

MANAPPURAM FINANCE LIMITED (MAFIL)

CROSS SELLING POLICY

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1. OBJECTIVES

The Cross-Selling Policy has been framed by the Company for the following purposes.

- To sell new products to current customers based on their behaviour and profile.
- To offer additional but relevant products to the existing customers.
- To increase sales by displaying products to the customers that are closely related to the product he or she is interested.
- To promote similar products that the customer may not be aware of or offer a complimentary product that the customer may be interested.

2. SCOPE OF CROSS SELLING

Acquiring new customers is, without question, the cornerstone of any business. Customer acquisition also happens to be one of the most expensive aspects of the relationship. Therefore, exposing existing customers to the broader portfolio of products makes a lot of sense and is one surefire way to increase customer retention.

While cross-selling remains essential to MAFIL's continued success, the right way involves building strong relationships with customers who see the true value in the other products the company offers – those who genuinely feel that a MAFIL's products can help them thrive financially.

3. BENEFITS FROM CROSS SELLING

- Cross- selling considerably reduces customer acquisition cost and also serving, marketing and communication costs and thereby substantially increases the profit earning capacity.
- Benefits of economies reduce the cost further and increases the profit margin.
- Cross selling helps in building brand value, if the loyalty of the customer could be ensured for the brand.

4. CROSS SELLING IN MAFIL

Cross-selling with reference to MAFIL stands for being able to offer to the existing MAFIL customers some additional products or services. The basic purpose behind using the technique of cross-selling is to expand business and to provide more satisfaction and value to the customers. For example, when MAFIL is in a position to sell to a Gold Loan customer, a loan product such as housing loan, personal loan or vice-versa, this results into additional business for MAFIL also reducing the per customer cost and increasing the per customer earning. Cross selling of liability products reduces funding cost and improves funding mix

5. STRATEGIES FOR CROSS SELLING

The existing client base of the MAFIL can be used for the purpose of cross-selling after carefully examining the profile of customers. MAFIL shall ensure that such customers have provided their specific willingness for using their personal data for cross selling, which should be collected from the said customer in writing. For this purpose, MAFIL shall undertake studies for various products and various geographical areas to understand the potential availability for cross selling. MAFIL may take some of the following steps:

5.1 PREPARATION OF DATA BASE

MAFIL branch shall collect the required data and prepare the data base of customers. The required information can be collected from the concerned customer when he comes to the branch for taking a gold loan. It is the data base of customers on which the entire exercise of cross-selling is based. With the data-base, branch can assess the financial resources and credit worthiness of the customers with more accuracy. Moreover, it is easier and cheaper to get customers from one's own data-base than going out for getting new customers.

5.2 IDENTIFICATION OF CUSTOMERS.

On the basis of data-base and branch's relationship with customers, possible customer for cross-selling shall be identified. In the same way suitable product shall be identified which can be offered to the customer.

5.3 SELECTING TARGET CUSTOMERS.

After identification of possible customers, the targeted customers shall be selected, and efforts shall be made to narrow down the product-range. If required, even new products may be developed to meet the specific need of the group of customers.

5.4 PROPER TRAINING TO STAFF.

Proper training shall be imparted to the staff entrusted with the task of cross-selling. It not only creates team spirit but also enables the staff to meet the customer's needs in a better way. It also enables them to understand the complexities of product and to identify the appropriate product to suit the specific requirement of the customer.

5.5 PROPER SELECTION OF TOOLS.

Based on the market size, tools selected for targeting the customer also matters. For large branches with large number of customers, tools may be CRM (Customer Relationship Management), Profitability Analysis, Complete Activity Management, Information Support System, etc. Effective and economical tools shall be selected keeping in mind the market size, customers' preferences, etc.

5.6 MOTIVATION AND INCENTIVES.

Getting the MAFIL employees involved in this exercise and motivating them to sell is an important aspect. It is important for MAFIL to provide reward for the cross sale that is commensurate with profitability of the product to the MAFIL. Efforts shall also be made to involve the staff in coming out with innovative campaign and also ideas which will stimulate them to sell newer products.

5.7 CROSS- SELLING AS PART OF EMPLOYEE'S APPRAISAL.

As an initiative for employee's involvement for cross-selling, cross-selling shall be made a part of an employee's performance appraisal along with monetary and non-monetary rewards for employees.

5.8 PERIODICAL ANALYSIS OF DATA BASE.

Cross selling is a continuous process. In order to make cross-selling success, not only to complete customer data shall be maintained but it shall also be analyzed periodically so as to ascertain the number of customers visited the branch during a particular period, how many of these customers did the sales representative meet, in how many of these meetings was a cross-selling opportunity identified, how many of these were referred and what was the outcome of these referrals. This process enables MAFIL to set objectives, monitor performance and take necessary action to make cross selling more effective and successful.

5.9 EFFECTIVE DELIVERY OF THE PRODUCT.

Every possible effort on the part of the branches shall be made to ensure timely and proper delivery of services to the customers. The more relationships a branch has with a customer, the more loyal the customer will be and the branch will be able to know more about the customer through these relationships. The credit quality of the customer can be assessed in a better way. At the end it will be a win-win situation for both the branch and customers. However, MAFIL shall exploit this situation carefully keeping in mind the overall profitability.

6. STEPS TO IMPROVE CROSS SELLING OPPORTUNITIES.

Technique of cross-selling prove beneficial only when it is applied rationally. Customers may feel irritation with too many sales pitches to buy more. Surveys have proved that most buyers appreciate if they are asked to buy additional products or services which might meet their requirements in a better way or new items which were not offered in the past. It will certainly make customers realise that sellers are actually aware of their needs and are careful about their satisfaction.

6.1 DECEPTIVE OR MISLEADING PRACTICES NOT TO BE USED.

The technique of cross-selling shall not be based on deceptive or misleading practices. Customers shall not be misguided about the price, quality, durability, etc. of the original as well as additional products. Deceptive and misleading practices often result in increase in number of complaints and bring disrepute to the company.

6.2 CUSTOMER CONFIDENTIALITY.

When agents are employed for cross selling care shall be exercised to protect confidentiality of customer data.

- All employees are prohibited from sharing sensitive information over email or Instant messaging without proper approval.
- The use of external storage devices, such as USB drives, is prohibited for storing or transferring sensitive information.
- All sensitive information must be protected with strong passwords and multi-factor authentication.
- Limit access to customer data to authorized personnel only, using strong authentication and role-based permissions.

7. GRIEVANCE REDRESS MECHANISM.

MAFIL's Customer Grievance Redressal Policy/Customer Service Policy shall be applicable in fully to all grievances out of any deficiency in Cross selling.

8. MONITORING OF CROSS SELLING ACTIVITIES IN MAFIL.

Field Zonal Managers shall monitor cross selling activities in MAFIL. National Head Sales shall have oversight on the activities.

9. MIS-SELLING PRACTISES ARE NOT TO BE FOLLOWED.

It is a practice which provides false information, withholding important details, or pressuring someone for buying the product/services which does not satisfy the need of a customer. Mis-selling can have serious consequences for consumers and may lead to financial losses. Similar to misleading, mis-selling also results in increase in number of complaints and bring disrepute to the company.

10. PRODUCTS THAT MAFIL EMPLOYEES CAN CROSS SELL.

MAFIL employees can cross sell the following products.

- Online Gold Loan
- Gold Loan
- Personal Loan(Secured)
- Business Loan
- Small Scale Industries Finance
- Restaurant Finance
- Loan to Food Industry

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- Forex & Money Transfer
 - Vehicle Loan
 - Digital Personal Loan
 - Doorstep Gold Loan
 - Micro Home Finance
 - Two Wheeler Finance

Also cross selling is possible through following Subsidiary companies.

- Manappuram Insurance Brokers Limited.
- Manappuram Home Finance Limited.
- Manappuram Comptech and Consultants Limited.
- Asirvad Micro Finance Limited.