COMPARATIVE ANALYSIS ON CUSTOMER RETENTION STRATECIES IN STOCK BROKING FIRM

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ABSTRACT

Customer retention is the activity that a selling organization undertakes in order to reduce customer defections. Successful customer retention starts with the first contact an organization has with a customer and continues throughout the entire lifetime of a relationship. It is difficult to exactly define customer retention as it is a variable process. A basic definition could be 'customer retention is the process when customers continue to buy products and services within a determine time period'. However this definition is not applicable for most of the high end and low purchase frequency products as each and every product is not purchased by the customer. For example in the stock brokerage industry, a customer may not buy a particular scrip in the given period of time but is tended to buy the same when the conditions to buy the scrip becomes favorable and when the customer evaluates that now this scrip could be profitable to buy. In this case the definition of customer retention could be 'customer retention is the process when customer is intended to buy the product and services at next favorable buy occasion'. These products are called as long purchase cycle products. Bringing in new customers is hard, but losing them is easy (and costly). That's why customer retention is critical. Increasing customer retention rates by 5 percent increases profits by 25 percent to 95 percent. The "SLS Corporate Services Ltd.," doing good business, on the grounds of customer's retention to the company. The "SLS Corporate Services Ltd.," retrain to the company based on the good advices to the customers and generating more profits to customers, and the company should concentrate on the female, students and illiterate and educate them to invest in to the stock broking companies by doing advertisement, marketing, conducting community meeting so that customers can show interest to invest in to the stock market

Keywords: Customer retention, organization, cycle products, educate, Investment

INTRODUCTION:

Customer retention highly depends on attrition and silent attrition rates. Attrition is the process when customers no longer want to use product and services provided by the supplier and breaks the relationship bond by informing the supplier that he will be no more a customer. Most of the defecting customers don't even intimate the supplier that they are defecting. This process is called silent attrition where the customer stops purchasing the product and services and divert to other suppliers without even informing them. During attrition, organization should prepare serious customer retaining strategies to save the customer to defect. It is often seen that if these corrective measures are implemented successfully to save defection then retention level increases to a much higher level as compared to a normal retention process. Silent attrition causes the real damage to the organizations because they do not even know when the customer defected. They find no time to implement the corrective measures to try retaining that particular customer or even determine if the customer can be retained or not.Customer retention does not make sure that the customer is loyal. For example, a brokerage firm has both traditional trading platform and online trading platform. A customer has his trading account in traditional platform but after some time he feels to switch to online trading platform. Now in this situation, the customer is not considered to be loyal to the given services, but the customer is said to be retained by the same organization.Customer retention is a strategic process to keep or retain the existing customers and not letting them to diverge or defect to other suppliers or organization for business and this is only possible when there is a quality relationship between customer and supplier. Usually a customer is tended towards sticking to a particular brand or product as far as his basic needs are continued to be properly fulfilled. He does not opt for taking a risk in going for a new product. More is the possibility to retain customers the more is the probability of net growth of business

OBJECTIVES OF THE STUDY

The main objective of the research study is to analysis the Customer Retention strategies of stock Broking company services providers . This Research study attempts to identify various determinants of customer Retention in stock broking company. The sub objectives of the study are stated as follows

1   To study whether the customers are staking towards company or not.

2   To study the factors influencing the customer to livening company.

3   Developing strategies to increase customer loyalty and   retention with company.

NEED OF THE STUDY

This study will help us to get a better picture as to what customers perceive about Stock Market Industry and their awareness about the same. This study will help us in understanding what the customers prefer really through this Stock Market Industry. Also if the customers prefer this Stock Market Industry, the study brings to light the customer expectations about the same.

RESEARCH METHODOLOGY

This chapter includes various tools and techniques that are used by the investigation that the method followed in processing the research survey

Methodology includes a systematic way of collecting the data through sample design, analyzing it, processing data, interpreting the data for requirements.

SOURCES OF DATA:

1. Primary data.

2. Secondary data.

Primary data is collected in order to avoid any mistakes due to transcription which may arise when collected through secondary sources. The data is collected by questionnaire method.   Secondary data is collected from the companies' reports, manuals and brochures. Through company records, books, HR reports etc.

SAMPLING PROCEDURE

The sampling method used was random sampling. The sampling method was used because of lack of time and lack of knowledge about the universe. The sample size was fixed to 50 respondents; the sampling procedure is response form.

LIMITATIONS

1. The sample size is limited to 50.

2. Time taken for study 30 days.

3. There may be change of mood of customers while filling the questionnaire

COMPANY PROFILE

Sls corporate services, is a start-up entity, our activities range from distribution of various financial products and providing financial services. We are a franchise of edelweiss broking limited, for stock and commodity training (off-line & on-line trading), a distributor of all the mutual fund schemes through our principle stock holding corporation of india limited, we also distribute life and non-life insurance products on behalf of life insurance corporation of india and oriental insurance corporation of india limited.

Apart from the above services we are in the activity of conducting Awareness Program on Financial Products& Markets and aim to make the investor a well-informed investor. They have professionally qualified Management Graduates team with vast Experience from the Industry and our average man years of Experience is around 20 years. We have a team which has internationally exposure and expert knowledge.

OUR SERVICES:
- STOCK BROKING
- COMMODITY BROKING
- MUTUAL FUND INVESTMENTS
- FIXED DEPOSITS
- HOME LOANS / BUSINESS LOANS
- INSURANCE
- o LIFE INSURANCE
- o GENERAL INSURANCE
-       ACCOUNTING SERVICES

☐   TAX FILING (I.T./ SERVICE – TAX, ETC.,)

☐   ALL STATUTORY FILINGS

DATA ANALYSIS AND INTERPITATION

1) Income_____

S. NO	Particulars	Response
1	100000-200000	0
2	200000-400000	0
3	400000-1000000	5
4	1000000 and above	45

Table1: Income of the customer's

Interpretation
The above Table represent income levels of the customers, 90% of the customers are above the 10 lacks and 10% are above 4 lacks. Hence we can say that high income customers are investing in stock broking companies.

2) Qualification

S. NO	Particulars	Response
1	Illiterate	0
2	10th passed	5
3	Graduate	21
4	Post Graduate	24

Table 2: Qualification of the customer's.

Interpretation
The above table represent qualifications of the customers, 90% of the customers are graduates who are investing in stock market. And remaining 10% are 10th passed out, no illiterate investing in stock market.

3) Occupation

S. NO	Particulars	Response
1	Student	0
2	Employee	19
3	Businessman	22
4	House wife	17
5	Other	0

Table 3: customer's qualification.

Interpretation
The above table represents the occupation of the customers who are investing in stock broking companies. 45% of the customers are businessmen. And 38% are employees 17% are housewives. No students are investing in stock broking companies.

4) Gender

i) Male   ii)   Female   iii)   others

S.NO	Particulars	Response
1	Male	78
2	Female	22
3	Others	0

Table 4 : Gender of the customer's.

Interpretation

The above pie chart shows 78% of the customers are male in stock broking companies, and 22% of the customers are Females.

5)　　What makes you to select" SLS Corporate Services Ltd.,"?

　　i) Quality　　ii) Availability　iii) Goodwill of the company　iv) High profits　v) Any other

S.NO	Particulars	Response
1	Quality	10
2	Availability	20
3	Goodwill of the company	30
4	High profits	30
5	Any other	10

Table 5 : Select" SLS Corporate Services Ltd.,".

Interpretation

The above pie chart represents 30% of goodwill of the company and 30% high profitsand remaining contributing 40% to select "SLS Corporate Services Ltd.,"

6) How long you are doing business with "SLS Corporate Services Ltd.,"?

i) 1 – 2　 ii) 3 – 4 iii) 5 – 6 iv) 7 – 8 v) 9 and above

S.NO	Particulars	Response
1	1 – 2	15
2	3 – 4	5
3	5 – 6	60
4	7 – 8	10
5	9 and above	10

Table 6: Long you are doing business with "SLS Corporate Services Ltd.,"

Interpretation

In the table we can observe that 80% of the customers of stock broking firms are above 5 years , and 15% of the customers are only 1 to 2 years ,we can say that most of customers are Longley with "SLS Corporate Services Ltd.,"

7) Do you feel "SLS Corporate Services Ltd.," is making any efforts to keep customer loyalty?

i) Strongly agree　　ii) Agree　　iii) Disagree　　　iv) Strongly disagree

S.NO	Particulars	Response
1	Strongly agree	60
2	Agree	25
3	Disagree	15
4	Strongly disagree	0

Table 7: Customer loyalty.

Interpretation

In the above table we can clearly observe that " SLS Corporate Services Ltd.," making customer loyalty strategies , to retrain the customers into the company.

8) How you rate overall knowledge and ability of our staff to solve your problems ?

　　i) Very Poor　 ii) Poor　iii) Good　iv) Very Good　 v) Excellent

S.NO	Particulars	Response
1	Very Poor	0
2	Poor	10

3	Good	20
4	Very Good	40
5	Excellent	30

Table 8: Overall knowledge to solve your problems

Interpretation

In the above table we can observe that 10% of the customers rated overall and abilities of staff to solve the problems are poor and 30% of customers rated has excellent and remaining 60% rated as good and very good.

9) How the staff resolving your problems?

i) Very Poor   ii) Poor   iii) Good   iv) Very Good   v)Excellent

S.NO	Particulars	Response
1	Very Poor	0
2	Poor	0
3	Good	10
4	very Good	80
5	Excellent	10

Table 9 :Staff resolving your problems

Interpretation

In the above table we can observe 80%of the customers are rated as very good and remaining 20% are rated good and excellent.

10) Whether the communication /instruction received from the staff was clear or not ?

i) Yes   ii) No

S.NO	Particulars	Response
1	Yes	85
2	No	15

Table 10: Communication /instruction received from the staff was clear or not.

Interpretation

Most of the customers agreed that communication/instructions received from the staff are clear and remaining 15% dissatisfied with the communications/instructions given by the staff.

11) Please rate the behavior of our staff members ?

i) Very Poor   ii)Poor   iii) Good   iv) Very Good   v) Excellent

S.NO	Particulars	Response
1	Very Poor	0
2	Poor	0
3	Good	5
4	very Good	80
5	Excellent	15

Table 11: Behavior of our staff members

Interpretation

In the above pie chart, we can clearly observe 80% of the customers rated as very good and remaining 20% are rated as good and excellent, for the behavior of staff members.

12.1) Have you purchased any products from other stock broking companies?

i) Yes   ii)No

S.NO	Particulars	Response
1	Yes	20
2	No	80

Table 12.1: Purchased any products from other stock broking companies.

Interpretation

In the above pie chart we can clearly observed that 20% of the networth customers purchased other stock broking companies products.

If yes why you have moved out?

i) Services are not good ii) Product Range not up to you iii) No proper adviceiv) Service charger too high v)Any others

S.NO	Particulars	Response
1	Services are not good	0
2	Product Range not up to you	1
3	No proper advice	2
4	Service charger too high	15
5	Any others	2

Table 12.2: Yes, why you have moved out.

Interpretation

In the above table customers purchasing products of other companies because of service charges high and no proper advices given by the SLS Corporate Services Ltd.,.

13) Apart from the" SLS Corporate Services Ltd.," , which of the following companies giving good services when compared to "SLS Corporate Services Ltd.," ?

i) Zen Securities Limited (ZSL) ii) India Infoline Limited iii) Indiabulls   iv) Any other

S.NO	Particulars	Response
1	Zen Securities Limited (ZSL)	15
2	India Infoline Limited	30
3	Indiabulls	35
4	Any other	20

Table 13: Othercompanies giving good services.

Interpretation:

Apart from "SLS Corporate Services Ltd.,". investors investing theirnet worth in to other companies like ZSL, India Infoline Limited, India bulls and others.

14) How do you rate your overall experience with "SLS Corporate Services Ltd.,"?

i) Very poor   ii) Poor iii) Good   iv) Very good   v) Excellent

S. NO	Particulars	Response
1	Very Poor	0
2	Poor	5
3	Good	15
4	Very Good	20
5	Excellent	60

Table 14: Overall experience with "SLS Corporate Services Ltd.,"

Interpretation

It is clear that overall experience with "SLS Corporate Services Ltd.," Excellent because 60% of the customers graded as excellent and 20% rated as very good and remaining are rated as good .

15.1) Are you ready to give reference about "SLS Corporate Services Ltd.," to other customers?

i) Yes   ii) No

S.NO	Particulars	Response
1	Yes	85
2	No	15

Table15.1: Ready to give reference about "SLS Corporate Services Ltd.,".

Interpretation

It is clear customers are ready to give reference to other customers about "SLS Corporate Services Ltd.,".

15.2) If Yes, what basis you are referring?

i) Quality service ii) Low service cost iii) Proper reply iv) Profitable advice v) Other

S. NO	Particulars	Response
1	Quality service	10
2	Low service cost	15
3	Proper reply	20
4	Profitable advice	30
5	Other	10

Table 15: Yes ,What basis you are referring.

Interpretation

It is clear that on the basis of profitableadvice and proper replay customers are referring other customers about "SLS Corporate Services Ltd.,".

16) "High service Quality_ High Profit" is this statement true for "network Direct"?

i) Strongly agree ii) Agree iii) Somewhat Agree iv) Disagree v) Strongly Disagree

S.NO	Particulars	Response
1	Strongly agree	20
2	Agree	50
3	Somewhat Agree	30
4	Disagree	0
5	Strongly Disagree	0

Table 16 :"High service Quality_ High Profit".

Interpretation:

The statement given above is strongly agreed by 20% of the customers and agreed by the 50% customers.30% of the customers somewhat agreed to the above statement.

17) How do you know our "SLS Corporate Services Ltd.," ?

i) Advertisement ii) Friends iii) Internet iv) Company representatives v) Others

S. NO	Particulars	Response
1	Advertisement	15
2	Friends	25
3	Internet	20
4	Company representatives	25
5	Others	15

Table 17: Knowing our "SLS Corporate Services Ltd.,".

Interpretation

It is clearly showing in the pie chart 25% of customers known by Company representatives and 25% by the friends and remaining doing good.

CORRELATION AND T-TEST FOR TESTING HYPOTHESIS

Descriptive Statistics			
	Mean	Std. Deviation	N
overall knowledge and ability of our staff to solve your problem	3.46	1.216	50
How you rate the staff in resolving your problem	3.62	1.028	50
Ambiance of the employees	6.50	1.764	50

Corelation

		overall knowledge and ability of our staff to solve your problem	How you rate the staff in resolving your problem	Ambiance of the employees
overall knowledge and ability of our staff to solve your problem	Pearson Correlation	1	.208	.033
	Sig. (2-tailed)		.147	.818
	N	50	50	50
How you rate the staff in resolving your problem	Pearson Correlation	.208	1	.388[**]
	Sig. (2-tailed)	.147		.005
	N	50	50	50
Ambiance of the employees	Pearson Correlation	.033	.388[**]	1
	Sig. (2-tailed)	.818	.005	
	N	50	50	50
**. Correlation is significant at the 0.01 level (2-tailed).				

Response 2 questions with the total of ambiance

The above analysis of correlation shows the strength of relationship between the variables. There is high degree of positive correlation between overall knowledge and ability of staff to solve problem, Ambiance of the Employees and staff in resolving problem with Ambiance of the employee and are statistically significant. Employees are able to improve their problem solving mechanism which was helpful to clear all the problems to a large extent.

Have you purchased any products from other stock broking companies?

H0: The customers has not purchased any other products from any other stock broking companies

H1: The customers has purchased any other products from any other stock broking companies

Are you ready to give reference about "SLS Corporate Services Ltd.," to other customers?

H0:The customers are not ready to give reference about "SLS Corporate Services Ltd.," to other customers

H1: The customers areready to give reference about "SLS Corporate Services Ltd.," to other customers.

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Have you purchased any products from other stock broking companies	50	.42	.499	.071
Are you ready to give reference about "SLS Corporate Services Ltd.," to other customers	50	.46	.503	.071

One-Sample Test						
	Test Value = 50					
					95% Confidence Interval of the Difference	
	t	df	Sig. (2-tailed)	Mean Difference	Lower	Upper
Have you purchased any products from other stock broking companies	-703.179	49	.000	-49.580	-49.72	-49.44
Are you ready to give reference about "SLS Corporate Services Ltd.," to other customers	-695.790	49	.000	-49.540	-49.68	-49.40

Have you purchased any products from other stock broking companies

INTERPRETATION: The alternative Hypothesis is accepted as we can observe that the significance test shows 0.00 which is less than alpha of 0.5 it means that the customers will be purchasing stock broking products from other companies, which ever benefits the customers they are willingly accepting the products.

Are you ready to give reference about "SLS Corporate Services Ltd.," to other customers?

INTERPRETATION: The alternative Hypothesis is accepted as we can observe that the significance test shows 0.00 which is less than alpha of 0.5,it clearly depicts that the customers are ready to references regarding SLS Corp Services Ltd to the other customers as some products in the company is giving them good competitive advantage when compared with other stock broking companies.

CONCLUSION
The "SLS Corporate Services Ltd.," doing good business, on the grounds of customers retention to the company. The "SLS Corporate Services Ltd.," retrain to the company based on the good advices to the customers and generating more profits to customers, and　the company should concentrate on the female, students and illiterate and educate them to invest in to the stock broking companies by doing advertisement, marketing, conducting community meeting so that customers can show interest to invest in to the stock market. The "SLS Corporate Services Ltd.," focus on the competitors like India bulls, india info line and other companies to face the competition in the market, by conducting the programmers, community meeting, providing special discounts to the new customers to retrain to the company.

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