



Winning Channel-Partner Loyalty as a Late Entrant: A Case Study of Godrej Capital's Affordable Housing Foray in Chennai

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Abstract:

Affordable housing finance in India runs almost entirely on relationships with third-party channel partners rather than on product pricing alone, which leaves a newly entered lender at a structural disadvantage against incumbents with a decade-long head start. This case study examines that problem as it played out at the Chennai branch of Godrej Housing Finance Limited (GHFL), the affordable-housing arm of Godrej Capital, during a nine-week internship focused on building a Direct Selling Agent (DSA) and Connector network almost from scratch. Of roughly 250 cold calls placed to prospective partners, only 14 converted into an in-person field visit, and of those 14 visits, 6 partners (four Connectors and two DSAs) were ultimately onboarded against an assigned target of 5. The field-visit-to-onboarding conversion rate was 43%, against a cold-call-to-onboarding rate of just 2.4%. The gap between these two numbers suggests that face-to-face trust-building, not the volume of outreach, was the real driver of conversion, while a recurring documentation bottleneck showed that administrative friction, not persuasion, was often the last obstacle before a partner signed on. The paper closes with recommendations, namely reallocating scarce relationship-manager time toward field visits and layering in warmer lead sources such as loan melas, CA and tax-consultant referral tie-ups, and a customer referral scheme, as a way for a late entrant to compete on trust rather than on commission alone.

Keywords: Affordable Housing Finance, Channel-Partner Management, Connector Networks, Customer Acquisition, Direct Selling Agents (DSA), Lead Conversion, Late Entrant

1. Introduction

Housing finance companies (HFCs) that serve first-time, self-employed and informal-income borrowers rarely win business through walk-in footfall or digital marketing. In the ₹10–50 lakh affordable-housing ticket size, almost every loan is originated through a Direct Selling Agent (DSA) or an individual Connector who already has a relationship with the borrower. That single fact turns channel-partner management, rather than interest-rate competitiveness, into the main battleground for lenders trying to grow in this segment, and it is the backdrop against which the events described in this paper took place.

Godrej Capital, the financial-services arm of the Godrej Industries Group, announced its plan to enter the affordable-housing loan segment with a focus on smaller ticket sizes [8], and now offers affordable housing loans through its subsidiary Godrej Housing Finance Limited (GHFL) [6]. As a late entrant, GHFL must build its origination network

in markets where competing lenders have long-standing partner relationships. The Chennai branch was one such market.

The purpose of this paper is to present the internship findings in a research-paper format, focusing on the relationship between outreach method, partner trust, and onboarding conversion at the Chennai branch of GHFL. The study documents the outreach funnel, analyses where prospective partners were won and lost, and translates the observations into management-oriented recommendations for a late entrant in affordable-housing finance.

2. Literature Review

The conceptual foundation of the study is drawn from marketing-channel theory, relationship marketing, and the literature on first-mover advantage. Channel-management scholarship treats intermediaries as independent businesses whose cooperation must be earned rather than assumed [1], [5]. This is directly relevant to affordable housing finance, where DSAs and Connectors are not employees of the lender and can redirect a borrower to a competing HFC at no cost to themselves.

Relationship-marketing research holds that trust and commitment, rather than price alone, are the key mediating variables in long-term exchange relationships [2]. Work on distribution channels similarly shows that commitment is built and sustained through credible signals and repeated demonstrations of reliability [4]. These ideas help explain why a face-to-face meeting, which allows a partner to assess the lender's people and processes directly, may carry more weight than a telephonic pitch.

First-mover research shows that early entrants can build advantages through switching costs, learning effects and preemption of scarce resources [3]. In affordable-housing finance, incumbents such as Home First Finance Company [9], Aavas Financiers [10] and Aptus Value Housing Finance [11] have spent years embedding themselves within local partner networks, and this history acts as a structural barrier for later entrants. Housing finance companies also operate under Reserve Bank of India regulation [12], so a new entrant must compete on service quality, turnaround time and partner experience within a common regulatory framework, rather than by bypassing compliance requirements.

3. Research Methodology

The study follows a single-organization internship case-study design centred on the Chennai branch of Godrej Housing Finance Limited. The unit of analysis is the channel-partner acquisition process, from first cold contact to completed onboarding of a DSA or Connector. The approach combines qualitative observation of the field process with a quantitative analysis of the outreach funnel recorded during the internship.

The primary objectives were to understand why a late entrant struggles to attract channel partners in a market dominated by incumbents; to measure conversion at each stage of the outreach funnel; to identify recurring bottlenecks between partner interest and completed onboarding; and to propose practical strategies for improving partner acquisition with limited relationship-manager bandwidth.

Primary evidence consisted of the author's own call and visit records maintained over the nine-week internship, onboarding status of prospective partners, and discussions with the branch's affordable-housing relationship-manager team [13]. Secondary evidence included company and competitor disclosures, regulatory material, and academic literature on channel management and relationship marketing. Conversion rates were calculated directly from the recorded counts. Confidentiality was maintained by using aggregated figures and not reproducing partner names, contact details or personal identifiers.

4. Results and Analysis

4.1 Company Background and Competitive Context

Godrej Capital is the financial-services arm of the 125-year-old Godrej Industries Group. Its parent announced the formation of Godrej Capital as the holding entity for Godrej Housing Finance and Godrej Finance in 2022, noting that home-loan operations had begun in select geographies in 2020 [7]. The company entered the affordable-housing loan segment in late 2024 through GHFL. By March 2026 its assets under management had reached ₹29,188 crore across 155 branches nationwide, making it one of the fastest NBFCs in India to reach that scale.

This growth, however, has leaned heavily on the trust the Godrej name already carries, rather than on the deep, long-standing channel-partner relationships that its more established competitors have built over a decade. Table I summarises the competitive position of a late entrant against incumbents in the affordable-housing segment.

TABLE I

COMPETITIVE POSITION OF A LATE ENTRANT IN AFFORDABLE HOUSING FINANCE

Dimension	Incumbent HFCs (e.g., Home First, Aavas, Aptus)	Late entrant (GHFL, Chennai)
Time in the segment	Ten years or more embedded in local networks	Entered the affordable-housing segment in late 2024
Channel-partner relationships	Deep, long-standing DSA and Connector ties	Network built almost from zero at branch level
Partner loyalty	Partners already comfortable with the incumbent	Partners typically multi-lender and not yet loyal
Main strength	Established relationships and local familiarity	Godrej brand trust and group heritage
Basis of competition	Relationship depth and turnaround	Turnaround, brand trust and relationship quality

Source: Author's compilation from the case study observations and company disclosures [6], [9]–[11].

4.2 The Branch-Level Problem

DSAs and Connectors in the affordable-housing space typically place business with several lenders at once, which gives them real bargaining power and very little reason to stay loyal to any one HFC. A new entrant cannot simply out-price an incumbent to win their attention. Overcoming the incumbents' head start calls for faster turnaround time, demonstrable brand trust and better relationship quality, since price alone will not do it.

At the Chennai branch, this industry-wide dynamic showed up as a concrete operational problem: build a working DSA and Connector network for affordable-housing loans essentially from zero, in a market where most of the target partners were already comfortable with Home First Finance Company (HFFC) or some other incumbent. The branch's affordable-housing relationship-manager team, interns included, had to turn cold, unfamiliar contacts into fully onboarded, document-complete partners inside a fixed internship window and against a set onboarding target.

4.3 Outreach and Onboarding Funnel

Over the nine weeks of the internship, roughly 250 cold calls were made to prospective DSAs and Connectors. Only 14 of those contacts turned into an actual in-person field visit, and 6 partners went on to be onboarded, four Connectors and two DSAs. Against an assigned onboarding target of 5 partners, this represents 120% achievement. Table II summarises the funnel.

TABLE II
OUTREACH AND ONBOARDING FUNNEL

Metric	Value	Note
Cold calls made	~250	Prospective DSAs and Connectors
Field visits conducted	14	In-person meetings with partners
Partners onboarded	6	4 Connectors and 2 DSAs
Onboarding target	5	Achieved 120%
Call-to-onboarding conversion	~2.4%	$6 \div 250$
Visit-to-onboarding conversion	~43%	$6 \div 14$

Source: Author's call and visit records maintained during the internship; conversion rates calculated by the author.

4.4 Conversion Analysis

The funnel shows two very different stages. The first, from cold call to field visit, is a steep drop-off: only about 5.6% of cold calls (14 of 250) secured an in-person meeting, which suggests that phone outreach on its own struggled to dislodge partners from existing lender relationships. The second, from field visit to onboarding, performed far better: 6 of 14 visits (about 43%) ended in a successfully onboarded partner.

Table III places the stage-wise rates side by side. The contrast between the 2.4% end-to-end rate for cold calls and the 43% rate for visited partners points to a fairly clear conclusion: it was face-to-face trust-building, not the sheer number of calls made, that actually swung a prospect who already had an existing lender relationship. This is consistent with the relationship-marketing view that trust and commitment drive partner decisions [2], [4].

TABLE III
STAGE-WISE CONVERSION RATES

Funnel Stage	Numerator $\div$ Denominator	Conversion Rate
Cold call to field visit	$14 \div 250$	~5.6%
Field visit to onboarding	$6 \div 14$	~43%
Cold call to onboarding (end-to-end)	$6 \div 250$	~2.4%

Funnel Stage	Numerator ÷ Denominator	Conversion Rate
Onboarding versus target	6 ÷ 5	120%

Source: Author's calculations from the internship funnel data.

The partner mix is also informative. Four of the six onboarded partners (about 67%) were individual Connectors and two (about 33%) were DSAs. Individual Connectors, who often work from personal networks and make quick decisions, may be more receptive to a direct visit than larger DSA firms with entrenched lender arrangements, although the small sample does not allow a firm conclusion on this point.

4.5 The Documentation Bottleneck

A second, recurring bottleneck showed up at the documentation stage. Several partners who had already expressed clear interest still needed repeated follow-up calls to complete KYC and onboarding paperwork. This suggests that administrative friction, more than any lack of persuasion, was often what stood between an interested partner and a closed onboarding. For a late entrant whose value proposition rests on faster turnaround and better partner experience, a slow or confusing onboarding process undermines the very advantage it is trying to demonstrate.

5. Strategies and Recommendations

The funnel data points to a straightforward reallocation: scarce relationship-manager and intern bandwidth should be weighted deliberately toward securing more field visits per qualified lead, rather than toward maximising raw cold-call volume, given how much higher the visit-to-onboarding conversion rate is. This should be paired with warmer lead-generation channels of the kind proposed under a broader SMART framework, namely Tier-2 loan melas, a referral network built with CA and tax consultants, and a structured customer referral scheme. Each of these routes produces a warmer, higher-trust introduction than a cold telephonic call. Table IV summarises the recommendations.

TABLE IV

SUMMARY OF RECOMMENDATIONS

Recommendation	Rationale from the Study	Expected Effect
Prioritise field visits over call volume	Visit-to-onboarding conversion (~43%) far exceeds call-to-onboarding (~2.4%)	Higher onboarding yield per unit of relationship-manager time
Tier-2 loan melas	Provide face-to-face contact with many prospective partners in one setting	Warmer introductions and faster trust-building
CA and tax-consultant referral network	Professionals already hold the trust of self-employed borrowers	Higher-quality, pre-trusted leads
Customer referral scheme	Satisfied borrowers can vouch for the lender	Low-cost, trust-based lead generation
Faster, simpler documentation support	Interested partners stalled at KYC and paperwork stage	Fewer follow-up calls and quicker onboarding

Source: Author's recommendations based on the internship findings. The documentation-support item is the author's extension of finding 4.5.

6. Discussion

The combined analysis indicates that, for a late entrant, the binding constraint is not the product or the price but the trust a channel partner already places in someone else. Cold outreach can open a door, but it rarely displaces an established relationship on its own. The in-person visit is where a prospective partner can meet the team, test the lender's credibility, and see the Godrej brand translated into a real working relationship.

The documentation finding adds a second lesson. Persuasion and paperwork are separate problems, and solving the first does not automatically solve the second. A partner who is convinced but is then asked to chase documents across several follow-ups may lose momentum or drift back to a lender whose process feels easier. Clearing administrative friction quickly is therefore part of the trust-building process, not merely an internal back-office matter.

From a managerial perspective, the results suggest that a late entrant should treat its limited manpower as a scarce resource to be allocated where conversion is highest. Time spent on securing a meeting, and on making the meeting count, appears to yield far more onboarded partners than time spent on additional cold calls. Warmer lead sources can then reduce the number of cold contacts that must be converted from scratch.

7. Conclusion

The Chennai case shows that for a late entrant in affordable-housing finance, the constraint is rarely the product or the pricing; it is the trust a channel partner already has in someone else. Cold outreach can open a door, but it is the in-person visit that converts it, and clearing administrative friction quickly is what keeps an interested partner from stalling out before onboarding.

Directing limited manpower toward warmer, higher-trust introductions, rather than toward call volume, offers a more realistic path for a new HFC to build the kind of partner network its more established competitors already have. The most significant professional learning from the internship is that channel-partner acquisition is a relationship discipline first and a sales-volume exercise second.

8. Limitations and Future Scope

The study is limited by the nine-week internship period, the single-branch setting, and the small number of field visits (14) and onboarded partners (6) on which the conversion rates are based. Percentages calculated from such small counts can shift substantially with a single additional onboarding. The study also does not compare outcomes against other branches, other lenders, or partners who were contacted through warmer channels, so the superiority of those channels is a reasoned expectation rather than a measured result. Finally, the study measures onboarding, not the volume or quality of loans subsequently sourced by the onboarded partners.

Future research could track the onboarded partners over a longer period to measure loan logins, sanction rates and portfolio quality; compare conversion rates across cold calls, loan melas, professional referrals and customer referrals; examine the effect of onboarding turnaround time on partner retention; and extend the analysis to multiple branches and Tier-2 markets.

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