

Review Article

Unravelling Ahmedabad: Navigating Customer Behaviour for Bajaj Finance's Growth Odyssey

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A B S T R A C T

The terms "customer" and "consumer" are sometimes used interchangeably, there is a difference between the two. A customer is someone who buys goods or services; they may or may not also be the end users. A consumer is someone who is the end user. Consumer expectations, tastes, and influence are being differentiated by individual characteristics in the new age of business needs. Businesses must examine and act on consumer behavior in depth in order to achieve their goals. The result of the satisfaction to customer from the purchaser of the product or services is that more favorable post-purchase attitude, higher purchase intention & brand loyalty to be exhibited that the same behavior is likely to be exhibited in a similar purchasing situation. The term 'consumer' is a typically used to refer to someone who regularly purchase from a particular store or company. Customer are people who are happy with the product & services and are willing to come back and pay for it again. By having good relationship management, the customer can get trust and the customer behaviors toward company get positive by that the growth of the company get more opportunity toward satisfaction of customer.

Keywords: Customer, NBFC, Bajaj Finserv, Finance, Satisfaction, Loans, Financial Industry, Financial Services

Introduction

NBFC's India are regulated by the reserve bank of India (RBI) and the securities and exchange board of India (SEBI). Non-bank financial institution is important because they serve the financial needs of individuals and businesses. They play an important role in the financial world. They provide services throughout the loan period.¹

Understand the types of NBFC's and the Services they Provide:

- Asset finance
- Infrastructure finance
- Microfinance
- Home finance

"Non-banking financial firm's overview (4" special services 4 C. this bank is in financial institution) needs of specific communities, especially traditional finance to meet the cultural practices of their institutions.² Non-banking financial companies (NBFCs) play an important role in the Indian financial system by meeting the needs of various industries. NBFCs offer a wide variety of financial products and services that can be classified into different types based on their services.

Asset Financing: Non-bank financial institutions specializing in financial assets provide loans for the purchase of equipment such as machinery, vehicles and equipment. These loans are usually secured by financial instruments.³

Infrastructure Finance: Infrastructure Finance Non-banking

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financial institutions provide loans to infrastructure projects such as roads, ports, airports and power plants. These loans are generally long-term and risky.⁴

Microfinance: Microfinance NBFCs provide microfinance to low-income individuals and small businesses that would not normally be available through traditional banks. These loans are often used for income-generating activities such as starting a small business or purchasing property.⁵

Home Finance: Housing Finance NBFCs provide loans for the purchase, construction or renovation of residential property. These loans are usually secured by the financed property.⁶

Business Finance: Non-bank financial institutions provide business capital loans to businesses for a variety of purposes, such as business finance, business financing, and price reduction.⁷

Personal Finance: Retail Finance Non-bank banks provide personal loans, credit cards and other financial products to individuals. These loans are generally unsecured and can be used for many purposes, such as home renovations, weddings or medical expenses.⁸ In addition to the above categories, NBFCs may also specialize in certain sectors such as agriculture, education and healthcare. For example, agricultural finance NBFCs can provide loans to farmers to purchase seeds, fertilizers and inputs.⁹

The term relationship management refers to a strategy in which an organization maintains an ongoing level of engagement with its audience and supply chain. This management can occur between a business and its customers, which is called business to consumer (B2C), or between a business and other businesses, which is referred to as business to business (B2B). Relationship management can increase brand loyalty, spot inefficiencies, attract new customers and suppliers, and mitigate risk. A company's reputation for responsiveness and generous post-sales involvement can often stimulate new sales. Maintaining communication with consumers lets a company identify potential problems before they come to a costly head. Customer satisfaction is term frequently used in marketing. It is a measure of how products and services supplied by company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers or percentage of total customers, whose reported experiences with a firm, its product or its services (rating) exceeds specified satisfaction goals. As if the customer get satisfaction with the product or service then they become perpetual consumer of the company."¹⁰

India is the second largest manufacturer and producer of two-wheelers in the world stands next only to Japan and China in term of the number of two-wheeler and produced

and domestic sales respectively.¹¹

Maintaining a good relationship with perpetual customers is crucial for any organization, including Bajaj finance. Hence are some aspects of relationship management that Bajaj finance can focus on to ensure customer satisfaction and loyalty.¹²

Personalized Communication: Bajaj finance should strive to have personalized communication with their perpetual customers. This can include addressing customer by their names, sending personalized offer and recommendations, and providing relevant updates and information on their preferences and financial needs.¹³

Proactive Engagement: Bajaj finance should Proactive engage with their customers through various channels such as email, phone call and SMS, regular.

Dedicated Relationship Managers: Assigning dedicated manager to perpetual customers can be an effective way to provide personalized support and assistance. These managers can serve as a single point of contact for customer ensuring prompt resolution of any issues and addressing specific financial requirements.¹⁴

Exclusive Benefits and Reward: Bajaj finance can offer benefits and rewards to perpetual customers. This can include special interest rate, discounts on fees of charges, loyalty reward or access to premium services. By this the perpetual customer can strengthen the relationship and incentives continued engagement.¹⁵

Tailored Financial Solutions: Bajaj finance aim to understand the unique financial needs and goals of their perpetual customers. By offering customized and tailored financial solution, such as flexible repayment options, loan top-ups or product upgraded they can demonstrate their commitment to meeting individual customer requirements.¹⁶

Timely Issue Resolution: Promptly addressing any customer concerns or complaints is crucial for maintaining a good relationship. Bajaj finance should have efficient customer support channels and processes in place to ensure timely issue resolution and customer satisfaction.¹⁷

Feedback and Surveys: Regularly seeking feedback from perpetual customer through surveys or feedback forms can help Bajaj finance understand their preferences and areas for improvement. Acting upon the feedback and making necessary enhancements to products, services or processes can strengthen the bond with customers.¹⁸

Research Objective

- To analyses the customer satisfaction toward loans
- To understand the importance of leadership
- To know how to apply relationship management
- To analyses the market competition in two-wheeler

loan

- To find out the market gap for perpetual customer

Literature Review

The customer relationship management is the strategic and technology by that the customer interaction and life cycles can be analyses. (Source: Prof. Megha P. Nanhe,2015).

The dealer identifies the customer and then gather the data. The findings of the study generally revealed that there is a significant relationship between business practices and customers satisfaction. (Source: Mylene M. Turco, Roel D. Juevesa, Arvin T. Galigao,2021). The different financial inclusion schemes for customers empower social and economically through financial inclusion. Bajaj finance promote the influence for finance. (Source: Dr. A. Balagurusamy, V. S. Sri Krishna & P. V. Ranjith, 2023).

As the insurance industry is a highly successful in competitive market. Due to the rapid change in information and communication technology have given insurers the ability to create, develop and maintain long term customer relationship. To support the market, insurance company use (CRM) which help to increase sales and revenue by

focusing on customer retention and loyalty. (Source: Anas Khan, Dr. Rana Zehra Masood, 2017).

Parishwang Piyush, Himanshu Negi and Navneet Singh find out into them study that the customers` satisfaction levels towards housing finance banks in India and understand why customers preferred the HDFC and LIC Housing Finance Ltd. for home loan in India.

Research Methology

Research Design

- The study included a descriptive research design
- This included qualitative data
- Source of data: Secondary sources

Secondary Data

Collected by referring previous reports of Bajaj REMI department which was updated by Bajaj head office.

Collection by the website of Bajaj finance from their require information are taken.

Data Analysis and Interpretation

Here is a summarized table based on the provided data and interpretations:

Table I.

| Data Point | Description | Interpretation |
|--------------------------------------|---|--|
| Profit Distribution Among Components | Bajaj Finance: 68% | Bajaj Finance earns the highest profit. |
| | Bajaj Allianz Insurance: 13% | |
| | Bajaj Allianz General Insurance: 19% | |
| Profit Trends Over the Last 5 Years | Significant AUM growth from 2021 to 2022: 29% | Positive trend in assets under management. |
| | | Indicates potential for company growth. |
| Age Group Distribution of Employees | 18-24 years: 50% | New and younger employees recruited more. |
| | 24-34 years: 25% | |
| | 35-44 years: 25% | |
| Education Level of Employees | Master's degree and higher: 25% | 25% hold advanced degrees. |
| | Bachelor's degree: 50% | 50% have bachelor's degrees. |
| Years of Experience as an FOS | Less than 1 year: 50% | Half of the FOS have less than 1 year of experience. |
| | 3-5 years: 25% | |
| | 6-10 years: 25% | |

| Data Point | Description | Interpretation |
|---|---------------------|---|
| Monthly Sale Volume of FOS | 100% | All FOS achieving good monthly sales volume. |
| Focus of FOS | 100% | All FOS focused exclusively on Bajaj Finance. |
| Satisfaction with Training for FOS Role | Very satisfied: 50% | 50% are very satisfied with training. |
| | Neutral: 25% | 25% have a neutral opinion on training. |
| | | Concepts clarity affects target achievement. |

Discussion

In this research discussion, we explore two key aspects related to Bajaj Finance: the distribution of profits among its different components and the historical profit trends over the last five years. These insights are vital for understanding the company's financial performance and strategic outlook.

Distribution of Profits Among Components

The provided pie chart illustrates the distribution of profits among Bajaj Finance and its subsidiaries, Bajaj Allianz Insurance, and Bajaj Allianz General Insurance. The interpretation reveals that Bajaj Finance is the most significant contributor to the company's profit, accounting for a substantial 68%. In contrast, Bajaj Allianz Insurance and Bajaj Allianz General Insurance contribute 13% and 19% of the profits, respectively.

This information signifies the dominance of Bajaj Finance in the company's overall financial performance. The data suggests that Bajaj Finance's core business operations are highly profitable compared to its insurance subsidiaries. To further enhance its financial position, Bajaj Finance may consider strategies to leverage this strength and potentially invest in growing its insurance business or exploring new avenues for diversification.

Historical Profit Trends

The second part of the analysis focuses on Bajaj Finance's profit trends over the last five years, as depicted in the provided graph. The graph exhibits consolidated assets under management (AUM) over this period. The interpretation highlights a positive trend, with the AUM steadily growing each year.

Of particular note is the significant change from 2021 to 2022, where there was a remarkable 29% increase in AUM. This substantial growth is a promising sign for the company, indicating its ability to attract and manage assets effectively. Such growth suggests that Bajaj Finance is expanding its customer base, portfolio, or both.

This growth could be attributed to various factors, such as effective marketing strategies, a strong product portfolio, or the successful acquisition and retention of customers. To sustain this growth, Bajaj Finance should continue to focus on these successful strategies while exploring opportunities for further expansion and diversification.

In summary, these data analyses shed light on critical aspects of Bajaj Finance's financial performance and potential growth areas. The dominance of Bajaj Finance in profit generation emphasizes its core strength in lending and financial services. To maintain and enhance its position in the market, the company should continue to focus on relationship management.

Effective relationship management is crucial for retaining existing customers and attracting new ones, ultimately leading to sustained growth. By fostering trust, loyalty, and long-term customer satisfaction, Bajaj Finance can ensure customer retention and advocacy. Additionally, strong leadership is essential to driving the sales team to meet targets and maintain the positive profit trajectory.

Conclusion

In conclusion, Bajaj Finance stands out as a customer-centric financial institution that tailors its loan offerings to meet individual customer needs. With competitive interest rates and a commitment to transparency, Bajaj Finance ensures there are no hidden charges for its customers. This dedication to openness and customer loyalty is reflected in its diverse portfolio of loans, investments, and insurance options.

Bajaj Finance has earned its reputation as a reliable and trustworthy financial service provider. Its robust sales team consistently meets monthly targets, and the company offers enticing schemes and attractive incentives to customers. The provision of EMI cards for future loan approvals further enhances the customer experience.

In conclusion, Bajaj Finance appears to be on a promising

financial trajectory, with opportunities for further growth and profitability. By leveraging its strengths and continuing to invest in customer relationships and leadership, the company can continue to thrive in the highly competitive financial services sector.

Effective relationship management plays a pivotal role in maintaining customer satisfaction. Managers must address the concerns of their sales executives and resolve any issues arising in Bajaj Finance stores. Additionally, special festive targets motivate sales teams, with extra incentives offered to those who exceed their targets, as per predefined incentive slabs.

The consumer finance market holds immense growth potential, and understanding customer behavior is vital for any business's survival and success. Bajaj Finance's consumer durable loans not only spark desire but also create a willingness among consumers to make purchases. Proper branding and promotional efforts are essential to attract and retain customers, fostering brand loyalty.

Bajaj Finserv enjoys a positive reputation and customer loyalty. To boost sales, the company should consider cross-selling strategies and continue to prioritize quality. While quality is a significant factor, the availability of competing brands and aggressive promotions from competitors can sway consumers. Therefore, Bajaj Finance should remain vigilant and adapt to market dynamics.

In conclusion, Bajaj Finance should focus on foot traffic and ensure that its sales finance team is well-informed about policies and customer preferences. With emerging threats from competitors like Capital First, the company must take proactive steps to protect its market share and maintain its competitive edge.

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