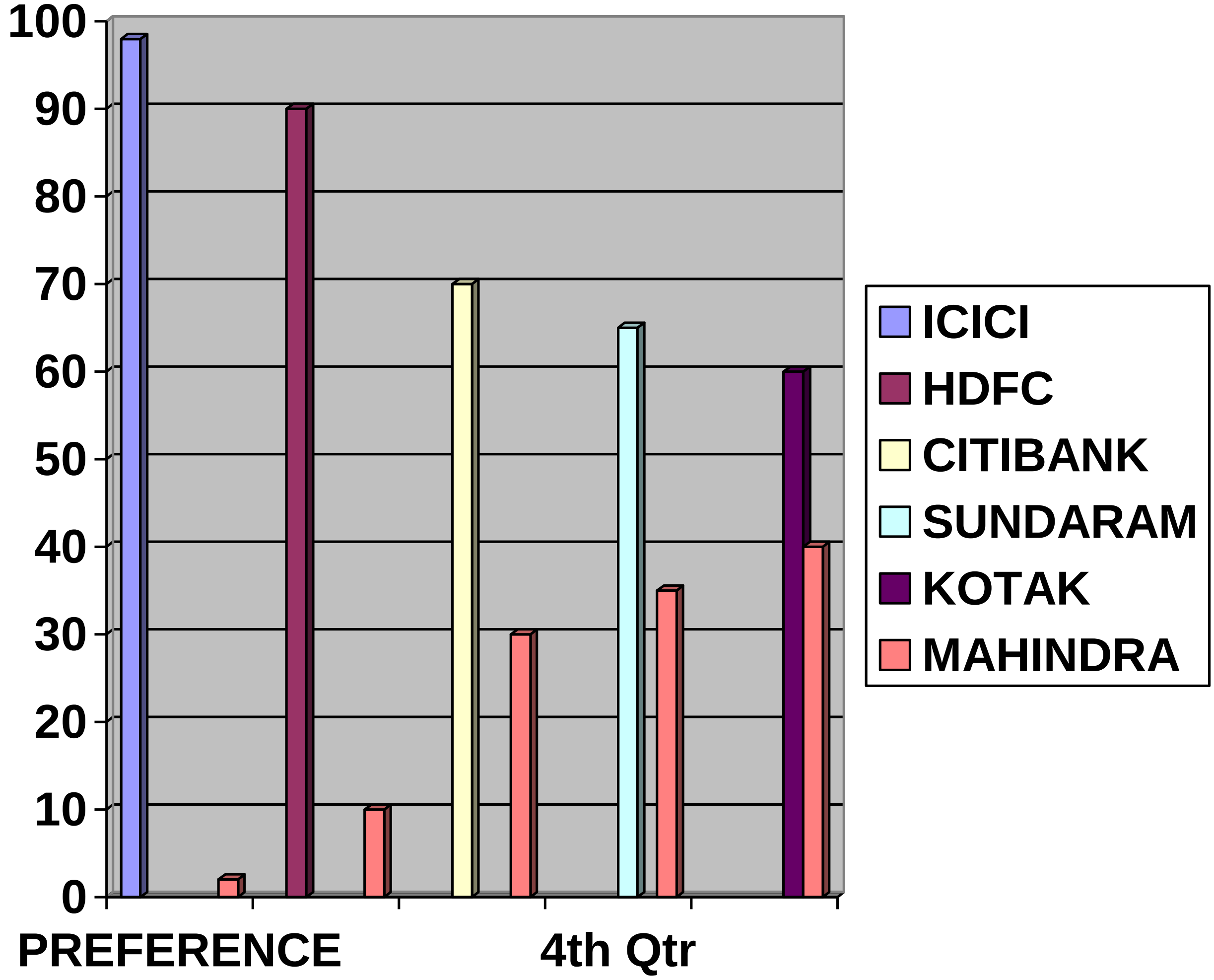


TABLE 19

BANKS	PREFERENCE	COMPARE TO MAHINDRA %	% OF SHARE
ICICI	35	98	70
HDFC	10	90	20
CITIBANK	2	70	4
SUNDARAM	1.5	65	3
KOTAK	1	60	2
MMFSL & others	0.5	-	1

TOTAL NO OF RESPONDENTS : 50

ANALYSIS AND INTERPRETATION :

All 50 consumers were asked on the preference of various financial institutions. Compared to Mahindra ICICI , HDFC , Citibank , stood far ahead. Sundaram , Kotak were in the same choice line as Mahindra finance. The highest preference was ICICI and HDFC among all the consumers.

GRAPH 20

- ***INTEREST AMONG CONSUMERS AVAILING LOAN FROM MAHINDRA.***

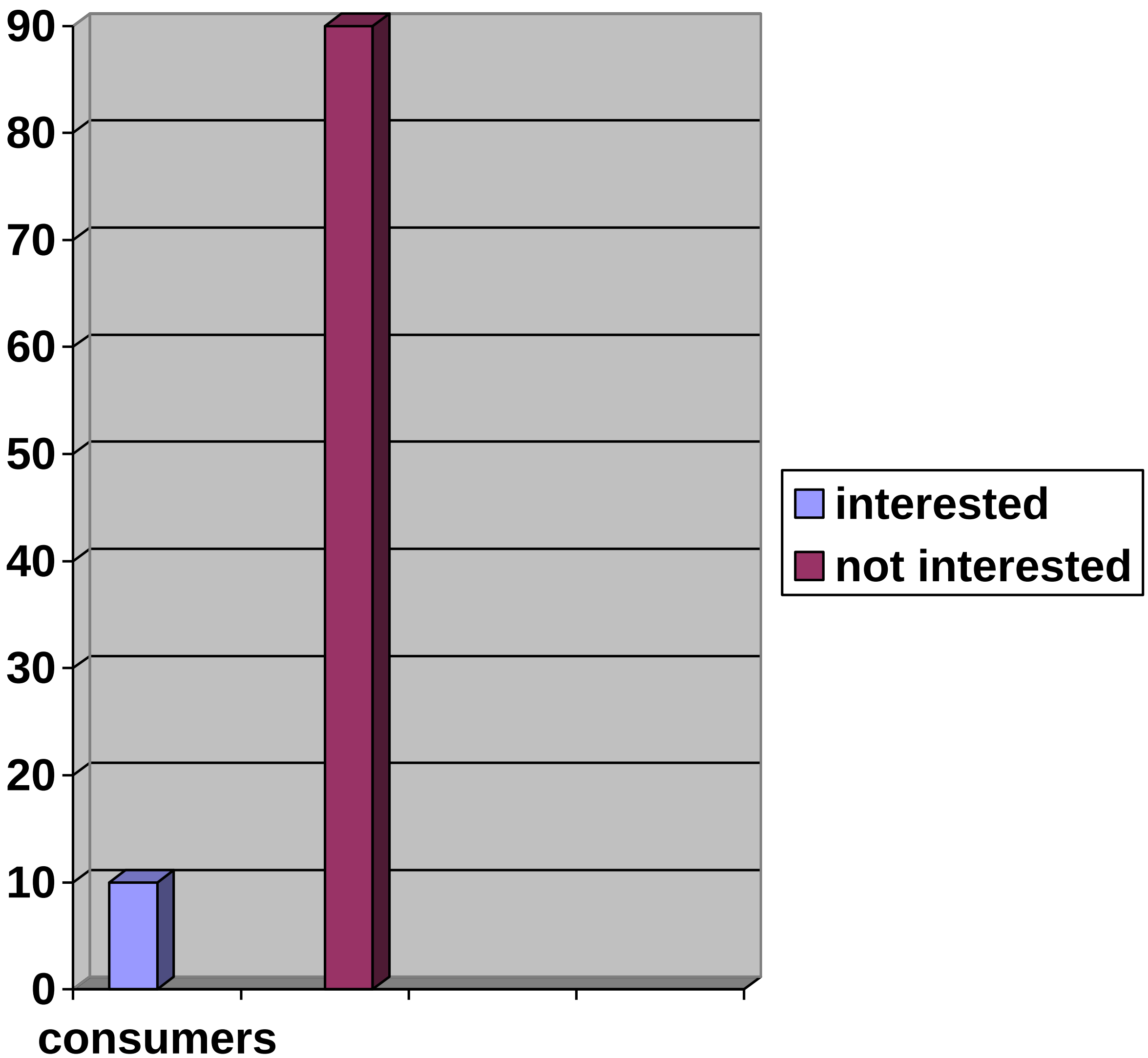


TABLE 20

NO OF RESPONDENTS	PREFERANCE	% OF INTEREST
INTERESTED	5	10%
NOT INTERESTED	45	90%

TOTAL NO OF RESPONDENTS : 50

ANALYSIS AND INTERPRETATION ***:***

50 Consumers interest level for availing loan from Mahindra was measured. 5 out of 50 consumers were interested and 45 were not interested as they had their own choice of banks with whom they had an savings accounts and some relied on the dealers tied up banks for loan facility.

GRAPH 21

- **IN CASE DEALER HAS A TIE UP WITH MMFSL WOULD CONSUMERS PREFER AVAILING LOAN**

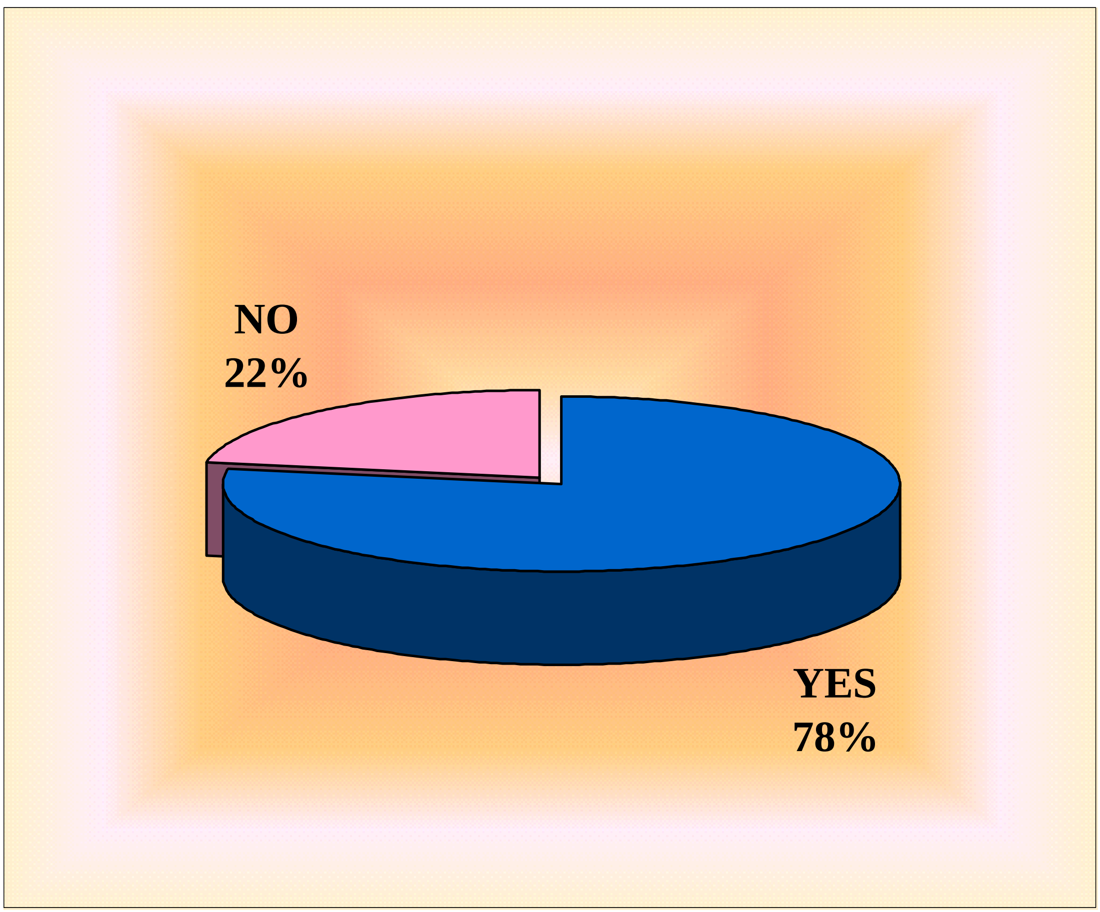


TABLE 21

NO OF RESPONDENTS	PREFERANCE	% OF WILLINGNESS
INTERESTED	39	78%
NOT INTERESTED	11	22%

TOTAL NO OF RESPONDENTS : 50

ANALYSIS AND INTERPRETATION ***:***

50 Consumers interest level for availing loan from Mahindra was measured if Mahindra had a tie up with the dealer where consumer buys the car. 39 out of 50 consumers were interested and 11 were not interested as they had their own choice of banks with whom they had an savings accounts.

GRAPH 22

- ***WHY CONSUMERS NOT INTERESTED TO AVAIL LOAN FROM MMFSL***

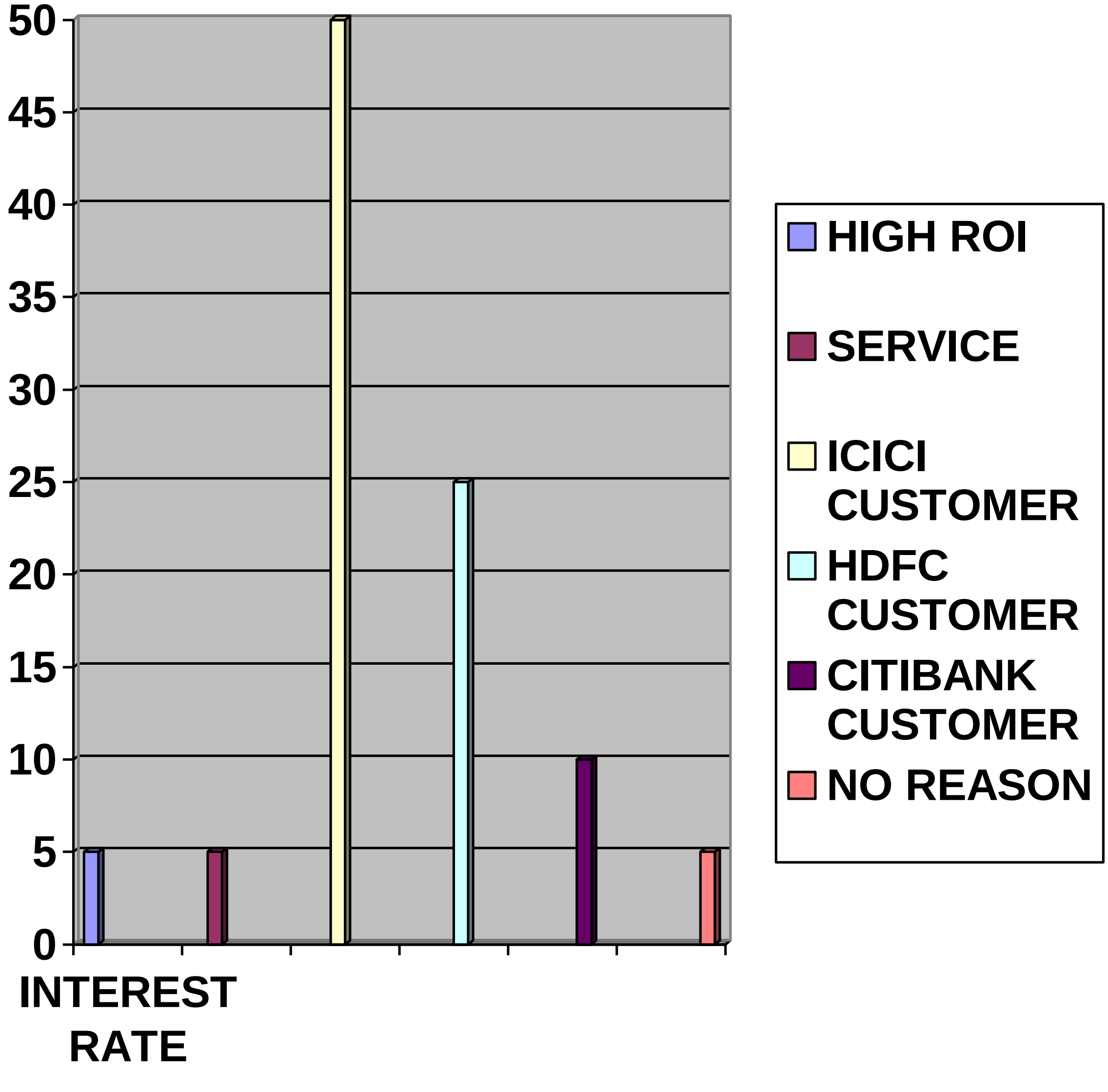


TABLE 22

PARTICULARS	PREFERANCE	IN %
HIGH RATE OF INTEREST	2.5	5
SERVICE	2.5	5
ICICI CUSTOMERS	25	50
HDFC CUSTOMERS	12.5	25
CITIBANK CUSTOMER	5	10
NO REASON	2.5	5

TOTAL NO OF RESPONDENTS : 50

ANALYSIS AND INTERPRETATION :

Consumers were interested availing loans from those banks with whom they had an savings accounts.

MARUTI DEALERS

MARUTI SUZUKI

Count on us

RESEARCH ON MARUTI UDYOG DEALERS

GRAPH 23

- ***AWARENESS OF MAHINDRA FINANCE***

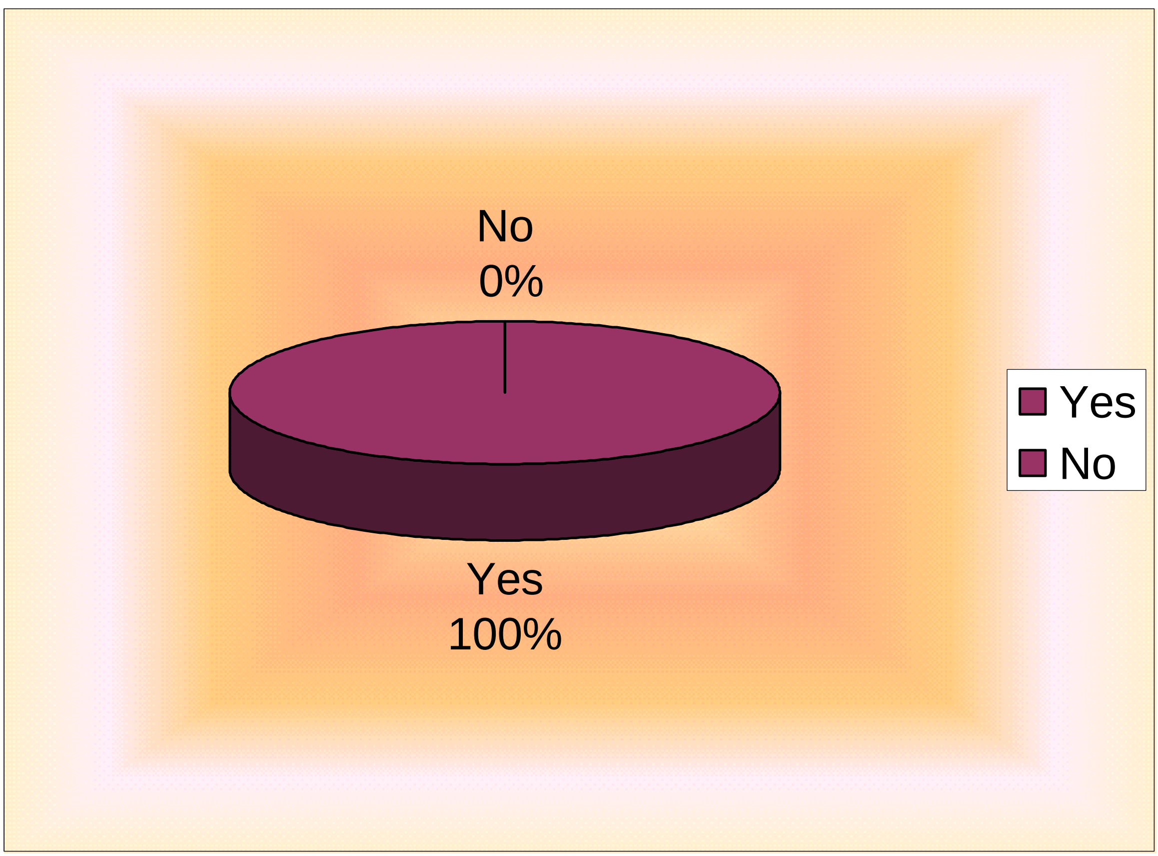


TABLE 23

NO OF RESPONDENTS	RESPONSE	% OF AWARENESS
AWARE	15	100%
NOT AWARE	0	0%

TOTAL NO OF RESPONDENTS : 15

ANALYSIS AND INTERPRETATION ***:***

15 Maruti udyog dealers were surveyed out of which just all 15 were aware of Mahindra and had heard about its services.

GRAPH 24

- ***NO OF MARUTI UDYOG DEALERS TIE UP WITH MAHINDRA FINANCE***

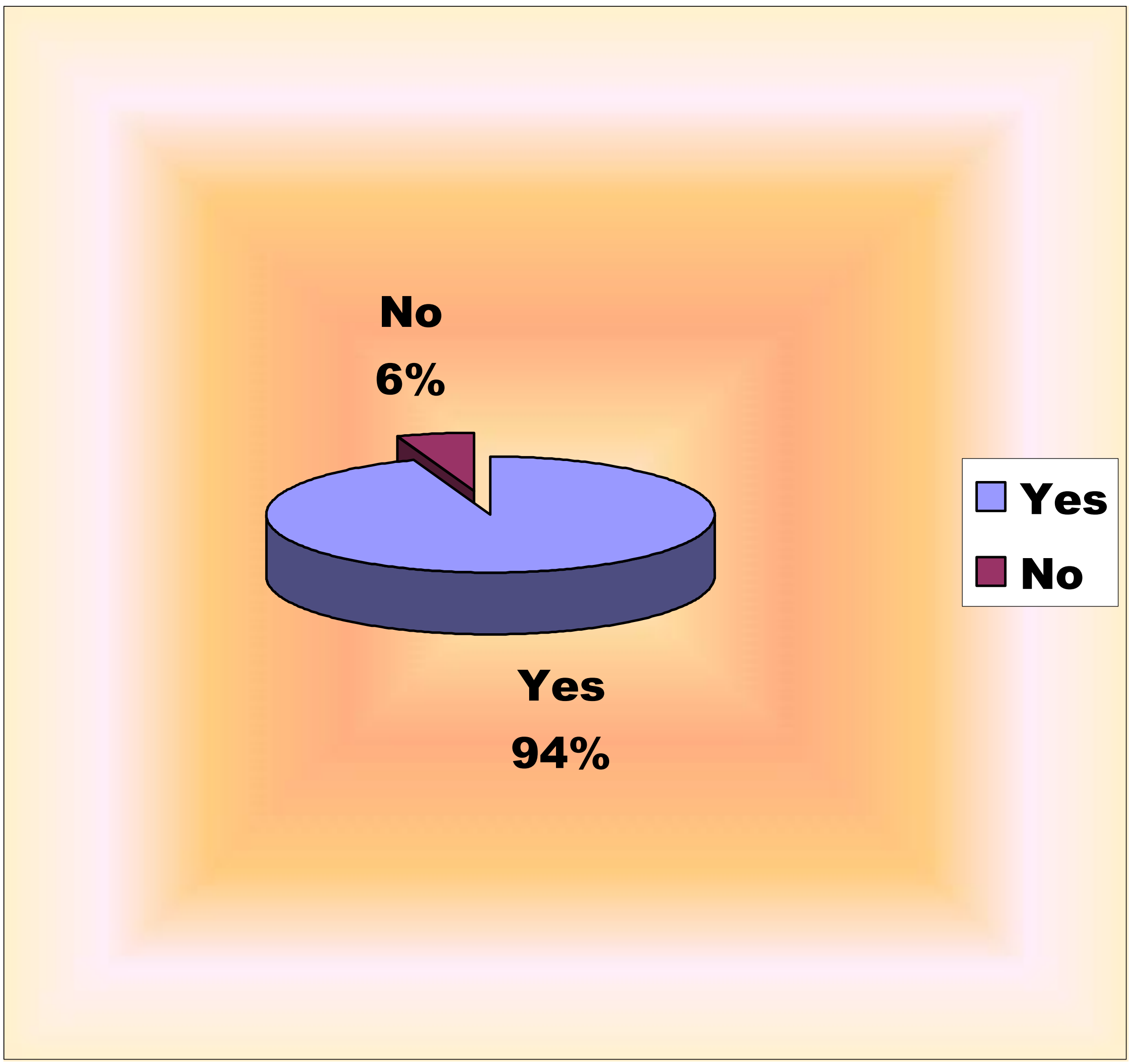


TABLE 24

NO OF RESPONDENTS	DEALERS	% OF AWARENESS
TIED UP	14	94%
NOT TIED UP	1	6%

TOTAL NO OF RESPONDENTS : 15

ANALYSIS AND INTERPRETATION **:**

15 authorized Dealers of Maruti udyog were surveyed out of which 14 were tied up with Mahindra finance where as 1 of them were not having venture with Mahindra due to Mahindra not yet approached them.

GRAPH 25

- ***REASON FOR NOT HAVING TIED UP WITH MARUTI DEALERS***

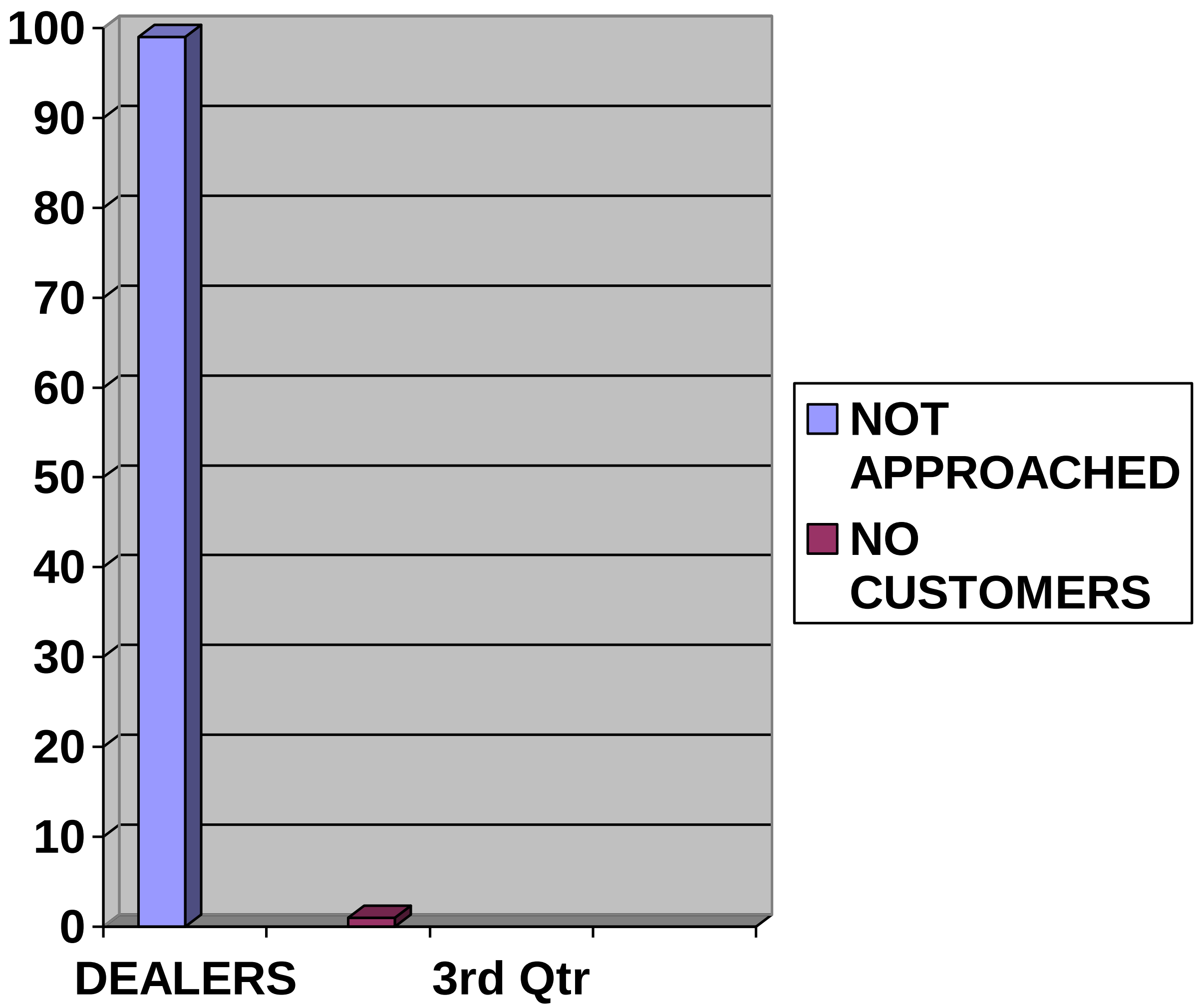


TABLE 25

NO OF RESPONDENTS	DEALERS	IN %
MMFSL NOT APPROACHED	1	99%
NO CUSTOMERS	0	1%

TOTAL NO OF RESPONDENTS : 1

ANALYSIS AND INTERPRETATION **:**

1 authorized Dealers of Maruti udyog who had not tied up with Mahindra was asked for the reason as to why, so the response was Mahindra had not yet approached them. They were ready to have a venture with Mahindra and avail its services.

GRAPH 26

- ***ADDITIONAL SUPPORT OR FLEXIBILITY EXPECTED FROM MMFSL BY DEALERS REGARDING RATE, SCHEME,PAY OUT PROCESS.***

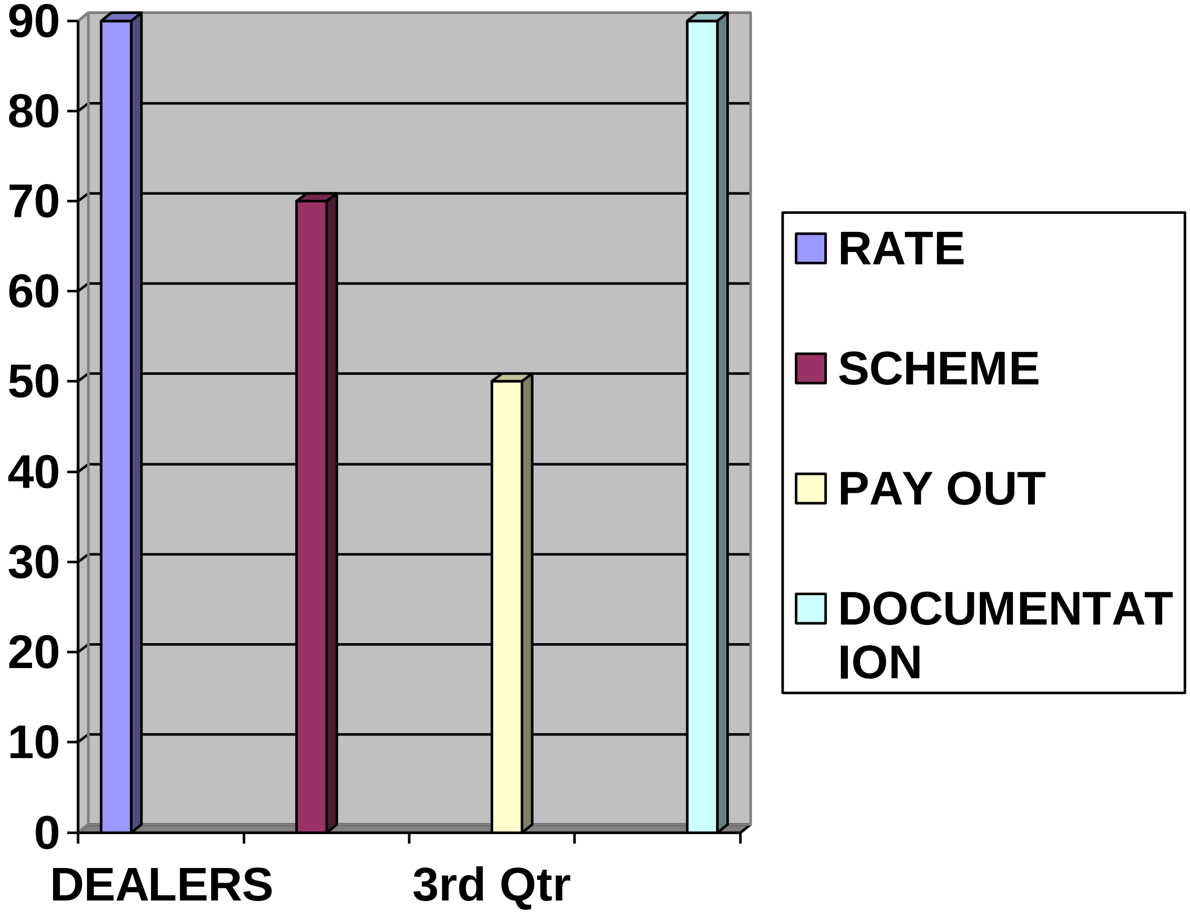


TABLE 26

PARTICULARS	FLEXIBILITY EXPECTED	% OF BEING CONTENT WITH PRESENT
RATE	90	10
SCHEME	70	30
PAY OUT	50	50
DOCUMENTATION	90	10

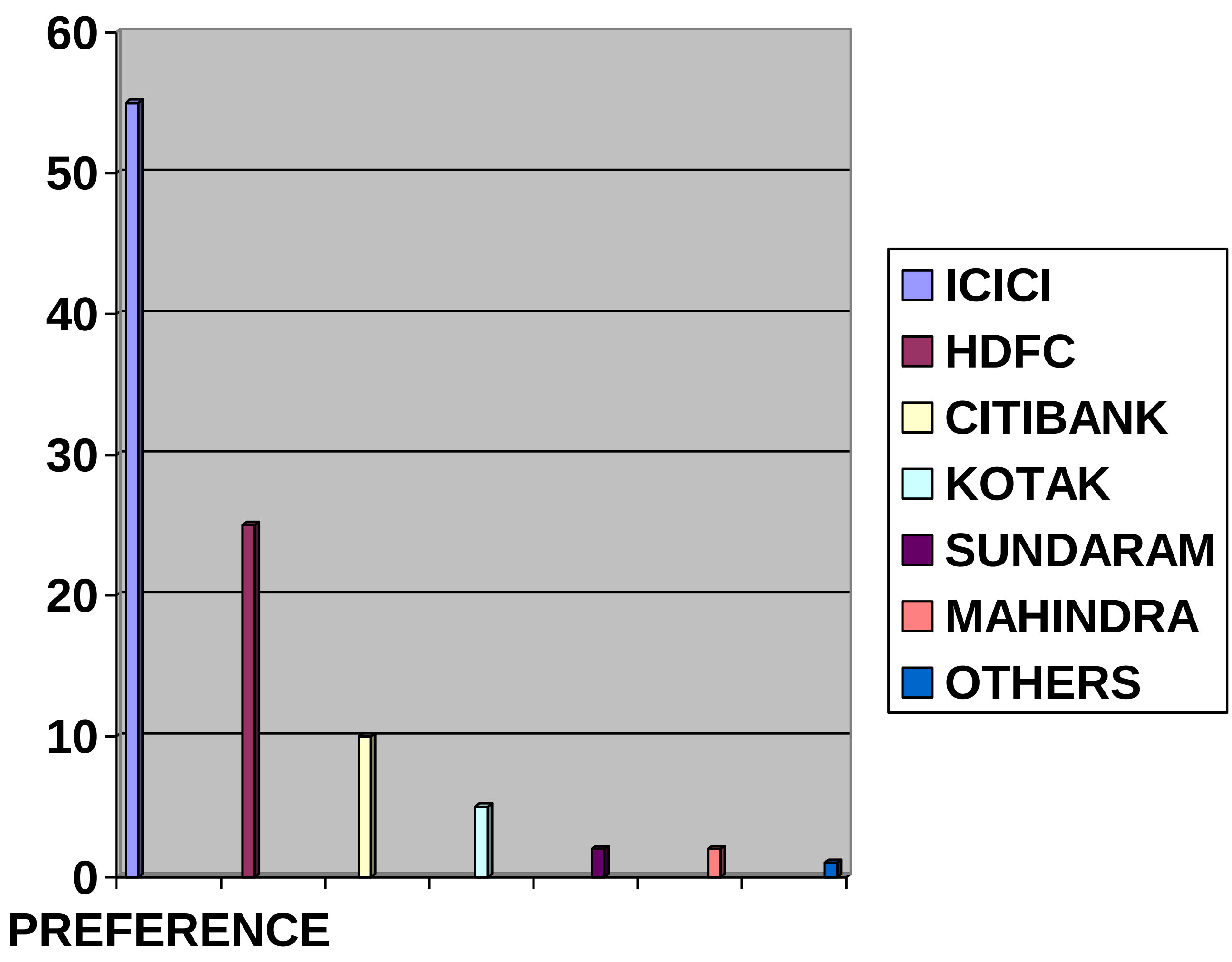
TOTAL NO OF RESPONDENTS : 15

ANALYSIS AND INTERPRETATION **:**

All 15 were questioned on the expectancy of flexibility needed from Mahindra. In terms of rate 90% , scheme 70% , pay out 50% , documentation process 90% flexibility is expected from Mahindra to the dealers.

GRAPH 27

- ***MARKET SHARE OF MARUTI UDYOG***



Mahindra has a low market share when compared to others.

TABLE 27

BANK	% OF MARKET SHARE
ICICI	55
HDFC	25
CITIBANK	10
KOTAK	5
SUNDARAM	2
MAHINDRA	2
OTHERS	1

TOTAL NO OF RESPONDENTS : 15

Maruti market share in majority is taken by ICICI bank followed by HDFC and Citibank as majority of sales happen through those banks financing.

GRAPH 28

- ***MARUTI CUSTOMERS PREFERENCE TOWARDS BANKS FOR AVAILING LOAN***

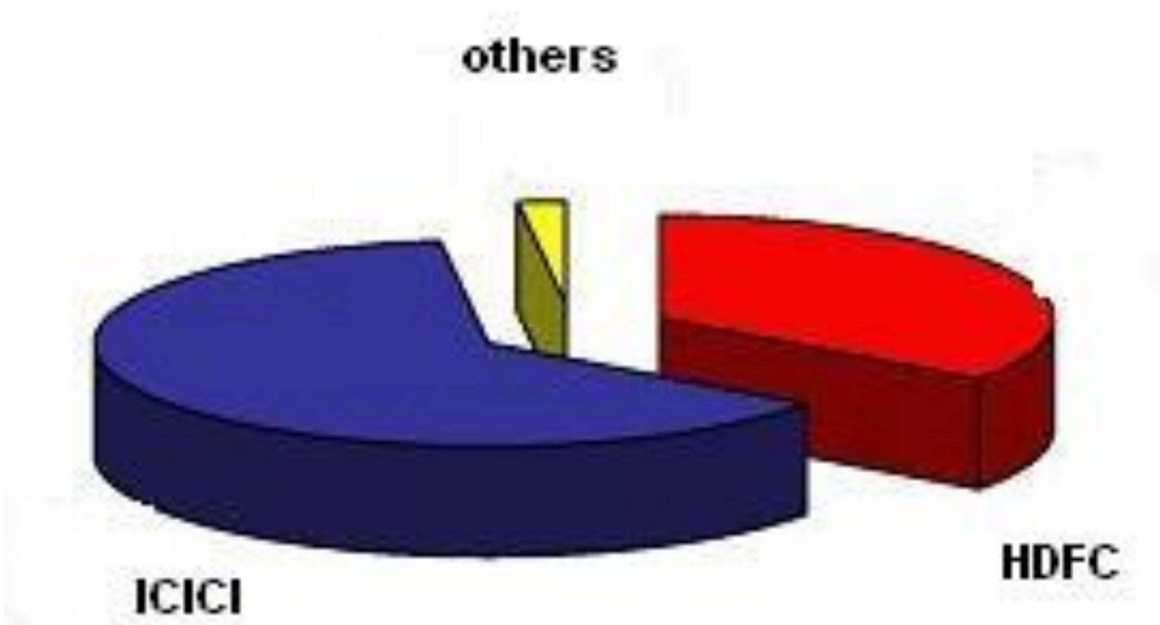


TABLE 28

BANKS	***IN TERMS OF %***
ICICI	70
HDFC	20
OTHERS	10

TOTAL NO OF RESPONDENTS : 15

ANALYSIS AND INTERPRETATION :

The highest sales of Maruti were through ICICI bank loans followed by HDFC and Citibank. Customers had a strong preference towards ICICI and HDFC due to its brand image and being their customers already having an savings account opened with those banks.

GRAPH 29

- **PRESENT DEALER SATISFACTION**

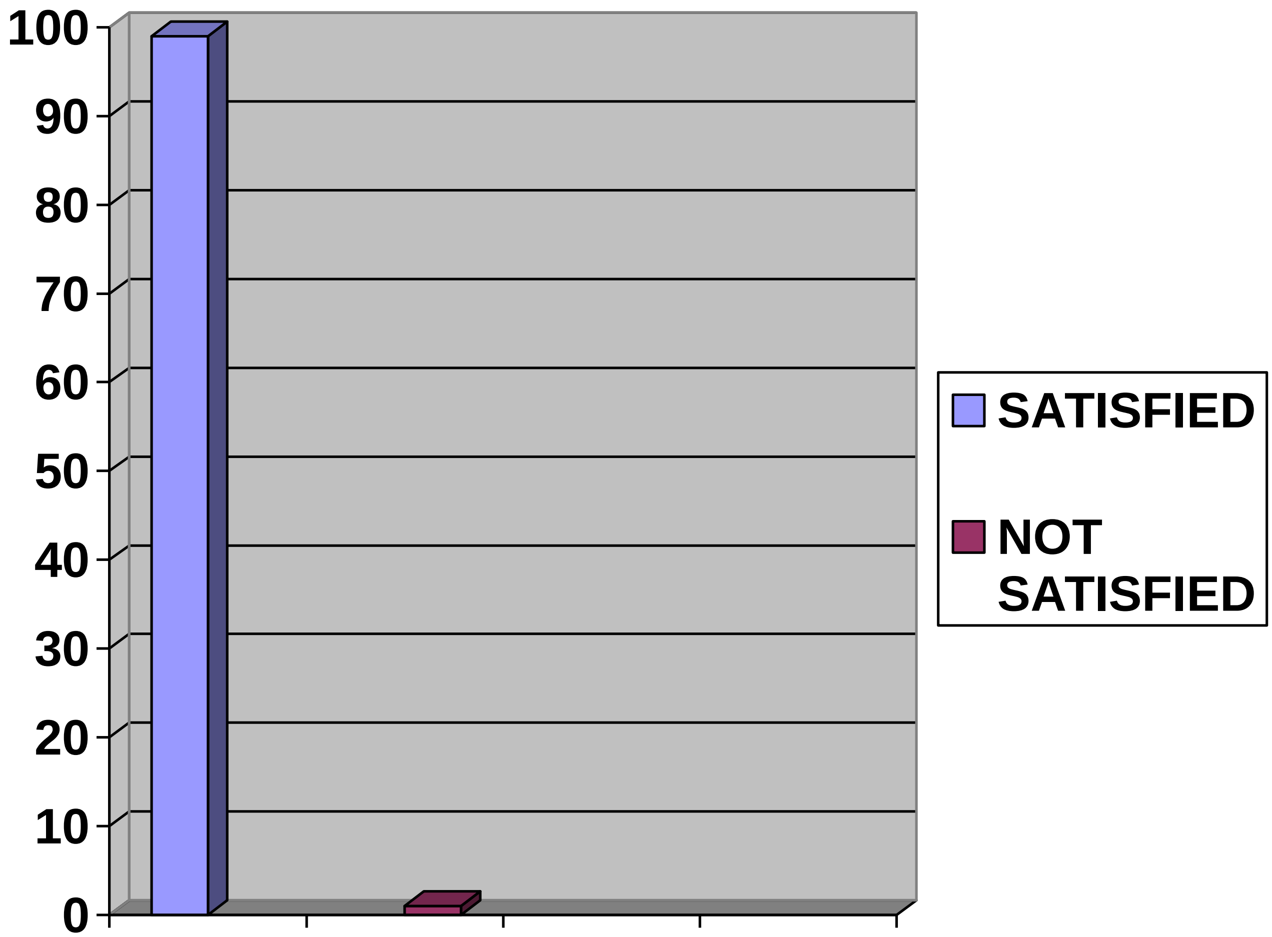


TABLE 29

NO OF RESPONDENTS	DEALERS	% OF SATISFACTION
SATISFIED	13.8	99%
NOT SATISFIED	0.2	1%

TOTAL NO OF RESPONDENTS : 14

ANALYSIS AND INTERPRETATION **:**

Totally out of 15 Maruti dealers Mahindra has a tie up with 14 of them when questioned about the satisfaction level there was 99% satisfaction level where as 1% was lacking. The main reason being high rate of interest.

GRAPH 30

- ***FUTURE DEALER VENTURES.***

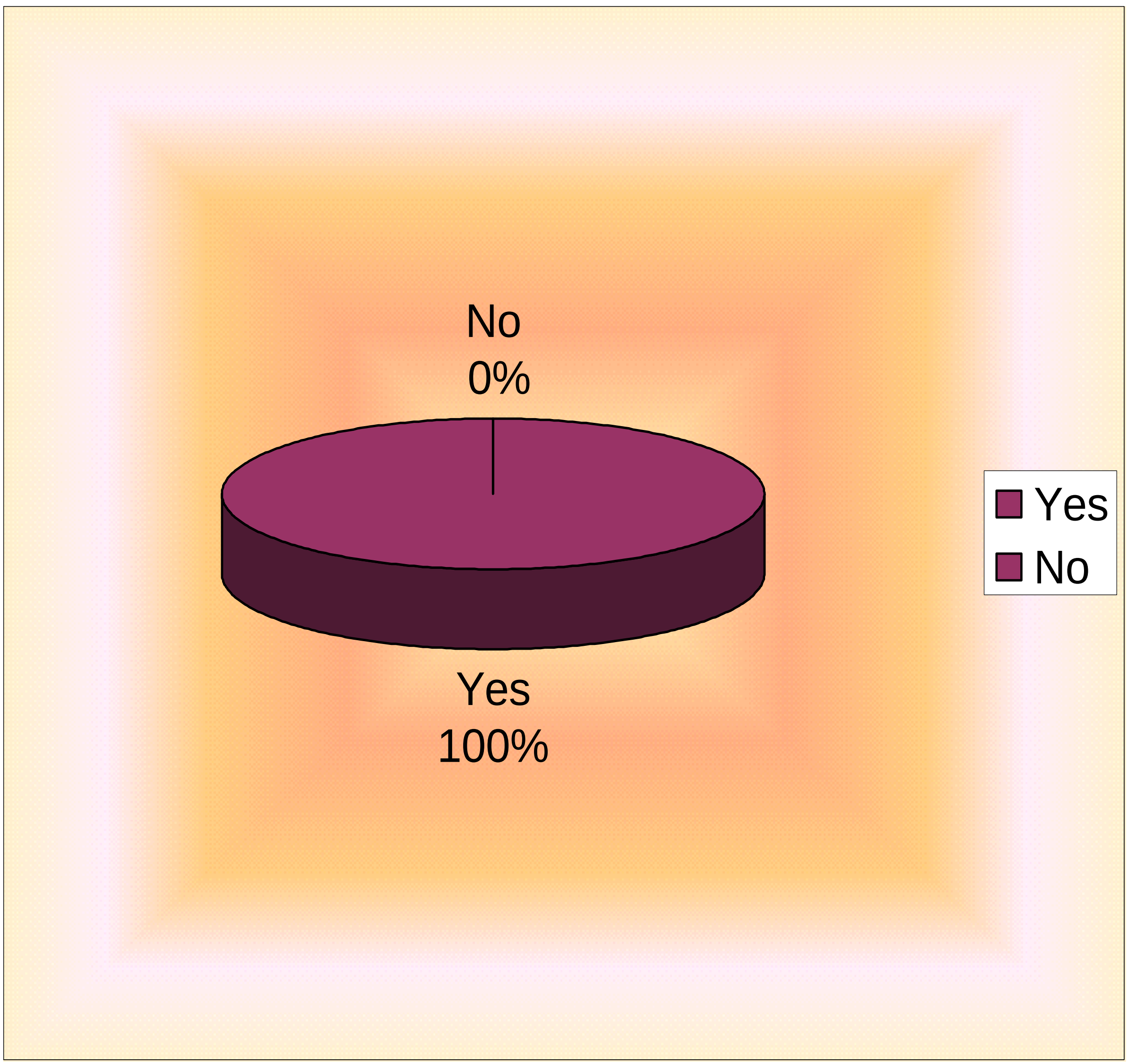


TABLE 30

NO OF RESPONDENTS	**DEALERS**	**% OF SATISFACTION**
VENTURES	15	100%
NO VENTURES	0	0%

TOTAL NO OF RESPONDENTS : 15

ANALYSIS AND INTERPRETATION **:**

Totally out of 15 Maruti dealers Mahindra has a tie up with 14 of them. In future Mahindra will have a tie up with all the dealers as all have shown a positive response.

CHAPTER V

- **SUMMARY OF FINDINGS**
- **CONCLUSIONS**
- **SUGGESTIONS AND RECOMMENDATION**

WHAT IS MY FINDING CONLUSION AND SUGGESTION ?

SUMMARY OF FINDINGS

SUMMARY OF
FINDINGS.

Mahindra & Mahindra is a part of the Mahindra Group and was established in 1945 to manufacture general-purpose utility vehicles

Mahindra Finance is one of India's leading non-banking finance companies focused on the rural and semi-urban sector providing finance for utility vehicles, tractors and cars with largest network of branches covering these areas (Source: Association of Leasing and Financial Services Companies, November 2005).It is a subsidiary of M&M, a leading tractor and UV manufacturer with over 60 years experience in the Indian market.

A comparative analysis of "Mahindra finance and its competitors with respect to financial aid and refinance" is carried out.

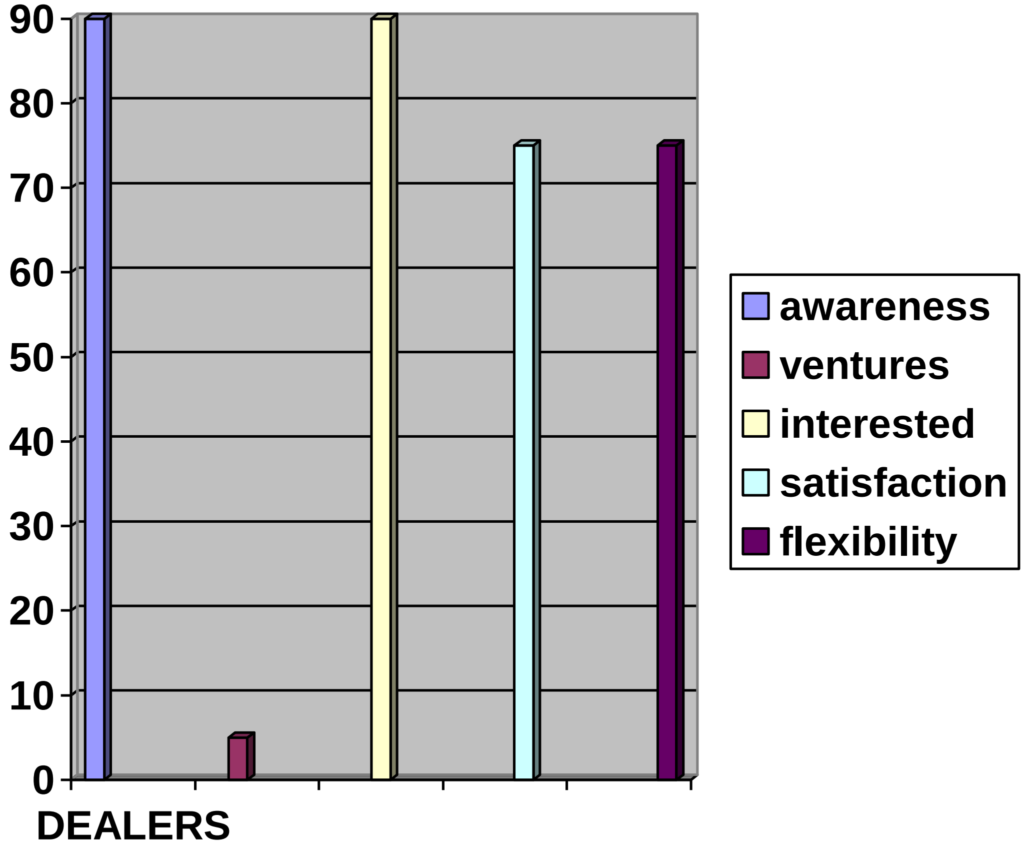
- The main objective of this study is to provide Mahindra details about various used car dealers ----
    - Their address
    - Contact number
    - Volume of cars sold per month through loan
    - Main competitors in refinance field.

- To analyze Maruti Udyog customers and dealers behavior towards Mahindra Finance for provision of loans.

- To measure the customer awareness level of Mahindra finance and its offers.

I Carried out field survey by interviewing the dealers and consumers. My findings are as follows.

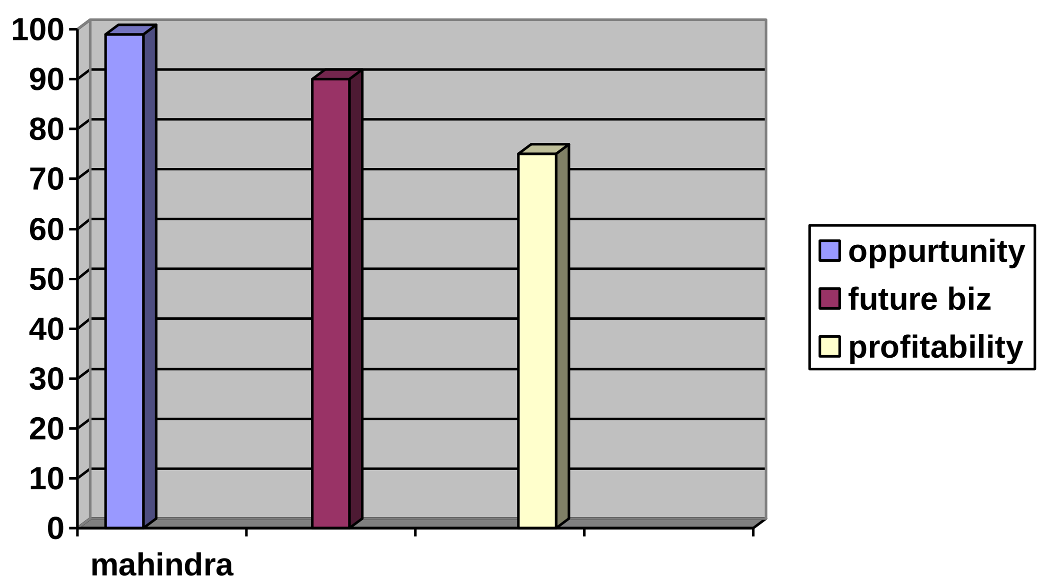
1. **USED CAR DEALERS**



The summary on used car dealers is :

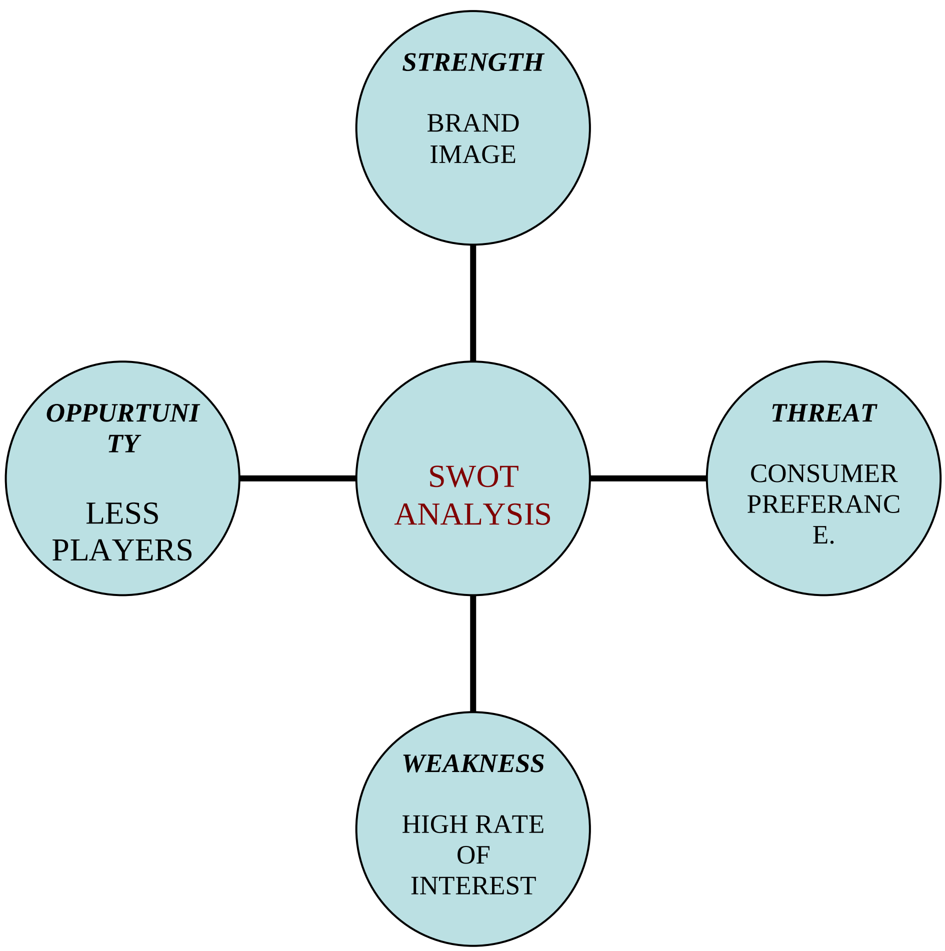
- 90% of the used car dealers are aware of Mahindra finance and its services.
- Mahindra is been tied up with very few dealers and majority are left out.
- Almost 90% of the dealers are interested in doing business with Mahindra. The left 10% would love doing business with Mahindra if it revises its terms and conditions.
- The satisfaction level among the dealers is 75% as they are not happy about the long processing time and rate of interest.
- The flexibility rate expected among dealers is 75% from Mahindra as dealers are getting good offers from other banks.

By surveying and analyzing my interpretation is :

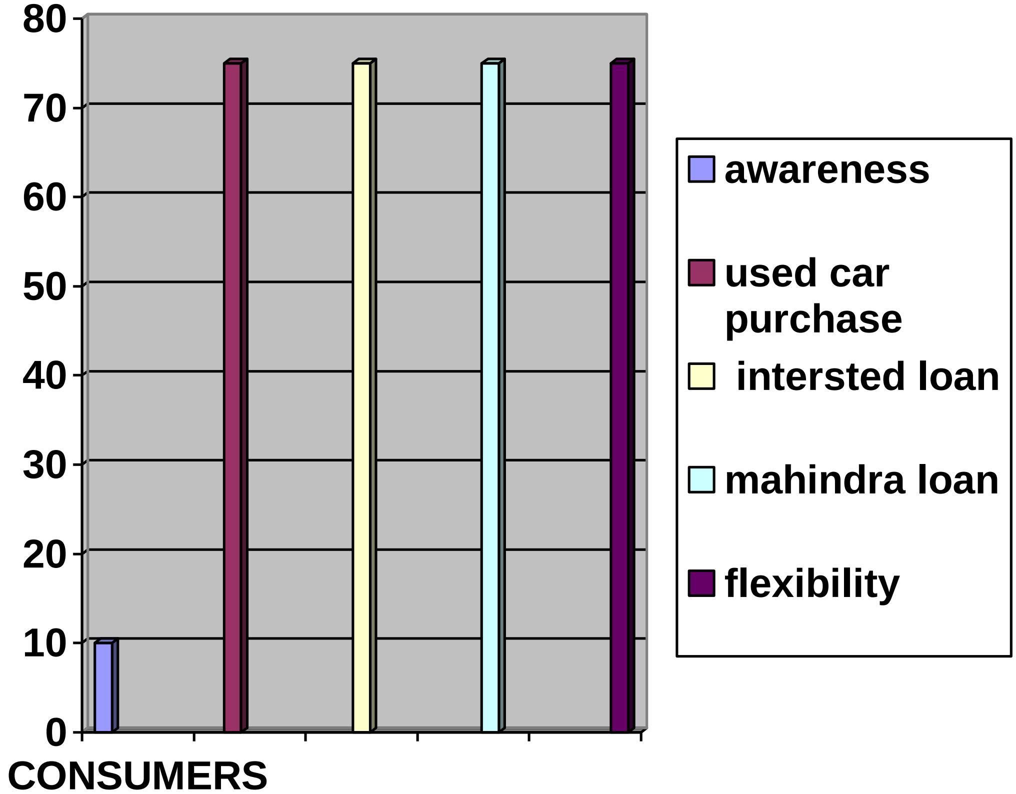


- Mahindra has got a lot of scope in refinance sector. It must utilize this opportunity and expand its business in refinance sector.
- Mahindra is got a good future in refinance sector as there are only two major competitors ICICI and HDFC.
- Mahindra will be quite profitable if it enters into refinancing and can expand its business.

<u>SWOT ANALYSIS.</u>



2.. **CONSUMERS** :

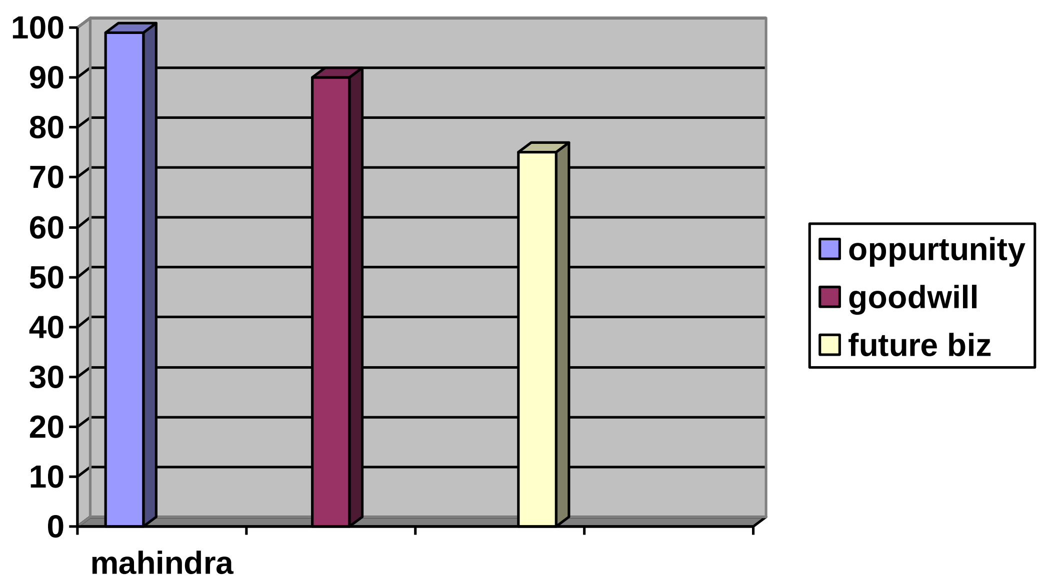


The summary on consumers is :

- 10% of the consumers are aware of Mahindra finance and its services. The rest 90% heard about Mahindra but not much aware if it provides loans for cars.
- Majority of consumers prefer purchasing used cars.
- Almost 75% of the consumers would buy cars using car loans.

- Very few customers would opt for Mahindra loan but in case dealer has a tie up with Mahindra 75% of consumers would go for Mahindra finance loan service if it suits their conditions.
- The flexibility rate expected among consumers is 75% from Mahindra as consumers are getting good offers from other banks.

By surveying and analyzing my interpretation is :

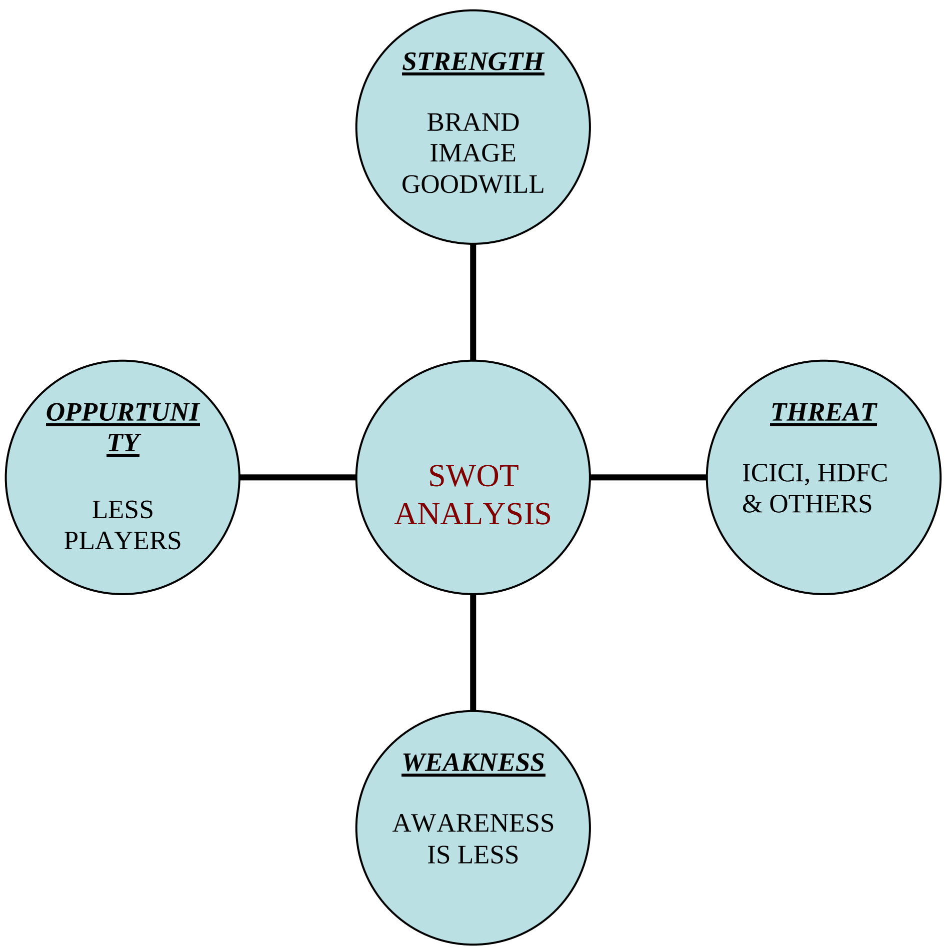


- Mahindra has got a lot of scope in refinance sector. It must utilize this opportunity and expand its business in refinance sector.
- Mahindra is got a good future in refinance sector as there are only two major competitors ICICI and HDFC. Consumers avail loan from those banks who provide them with good offers. Goodwill of Mahindra is

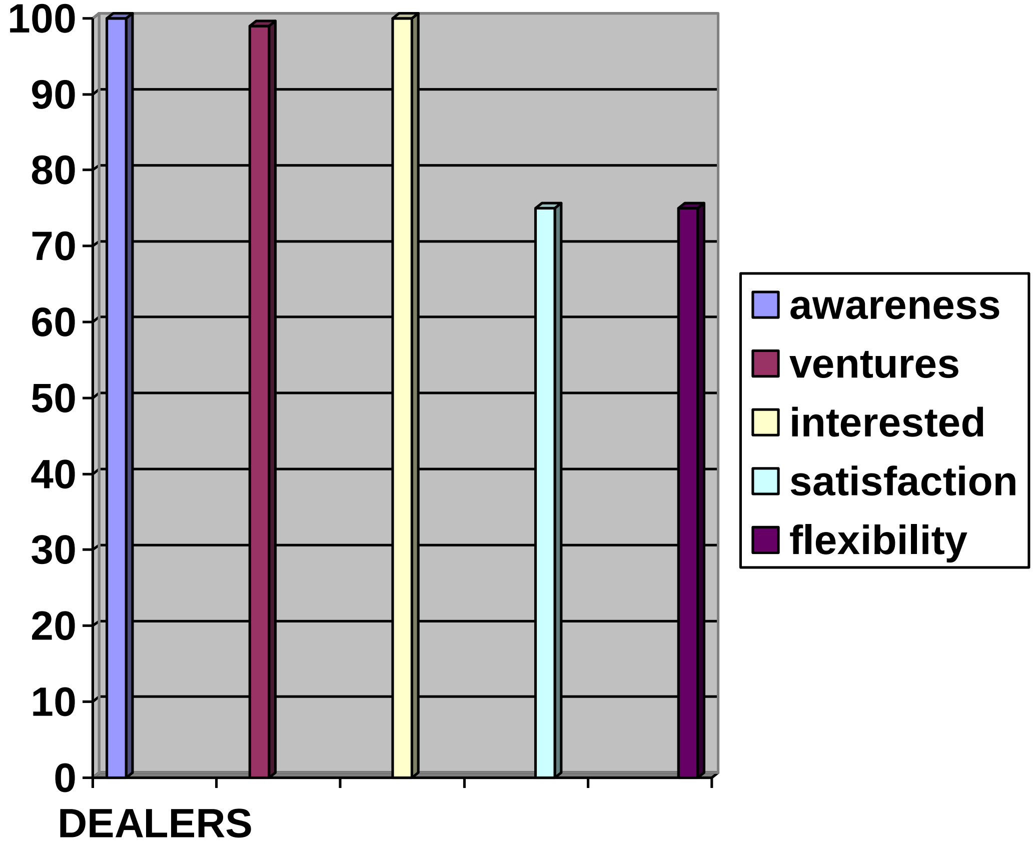
positive among consumers as they consider it to be the best in agricultural and hard vehicles.

- Mahindra will be quite profitable if it enters into refinancing and can expand its business. It has got good future in terms of refinance.

SWOT ANALYSIS.



3. **<u>MARUTI UDYOG DEALERS</u>**

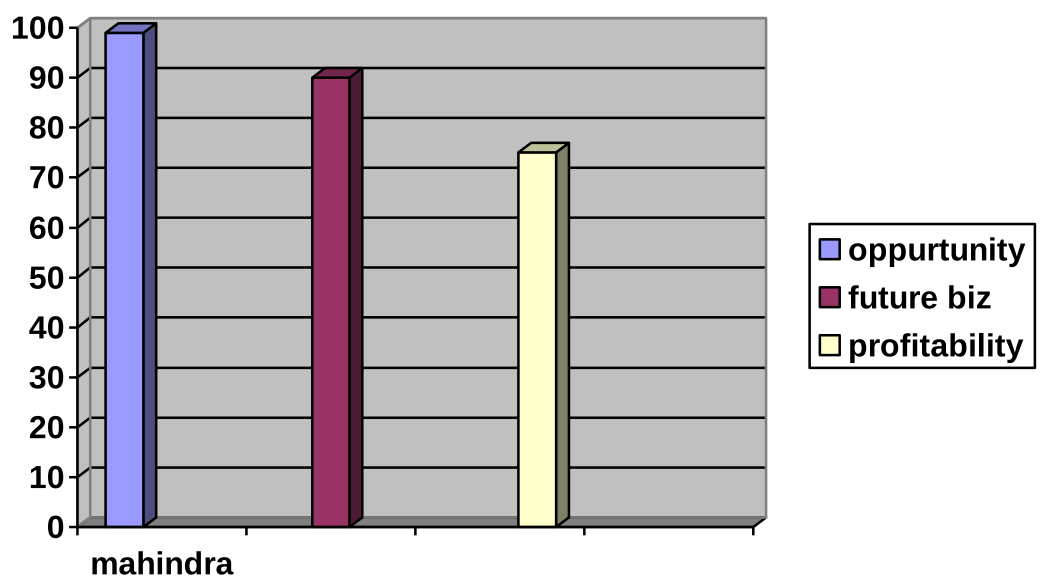


The summary on used car dealers is :

- All the Maruti udyog car dealers are aware of Mahindra finance and its services.
- Mahindra is been tied up with almost all the dealers and the left out are those whom Mahindra is not approached.

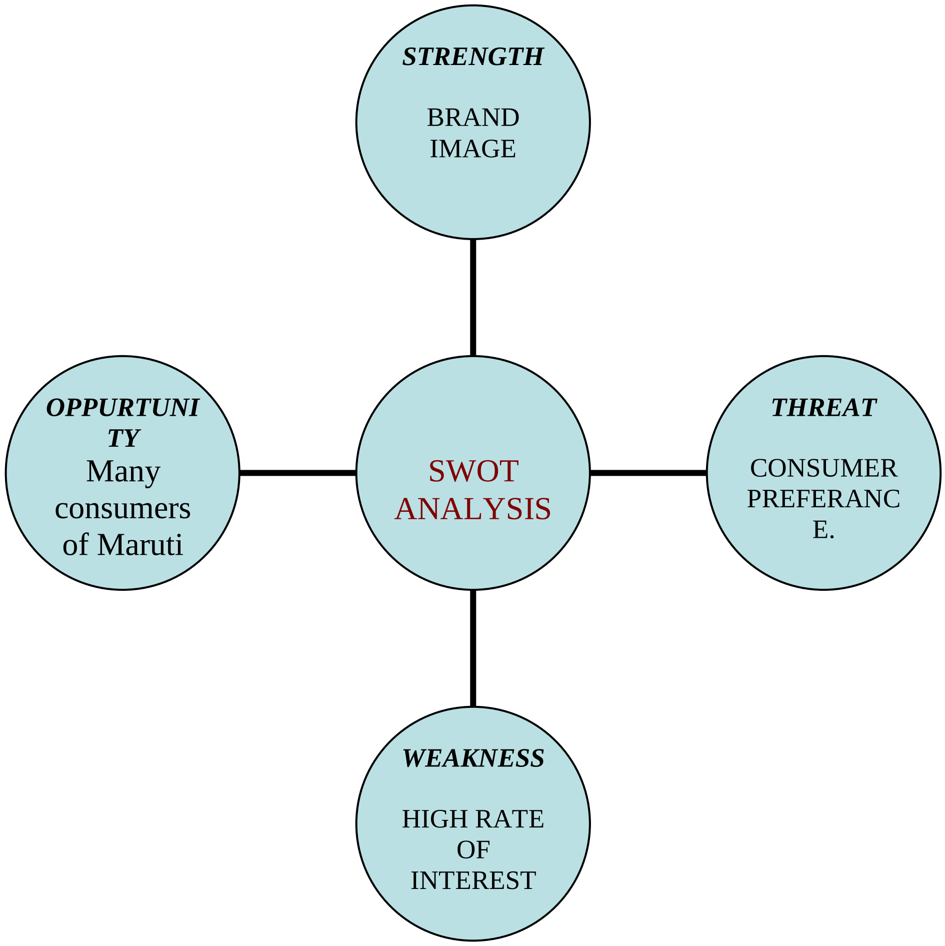
- All the dealers are interested in doing business with Mahindra. The left out one would love doing business with Mahindra if it approaches it.
- The satisfaction level among the dealers is 75% as they are not happy about the long processing time and rate of interest.
- The flexibility rate expected among dealers is 75% from Mahindra as dealers are getting good offers from other banks.

By surveying and analyzing my interpretation is :



- Mahindra has got a lot of scope in Maruti udyog finance if it revises its terms and conditions . It must utilize this opportunity and expand its business and try to expand its market share in Maruti udyog..
- Mahindra is got a good future in venture with Maruti udyog .

SWOT ANALYSIS.



CONCLUSIONS

SUMMARY OF CONCLUSION

THIS STUDY IS BEEN CONCLUDED AS FOLLOWS :

1.. **USED CAR DEALERS** :

- 99% Dealers showed a positive response. They would like to tie up with Mahindra finance.
- Mahindra has not approached 90% of the given dealers.
- Dealers need less processing duration and less paper work.
- Dealers also need less rate of interest
- The major competitors are ICICI and HDFC who are providing less interest and quick delivery of money with low documentation process.

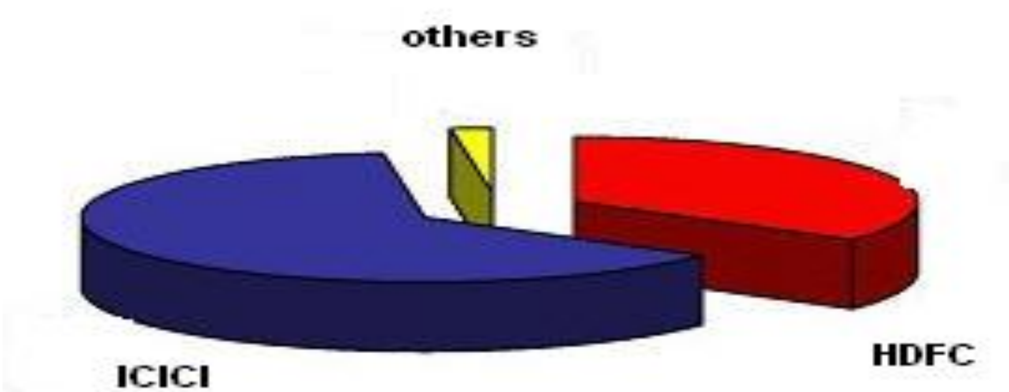
2.. **CONSUMERS** :

- 90% of the end users, consumers have not heard Mahindra finance gives loan for cars.
- Consumers have a high preference towards ICICI and HDFC, some with CITIBANK also.
- The main reason is they have an account with those banks and due to the brand image of those banks.
- In case dealers provide them with Mahindra loan some consumers are willing to take loan.

3. **MARUTI UDYOG DEALERS.**

- All the dealers are aware of Mahindra and its services.
- 99% of the Dealers are tied up with Mahindra finance.
- They are satisfied with its service but expect terms and conditions to be revised.
- Mahindra has not approached 1 dealer out of 15.
- The flexibility expected from Mahindra is ,Dealers need less processing duration and less paper work.
- Dealers also need less rate of interest.
- The major market share is been taken by ICICI followed by HDFC who are providing less interest and quick delivery of money with low documentation process.

The market share can be shown as :



Hence it can be concluded that if :

- Mahindra is lacking in refinance sector as it has not approached used car dealers hence it must approach reputed dealers and have tie up with them and be a major player in refinance sector and prove to be good competitor to ICICI and HDFC.
- Mahindra's image among consumers is , it manufactures and provides loan to heavy vehicles hence Mahindra must promote its services in effective way and position the brand in minds of all consumers..
- Mahindra is in tie up with almost all Maruti dealers but is having a very low market share compared to other banks. thus its necessary for it to revise its terms and conditions and try reducing its rate of interest and build a good reputation with dealers.

SUGGESTIONS & RECOMMENDATIONS

SUGGESTIONS AND RECOMMENDATIONS

Car Market in Bangalore City is big and a lot of opportunities are there for the car financing to tap the either to untapped sources as revealed, Mahindra finance can further penetrate the Market and increase its Market Share than its main competitors like ICICI and HDFCetc.

The following Suggestions and Recommendations are drawn from findings and conclusions which may help the Company in Improving to get more and more Dealers and consumer Satisfaction.

- ✓ Firstly Mahindra must approach the dealers
- ✓ The company should increase the tie up with the dealers network in the city.
- ✓ Mahindra must lessen its documentation process and duration
- ✓ It must try reducing the rate of interest.
- ✓ Mahindra must get the customer open bank account with Mahindra

- ✓ Mahindra is behind its competitors regarding the rate of interest and long documentation process. It should provide it more effectively and revise its terms and conditions.

- ✓ Mahindra should carve a particular Niche (Build and Image) for itself in the minds of consumers, since consumers have a choice of a number of other brands in the Market.

- ✓ Company can organize meeting with Dealers at random, so that company get face to face discussion about company work and get feedback from Dealers.

- ✓ To Improve satisfaction level company may appoint the Dealer Relation Officer who make a phone call after month or 2 month and visit the Dealers (Sales Executives most specific) to ask them about their problem and give information regarding difficulties. By knowing Dealer problems the Company can attract the customers by improving their work with dealers and increase the satisfaction level of dealers towards them.

- ✓ Company should motivate salesman and service people to attend the customer better way be giving them various competition compensation.

- ✓ There should be weekly or monthly meeting of sales and service staff with General Manager and Director, so that problem can be discussed and solve it.

- ✓ Sales staff and service staff must regularly make improvement in courtesy. So that customers are attracted and like to take information about car from sales and service staff.

- ✓ Company should provide emergency problem solving service, so that small problems can be solved with fast service and saving Dealers and consumers time. This will satisfy them.

- ✓ The sales and service people should be trained on regular basis with new introduction for subject like convincing customers and details about company's offers , rates and other options which can benefit customers. And they can give information to customer when needed.

- ✓ The company satisfying ration to Dealers is not a low ratio, but the company should try to reach at the 100% Dealer Satisfaction level.

- ✓ The company should concentrate towards, the mode of its Advertisement. While launching a new offer it should give the preference to the Advertising Media which is the best source of Information. As a promotional activity company can also sponsor some kinds of sports events etc.

- ✓ Mahindra must position the brand and services to customers in an effective way as it is under positioned now.

- ✓ Mahindra must advertise and promote using media, posters and frequent internet ads. This will create awareness among consumers

- ✓ The Present holding events in Market are no doubt helping dealers to increase sales. The success of the events is mainly depends on value of the events, so the Sales Manager should concentrate on it. Mahindra must finance loan melas which will increase awareness among people regarding Mahindra finance.

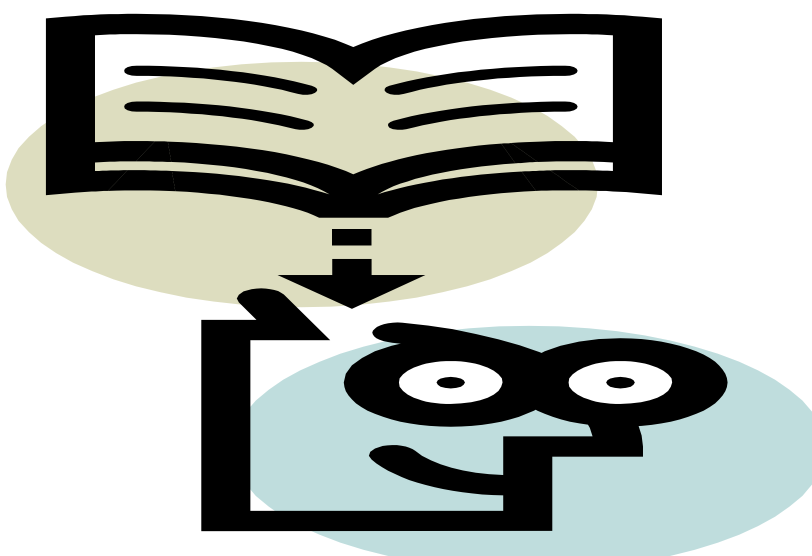
- ✓ Because the company may face tough competition in future, hence the company should maintain the customers brand loyalty for its product by launching some regular schemes like Offer Mela, Free Gifts etc.

- ✓ The Company should concentrate more on Market Segmentation. It should decrease its terms and conditions as suited to the customers .

- ✓ Since the study revealed that the majority of dealers recommend a particular brand to their customers, the company should try to further strengthen the Relationship with its dealers by motivating them with new offer.

Thus by this I conclude Mahindra must enter refinance market and try reducing its terms and conditions.

ANNEXURE



Survey for Used Car Dealers/ Agents

- Name of the firm: ____ ____________________

- Name/s Of Proprietor/ Director/Partners: i)_______________
  ii ___________________
  iii ___________________

- Contact details:

Address:____ _________________________________

Contact No : (T)____
(M)____

- Whether the Director /Proprietor/Partner are permanent residents of the city? (Y/N): _________

If No, address of the city / town they belong to :____ ____ _______________________

- **Category**

i) Organised (eg: AutoMart India/ Maruti True Value) : (Y/N): ______

ii) Unorganized Dealer (People who buy & sell used cars/Commission agents having a small office /showrooms) : (Y/N) : ______

- **No. Of years in Used Car Business: _______**

- **Monthly Volume Of Used cars Sold & Finance:**

Kind Of Vehicle Sold (#) : ____

Number Sold : ____________________

Number Financed : ____________________

Stock:

1. Purchased Vehicle (Invested) : ____________
2. Display Vehicle (Commission Basis) : ____________
3. Total Vehicles (1 + 2) : ____________

- **With whom are you currently dealing for retail finance for used cars (Please tick)**

☐ ☐ ☐ ☐ ☐

ICICI HDFC MMFSL GE – Countrywide

Sundaram

Any other please specify:

____

- **Would you be interested in doing business with MMFSL (If not currently & Why**) : ___________

____

____

____

____

____

____

- What is the current commission /incentive that you are getting from the finance companies / Banks DSA's per case?

Rs. _________________________ Per case.

% _________________________ Per case.

- **What additional support do you expect from MMFSL – Rate, Scheme, Payout, Process**: ___

____

____

- Are you interested in doing some Special Activity – Events, Advertisements Loan Mela etc.

____

- **Are you willing to share costs for the same? (Y/N)** :________

Only For MMFSL (Official Use)

Do you recommend that we do business with this Agent/ Used Car Dealer (Y/N): ____

MMFSL Executive : **Agent Dealer**

Signature : **Signature**

CONSUMER SURVEY

- **NAME : ________________________________**
- **OCCUPATION : ______________________________**
- **INTERESTED TO PURCHASE : FIRST / SECOND HAND**
- **WHICH CAR WOULD U BUY & WHY :**

  ____

- **WHICH SHOWROOM WOULD YOU PREFER:**

  ____

- **WOULD U : AVAIL LOAN / CASH**
- **WHICH BANK WOULD U APPROACH FOR LOAN AND WHY:**

  ____

  ____

  - **HAVE U HEARD ABOUT MAHINDRA FINANCE :**

  ____

WOULD U LIKE AVAILING LOAN FROM MAHINDRA :

IF NO WHY REASON :

MARUTI UDYOG DEALERS SURVEY.

- Name of the firm: ____ ____________________

- Contact details:

Address:____
____

Contact No : (T)____
(M)____

- **No. Of years in Car Business: _______**

- **Monthly Volume Of Used cars Sold & Finance:**

Kind Of Vehicle Sold (#) :
____
____

Number Sold : ______________________

Number Financed : ______________________

- **With whom are you currently dealing for retail finance for used cars (Please tick)**

☐ ☐ ☐ ☐ ☐

ICICI HDFC MMFSL GE – Countrywide

Sundaram

- **Would you be interested in doing business with MMFSL (If not currently & Why**) : ___________

____

____

____

____

____

____

- **What additional support do you expect from MMFSL – Rate, Scheme, Payout, Process**: ___

____

____

MMFSL Executive : **Agent Dealer**

Signature : **Signature**

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