CHAPTER - V
FINDINGS, SUGGESTIONS AND CONCLUSIONS

5.1 Findings

This chapter presents a summary of the thesis in a lucid and concise manner. It also presents the findings of the research with conclusions and suitable suggestions based on findings. This chapter has also elaborated scope for further research.

Objective: 1

➢ The study found that 37.9 percent of the customers borrowed loan for commercial vehicle are in the age group above 50 years, maximum of 94 percent are males, 52.6 percent have a family size of three members, 72.3 percent are PG qualified, 84.5 percent have their own business, 28.4 percent are possess 15 to 25 years' experience, 27.4 percent are earn a monthly income of less than one lakh, 44.9 percent are use heavy commercial vehicles, 55.9 percent are focus on the banking institutions for vehicle loans, 36.2 percent are purchased vehicle costing Rs.350000 to Rs.1000000 and 36.2 percent are sanctioned more than 90 percentage loans.

➢ Customers of commercial vehicle at the time of availing loans from banking and non-banking institutions revealed they select the institutions based on ease method of getting the loans, reference through friends/relatives and showroom, the brand image of the lender, charges/price for loans offered by lender, friendly strategies of lender are considered important.

➢ The selection criteria practices were strongly agreed by female customers, customers earning less than one lakh monthly income, those possessing light vehicles, customers financed from non-banking institutions for their commercial vehicles, those having vehicle cost Rs.350000 to Rs.1000000.
Objective: 2

- The customers rate their lenders based on their assisting capacity regarding resale of vehicle, arrange facilities for repurchase of loan, provide facilities for loans and pre-closure of loans and intimate regularly regarding festival time offer or concession.
- Customers with PG qualification, working in employment, those having 10 to 15 years’ experience, earning one to two lakh, having light vehicles, financed from nonscheduled banks for their commercial vehicles, maintaining vehicle costing Rs.350000 to Rs.1000000 and customers sanction with 51 to 70 percent of strongly agreed towards loan guidance provided by their banks.

Objective: 3

- The general opinion of the customers of vehicle loan revealed that their lender offers them an innovative financial combination of products and services at the time of purchase of vehicle, better policies and procedures, suitable time duration for repayment of loans, collection policies and strategies, CRM (Customer Relationship Module) strategies, co-operation of the employees in the office of the lender, computerized services, mobile based services and door step service.
- Customers having three member’s family size, customers with 10 to 15 years’ experience, those customers earning less than one lakh monthly income, customer with light vehicles, customers financed from nonscheduled banks for their commercial vehicles, customers having vehicle cost Rs.350000 to Rs.1000000, customers sanction with 51 to 70 percent of strongly agreed towards product and service satisfaction.
➢ The banking and non-banking institutions shall deliver high level satisfaction to the consumers of commercial vehicle by assisting them in all the process at the time of availing commercial vehicle loans. These institutions shall provide a quick response, and firm assurance, empathy and tangibility among the customers of commercial loan borrowers.

➢ The banking and non-banking institutions should provide a suitable repayable structure favorable to all the customers of commercial vehicle loan borrowers. The repayment process shall be fixed based on the income earning capacity of the customers. Better relationship between banking, non-banking institutions and customer of commercial vehicle loan borrowers are the strongest and most efficient approach in maintaining and creating relationships.

➢ Co-operation among the employees in workplace deals with the rights and responsibilities involved in the employment relationship. Satisfaction in work enables the employees to perform his work better and maintain a close relationship with the customers in clarifying their doubts at the time of borrowing loans for their commercial vehicle.

➢ Computers have a vast role in banking and non-banking institutions. It can record countless transaction and maintain records for ready references and error free. Similarly, mobile services are handheld terminal device. It provides actual loan repayments, loan closing cycle details at time as required by the customers. Further this device act as an important device in updating latest information concerned to the Government and banking guidelines to the commercial vehicle loan customers.

➢ The banking and non-banking institutions providing door step services to the commercial vehicle loan customers by collecting their monthly EMIs in the door step and providing ready information at the door step motivates the customers to transact their business with that banking and non-banking institutions.
The banking and non-banking institutions are providing an easy loan processing system among the customers to develop awareness about various methods developed by the financial institutions suitable according to the customer’s requirements and this easy loan process saves the time of the customers and also maintain an easy documentary procedure understandable to all the customers of loan borrowers.

The banking and non-banking institutions are shall develop an easy loan repayment procedure favorable to all the customers. This shall be fixed based on analyzing the customer’s demographic details in brief. Further the study revealed that based on the banking, non-banking institutions and customer relationship, refinancing facility exists. By doing so, refinancing leads to lower required monthly payments.

The banking and non-banking institutions, assistance for resale of the existing vehicle of the customers develops reliability, responsiveness, assurance, empathy and tangibility among the customers. Further, it is analyzed that banking and non-banking institutions at the time of sanctioning loan to the customers and also providing assurance for repurchasing the vehicle during non-payment of the loan by the customers, develops confident, transparency among the customers towards their banking and non-banking institutions.

Providing pre-closure facility to the customers reduces their interest rate in the principal amount and paves way for the customers to borrow fresh loan if necessary in the future without the burden of existing loans and also providing part payment facility to the commercial vehicle loan borrowers reduces the burden of more number of years repayment into lesser months and creates a risk-free atmosphere between the customer and the banking, non-banking institutions.
Objective: 4

➢ The Banking and non-banking institutions providing offer and concessions during festival time attracts the customers towards the financial institutions and increases the business opportunities.

➢ Concerned with the easy and difficult methods of borrowing loans, the customers revealed that their lenders maintain easy method towards documentary procedure, loan repayment procedure, refinance facility offered and overall sanction of loan.

➢ Customers in employment earning one to two lakh, financed from non-banking institutions for their commercial vehicles, customers having cost of vehicle Rs.1000001 to Rs.3000000, customers sanction with 51 to 70 percent of strongly agreed towards process of execution.

Objective: 5

➢ The customers are more reliable towards their lenders who show ample interest in solving problems related to vehicle finance, keeping up to promises made during the purchase of loans, maintain transparency in pricing the loans and regarding hidden charges and fair pricing of loans.

➢ The customers agree their lender responsiveness is more appreciated as they pre intimate regarding the due date for loan EMI, provides prompt service, maintain supporting staffs for easy accessibility and renders any time service. Similarly, their employees are technically strong, develop confidence in the minds of the customers and assure courteous to customer needs.

➢ The customers agreed their empathy towards the lender is conducive, as they maintain easy loan processing and timings, their employees give personal attention, understand the requirement and credit worthiness of customers and maintain best interest to customers at heart while providing service. Similarly, customers agreed their lenders
location is easy accessible, IT support is maintained properly, employees are dressed pleasingly, financial statement and other records are maintained properly and are mailed in time to the customers.

➢ The customers in the age group 20 to 30 years and male customers strongly agree towards assurance in service by the banking and non-banking institutions. Similarly, customers having three members family size strongly agreed, reliability and above three members strongly agreed towards empathy in service by the banking and non-banking institutions.

➢ Customers with PG qualification strongly agreed towards responsiveness and empathy whereas customers with 10 to 15 years’ experience strongly agreed towards responsiveness. Similarly, customers earning one to two lakh strongly agreed towards responsiveness, tangibles. Customers earning two to three lakhs strongly agree towards reliability, assurance, empathy and customer earning above five lakhs strongly agreed towards assurance.

➢ Customer with medium commercial vehicle strongly agrees towards reliability, responsiveness, assurance, empathy, tangibles. Similarly, customers financed from nonscheduled banks for their commercial vehicles strongly agreed towards reliability, responsiveness, empathy, tangible.

➢ Customers having vehicle cost more than 30 lakhs strongly agreed towards assurance, empathy, tangible and customers sanction with 51 to 70 percent towards responsiveness, tangible, those sanctioned with more than 90 percent of strongly agreed towards reliability, empathy.

➢ Dynamic customers 46.14 percent of strongly agreed that the services offered by the banking and non-banking institutions are favorable. Improvement seekers 27.93 percent of strongly agreed towards tangibles and moderate agreed to responsiveness by
disagreed towards reliability, assurance, empathy. Normal customers 25.93 percent of moderately agreed toward reliability and disagreed towards responsiveness, assurance, empathy and tangibles.

- It is found that 37.8 percent of dynamic customers in the age group 50 and above, 22.3 percent of improvement seekers in the age group 30 to 40 and 40 to 50 and 9.6 percent of normal customers in the age group 20 to 30 years and 93 percent of dynamic male customers, 96.4 percent of male improvement seekers and 93.3 percent of normal male customers agree towards the service quality of banking and non-banking institution towards commercial vehicle loan service to customers.

- Similarly, 49.6 percentage of dynamic customers with three member’s family size, 27.7 percentage of improvement seekers with above three member’s family size and 14.4 percent of normal customers with two members as their family size and 75.7 percent of dynamic customers, 69.6 percent of improvement seekers and 69.2 percent of normal customers with UG qualification agree towards the service quality of banking and non-banking institution towards commercial vehicle loan service to customers.

- 87.6 percent of dynamic customers, 81.3 percent of improvement seekers and 82.7 percent of normal customers having own business and 56.8 percent of dynamic customers having work experience of 25 and above years, 23.2 percentage of improvement seekers having work experience of 15 to 25 years, and 14.4 percent of normal customers with 10 to 15 years of experience agreed towards the service quality of banking and non-banking institutions towards commercial vehicle loan service to customers.

- It is found that 42.7 percent of dynamic customers earning less than one lakh and 36.2 percent of earning between three lakh to four lakh, 65.2 percent of improvement seekers earning between one to two lakh and 34.8 percent earning more than five lakh, 70.2 percent of normal customers earning between two to three lakh and 42.7 percent of
dynamic customers having light commercial vehicle, 66.1 percent of improvement seekers having medium commercial vehicle, 70.2 percent of normal customers having heavy commercial vehicles agreed toward the service quality of banking and non-banking institutions towards commercial vehicle loan service to customers.

- It is found that 79.5 percent of dynamic customers borrowed loan from banking institutions, 73 percent of improvement seekers borrowed loan from non-banking institutions and 63.5 percent of normal customers borrowed loans from non-banking institutions agreed towards the service quality of banking and non-banking institutions towards commercial vehicle loan service to customers and concluded that there is a deep association between place of loan borrowed and service quality of banking and non-banking institutions towards commercial vehicle loans.

- It is found that 42.7 percent of dynamic customers having Rs. 350000 to Rs.1000000 cost of vehicle, 33.9 percent of improvement seekers having Rs.1000001 to Rs.3000000 cost of vehicle and 33.7 percent of normal customers having vehicle more than 30 lakhs agreed and 82.2 percentage of dynamic customers sanctioned 51 to 70 percent loans, 65.2 percent of improvement seekers sanctioned less than 50 percent loans and 70.2 percent of normal customers sanctioned more than 90 percent having vehicle more than 30 lakhs agreed towards the service quality of banking and non-banking institutions towards commercial vehicle loan service to customers.
5.2 Suggestions

➤ The banking and non-banking institutions are providing lucrative schemes of commercial vehicle finance. A prospective customer must to know the key aspects of loan.

➤ The commercial vehicle finance gave way to the role of the banking and non-banking institutions, which harnessed the growth of the auto mobile industry by offering commercial vehicle loans at competitive prices and have been instrumental in raising the standard of living of people.

➤ The customers of commercial vehicle loans shall be provided more awareness about the implementation of globalization, government policies and liberalization in the banking and non-banking institutions at the time of availing commercial vehicle loans.

➤ The banking and non-banking institutions are required to maintain a transparent process and fair dealing during the sanction of loans for commercial vehicle and regarding the interest calculation and repayment procedure.

➤ The documentation shall be easy and hassle free. The institutions shall charge a reasonable charge as documentation charges. As more and more stringent procedures will delay the sale and reduce accountability of employees, resulting in substantial loss in sale value. The banking and non-banking institutions need to be given full freedom with authority with proper accountability and loyalty.

➤ The banking and non-banking institutions shall sanction prompt loan approvals on Commercial Vehicle Loans. The banking and non-banking institutions shall sanction affordable commercial vehicle loan interest rates and provide customized offerings as per the need and demand of the customers.

➤ All commercial vehicle owners must be registered under an established in banking and non-banking institutions and must form their own associations which will address their
financial issues. The association may serve as guarantors whenever long term loans are applied.

- Customer education and awareness regarding commercial vehicle loans can be strengthened by providing simple, lucid and attractive literature.

5.3 Conclusion

- It is concluded from the entire study that the reduction of excise, easy finance at lower rate of interest, favorable Government policies, lack of transport systems and growing awareness of the need for a better means of transportation have paved way for the desire of owing a commercial vehicle useful for transportation of heavy, medium and light products.

- The study found that the banking and non-banking institutions are taking steps from time to time for the regulation of various policies concerned to commercial vehicle finance. The period for repayment is fixed based on the customers monthly earning capacity, the cost of the vehicle, type of business.

- The rate of interest fixed on the loans sanctioned for commercial vehicles shall be reasonable. The documentation fees depend on the loan amount. The monthly repayment comprises of both principal and interest calculated on the basis of rate of interest mentioned in the loan agreement.

- Both banking and non-banking institutions have greatly assisted commercial vehicle loan customers and have enhanced the distribution of finance skills and the sharing of innovative ideas.
Managerial Implications

The banking and non-banking institutions should increase their efforts in encouraging support to commercial vehicle loan borrowers.

The banking and non-banking institutions can expand the repayment period of their customer’s commercial vehicle loans make use of the collective group-based loan disbursement strategy that shall minimize default in the customer’s payment and the level of portfolio at risk. In today’s scenario, commercial vehicle loan borrowers from banking and non-banking institutions

If the management of both banking and non-banking institutions are positively considering to expand the repaying period or the number of EMIs (Equated Monthly Installments), then there will be a sizable amount of reduction they could notice on the Non-Performing Asset (NPA).

Further, the management can think about to put special effort on loan processing time and fees to bring down, then they could attract more number of clients and will enjoy more profits in general.

Scope for Further Research

It is understood from the finding of the study; the similar type of research can be extended for exclusive heavy commercial vehicle as well as light commercial vehicle users. Likewise, the same study can be conducted to test the performance of banking sector alone. There we can match the performance of selective leading bankers those who are offering financial assistance to the commercial vehicles.
From this type of study, we could infer the best service of the banker as well as could be listed out the limitations and practical difficulties from both bankers and customer’s side. In India especially in Tamilnadu the car loan borrowers are rapidly growing and this type of study can be conducted exclusively for car loan alone.

So plenty of further scope is available in this area and these kinds of specialized attempts will help bankers, financiers and customers for acquiring specialized knowledge and awareness.